

**CIRCULAR DATED 12 JUNE 2019**

**THIS CIRCULAR IS IMPORTANT AS IT CONTAINS THE RECOMMENDATIONS OF THE NON-CONFLICTED DIRECTORS (AS DEFINED HEREIN) AND THE ADVICE OF DELOITTE & TOUCHE CORPORATE FINANCE PTE LTD TO THE NON-CONFLICTED DIRECTORS. THIS CIRCULAR 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, tax adviser or other professional adviser immediately.**

If you have sold or transferred all your ordinary shares in the capital of Challenger Technologies Limited (the “**Shares**”) held through The Central Depository (Pte) Limited (“**CDP**”), you need not forward this Circular to the purchaser or transferee, as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your Shares which are not deposited with CDP, you should immediately forward this Circular together with the Notice of Extraordinary General Meeting and the accompanying proxy form to the purchaser, the transferee or the bank, stockbroker or agent through whom you effected the sale or transfer for onward transmission to the purchaser or the transferee.

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 do 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.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.



## **CHALLENGER TECHNOLOGIES LIMITED**

(Incorporated in the Republic of Singapore)  
(Company Registration No. 198400182K)

### **CIRCULAR TO SHAREHOLDERS**

in relation to the

#### **PROPOSED VOLUNTARY DELISTING OF CHALLENGER TECHNOLOGIES LIMITED PURSUANT TO RULES 1307 AND 1309 OF THE SGX-ST LISTING MANUAL**

*Independent Financial Adviser to the Non-conflicted Directors in respect of the Exit Offer*

#### **DELOITTE & TOUCHE CORPORATE FINANCE PTE LTD**

(Incorporated in the Republic of Singapore)  
(Company Registration Number: 200200144N)

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

Last date and time for lodgement of Proxy Form	:	25 June 2019 at 10.00 a.m.
Date and time of Extraordinary General Meeting	:	27 June 2019 at 10.00 a.m.
Place of Extraordinary General Meeting	:	1 Ubi Link Challenger TechHub Singapore 408553

## TABLE OF CONTENTS

	PAGE
DEFINITIONS .....	3
CAUTIONARY NOTE ON FORWARD LOOKING STATEMENTS .....	9
INDICATIVE TIMETABLE .....	10
LETTER TO SHAREHOLDERS.....	12
1. INTRODUCTION .....	12
2. THE DELISTING PROPOSAL.....	12
3. THE EXIT OFFER.....	13
4. INFORMATION ON THE OFFEROR AND THE PARTIES ACTING IN CONCERT WITH IT ...	17
5. INFORMATION ON THE COMPANY .....	19
6. RATIONALE FOR THE DELISTING AND EXIT OFFER .....	19
7. THE OFFEROR'S INTENTIONS FOR THE COMPANY .....	21
8. IMPLICATIONS OF COMPULSORY ACQUISITION AND DELISTING FOR SHAREHOLDERS .....	22
9. FINANCIAL ASPECTS OF THE EXIT OFFER .....	23
10. CONFIRMATION OF FINANCIAL RESOURCES .....	27
11. NO COMPETING OFFER RECEIVED .....	27
12. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS.....	27
13. EXEMPTION RELATING TO DIRECTORS' RECOMMENDATION.....	28
14. ADVICE OF INDEPENDENT FINANCIAL ADVISER TO THE NON-CONFLICTED DIRECTORS IN RELATION TO THE EXIT OFFER.....	28
15. NON-CONFLICTED DIRECTORS' RECOMMENDATIONS.....	30
16. OVERSEAS SHAREHOLDERS .....	31
17. EXTRAORDINARY GENERAL MEETING .....	31
18. ACTION TO BE TAKEN BY SHAREHOLDERS.....	31
19. RESPONSIBILITY STATEMENT .....	32
20. CONSENTS .....	33
21. DOCUMENTS AVAILABLE FOR INSPECTION .....	33
22. ADDITIONAL INFORMATION.....	34
APPENDIX I – IFA LETTER .....	I-1
APPENDIX II – ADDITIONAL INFORMATION ON THE COMPANY AND THE GROUP .....	II-1
APPENDIX III – 1Q2019 RESULTS.....	III-1
APPENDIX IV – 1Q2019 AUDITOR'S REPORT.....	IV-1
APPENDIX V – 1Q2019 IFA REPORT.....	V-1
APPENDIX VI – PROVISIONS IN THE CONSTITUTION RELATING TO THE RIGHTS OF SHAREHOLDERS IN RESPECT OF CAPITAL, DIVIDENDS AND VOTING.....	VI-1
APPENDIX VII – EXTRACT OF THE VALUATION REPORT .....	VII-1
NOTICE OF EXTRAORDINARY GENERAL MEETING.....	N-1
PROXY FORM	

---

## DEFINITIONS

---

Except where the context otherwise requires, the following definitions shall apply throughout this Circular.

<b>“1Q2019”</b>	:	First quarter ended 31 March 2019
<b>“1Q2019 Auditor’s Report”</b>	:	The report issued by the Auditor on the 1Q2019 Results, as set out in <b>Appendix IV</b> to this Circular
<b>“1Q2019 IFA Report”</b>	:	The report issued by the IFA on the 1Q2019 Results, as set out in <b>Appendix V</b> to this Circular
<b>“1Q2019 Results”</b>	:	First quarter unaudited financial statement for the financial period ended 31 March 2019, which was issued in the Company’s announcement released on the website of the SGX-ST at <a href="http://www.sgx.com">www.sgx.com</a> on 10 May 2019, as set out in <b>Appendix III</b> to this Circular
<b>“Acceptance Forms”</b>	:	The FAA and the FAT collectively or any one of them, as the case may be
<b>“ACRA”</b>	:	The Accounting and Corporate Regulatory Authority of Singapore
<b>“Auditor”</b>	:	The auditor of the Company, being RSM Chio Lim LLP
<b>“Books Closure Date”</b>	:	Shall have the meaning as ascribed to it in Section 3.3(a) of this Circular
<b>“Business Day”</b>	:	A day (other than a Saturday, a Sunday or a gazetted public holiday) on which commercial banks are open for business in Singapore
<b>“CDP”</b>	:	The Central Depository (Pte) Limited
<b>“Circular”</b>	:	This circular to Shareholders dated 12 June 2019 issued by the Company for the purpose of convening the EGM to obtain Shareholders’ approval for the Delisting
<b>“Closing Date”</b>	:	<b>5.30 p.m. (Singapore time) on 11 July 2019</b> or such later date(s) as may be announced from time to time by or on behalf of the Offeror, such date being the last day for the lodgement of acceptances of the Exit Offer
<b>“Code”</b>	:	The Singapore Code on Take-overs and Mergers, as amended, supplemented or modified from time to time
<b>“Companies Act”</b>	:	The Companies Act, Chapter 50 of Singapore, as amended, supplemented or modified from time to time
<b>“Company”</b>	:	Challenger Technologies Limited
<b>“Company Securities”</b>	:	Shares, securities which carry voting rights in the Company, or other convertible securities, warrants, options or derivatives in respect of such Shares or securities which carry voting rights in the Company
<b>“Constitution”</b>	:	The constitution of the Company

---

## DEFINITIONS

---

<b>“Controlling Shareholders”</b>	:	Shareholders who: <ul style="list-style-type: none"> <li>(a) hold directly or indirectly 15% or more of the total number of the issued Shares; or</li> <li>(b) in fact exercise control over the Company</li> </ul>
<b>“CPF”</b>	:	Central Provident Fund
<b>“CPF Agent Banks”</b>	:	Agent banks included under the CPFIS
<b>“CPFIS”</b>	:	Central Provident Fund Investment Scheme
<b>“CPFIS Investors”</b>	:	Investors who have purchased the Shares using their CPF contributions pursuant to the CPFIS
<b>“DBS”</b>	:	DBS Bank Ltd., the financial adviser to the Offeror in connection with the Exit Offer
<b>“Delisting”</b>	:	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
<b>“Delisting Proposal”</b>	:	The proposal dated 17 March 2019 presented by the Offeror to the Board to seek the Delisting
<b>“Delisting Resolution”</b>	:	The resolution to be proposed at the EGM to approve the Delisting
<b>“Delisting Resolution Approval Conditions”</b>	:	Shall have the meaning as ascribed to it in Section 3.4 of this Circular
<b>“Despatch Date”</b>	:	12 June 2019, being the date of despatch of this Circular and the Exit Offer Letter
<b>“Directors” or “Board”</b>	:	The directors of the Company (including the Non-conflicted Directors) as at the Latest Practicable Date
<b>“Dissenting Shareholders”</b>	:	Shareholders who have not accepted the Exit Offer after the Closing Date
<b>“Distributions”</b>	:	Shall have the meaning as ascribed to it in Section 3.2 of this Circular
<b>“Dymon Asia”</b>	:	Dymon Asia Private Equity (S.E. Asia) Fund II Pte. Ltd.
<b>“Dymon SPV”</b>	:	Shall have the meaning as ascribed to it in Section 4.1 of this Circular
<b>“EGM”</b>	:	The extraordinary general meeting to be convened by the Company on 27 June 2019 to seek the approval of the Shareholders for the Delisting, notice of which is given on pages N-1 to N-2 of this Circular
<b>“Encumbrances”</b>	:	All liens, equities, mortgages, charges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever

---

## DEFINITIONS

---

<b>“Exit Offer”</b>	:	The exit offer made by DBS, 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 the Acceptance Forms
<b>“Exit Offer Letter”</b>	:	The letter dated 12 June 2019 by DBS, for and on behalf of the Offeror, to Shareholders in relation to the Exit Offer, which is despatched to Shareholders concurrently with this Circular, including the FAA, the FAT and any other document(s) which may be issued by or on behalf of the Offeror to amend, revise, supplement or update this document(s) from time to time
<b>“Exit Offer Price”</b>	:	Shall have the meaning as ascribed to it in Section 3.1 of this Circular
<b>“FAA”</b>	:	Form of Acceptance and Authorisation for Offer Shares, which forms part of the Exit Offer Letter and which is issued to Shareholders whose Shares are deposited with CDP
<b>“FAT”</b>	:	Form of Acceptance and Transfer for Offer Shares, which forms part of the Exit Offer Letter and which is issued to Shareholders whose Shares are not deposited with CDP
<b>“FY”</b>	:	Financial year ended 31 December
<b>“FY2018 Final Dividend”</b>	:	Shall have the meaning as ascribed to it in Section 3.3 of this Circular
<b>“Group”</b>	:	The Company and its subsidiaries
<b>“IFA”</b>	:	Deloitte & Touche Corporate Finance Pte Ltd, the independent financial adviser to the Non-conflicted Directors in respect of the Exit Offer
<b>“IFA Letter”</b>	:	The letter from the IFA setting out its advice to the Non-conflicted Directors in respect of the Exit Offer, as set out in <b>Appendix I</b> to this Circular
<b>“Irrevocable Undertakings”</b>	:	The Loo Family Group Undertakings and the NLH Undertaking
<b>“Joint Announcement”</b>	:	The joint announcement dated 20 March 2019 released by the Offeror and the Company, in connection with the Delisting and the Exit Offer
<b>“Joint Announcement Date”</b>	:	20 March 2019, being the date on which the Joint Announcement was made
<b>“Latest Practicable Date”</b>	:	4 June 2019, being the latest practicable date prior to the printing of this Circular
<b>“Listing Manual”</b>	:	The Listing Manual of the SGX-ST, as amended up to the Latest Practicable Date
<b>“Loo Family Group”</b>	:	(a) Mr. Loo Leong Thye; (b) Ms. Ong Sock Hwee (spouse of Mr. Loo Leong Thye); (c) Ms. Loo Pei Fen (daughter of Mr. Loo Leong Thye); and (d) Mr. Loo Wei Kiat (son of Mr. Loo Leong Thye)

## DEFINITIONS

<b>“Loo Family Group Relevant Shares”</b>	:	Shall have the meaning as ascribed to it in Section 3.7(a) of this Circular
<b>“Loo Family Group Undertakings”</b>	:	The irrevocable undertakings dated 20 March 2019 provided by each member of the Loo Family Group to the Offeror
<b>“Loo SPV”</b>	:	Shall have the meaning as ascribed to it in Section 4.1 of this Circular
<b>“Market Day”</b>	:	A day on which the SGX-ST is open for trading in securities
<b>“NLH Undertaking”</b>	:	The irrevocable undertaking dated 20 March 2019 provided by Mr. Ng Leong Hai to the Offeror
<b>“Non-conflicted Directors”</b>	:	<p>The Directors who are considered independent for the purposes of making the recommendation to Shareholders in respect of the Delisting and the Exit Offer, namely:</p> <ul style="list-style-type: none"> <li>(i) Mr. Tan Wee Ko;</li> <li>(ii) Mr. Tan Han Beng;</li> <li>(iii) Mr. Max Ng Chee Weng; and</li> <li>(iv) Ms. Tan Chay Boon</li> </ul>
<b>“NTA”</b>	:	Net tangible assets
<b>“Offer Shares”</b>	:	All the Shares to which the Exit Offer relates, as more particularly described in Section 1.2 of this Circular
<b>“Offeror”</b>	:	Digileap Capital Limited
<b>“Overseas Shareholders”</b>	:	Shareholders whose addresses are outside Singapore as shown in the Register or the Depository Register
<b>“Register”</b>	:	The register of holders of Shares as maintained by the Share Registrar
<b>“Related Party Loan”</b>	:	Shall have the meaning as ascribed to it in Section 3.7(b) of this Circular
<b>“Relevant Financing Arrangements”</b>	:	Financing arrangements granted by DBS for the purpose of financing the Exit Offer, pursuant to which the Offer Shares to be acquired by the Offeror (i) pursuant to the Exit Offer or otherwise during the period of the Exit Offer, and (ii) pursuant to the exercise of the compulsory acquisition rights under Section 215(1) of the Companies Act and/or as required by Shareholders under Section 215(3) of the Companies Act, will be charged in favour of DBS (as security agent) pursuant to a share charge over the Shares entered into between the Offeror and DBS (as security agent) and a debenture entered into between the Offeror and DBS (as security agent), as security
<b>“RNAV”</b>	:	Revalued net asset value
<b>“Securities Account”</b>	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account

---

## DEFINITIONS

---

<b>“SFA”</b>	:	The Securities and Futures Act, Chapter 289 of Singapore, as amended, supplemented or modified from time to time
<b>“SGXNET”</b>	:	A system network used by listed companies to send information and announcements to the SGX-ST, available at <a href="http://www.sgx.com">www.sgx.com</a> , or any other system networks prescribed by the SGX-ST
<b>“SGX-ST”</b>	:	Singapore Exchange Securities Trading Limited
<b>“Share Registrar”</b>	:	Boardroom Corporate & Advisory Services Pte. Ltd.
<b>“Shareholders”</b>	:	Registered holders of the Shares, except that where the registered holder is CDP, the term <b>“Shareholders”</b> shall, where the context admits, mean the Depositors who have Shares entered against their names in the Depository Register
<b>“Shareholders’ Agreement”</b>	:	Shall have the meaning as ascribed to it in Section 4.4 of this Circular
<b>“Shareholders’ Approval”</b>	:	Shall have the meaning as ascribed to it in Section 1.2 of this Circular
<b>“Shares”</b>	:	Issued and fully paid-up ordinary shares in the capital of the Company
<b>“SIC”</b>	:	The Securities Industry Council of Singapore
<b>“SRS”</b>	:	The Supplementary Retirement Scheme
<b>“SRS Agent Banks”</b>	:	Agent banks included under SRS
<b>“SRS Investors”</b>	:	Investors who purchase Shares pursuant to SRS
<b>“S\$” and “cents”</b>	;	Singapore dollars and Singapore cents, respectively
<b>“Undertaking Shareholders”</b>	:	The Loo Family Group and Mr. Ng Leong Hai
<b>“Valuer”</b>	:	PREMAS Valuers & Property Consultants Pte. Ltd.
<b>“Valuation Report”</b>	:	The valuation report issued by the Valuer in relation to the leasehold property of the Company at 1 Ubi Link, Singapore 408553, an extract of which is set out in <b>Appendix VII</b> to this Circular
<b>“VWAP”</b>	:	Volume-weighted average price
<b>“%” or “per cent.”</b>	:	Percentage or per centum

**Acting in Concert and Associates.** The expressions **“acting in concert”** and **“associates”** shall have the meanings ascribed to them respectively in the Code.

**Announcements and Notices.** References to the making of an announcement or the giving of notice by the Offeror shall include the release of an announcement by DBS or advertising agents, for and on behalf of the Offeror, to the press or the delivery of or transmission by telephone, facsimile, through the SGXNET or otherwise of an announcement to the SGX-ST. An announcement made otherwise than to the SGX-ST shall be notified simultaneously to the SGX-ST.

---

## DEFINITIONS

---

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

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

**Exit Offer Letter.** References to “**Exit Offer Letter**” shall include the Acceptance Forms, unless the context otherwise requires.

**Genders.** 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. References to persons shall, where applicable, include corporations.

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

**Shareholders.** References to “**you**”, “**your**” and “**yours**” in this Circular are, as the context so determines, to the Shareholders.

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

**Subsidiary and Related Corporation.** References to “**subsidiary**” and “**related corporation**” shall have the meanings ascribed to them respectively in Sections 5 and 6 of the Companies Act.

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

**Total number of Shares.** Any reference in this Circular to the total number of Shares is a reference to a total of 345,207,961 Shares in issue as at the Latest Practicable Date (based on the electronic instant information search conducted on the Company from the ACRA on such date), unless otherwise stated. As at the Latest Practicable Date, the Company did not hold any Shares in treasury.



---

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

---

All statements other than statements of historical fact 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 **“aim”**, **“seek”**, **“expect”**, **“anticipate”**, **“estimate”**, **“believe”**, **“intend”**, **“project”**, **“plan”**, **“potential”**, **“strategy”**, **“forecast”**, **“possible”**, **“probable”** and similar expressions or future or conditional verbs such as **“if”**, **“will”**, **“would”**, **“should”**, **“could”**, **“may”** or **“might”**. These statements reflect the 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 results, performance, events or achievements and involve known and unknown risks and uncertainties.

Accordingly, actual future results, performance, events or achievements may differ materially from those described in such forward-looking statements. Given the risks and uncertainties involved, Shareholders and investors should not place undue reliance on such forward-looking statements and information. Neither the Company nor the Offeror undertakes any obligation to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements, subject to compliance with any applicable laws and regulations, the Code, the Listing Manual and/or any regulatory or supervisory body or agency.

---

## INDICATIVE TIMETABLE

---

Last date and time for lodgement of proxy forms for the EGM <sup>(1)</sup>	:	25 June 2019 at 10.00 a.m.
Date and time of the EGM	:	27 June 2019 at 10.00 a.m.
Expected Closing Date and time	:	11 July 2019 at 5.30 p.m. or such other date(s) as may be announced from time to time by or on behalf of the Offeror
Expected date and time of the suspension of trading of the Shares by the SGX-ST <sup>(2)</sup>	:	5 July 2019 at 9.00 a.m. or such other date(s) as may be announced from time to time by or on behalf of the Company
Expected date for the Delisting of the Shares	:	Approximately two (2) to three (3) weeks after the Closing Date, or such other date(s) as may be announced from time to time by or on behalf of the Company
Expected date(s) for the payment of the Exit Offer Price, in respect of valid acceptances of the Exit Offer	:	<p>Within seven (7) Business Days:</p> <p>(a) after the Delisting Resolution has been passed at the EGM (where valid acceptances of the Exit Offer are tendered on or prior to the date of the Delisting Resolution being passed at the EGM); or</p> <p>(b) after the date of receipt of valid acceptances of the Exit Offer (where such acceptances are tendered after the Delisting Resolution has been passed at the EGM but before the close of the Exit Offer)</p>

Shareholders should note that, save for the last date and time for lodgement of proxy forms for the EGM, and the date and time of the EGM, 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.

### Notes:

- (1) The instrument appointing a proxy must be deposited at the registered office of the Company’s share registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not less than 48 hours before the time appointed for holding the EGM.
- (2) The current expected date of the suspension of trading of the Shares is based on an expected Closing Date of 11 July 2019.

**SHAREHOLDERS ARE TO NOTE THAT THE DELISTING AND THE EXIT OFFER WILL BE CONDITIONAL UPON THE DELISTING RESOLUTION BEING PASSED AT THE EGM. PURSUANT TO RULE 1307 OF THE LISTING MANUAL, THE DELISTING RESOLUTION IS CONSIDERED PASSED IF IT IS APPROVED BY A MAJORITY OF AT LEAST 75 PER CENT. (75%) OF THE TOTAL NUMBER OF SHARES (EXCLUDING TREASURY SHARES AND SUBSIDIARY HOLDINGS) HELD BY THE SHAREHOLDERS PRESENT AND VOTING, ON A POLL, EITHER IN PERSON OR BY PROXY AT THE EGM, AND IF THE DELISTING RESOLUTION HAS NOT BEEN VOTED AGAINST BY 10 PER CENT. (10%) OR MORE OF THE TOTAL NUMBER OF SHARES (EXCLUDING TREASURY SHARES AND SUBSIDIARY HOLDINGS) HELD BY THE SHAREHOLDERS PRESENT AND VOTING, ON A POLL, EITHER IN PERSON OR BY PROXY, AT THE EGM. IF THIS CONDITION IS NOT SATISFIED AT THE EGM TO BE CONVENED, THE DELISTING WILL NOT PROCEED, AND THE COMPANY WILL REMAIN LISTED ON THE SGX-ST AND THE EXIT OFFER WILL LAPSE.**

---

## INDICATIVE TIMETABLE

---

SHAREHOLDERS SHOULD ALSO NOTE THAT IF THE DELISTING RESOLUTION IS APPROVED IN ACCORDANCE WITH THE REQUIREMENTS OF THE LISTING MANUAL, THE COMPANY WILL BE DELISTED, REGARDLESS OF THE ACCEPTANCE LEVEL OF THE EXIT OFFER. FOLLOWING THE DELISTING, SHAREHOLDERS WHO DO NOT ACCEPT THE EXIT OFFER WILL CONTINUE TO HOLD SHARES IN THE COMPANY, WHICH WILL THEN BE AN UNLISTED COMPANY. PLEASE REFER TO SECTION 8 OF THIS CIRCULAR ENTITLED “IMPLICATIONS OF COMPULSORY ACQUISITION AND DELISTING FOR SHAREHOLDERS” FOR THE IMPLICATIONS OF THE DELISTING FOR SHAREHOLDERS.

APPROVING THE DELISTING RESOLUTION AT THE EGM DOES NOT AUTOMATICALLY MEAN THAT YOU HAVE ACCEPTED THE EXIT OFFER. PLEASE REFER TO SECTION 18 OF THIS CIRCULAR ENTITLED “ACTION TO BE TAKEN BY SHAREHOLDERS” AND APPENDIX I TO THE EXIT OFFER LETTER ENTITLED “PROCEDURES FOR ACCEPTANCE AND OTHER DETAILS OF THE EXIT OFFER” FOR FURTHER DETAILS ON THE ACTIONS TO TAKE IF YOU WISH TO ACCEPT THE EXIT OFFER.

---

## LETTER TO SHAREHOLDERS

---

### CHALLENGER TECHNOLOGIES LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration No.: 198400182K)

**Directors:**

Mr. Loo Leong Thye (Executive Director and Chief Executive Officer)  
Mr. Tan Wee Ko (Executive Director and Chief Financial Officer)  
Mr. Tan Han Beng (Lead Independent Director)  
Mr. Max Ng Chee Weng (Independent Director)  
Ms. Tan Chay Boon (Independent Director)

**Registered Office:**

1 Ubi Link  
Challenger TechHub  
Singapore 408553

12 June 2019

To: The Shareholders of Challenger Technologies Limited

Dear Sir/Madam

#### PROPOSED VOLUNTARY DELISTING OF CHALLENGER TECHNOLOGIES LIMITED PURSUANT TO RULES 1307 AND 1309 OF THE LISTING MANUAL

---

#### 1. INTRODUCTION

- 1.1. On 20 March 2019, the Company and the Offeror jointly announced that the Offeror had presented to the Board the Delisting Proposal 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.
- 1.2. Under the terms of the Delisting Proposal, for and on behalf of the Offeror, DBS will make an exit offer in cash, conditional on the obtaining of Shareholders' approval at the EGM for the Delisting Resolution to be passed (the "**Shareholders' Approval**"), to acquire all the Shares, other than those Shares already held by the Company as treasury shares and those held, directly or indirectly, by the Offeror as at the date of the Exit Offer (the "**Offer Shares**"). A copy of the Joint Announcement is available on the website of the SGX-ST at <http://www.sgx.com>.
- 1.3. The Directors have reviewed the Delisting Proposal and resolved to seek an application to the SGX-ST for the Delisting and convene an EGM to seek Shareholders' Approval.
- 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.
- 1.5. Electronic copies of the Exit Offer Letter and this Circular are available on the website of the SGX-ST at <http://www.sgx.com>.

#### 2. THE DELISTING PROPOSAL

Under the terms of the Delisting Proposal, the Offeror is making the Exit Offer to acquire the Offer Shares. The Delisting and the Exit Offer are conditional on the Delisting Resolution being passed at the EGM. Pursuant to Rule 1307 of the Listing Manual, the Delisting Resolution is considered passed if it is approved by a majority of at least 75 per cent. (75%) of the total number of Shares (excluding treasury shares and subsidiary holdings) held by the Shareholders present and voting, on a poll, either in person or by proxy at the EGM, and if the Delisting Resolution has not been voted against by 10 per cent. (10%) or more of the total number of Shares (excluding treasury shares and subsidiary holdings) held by the Shareholders present and voting, on a poll, either in person or by proxy, at the EGM. The Delisting Resolution, if passed by Shareholders at the EGM, will result in the delisting of the Company from the Official List of the SGX-ST.

---

## LETTER TO SHAREHOLDERS

---

### 2.1. Rules 1307 and 1309 of the Listing Manual

Under Rule 1307 of the Listing Manual, the SGX-ST may agree to an application by the Company to delist from the Official List of the SGX-ST if:

- (a) the Company convenes an EGM to obtain Shareholders' Approval;
- (b) the Delisting Resolution is approved by a majority of at least 75 per cent. (75%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) held by Shareholders present and voting, on a poll, either in person or by proxy at the EGM (Directors and Controlling Shareholders are not required to abstain from voting on the Delisting Resolution); and
- (c) the Delisting Resolution is not voted against by ten per cent. (10%) or more of the total number of issued Shares (excluding treasury shares and subsidiary holdings) held by Shareholders present and voting, on a poll, either in person or by proxy at the EGM.

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

### 2.2. Application to the SIC

As stated in the Exit Offer Letter, an application was made by the Offeror to the SIC to seek certain rulings in relation to the Exit Offer. Please refer to paragraph 2.6 of the Exit Offer Letter entitled "Regulatory Approvals" for further details on the rulings of the SIC.

## 3. THE EXIT OFFER

As stated in the Exit Offer Letter, for and on behalf of the Offeror, DBS will make the Exit Offer to acquire all the Offer Shares, on the terms and subject to the conditions set out in the Exit Offer Letter and the Acceptance Form(s).

### 3.1. Terms of the Exit Offer

As stated in the Exit Offer Letter, subject to Section 3.3 below, the price of each Offer Share will be as follows:

**The offer price for each Offer Share (the "Exit Offer Price") is S\$0.560 in cash, which is the Exit Offer Price before the FY2018 Final Dividend of S\$0.020 was paid out on 3 June 2019.**

#### **THE OFFEROR DOES NOT INTEND TO REVISE THE EXIT OFFER PRICE.**

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

The Shareholders may accept the Exit Offer in respect of all or part of their holdings of Offer Shares. The Exit Offer is not conditional upon a minimum number of acceptances being received by the Offeror.

---

## LETTER TO SHAREHOLDERS

---

### 3.2. Rights and Encumbrances

The Offer Shares will be acquired 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 attaching thereto (including the right to receive and retain all dividends, rights and other distributions (“**Distributions**”) which may be announced, declared, paid or made thereon by the Company, on or after the Joint Announcement Date).

### 3.3. Adjustment for FY2018 Final Dividend and other Distributions

Without prejudice to 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 Distribution that may be announced, declared, paid or made by the Company on or after the Joint Announcement Date.

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

- (a) if such settlement date falls on or before the books closure date for the determination of entitlements to the Distribution (the “**Books Closure Date**”), the Offeror shall pay the relevant accepting Shareholders the unadjusted Exit Offer Price for each Offer Share, as the Offeror will receive the Distribution in respect of such Offer Shares from the Company; or
- (b) if such settlement date falls after the Books Closure Date, the Exit Offer Price shall be reduced by an amount which is equal to the amount of the Distribution in respect of each Offer Share, as the Offeror will not receive the Distribution in respect of such Offer Shares from the Company.

As stated in the announcement by the Company dated 29 April 2019, the Shareholders approved the payment of a final one-tier tax exempt dividend (the “**FY2018 Final Dividend**”) of S\$0.020 per Share for the financial year ended 31 December 2018 at the Annual General Meeting of the Company held on 29 April 2019. The Books Closure Date for the determination of entitlements to the FY2018 Final Dividend was on 17 May 2019, and the FY2018 Final Dividend was paid by the Company to Shareholders on 3 June 2019.

As the Books Closure Date for the determination of entitlements to the FY2018 Final Dividend has passed as at the date of this Circular, the Exit Offer Price payable to a Shareholder who validly accepts the Exit Offer will be reduced by the amount of the FY2018 Final Dividend to **S\$0.540 for each Offer Share**.

Each Shareholder (other than the members of the Loo Family Group in respect of their Loo Family Group Relevant Shares) who accepts the Exit Offer will receive S\$540 for every 1,000 Offer Shares tendered in acceptance of the Exit Offer.

Further details on the Exit Offer are set out in the Exit Offer Letter.

### 3.4. Conditions

As stated in the Exit Offer Letter, the Delisting and the Exit Offer will be conditional upon:

- (a) the approval of the Delisting Resolution by a majority of at least 75 per cent. (75%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) held by the Shareholders present and voting, on a poll, either in person or by proxy at the EGM (the Directors and Controlling Shareholders need not abstain from voting on the Delisting Resolution); and

---

## LETTER TO SHAREHOLDERS

---

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

(collectively, the “**Delisting Resolution Approval Conditions**”).

On 29 April 2019, the Company submitted an application to the SGX-ST to delist the Company from the Official List of the SGX-ST. On 4 June 2019, the SGX-ST responded to the Company that it has no objection to the Delisting, subject to compliance with Rule 1307 of the Listing Manual. The SGX-ST’s decision is not an indication of the merits of the Delisting.

As at the Latest Practicable Date, the Offeror and parties acting in concert with it hold Shares representing more than 50 per cent. (50%) of the total number of issued Shares. Accordingly, the Delisting and the Exit Offer will **not** be conditional upon a minimum number of acceptances being received by the Offeror.

Under Rule 1307(2) of the Listing Manual, the Directors and the Controlling Shareholders are not required to abstain from voting on the Delisting Resolution. As at the Latest Practicable Date, the Offeror intends to vote all of the 3,427,100 Shares held by it (representing approximately 0.99% of the total number of issued Shares) in favour of the Delisting Resolution at the EGM. Further, as at the Latest Practicable Date, the Offeror has also obtained the Irrevocable Undertakings in respect of an aggregate of 271,475,450 Shares (representing approximately 78.64% of the total number of issued Shares), whereby the Undertaking Shareholders have undertaken, *inter alia*, to vote all of their Shares in favour of the Delisting Resolution at the EGM. Further information on the Irrevocable Undertakings can be found in Section 3.7 of this Circular entitled “Irrevocable Undertakings”.

**Accordingly, as at the Latest Practicable Date, an aggregate of 274,902,550 Shares, representing approximately 79.63% of the total number of issued Shares, will be voted in favour of the Delisting Resolution at the EGM.**

**Shareholders are to note that the Delisting and the Exit Offer will be conditional upon the Delisting Resolution being passed at the EGM. If the Delisting Resolution Approval Conditions are not fulfilled, the Delisting will not proceed and the Company will remain listed on the Official List of the SGX-ST. The Exit Offer will also lapse and all acceptances of the Exit Offer will be returned.**

**In the event that the Exit Offer lapses, pursuant to Rule 33.1 of the Code, neither the Offeror, any persons who acted in concert with it in the course of the Exit Offer, nor any other person who is subsequently acting in concert with any of them may, except with the consent of the SIC, within 12 months from the date on which the Exit Offer lapses (i) announce an offer or possible offer for the Company or (ii) acquire any voting rights of the Company if the Offeror or persons acting in concert with it would thereby become obliged under Rule 14 of the Code to make an offer.**

**Shareholders should also note that if the Delisting Resolution is approved in accordance with the requirements of the Listing Manual, the Company will be delisted regardless of the acceptance level of the Exit Offer. Following the Delisting, Shareholders who do not accept the Exit Offer will continue to hold shares in the Company, which will then be an unlisted company. Please refer to Section 8 of this Circular entitled “Implications of Compulsory Acquisition and Delisting for Shareholders” for the implications of the Delisting for Shareholders.**



---

## LETTER TO SHAREHOLDERS

---

**Approving the Delisting Resolution at the EGM does NOT automatically mean that you have accepted the Exit Offer. Please refer to Section 18 of this Circular entitled “Action to be taken by Shareholders” and Appendix I to the Exit Offer Letter entitled “Procedures for Acceptance and Other Details of the Exit Offer” for further details on the actions to take if you wish to accept the Exit Offer.**

### 3.5. Warranty

As stated in the Exit Offer Letter, a Shareholder who tenders his Offer Shares in acceptance of the Exit Offer will be deemed to unconditionally and irrevocably warrant that the Offer Shares in respect of which the Exit Offer is accepted will be (a) fully paid, (b) free from all Encumbrances, and (c) transferred together with all rights, benefits and entitlements attached thereto as at the Joint Announcement Date and thereafter attaching thereto, including but not limited to the right to receive and retain (if any) all Distributions announced, declared, paid or made by the Company on or after the Joint Announcement Date.

### 3.6. Duration

As stated in the Exit Offer Letter, the Exit Offer is open for acceptance from the date of despatch of the Exit Offer Letter, and Shareholders may choose to accept the Exit Offer before the EGM. However, such acceptances would be conditional on the Delisting Resolution being approved at the EGM. If the Delisting Resolution is not approved at the EGM, the Delisting Resolution Approval Conditions will not be satisfied and the Exit Offer will lapse, and all the Shareholders as well as the Offeror will cease to be bound by any prior acceptance of the Exit Offer by any Shareholder.

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

**Accordingly, the Exit Offer will close at 5.30 p.m. (Singapore time) on 11 July 2019 or such later date(s) as may be announced from time to time by or on behalf of the Offeror (the “Closing Date”).**

If the Exit Offer is extended, an announcement will be made of such extension and the Exit Offer will remain open for acceptance for such period as may be announced.

### 3.7. Irrevocable Undertakings

#### *The Loo Family Group Undertakings*

As at the Latest Practicable Date, the Offeror has obtained Irrevocable Undertakings from each member of the Loo Family Group, who collectively hold an aggregate of 188,407,950 Shares representing approximately 54.58% of the total number of issued Shares, pursuant to which each member of the Loo Family Group has undertaken and/or agreed, *inter alia*, the following:

- (a) to vote all his/her Shares (the “**Loo Family Group Relevant Shares**”) in favour of the Delisting Resolution and accept the Exit Offer in respect of all of the Loo Family Group Relevant Shares;
- (b) that the total cash consideration payable by the Offeror to him/her pursuant to his/her acceptance of the Exit Offer in respect of the Loo Family Group Relevant Shares will be regarded as an interest-free related party loan (a “**Related Party Loan**”) extended by him/her to the Offeror, such that no cash shall be payable by the Offeror to him/her pursuant to his/her acceptance of the Exit Offer in respect of the Loo Family Group Relevant Shares; and
- (c) to waive his/her rights under Rule 30 of the Code to receive any cash settlement or payment for his/her acceptance of the Exit Offer in respect of the Loo Family Group Relevant Shares.



---

## LETTER TO SHAREHOLDERS

---

### *The NLH Undertaking*

As at the Latest Practicable Date, the Offeror has also obtained an Irrevocable Undertaking from Mr. Ng Leong Hai, who holds 83,067,500 Shares representing approximately 24.06% of the total number of issued Shares, pursuant to which Mr. Ng Leong Hai has undertaken and/or agreed, *inter alia*, to vote all his Shares in favour of the Delisting Resolution and accept the Exit Offer in respect of all his Shares.

The Irrevocable Undertakings shall terminate, lapse and cease to have any effect on the earlier of: (a) the conclusion of the EGM convened to obtain Shareholders' Approval, if the Delisting Resolution is not approved at such EGM; and (b) the date on which the Exit Offer is withdrawn, lapses or closes.

As at the Latest Practicable Date, the respective direct shareholdings of each of the Undertaking Shareholders in the Company are set out below:

Name	No. of Shares	(%)
Mr. Loo Leong Thye	148,352,250	42.97
Ms. Ong Sock Hwee	34,924,350	10.12
Ms. Loo Pei Fen	4,492,500	1.30
Mr. Loo Wei Kiat	638,850	0.19
Mr. Ng Leong Hai	83,067,500	24.06
<b>Total</b>	<b>271,475,450</b>	<b>78.64</b>

As stated in paragraph 2.8 of the Exit Offer Letter entitled "Irrevocable Undertakings", save as disclosed in this Section 3.7, none of the Offeror or its concert parties has received any irrevocable undertaking from any party to (A) vote for or against the Delisting Resolution, and/or (B) accept or reject the Exit Offer.

Please refer to Section 12 of this Circular entitled "Interests of Directors and Substantial Shareholders" for further information on the shareholding interests of the relevant Undertaking Shareholders.

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

##### **4.1. The Offeror**

The Offeror is a special purpose vehicle incorporated in the Cayman Islands for the purposes of the Delisting and the Exit Offer. Its principal activity is that of investment holding. As at the Latest Practicable Date, 70% of the Offeror is held by Dekatech Investments ("**Loo SPV**") and the remaining 30% is held by Asia Consumer Electronics Limited ("**Dymon SPV**"). The board of directors of the Offeror comprises:

- (a) Mr. Loo Leong Thye; and
- (b) Mr. Tan Keng Soon (Keith)<sup>(1)</sup>.

As at the Latest Practicable Date, the Offeror owns 3,427,100 Shares, representing approximately 0.99% of the total number of issued Shares.

---

(1) Mr. Tan Keng Soon (Keith) is deemed interested in the shares held by Dymon SPV in the Offeror, as Dymon SPV is held by Diamond GP Holdings II Ltd, which is in turn held by Dymon Asia Private Equity (S.E. Asia) II Ltd, in which he is a shareholder.

---

## LETTER TO SHAREHOLDERS

---

### 4.2. Loo SPV and the Loo Family Group

Loo SPV is an investment holding company which is incorporated in the Cayman Islands. Its directors are Mr. Loo Leong Thye (Chief Executive Officer and Executive Director of the Company) and Ms. Loo Pei Fen (Group Chief Marketing Officer of the Company and daughter of Mr. Loo Leong Thye), and its shareholders are (a) Mr. Loo Leong Thye, (b) Ms. Ong Sock Hwee (spouse of Mr. Loo Leong Thye), (c) Ms. Loo Pei Fen (Group Chief Marketing Officer of the Company and daughter of Mr. Loo Leong Thye), and (d) Mr. Loo Wei Kiat (son of Mr. Loo Leong Thye). The respective shareholdings of each of the members of the Loo Family Group in Loo SPV are as follows:

Name		(%)
Mr. Loo Leong Thye	:	76
Ms. Ong Sock Hwee	:	18
Ms. Loo Pei Fen	:	5
Mr. Loo Wei Kiat	:	1
<b>Total</b>		<b>100</b>

As at the Latest Practicable Date, the members of the Loo Family Group have an aggregate interest in 188,407,950<sup>(2)</sup> Shares, representing approximately 54.58% of the total number of issued Shares. Loo SPV does not own or have control over any Shares as at the Latest Practicable Date.

### 4.3. Dymon SPV

Dymon SPV is incorporated in the Cayman Islands, and is the general partner of Asia Consumer Electronics L.P. Dymon SPV is a special purpose vehicle incorporated by Dymon Asia for the purposes of this transaction.

Dymon Asia is managed by Dymon Asia Capital (Singapore) Pte. Ltd., a Singapore-based fund manager licensed by the Monetary Authority of Singapore which manages several alternative investment funds. Dymon Asia has commitments of US\$450 million and invests in small and medium-sized companies across Southeast Asia.

As at the Latest Practicable Date, Dymon SPV does not own or have control over any Shares.

### 4.4. Shareholders' Agreement

Loo SPV, Dymon SPV, the members of the Loo Family Group and the Offeror have entered into a shareholders' agreement (the "**Shareholders' Agreement**") in relation to, *inter alia*, the establishment and business of the Offeror and the regulation of the relationship between Loo SPV and Dymon SPV as shareholders of the Offeror and the making of the Exit Offer. The Shareholders' Agreement includes provisions such as those relating to board matters and board and shareholder reserved matters (granting Dymon SPV veto/consent rights on certain board and shareholder matters in relation to the Offeror and its subsidiaries (which will include the Company if the Exit Offer becomes or is declared to be unconditional in all respects and the Undertaking Shareholders tender their Shares in acceptance of the Exit Offer)).

Under the Shareholders' Agreement, the funding required by the Offeror to satisfy all valid acceptances pursuant to the Exit Offer will be provided by way of the Related Party Loans, an interest-free shareholder's loan from Dymon SPV, and the Relevant Financing Arrangements.

Further disclosures on the Offeror and the parties acting in concert with the Offeror can be found in Appendix II to the Exit Offer Letter entitled "Additional Information on the Offeror and the Parties Acting in Concert with It".

---

(2) For the avoidance of doubt, this figure does not include the 3,427,100 Shares held by the Offeror as at the Latest Practicable Date, details of which are set out in Section 4.1 of this Circular entitled "The Offeror".

---

## LETTER TO SHAREHOLDERS

---

### 5. INFORMATION ON THE COMPANY

The Company was incorporated in Singapore on 14 January 1984. It was listed on 14 January 2004 on SGX Sesdaq and subsequently listed on the Mainboard of the SGX-ST on 30 August 2007. The principal activities of the Company and its subsidiaries consist of the sale of information technology products, the supply and installation of electronic signage, and the provision of telephonic call centre and data management services.

As at the Latest Practicable Date, the Company has an issued and paid-up share capital comprising 345,207,961 Shares and a market capitalisation of approximately S\$188.1 million. It does not have any treasury shares.

As at the Latest Practicable Date, the Directors are Mr. Loo Leong Thye (Executive Director and Chief Executive Officer), Mr. Tan Wee Ko (Executive Director and Chief Financial Officer), Mr. Tan Han Beng (Lead Independent Director), Mr. Max Ng Chee Weng (Independent Director) and Ms. Tan Chay Boon (Independent Director).

Additional information on the Company is set out in **Appendix II** to this Circular.

### 6. RATIONALE FOR THE DELISTING AND EXIT OFFER

The rationale for the Delisting and the Exit Offer, as set out in paragraphs 4.1 to 4.7 of the Exit Offer Letter, is reproduced below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Exit Offer Letter. **Shareholders are advised to read the extract below carefully.**

#### *“4.1 Background to the Delisting*

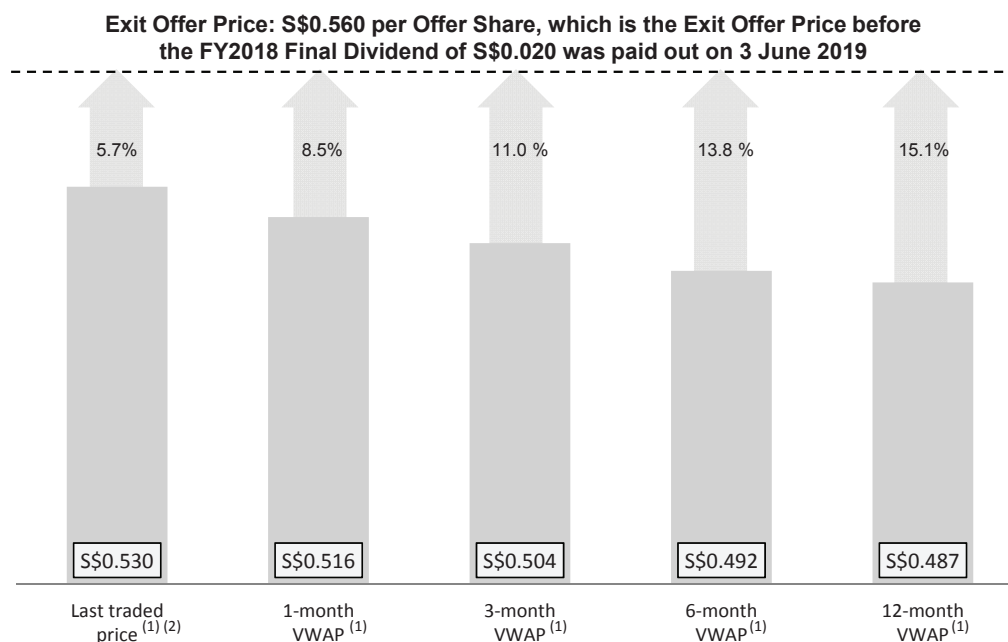
*In October 2017, LLT received an unsolicited offer from a minority Shareholder, Pangolin Investment Management Pte. Ltd. (“**Pangolin**”), to sell its stake in the Company to LLT at S\$0.435 per Share. In March 2018, Pangolin again made a subsequent offer to sell its Shares to LLT without stating the price at which it would be willing to sell its Shares, which prompted LLT to consider exploring the possibility of the Delisting. Instead of only entering into a transaction with a single Shareholder, LLT wanted to make an offer to all Shareholders, and started looking for a partner to commence such a process.*

#### *4.2 Opportunity for Shareholders who are not prepared to bear business risks to realise a clean cash exit at a premium*

*Shareholders who do not wish to bear the business risks outlined in paragraph 4.5 below will have an opportunity to realise their investments in the Company for a cash consideration at a premium over the historical transacted prices of the Shares on the SGX-ST, without incurring any brokerage and other trading costs.*

- (a) The Exit Offer Price of S\$0.560, which is the Exit Offer Price before the FY2018 Final Dividend of S\$0.020 was paid out on 3 June 2019, exceeds the highest closing price of the Shares since 9 May 2014, being more than four (4) years prior to 15 March 2019, being the last full day of trading (“**Last Full Market Day**”) in the Shares on the SGX-ST immediately prior to the date of the trading halt by the Company on 18 March 2019.*
- (b) The Exit Offer Price of S\$0.560, which is the Exit Offer Price before the FY2018 Final Dividend of S\$0.020 was paid out on 3 June 2019, represents a premium of approximately 5.7% over the last traded price of S\$0.530 per Share on the Last Full Market Day and a premium of approximately 8.5%, 11.0%, 13.8% and 15.1% over the volume weighted average price (“**VWAP**”) of the Shares over the one (1)-month, three (3)-month, six (6)-month and 12-month periods respectively up to and including the Last Full Market Day.*

## LETTER TO SHAREHOLDERS



**Notes:**

- (1) The historical market prices and the corresponding premiums are computed based on data extracted from Bloomberg L.P.
- (2) Last transacted price per Share on the Last Full Market Day.

- (c) The Exit Offer Price of S\$0.560, which is the Exit Offer Price before the FY2018 Final Dividend of S\$0.020 was paid out on 3 June 2019, also represents an attractive premium of 101.2% over the latest publicly available net asset value / net tangible asset value per Share of S\$0.2783 as at 31 March 2019 (as reported in the unaudited consolidated financial statements of the Company and its subsidiaries (the “Group”) for the three (3)-month period ended 31 March 2019).

### 4.3 Opportunity for Shareholders to realise their investments amidst low trading liquidity of Shares

The trading liquidity of the Shares on the SGX-ST in the past year has been generally thin. The average daily trading volume of the Shares for the one (1)-month, three (3)-month, six (6)-month and 12-month periods prior to and including the Last Full Market Day are as follows:

Period prior to and including the Last Full Market Day	Average Daily Trading Volume <sup>(1)</sup>	Approximate percentage of total number of Shares <sup>(2)</sup> (%)
Last one (1) month	55,273	0.016
Last three (3) months	48,394	0.014
Last six (6) months	45,990	0.013
Last 12 months	38,501	0.011

Source: Bloomberg L.P.

**Notes:**

- (1) The average daily trading volume is computed based on the total trading volume of the Shares for all Market Days for the relevant periods immediately prior to and including the Last Full Market Day, divided by the total number of Market Days during the respective periods. “Market Day” refers to a day on which the SGX-ST is open for the trading of securities.
- (2) Computed based on 345,207,961 Shares, being the total number of issued Shares as at the Latest Practicable Date.

---

## LETTER TO SHAREHOLDERS

---

***In view of the low trading liquidity during the periods prior to and including the Last Full Market Day, the Offeror believes that the Exit Offer represents an opportunity for Shareholders to realise their investments in Shares at a price (without incurring any brokerage and other trading costs) which may not otherwise be readily available.***

### 4.4 Greater management flexibility

*The Offeror believes that privatising the Company will give the Offeror and the management of the Company more flexibility to manage the business of the Company, optimise the use of its management and capital resources and facilitate the implementation of any operational changes without the attendant costs, regulatory restrictions and compliance issues associated with its listed status on the SGX-ST.*

### 4.5 The Company is facing challenges due to weak retail sentiment and industry disruption, and may have to implement changes to its business to navigate the challenging retail environment. Dividends from the Company could be affected during such time

*The Company operates in a challenging electrical and electronics retail business environment in Singapore, where the market is saturated and competitive pressures may increase margin pressure. Coupled with weak retail sentiment and industry disruption resulting from the rise in e-commerce, the Company has experienced a consistent decline in revenue over the last five (5) years.*

*In order to navigate the challenging business environment, the Offeror believes that the Company may have to implement changes to its business, which will require management commitment and allocation of resources in the near to mid-term. During such time, dividends from the Company could be affected.*

*In addition, the Company had in previous years benefited as a result of the Productivity and Innovation Credit Scheme, pursuant to which its customers were entitled to tax deductions and allowances and other benefits in respect of certain qualifying purchases, such as information technology and automation equipment, from the Company. Following the expiry of the Productivity and Innovation Credit Scheme after the year of assessment 2018, there may be a resultant decline in the Company's sales, and the business and profits of the Company may be further impacted.*

### 4.6 No Need for Access to Capital Markets

*Since 2007, the Company has not carried out any corporate exercise to raise cash funding on the SGX-ST. The Company is also unlikely to require access to 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.*

### 4.7 Compliance Costs of Maintaining Listing

*In maintaining its listed status, the Company incurs compliance and associated costs. In the event that the Company is delisted from the SGX-ST, the Company will be able to save on expenses relating to the maintenance of a listed status and focus its resources on its business operations."*

## 7. THE OFFEROR'S INTENTIONS FOR THE COMPANY

The Offeror's intentions for the Company, as set out in paragraph 4.8 of the Exit Offer Letter entitled "Offeror's Intentions", are reproduced below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Exit Offer Letter. **Shareholders are advised to read the extract below carefully.**

---

## LETTER TO SHAREHOLDERS

---

### **“4.8 Offeror's Intentions**

*Following the close of the Exit Offer, the Offeror will undertake a review of the businesses, organisation and operations of the Group. This review will help the Offeror determine the optimal business strategy for the Group and thereafter, the Offeror may implement changes to the business of the Group to navigate the challenging retail business environment.*

*Save as disclosed above, the Offeror has no current intention to (a) introduce any major changes to the business of the Group, (b) re-deploy the fixed assets of the Group, or (c) discontinue the employment of any of the existing employees of the Group, other than in the ordinary course of business.*

*Nonetheless, the Offeror retains the flexibility at any time to consider any options or opportunities which may present themselves, and which it regards to be in the interests of the Offeror and/or the Group.”*

## **8. IMPLICATIONS OF COMPULSORY ACQUISITION AND DELISTING FOR SHAREHOLDERS**

### **8.1. Implications of Delisting for Shareholders**

Shareholders should note that if the Delisting Resolution is approved in accordance with the requirements of the Listing Manual, the Company will be delisted, regardless of the acceptance level of the Exit Offer. Following the Delisting, Shareholders who do not accept the Exit Offer will continue to hold shares in the Company, which will then be an unlisted company.

Shareholders should note that shares of unlisted companies are generally valued at 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, or as compared with the Exit Offer Price. Further, any transfer or sale of Shares represented by share certificates will be subject to stamp duty.

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 required 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 Companies Act and its Constitution, and the interests of Shareholders who do not accept the Exit Offer will be protected to the extent provided for by the Companies Act and the Company's Constitution.

If the Company is delisted from the Official List of the SGX-ST, each Shareholder who holds Shares that are deposited with CDP and does not accept the Exit Offer will be entitled to one (1) share certificate representing his delisted Shares. The Company's share registrar, Boardroom Corporate & Advisory Services Pte. Ltd., will arrange to forward the share certificates to such Shareholders who are not CPFIS Investors or SRS Investors, by ordinary post and at the Shareholders' own risk, to their respective addresses as such addresses appear in the records of CDP for their physical safekeeping. The share certificates belonging to CPFIS Investors and SRS Investors will be forwarded to their respective CPF/SRS Agent Banks for their safekeeping.

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



---

## LETTER TO SHAREHOLDERS

---

### 8.2. Compulsory Acquisition

Pursuant to Section 215(1) of the Companies Act, in the event that the Offeror acquires 90 per cent. (90%) or more of the Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the Despatch Date and excluding any Shares held by the Company as treasury shares), the Offeror will be entitled to exercise its right under Section 215(1) of the Companies Act to compulsorily acquire all the Shares of Dissenting Shareholders, at a price equal to the Exit Offer Price.

As stated in the Exit Offer Letter, the Offeror intends to make the Company its wholly-owned subsidiary. Accordingly, should the Offeror acquire 90 per cent. (90%) or more of the Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the Despatch Date and excluding any Shares held by the Company as treasury shares), the Offeror intends to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act.

Accordingly, as at the Latest Practicable Date, the calculation for the 90 per cent. (90%) threshold for the exercise of the Offeror's right of compulsory acquisition under Section 215(1) of the Companies Act shall include the aggregate of 271,475,450 Shares held by the Undertaking Shareholders subject to the Irrevocable Undertakings, representing approximately 78.64% of the total number of issued Shares, but shall exclude the aggregate 3,427,100 Shares held by the Offeror, representing approximately 0.99% of the total number of issued Shares.

Dissenting Shareholders will have the right under and subject to Section 215(3) of the Companies Act to require the Offeror to acquire their Shares at the Exit Offer Price and on the same terms as the Exit Offer, in the event that the Shares acquired by the Offeror pursuant to the Exit Offer, together with (a) any other Shares held by the Offeror, its related corporations or their respective nominees and (b) any Shares held by the Company as treasury shares, comprise 90 per cent. (90%) or more of the Shares and any Shares held by the Company as treasury shares.

Accordingly, as at the Latest Practicable Date, the calculation for the 90 per cent. (90%) threshold for the exercise of the Dissenting Shareholders' rights under Section 215(3) of the Companies Act to require the Offeror to acquire their Shares at the Exit Offer Price and on the same terms as the Exit Offer shall include (i) the aggregate of 271,475,450 Shares held by the Undertaking Shareholders subject to the Irrevocable Undertakings, representing approximately 78.64% of the total number of issued Shares; and (ii) the aggregate 3,427,100 Shares held by the Offeror, representing approximately 0.99% of the total number of issued Shares.

**Dissenting Shareholders who wish to exercise such rights are advised to seek their own independent legal advice.**

**IN THE EVENT THAT THE DELISTING IS APPROVED BY SHAREHOLDERS AT THE EGM BUT NEITHER THE OFFEROR NOR THE DISSENTING SHAREHOLDERS ARE ENTITLED TO EXERCISE THEIR RIGHTS UNDER SECTION 215(1) AND SECTION 215(3) OF THE COMPANIES ACT RESPECTIVELY, THE COMPANY WILL BE DELISTED, REGARDLESS OF THE ACCEPTANCE LEVEL OF THE EXIT OFFER, AND SHAREHOLDERS WHO DO NOT ACCEPT THE EXIT OFFER WILL BE LEFT HOLDING SHARES IN AN UNLISTED COMPANY.**

### 9. FINANCIAL ASPECTS OF THE EXIT OFFER

#### 9.1. Benchmarking the Exit Offer Price

The information on the benchmarking of the Exit Offer Price is set out in paragraph 4.2 of the Exit Offer Letter entitled "Opportunity for Shareholders who are not prepared to bear business risks to realise a clean cash exit at a premium", and has been reproduced in Section 6 of this Circular entitled "Rationale for the Delisting and Exit Offer".

---

## LETTER TO SHAREHOLDERS

---

### 9.2. Market Quotations

The information on certain market quotations as set out in paragraph 5 of the Exit Offer Letter entitled “Market Quotations”, is reproduced below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the Exit Offer Letter.

#### “5.1 Closing Prices of the Shares”

*The following table sets out the last closing prices of the Shares on the SGX-ST on (a) a monthly basis from September 2018 (being the six (6) calendar months prior to the Joint Announcement Date), (b) 15 March 2019, being the Last Full Market Day prior to the Joint Announcement Date, and (c) the Latest Practicable Date:*

<i>Month</i>	<i>Closing price (S\$)</i>
<i>September 2018</i>	<i>0.475</i>
<i>October 2018</i>	<i>0.470</i>
<i>November 2018</i>	<i>0.480</i>
<i>December 2018</i>	<i>0.470</i>
<i>January 2019</i>	<i>0.510</i>
<i>February 2019</i>	<i>0.515</i>
<i>15 March 2019, being the Last Full Market Day</i>	<i>0.530</i>
<i>4 June 2019, being the Latest Practicable Date</i>	<i>0.545</i>

**Source:** Bloomberg L.P.

#### 5.2 Highest and Lowest Prices of the Shares

*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 are as follows:*

	<i>Price (S\$)</i>	<i>Date(s)</i>
<i>Highest closing price</i>	<i>0.575</i>	<i>3 April 2019, 4 April 2019</i>
<i>Lowest closing price</i>	<i>0.465</i>	<i>26 November 2018</i>

**Source:** Bloomberg L.P.

### 9.3. Revalued Net Asset Value

Information on the RNAV of the Company has been computed by the IFA and have been extracted from paragraph 7.3.3 of the IFA Letter and is reproduced below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the IFA Letter. Shareholders are advised to read and consider the IFA letter as set out in **Appendix I** to this Circular in its entirety.



---

## LETTER TO SHAREHOLDERS

---

### **“7.3.3 Analysis of Net Asset Value (“NAV”) and Revalued Net Asset Value (“RNAV”) of the Company**

#### **NAV**

*The NAV of the Company refers to the aggregate value of all the assets in their existing condition, net of any minority interests and all liabilities of the Company. The NAV approach may provide an estimate of the value of a group assuming the hypothetical sale of all of its assets over a reasonable period of time, the proceeds of which would be first used to settle the liabilities of that group with the balance available for distribution to its shareholders.*

*However, such a hypothetical scenario is assumed to be made without considering factors such as, inter alia, time value of money, market conditions, legal fees, liquidation costs, taxes, contractual obligations, regulatory requirements and availability of potential buyers, which would theoretically lower the NAV that can be realised.*

*Based on the Company’s unaudited financial statements as at 31 March 2019, the NAV attributable to Shareholders is approximately S\$96.1 million and its NAV per Share is S\$0.2783. The Exit Offer Price is at a premium of 101.2% over the NAV per Share, or at a Price-to-NAV (“**P/NAV**”) ratio of 2.01 times, while the Exit Offer Price (post FY2018 Final Dividend) is at a premium of 109.0% over the NAV per Share, or at a P/NAV ratio of 2.09 times.*

#### **RNAV**

*In our evaluation of the Exit Offer Price, we have also considered whether there are any assets which may be valued at an amount that is materially different from what was recorded in the unaudited balance sheet of the Company as at 31 March 2019.*

*Based on the Company’s latest unaudited financial statements as at 31 March 2019, the Company’s property, plant and equipment (which comprises mainly a leasehold property and plant and equipment) had an aggregate book value of approximately S\$7.0 million, representing approximately 30.3% of the Company’s total non-current assets of approximately S\$23.3 million.*

*We understand that the Company has commissioned a valuer (the “**Independent Valuer**”) to conduct an independent valuation of and review of the Company’s leasehold property at 1 Ubi Link Challenger TechHub, Singapore 408553 (“**Revalued Property**”).*

## LETTER TO SHAREHOLDERS

Based on the Valuation Report, we set out the adjustment to determine the RNAV of the Company:

**Table 6: RNAV of the Company**

<b>NAV and RNAV of the Company</b>	<b>As at 31 March 2019 ('000)</b>
Property	4,361
Revalued Property	8,500
Revaluation surplus	4,139
NAV as at 31 March 2019	96,085
RNAV as at 31 March 2019	100,224
NAV per Share	0.2783
RNAV per Share	0.2903
<b>P/NAV (Implied by the Exit Offer Price)</b>	<b>2.01x</b>
<b>P/RNAV (Implied by the Exit Offer Price)</b>	<b>1.93x</b>
<b>Premium of Exit Offer Price over NAV</b>	<b>101.2%</b>
<b>Premium of Exit Offer Price over RNAV</b>	<b>93.0%</b>
<b>P/NAV (Implied by the Exit Offer Price (post FY2018 Final Dividend))<sup>(1)</sup></b>	<b>2.09x</b>
<b>P/RNAV (Implied by the Exit Offer Price (post FY2018 Final Dividend))<sup>(1)</sup></b>	<b>2.00x</b>
<b>Premium of Exit Offer Price (post FY2018 Final Dividend) over NAV<sup>(1)</sup></b>	<b>109.0%</b>
<b>Premium of Exit Offer Price (post FY2018 Final Dividend) over RNAV<sup>(1)</sup></b>	<b>99.8%</b>

Source: Company financial statements, Independent Valuer Report

Note:

- (1) P/NAV and P/RNAV ratios and premiums are calculated based on the Exit Offer Price (post FY2018 Final Dividend) and the adjusted NAV and RNAV of the Company as at 31 March 2019. The NAV and RNAV have been adjusted by the estimated decrease in cash post the FY2018 Final Dividend.

Based on the table above, NAV per Share and RNAV per Share is S\$0.2783 and S\$0.2903 respectively as at 31 March 2019. We note the corresponding P/NAV and P/RNAV implied by the Exit Offer Price is 2.01 and 1.93 times respectively. The Exit Offer Price of S\$0.560 represents a premium of 101.2% and 93.0% over NAV per Share and RNAV per Share respectively.

P/NAV and P/RNAV implied by the Exit Offer Price (post FY2018 Final Dividend) is 2.09 times and 2.00 times respectively as at 31 March 2019. The Exit Offer Price (post FY2018 Final Dividend) of S\$0.540 represents a premium of 109.0% and 99.8% over NAV per Share and RNAV per Share respectively.”

## LETTER TO SHAREHOLDERS

### 10. CONFIRMATION OF FINANCIAL RESOURCES

DBS, as the financial adviser to the Offeror for the Delisting and in connection with the Exit Offer, has confirmed that, taking into account the Irrevocable Undertakings (as set out in Section 3.7 of this Circular entitled “Irrevocable Undertakings”), sufficient financial resources are available to the Offeror to satisfy in full all acceptances of the Exit Offer on the basis of the Exit Offer Price.

### 11. NO COMPETING OFFER RECEIVED

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

### 12. 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.

	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	% of issued Shares <sup>(1)</sup>	No. of Shares	% of issued Shares <sup>(1)</sup>	No. of Shares	% of issued Shares <sup>(1)</sup>
<b>Directors</b>						
Mr. Loo Leong Thye	148,352,250	42.97	43,482,800 <sup>(2)</sup>	12.60	191,835,050	55.57
Mr. Tan Wee Ko	1,788,000	0.52	–	–	1,788,000	0.52
Mr. Max Ng Chee Weng	17,500	0.0051	11,500 <sup>(3)</sup>	0.0033	29,000	0.0084
<b>Substantial Shareholders (excluding Directors)</b>						
Mr. Ng Leong Hai	83,067,500	24.06	–	–	83,067,500	24.06
Ms. Ong Sock Hwee	34,924,350	10.12	–	–	34,924,350	10.12
<b>Other Shareholders</b>						
Public Shareholders	67,130,911	19.45	–	–	67,130,911	19.45

**Notes:**

- (1) The percentage shareholding interest is based on the issued share capital of 345,207,961 Shares as at the Latest Practicable Date, and rounded to two decimal places (2) or four (4) decimal places (as may be necessary). The Company does not have any treasury shares.
- (2) By virtue of section 4 of the SFA, Mr. Loo Leong Thye is deemed to be interested in the 5,131,350 Shares held by his daughter and son, Ms. Loo Pei Fen and Mr. Loo Wei Kiat, and the 34,924,350 Shares held by his wife, Ms. Ong Sock Hwee. In addition, Mr. Loo Leong Thye owns 76% of the equity interest in Loo SPV, which owns 70% of the equity interest in the Offeror, and is therefore deemed to be interested in the 3,427,100 Shares held by the Offeror as at the Latest Practicable Date.
- (3) By virtue of section 4 of the SFA, Mr. Max Ng Chee Weng is deemed to be interested in the 11,500 Shares held by his wife.

Save as disclosed in this Circular (in particular Section 4 of this Circular entitled “Information on the Offeror and the Parties Acting in Concert with It”), none of the Directors or Substantial Shareholders has any interest, direct or indirect, in the Delisting or the Exit Offer.

---

## LETTER TO SHAREHOLDERS

---

### 13. EXEMPTION RELATING TO DIRECTORS' RECOMMENDATION

- 13.1. All the Directors, except for Mr. Loo Leong Thye, are independent for the purposes of the Exit Offer and are required to make a recommendation to Shareholders in respect of the Exit Offer.
- 13.2. The SIC has ruled that Mr. Loo Leong Thye will be exempted from the requirement of making a recommendation to Shareholders on the Exit Offer as Mr. Loo Leong Thye, being a director of the Loo SPV and a party acting in concert with the Offeror, faces an irreconcilable conflict of interest in doing so. Nevertheless, Mr. Loo Leong Thye must still assume responsibility for the accuracy of the facts stated and opinions expressed in documents or advertisements issued by, or on behalf of, the Company to the Shareholders in connection with the Exit Offer.
- 13.3. All the Directors (including, for the avoidance of doubt, Mr. Loo Leong Thye) are responsible for the accuracy of facts stated and completeness of the information contained in announcements and documents issued by or on behalf of the Company in connection with the Exit Offer.

### 14. ADVICE OF INDEPENDENT FINANCIAL ADVISER TO THE NON-CONFLICTED DIRECTORS IN RELATION TO THE EXIT OFFER

#### 14.1. IFA

Deloitte & Touche Corporate Finance Pte Ltd has been appointed as the independent financial adviser to the Non-conflicted Directors (the "IFA") in relation to the Exit Offer. The IFA Letter from the IFA setting out its advice to the Non-conflicted Directors is set out in **Appendix I** to this Circular. Shareholders are advised to read and consider the IFA Letter in its entirety.

#### 14.2. IFA's Advice

Information relating to the advice of the IFA in relation to the Exit Offer and the key factors it has taken into consideration have been extracted from paragraph 8 of the IFA Letter and are reproduced below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meanings as those defined in the IFA Letter:

**"8 OUR RECOMMENDATION ON THE EXIT OFFER AS REQUIRED PURSUANT TO LISTING RULE 1309(2)**

*In arriving at our recommendation on the Exit Offer, we have assessed the financial terms of the Exit Offer after taking into consideration the following key considerations which we consider to be pertinent and which we consider may have a significant bearing on our assessment:*

*Factors in favour of the Exit Offer:*

- (1) The Exit Offer Price of S\$0.560 is higher than the traded price of Shares in the four-year period preceding the Last Full Market Day (where the Shares traded in the range of S\$0.385 to S\$0.550 per Share);*
- (2) The Exit Offer Price represents a premium of 15.1%, 13.8%, 11.0%, 8.5%, and 7.0% above the VWAP of the Shares for the 12-month, 6-month, 3-month and 1-month periods prior to and including the Last Full Market Day respectively;*
- (3) Over the 12-month period prior to the Last Full Market Day, the Shares have traded between a low of S\$0.460 and a high of S\$0.550. The Exit Offer Price represents a premium of S\$0.100 (or 21.7%) above the lowest transacted price of the Shares and a premium of S\$0.010 (or 1.8%) above the highest transacted price of the Shares;*

---

## LETTER TO SHAREHOLDERS

---

- (4) *Trading liquidity of the Shares over all the reference periods prior to the Last Full Market Day has been in general at an average daily trading volume of the Shares between 38,501 to 103,638 representing between 0.0546% and 0.1469% of the free float of the Company. We further note that the ADTV of the Shares as a percentage of free float as at the Last Full Market Day was 0.0546%, which lies within the range of companies listed on the SGX-ST Mainboard of similar market capitalisation, and is lower than the average and median at 0.1913% and 0.0704% respectively;*
- (5) *The P/NAV and P/RNAV ratio of the Company implied by the Exit Offer Price is within range and higher than the mean and median of the offer price over the NAV and RNAV ratios of the Precedent Privatisation Transactions;*
- (6) *The Exit Offer Price is at a premium of 101.2% and 93.0% over the NAV and RNAV per Share or P/NAV and P/RNAV ratio of 2.01 and 1.93 times respectively as at 31 March 2019;*
- (7) *We note that since 31 December 2016, the P/NAV multiple implied by the Exit Offer Price is at a premium to the trailing historical NAV and has ranged between 2.01 to 2.50 times;*
- (8) *The TTM PER of the Company at 10.55 times as implied by the Exit Offer Price is within the range of TTM PER of the Comparable Companies, and above the median and average TTM PER of the Comparable Companies;*
- (9) *The P/NAV and P/RNAV of the Company at 2.01 times and 1.93 times respectively as implied by the Exit Offer Price is above the range of the P/NAV of the Comparable Companies;*
- (10) *The P/NAV and P/RNAV ratio of the Company as implied by the Exit Offer Price is higher than the recent Comparable Company transaction; and*
- (11) *In 1Q2019, the net profit after tax attributable to Owners of the Parent was S\$4.1 million, a decrease of 21.7% from 1Q2018 net profit after tax attributable to owners of the parent of S\$5.2 million.*

Factors not in favour of the Exit Offer:

- (12) *In comparison with the corresponding premia of the Precedent Privatisation Transactions, the premium implied by the Exit Offer Price above the VWAP for 1-month, 3-month and 6-month and 12-month periods prior to the Last Full Market Day are within the range and below the average and median;*
- (13) *The TTM EV/EBITDA ratio of the Company as implied by the Exit Offer Price is within the range and below the average and median of TTM EV/EBITDA of the Comparable Companies; and*
- (14) *The EV/EBITDA of the Company as implied by the Exit Offer Price is below the EV/EBITDA of recent Comparable Company transaction.*

Other relevant considerations:

- (15) *We have considered the rationale of the Delisting Proposal;*
- (16) *The TTM EV/Sales ratio of the Company as implied by the Exit Offer Price is within the range, below the average and above the median of TTM EV/Sales of the Comparable Companies;*

---

## LETTER TO SHAREHOLDERS

---

- (17) *We note that the Company remains cautious about the outlook of the overall retail business environment in the local market, which is expected to stay soft in 2019. In addition, it is noted that the Company recognises that it may have benefited from the Productivity and Innovation Credit Scheme, pursuant to which its customers were entitled to tax deductions and allowances and other benefits in respect of certain qualifying purchases, such as information technology and automation equipment from the Company. Following the expiry of the Productivity and Innovation Credit Scheme after the year of assessment 2018, the Company is of the view that there may be a resultant decline in the Company's sales, and the business and profits of the Company may be further impacted;*
- (18) *The Offeror has received an irrevocable undertaking from the Undertaking Shareholders to vote all their Shares in favour of the Delisting Resolution and accept the Exit Offer in respect of all their Shares. As at the Latest Practicable Date, the Undertaking Shareholders and the Offeror collectively hold an aggregate of 274,902,550 Shares representing approximately 79.63% of the total number of issued Shares;*

*Should the Delisting Resolution be approved by a majority of at least 75%, or if the Undertaking Shareholders hold more than 75% of the Shares, the Delisting will still not proceed if at the EGM, convened, the Shareholders (either in person or by proxy) holding 10% or more of the total number of issued Shares excluding treasury shares and subsidiary holdings vote against the Delisting Resolution;*

*In the event that the Exit Offer lapses, neither the Offeror, any persons who acted in concert with it, nor any other person who is subsequently acting in concert with any of them may, except with the consent of the SIC, within 12 months from the date on which the Exit Offer lapses (i) announce an offer or possible offer for the Company or (ii) acquire any voting rights of the Company if the Offeror or persons acting in concert with it would thereby become obliged under Rule 14 of the Code to make an offer; and*

- (19) *As at the Latest Practicable Date, the Company has not received other offers from a third party and the Offeror does not intend to revise the Exit Offer.*

***Based on our analysis and after having considered carefully the information available to us as at the Latest Practicable Date, overall, we are of the view that the financial terms of the Exit Offer are fair and reasonable. Accordingly, we advise the Non-conflicted Directors to recommend the Shareholders to vote in favour of the Delisting Resolution and accept the Exit Offer."***

### 15. NON-CONFLICTED DIRECTORS' RECOMMENDATIONS

Shareholders are advised by the Non-conflicted Directors to read and consider carefully the following recommendation of the Non-conflicted Directors and the advice of the IFA contained in the letter from the IFA to the Non-conflicted Directors as reproduced in **Appendix I** to this Circular in its entirety. The Non-conflicted Directors would also like to draw the attention of the Shareholders to Section 8 of this Circular entitled "Implications of Compulsory Acquisition and Delisting for Shareholders".

The Non-conflicted 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 I** to this Circular. The Non-conflicted Directors concur with the advice of the IFA in respect of the Delisting Resolution and the Exit Offer. Accordingly, the Non-conflicted Directors recommend that Shareholders should **VOTE IN FAVOUR** of the Delisting Resolution and **ACCEPT** the Exit Offer.



---

## LETTER TO SHAREHOLDERS

---

In rendering the above opinion and giving the above recommendations, both the IFA and the Non-conflicted 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 Non-conflicted Directors recommend that an 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 Non-conflicted 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.

### 16. OVERSEAS SHAREHOLDERS

This Circular 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 Circular, in any jurisdiction in contravention of applicable law. The Exit Offer will be made solely by the Exit Offer Letter and the relevant Acceptance Forms, which set out the full terms and conditions of the Exit Offer, including details on how the Exit Offer may be accepted.

The availability of the Exit Offer to Overseas Shareholders may be affected by the laws of the relevant overseas jurisdictions in which they are located. Accordingly, Overseas Shareholders should inform themselves of, and observe, any applicable requirements in the relevant overseas jurisdictions. **If you are in doubt about your position, you should consult your professional adviser in the relevant jurisdiction. Please refer to paragraph 9 of the Exit Offer Letter entitled “Overseas Shareholders” for the points to be noted by Overseas Shareholders in relation to the Exit Offer.**

### 17. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 and N-2 of this Circular, will be held at 1 Ubi Link, Challenger TechHub, Singapore 408533 on 27 June 2019 at 10.00 am. for the purpose of considering and, if thought fit, passing with or without any modification, the Delisting Resolution set out in the notice of EGM.

### 18. ACTION TO BE TAKEN BY SHAREHOLDERS

#### 18.1. Proxy Form

A Shareholder who is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, may complete, sign and return the proxy form accompanying this Circular in accordance with the instructions printed thereon as soon as possible and in any event so as to reach the office of the Company's share registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not later than 10.00 a.m. on 25 June 2019. The completion and return of the proxy form by a Shareholder will not prevent him from attending and voting at the EGM, if he wishes to do so, in place of his proxy.

A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat. A Depositor who wishes to attend and vote at the EGM and whose name appears on the Depository Register maintained by CDP not less than 72 hours before the EGM, may attend as CDP's proxy.

---

## LETTER TO SHAREHOLDERS

---

### 18.2. Exit Offer Letter and Acceptance Forms

The Exit Offer Letter and the relevant Acceptance Forms have been despatched on the same date as this Circular.

A Shareholder who holds Offer Shares that are deposited with CDP should receive a FAA together with the Exit Offer Letter. A Shareholder who does not receive the FAA may obtain a copy of the FAA during normal business hours from CDP, at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588, upon production of satisfactory evidence that it is a Shareholder.

A Shareholder who holds Offer Shares that are represented by share certificate(s) and are not deposited with CDP should receive a FAT together with the Exit Offer Letter. A Shareholder who does not receive the FAT may request and obtain a copy of the FAT from the office of Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, upon production of satisfactory evidence that it is a Shareholder.

Electronic copies of this Circular, the Exit Offer Letter and the Acceptance Forms are also available on the website of the SGX-ST at <http://www.sgx.com>.

**Shareholders should note that if the Delisting Resolution is not approved at the EGM, the Delisting Resolution Approval Conditions will not be fulfilled and the Exit Offer will lapse.**

### 18.3. 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.

### 18.4. Not Accepting the Exit Offer

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 in the Company as an unlisted company. If you hold Shares that are deposited with CDP, share certificates in respect of your Shares that are deposited with CDP will be sent, by ordinary mail 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.

### 18.5. Information Relating to CPFIS Investors and SRS Investors

Information on the Exit Offer pertaining to CPFIS Investors and SRS Investors is set out in paragraph 10 of the Exit Offer Letter entitled "Information Relating to CPFIS Investors and SRS Investors".

## 19. RESPONSIBILITY STATEMENT

The Directors (including any Director 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 (excluding those relating to the Offeror and the parties acting in concert with it, the Exit Offer, the recommendations of the Non-conflicted Directors, the IFA Letter, the 1Q2019 Auditor's Report, the 1Q2019 IFA Report and the extract of the Valuation Report) 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 (excluding those relating to the Offeror and the parties acting in concert with it, the Exit Offer, the recommendations of the Non-conflicted Directors the IFA Letter, the 1Q2019 Auditor's Report, the 1Q2019 IFA Report and the extract of the Valuation Report), and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.



---

## TABLE OF CONTENTS

---

Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

The recommendations of the Non-conflicted Directors to Shareholders as set out in Section 15 of this Circular entitled “Non-conflicted Directors’ Recommendations” are the responsibility of the Non-conflicted Directors.

### 20. CONSENTS

- 20.1. The IFA, Deloitte & Touche Corporate Finance Pte Ltd, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of the IFA Letter set out in **Appendix I** to this Circular and the 1Q2019 IFA Report set out in **Appendix V** to this Circular and all references to them and its name in the form and context in which they appear in this Circular.
- 20.2. The Auditor has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of the 1Q2019 Auditor’s Report set out in **Appendix IV** to this Circular and all references to them and its name in the form and context in which they appear in this Circular.
- 20.3. The Valuer has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of the “Extract of the Valuation Report” set out in **Appendix VII** to this Circular and all references to them and its name in the form and context in which they appear in this Circular.
- 20.4. 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 the inclusion of its name and all references to its name in the form and context in which it appears in this Circular.

### 21. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of the Company at 1 Ubi Link, Challenger TechHub, Singapore 408553 during normal business hours, from the date of this Circular until the date of the EGM:

- (a) the Constitution of the Company;
- (b) the annual reports of the Company for FY2016, FY2017 and FY2018;
- (c) the 1Q2019 Results of the Company as set out in **Appendix III** to this Circular;
- (d) the 1Q2019 Auditor’s Report as set out in **Appendix IV** to this Circular;
- (e) the 1Q2019 IFA Report as set out in **Appendix V** to this Circular;
- (f) the Valuation Report, an extract of which is set out in **Appendix VII** to this Circular;
- (g) the Joint Announcement;
- (h) the Delisting Proposal;
- (i) the Exit Offer Letter;
- (j) the IFA Letter as set out in **Appendix I** to this Circular; and
- (k) the letters of consent referred to in Section 20 of this Circular.

---

## LETTER TO SHAREHOLDERS

---

### **22. ADDITIONAL INFORMATION**

Your attention is drawn to the Appendices which form part of this Circular.

Issued by

**CHALLENGER TECHNOLOGIES LIMITED**

12 June 2019

---

## APPENDIX I IFA LETTER

---

### DELOITTE & TOUCHE CORPORATE FINANCE PTE LTD

(Incorporated in the Republic of Singapore)  
Company Registration Number: 200200144N

12 June 2019

The Non-conflicted Directors  
Challenger Technologies Limited  
1 Ubi Link Challenger TechHub  
Singapore 408553

Dear Sirs,

**PROPOSED VOLUNTARY DELISTING (AS DEFINED HEREIN) OF CHALLENGER TECHNOLOGIES LIMITED (“COMPANY”) FROM THE OFFICIAL LIST OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (SGX-ST) PURSUANT TO RULES 1307 AND 1309 OF THE SGX-ST LISTING MANUAL (“DELISTING PROPOSAL”)**

*For the purpose of this letter, capitalised terms not otherwise defined shall have the meaning given to them in the circular to the Shareholders of the Company dated 12 June 2019 (the “**Delisting Circular**”).*

#### 1. INTRODUCTION

On 20 March 2019 (the “**Joint Announcement Date**”), the Company and Digileap Capital Limited (the “**Offeror**”) jointly announced that the Offeror had presented the Delisting Proposal to seek the voluntary delisting of the Company from the Official List of the SGX-ST pursuant to Rules 1307 and 1309 of the SGX-ST listing manual (“**Listing Manual**”).

Under the terms of the Delisting Proposal, for and on behalf of the Offeror, DBS Bank Ltd. (“**DBS**”) will make an exit offer (the “**Exit Offer**”) in cash, conditional on the obtaining of Shareholders’ approval at the EGM for the Delisting Resolution to be passed (the “**Shareholders’ Approval**”), to acquire all the Shares, other than those held by the Company as treasury share and those held, directly or indirectly, by the Offeror as at the date of the Exit Offer (the “**Offer Shares**”), at the Exit Offer Price of S\$0.560 for each Offer Share.

The Directors of the Company (including the Non-conflicted Directors) (“**Directors**”, or “**Board**”), having considered the Delisting Proposal, have resolved to make an application to the SGX-ST for approval of the Delisting, and to convene the extraordinary general meeting (“**EGM**”) to seek the approval of the Shareholders in respect of the resolution for the Delisting (“**Delisting Resolution**”) pursuant to Rules 1307 and 1309 of the Listing Manual.

Under Rule 1309 of the Listing Manual, if the Company is seeking to delist from the SGX-ST the Company should appoint an independent financial adviser (“**IFA**”) to advise on the Exit Offer. On 26 March 2019, the Company appointed Deloitte & Touche Corporate Finance Pte Ltd (“**DTCF**”) as the IFA to the directors of the Company who are considered independent (the “**Non-conflicted Directors**”) for the purpose of making their recommendations to the Shareholders with respect to the Delisting and the Exit Offer.

This IFA letter sets out, inter alia, our views and evaluation of the Exit Offer and our opinion thereon. It will form part of the Delisting Circular providing, inter alia, our recommendation to the Non-conflicted Directors in respect of the Exit Offer.

---

## APPENDIX I

### IFA LETTER

---

#### 2. TERMS OF REFERENCE

Deloitte & Touche Corporate Finance Pte Ltd (“**DTCF**”) has been appointed as the Independent Financial Adviser (“**IFA**”) as required under Rule 1309 of the Listing Manual and also to advise the Non-conflicted Directors in respect of their recommendation on the actions to be taken by the Shareholders in relation to the Exit Offer.

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

The scope of our appointment does not require us to express, and we do not express, any view on the future growth prospects, financial position or earnings potential of the Company and its subsidiaries (the “**Group**”). Such evaluation or comments remain the responsibility of the Directors although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion. The opinion set forth herein is based solely on publicly available information as well as information provided by the Directors, and is predicated upon the economic and market conditions prevailing as at 4 June 2019, being the Latest Practicable Date (“**LPD**”). This IFA Letter therefore does not reflect any projections on the future financial performance of the Group.

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

In formulating our opinion and recommendation, we have held discussions with the Directors and the management of the Group (“**Management**”) and have relied to a considerable extent on the information set out in the Delisting Circular, other public information collated by us and the information, representations, opinions, facts and statements provided to us, whether written or verbal, by the Company and its other professional advisers. Whilst care has been exercised in reviewing the information we have relied upon and we have made reasonable enquiries and exercised judgement in the use of such information, we have not independently verified the information both written and verbal and accordingly 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.

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

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

---

## APPENDIX I

### IFA LETTER

---

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

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

We hereby consent to a copy of this IFA Letter to be reproduced in the Delisting Circular and save for such use in the Delisting Circular and Court Hearings, neither the Company nor the Directors may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any other purposes at any time and in any manner, without the prior written consent of DTCF in each specific case.

Our opinion is required under Rule 1309 of the Listing Manual and is also addressed to the Non-conflicted Directors for their benefit and deliberation of the Exit Offer. The recommendations made to the Shareholders shall remain the responsibility of the Directors. Our recommendation to the Non-conflicted Directors in relation to the Exit Offer should be considered in the context of the entirety of this IFA Letter and the Delisting Circular.

### **3. INFORMATION ON THE COMPANY AND THE OFFEROR AND THE PARTIES ACTING IN CONCERT WITH IT**

#### **3.1 Information of the Company**

Information on the Company has been set out in Section 5 of the Delisting Circular with additional information in Appendix II of the Delisting Circular and should be reviewed in conjunction with this section of the IFA Letter:

*“The Company was incorporated in Singapore on 14 January 1984. It was listed on 14 January 2004 on SGX Sesdaq and subsequently listed on the Mainboard of the SGX-ST on 30 August 2007. The principal activities of the Company and its subsidiaries consist of the sale of information technology products, the supply and installation of electronic signage, and the provision of telephonic call centre and data management services.*

*As at the Latest Practicable Date, the Company has an issued and paid-up share capital comprising 345,207,961 Shares and a market capitalisation of approximately S\$188.1 million. It does not have any treasury shares.*

*As at the Latest Practicable Date, the Directors are Mr. Loo Leong Thye (Executive Director and Chief Executive Officer), Mr. Tan Wee Ko (Executive Director and Chief Financial Officer), Mr. Tan Han Beng (Lead Independent Director), Mr. Max Ng Chee Weng (Independent Director) and Ms. Tan Chay Boon (Independent Director).”*

#### **3.2 Information of the Offeror and the Parties acting in concert with it**

Information on the Offeror and the parties acting in concert with it has been set out in Section 4 of the Delisting Circular and should be reviewed in conjunction with the extract below:

---

## APPENDIX I

### IFA LETTER

---

*The Offeror is a special purpose vehicle incorporated in the Cayman Islands for the purposes of the Delisting and the Exit Offer. Its principal activity is that of investment holding. As at the Latest Practicable Date, 70% of the Offeror is held by Dekatech Investments (“Loo SPV”) and the remaining 30% is held by Asia Consumer Electronics Limited (“Dymon SPV”). The board of directors of the Offeror comprises:*

- (a) Mr. Loo Leong Thye; and
- (b) Mr. Tan Keng Soon (Keith)<sup>1</sup>.

*As at the Latest Practicable Date, the Offeror owns 3,427,100 Shares, representing approximately 0.99% of the total number of issued Shares.*

Additional information on the Loo SPV and the Loo Family Group and Dymon SPV can be found in section 4.2 and 4.3 of the Delisting Circular.

#### 4 TERMS OF THE EXIT OFFER

The Exit Offer is made by DBS, for and behalf of the Offeror, on the basis set out in Section 3 of the Delisting Circular. The following is a summary and extraction of the salient terms of the Exit Offer and has been obtained from the Exit Offer Letter and the Delisting Circular.

**Shareholders are advised to read these documents and the terms and conditions contained therein very carefully.**

##### 4.1 Exit Offer and Offer Shares

Subject to Section 3.3 of the Delisting Circular and Section 4.4 below, the price of each Offer Share will be as follows

*The offer price for each Offer Share (the “Exit Offer Price”) is S\$0.560 in cash, which is the Exit Offer Price before the FY2018 Final Dividend of S\$0.020 was paid out on 3 June 2019.*

**THE OFFEROR DOES NOT INTEND TO REVISE THE EXIT OFFER PRICE.**

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

*The Shareholders may accept the Exit Offer in respect of all or part of their holdings of Offer Shares. The Exit Offer is not conditional upon a minimum number of acceptances being received by the Offeror.*

##### 4.2 Rights and Encumbrances

*The Offer Shares will be acquired 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 attaching thereto (including the right to receive and retain all dividends, rights and other distributions (“Distributions”) which may be announced, declared, paid or made thereon by the Company, on or after the Joint Announcement Date).*

##### 4.3 Adjustment for FY2018 Final Dividend and other Distributions

*Without prejudice to 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 Distribution that may be announced, declared, paid or made by the Company on or after the Joint Announcement Date.*

---

<sup>1</sup> Mr. Tan Keng Soon (Keith) is deemed interested in the shares held by Dymon SPV in the Offeror, as Dymon SPV is held by Diamond GP Holdings II Ltd, which is in turn held by Dymon Asia Private Equity (S.E. Asia) II Ltd, in which he is a shareholder.



---

## APPENDIX I

### IFA LETTER

---

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

- a. If such settlement date falls on or before the books closure date for the determination of entitlements to the Distribution (the “**Books Closure Date**”), the Offeror shall pay the relevant accepting Shareholders the unadjusted Exit Offer Price for each Offer Share, as the Offeror will receive the Distribution in respect of such Offer Shares from the Company; or*
- b. If such settlement date falls after the Books Closure Date, the Exit Offer Price shall be reduced by an amount which is equal to the amount of the Distribution in respect of each Offer Share, as the Offeror will not receive the Distribution in respect of such Offer Shares from the Company.*

*As stated in the announcement by the Company dated 29 April 2019, the Shareholders approved the payment of a final one-tier tax exempt dividend (the “**FY2018 Final Dividend**”) of S\$0.020 per Share for the financial year ended 31 December 2018 at the Annual General Meeting of the Company held on 29 April 2019. The Books Closure Date for the determination of entitlements to the FY2018 Final Dividend was on 17 May 2019, and the FY2018 Final Dividend was paid by the Company to Shareholders on 3 June 2019.*

*As the Books Closure Date for the determination of entitlements to the FY2018 Final Dividend has passed as at the date of this Circular, the Exit Offer Price payable to a Shareholder who validly accepts the Exit Offer will be reduced by the amount of the FY2018 Final Dividend to **S\$0.540 for each Offer Share**.*

*Each Shareholder (other than the members of the Loo Family Group in respect of their Loo Family Group Relevant Shares) who accepts the Exit Offer will receive S\$540 for every 1,000 Offer Shares tendered in acceptance of the Exit Offer.*

#### 4.4 Conditions

*As stated in the Exit Offer Letter, the Delisting and the Exit Offer will be conditional upon:*

- a. the approval of the Delisting Resolution by a majority of at least 75 per cent. (75%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) held by the Shareholders present and voting, on a poll, either in person or by proxy at the EGM (the Directors and Controlling Shareholders need not abstain from voting on the Delisting Resolution); and*
- b. the Delisting Resolution not being voted against by 10 per cent. (10%) or more of the total number of issued Shares (excluding treasury shares and subsidiary holdings) held by the Shareholders present and voting, on a poll, either in person or by proxy at the EGM,*

*(collectively, the “**Delisting Resolution Approval Conditions**”)*

*On 29 April 2019, the Company submitted an application to the SGX-ST to delist the Company from the Official List of the SGX-ST. On 4 June 2019, the SGX-ST responded to the Company that it has no objection to the Delisting, subject to, compliance with Rule 1307 of the Listing Manual. The SGX-ST’s decision is not an indication of the merits of the Delisting.*

---

## APPENDIX I

### IFA LETTER

---

As at the Latest Practicable Date, the Offeror and parties acting in concert with it hold Shares representing more than 50 per cent. (50%) of the total number of issued Shares. Accordingly, the Delisting and the Exit Offer will **not** be conditional upon a minimum number of acceptances being received by the Offeror.

Under Rule 1307(2) of the Listing Manual, the Directors and the Controlling Shareholders are not required to abstain from voting on the Delisting Resolution. As at the Latest Practicable Date, the Offeror intends to vote all of the 3,427,100 Shares held by it (representing approximately 0.99% of the total number of issued Shares) in favour of the Delisting Resolution at the EGM. Further, as at the Latest Practicable Date, the Offeror has also obtained the Irrevocable Undertakings in respect of an aggregate of 271,475,450 Shares (representing approximately 78.64% of the total number of issued Shares), whereby the Undertaking Shareholders have undertaken, inter alia, to vote all of their Shares in favour of the Delisting Resolution at the EGM. Further information on the Irrevocable Undertakings can be found in Section 3.7 of this Circular entitled “Irrevocable Undertakings”.

**Accordingly, as at the Latest Practicable Date, an aggregate of 274,902,550 Shares, representing approximately 79.63% of the total number of issued Shares, will be voted in favour of the Delisting Resolution at the EGM.**

**Shareholders are to note that the Delisting and the Exit Offer will be conditional upon the Delisting Resolution being passed at the EGM. If the Delisting Resolution Approval Conditions are not fulfilled, the Delisting will not proceed and the Company will remain listed on the Official List of the SGX-ST. The Exit Offer will also lapse and all acceptances of the Exit Offer will be returned.**

**In the event that the Exit Offer lapses, pursuant to Rule 33.1 of the Code, neither the Offeror, any persons who acted in concert with it in the course of the Exit Offer, nor any other person who is subsequently acting in concert with any of them may, except with the consent of the SIC, within 12 months from the date on which the Exit Offer lapses (i) announce an offer or possible offer for the Company or (ii) acquire any voting rights of the Company if the Offeror or persons acting in concert with it would thereby become obliged under Rule 14 of the Code to make an offer.**

#### 4.5 Irrevocable Undertaking

The information relating to the undertakings obtained by the Offeror has been extracted from section 3.7 of the Delisting Circular and reproduced below.

##### The Loo Family Group Undertakings

As at the Latest Practicable Date, the Offeror has obtained Irrevocable Undertakings from each member of the Loo Family Group, who collectively hold an aggregate of 188,407,950 Shares representing approximately 54.58% of the total number of issued Shares, pursuant to which each member of the Loo Family Group has undertaken and/or agreed, inter alia, the following:

- a. to vote all his/her Shares (the “**Loo Family Group Relevant Shares**”) in favour of the Delisting Resolution and accept the Exit Offer in respect of all of the Loo Family Group Relevant Shares;
- b. that the total cash consideration payable by the Offeror to him/her pursuant to his/her acceptance of the Exit Offer in respect of the Loo Family Group Relevant Shares will be regarded as an interest-free related party loan (a “**Related Party Loan**”) extended by him/her to the Offeror, such that no cash shall be payable by the Offeror to him/her pursuant to his/her acceptance of the Exit Offer in respect of the Loo Family Group Relevant Shares; and



---

## APPENDIX I

### IFA LETTER

---

- c. to waive his/her rights under Rule 30 of the Code to receive any cash settlement or payment for his/her acceptance of the Exit Offer in respect of the Loo Family Group Relevant Shares.

#### The NLH Undertaking

As at the Latest Practicable Date the Offeror has also obtained an Irrevocable Undertaking from Mr. Ng Leong Hai, who holds 83,067,500 Shares representing approximately 24.06% of the total number of issued Shares, pursuant to which Mr. Ng Leong Hai has undertaken and/or agreed, inter alia, to vote all his Shares in favour of the Delisting Resolution and accept the Exit Offer in respect of all his Shares.

The Irrevocable Undertakings shall terminate, lapse and cease to have any effect on the earlier of: (a) the conclusion of the EGM convened to obtain Shareholders' Approval, if the Delisting Resolution is not approved at such EGM; and (b) the date on which the Exit Offer is withdrawn, lapses or closes.

As at the Latest Practicable Date, the respective direct shareholdings of each of the Undertaking Shareholders in the Company are set out below:

Name	No. of Shares	(%)
Mr. Loo Leong Thy	148,352,250	42.97
Ms. Ong Sock Hwee	34,924,350	10.12
Ms. Loo Pei Fen	4,492,500	1.30
Mr. Loo Wei Kiat	638,850	0.19
Mr. Ng Leong Hai	83,067,500	24.06
<b>Total</b>	<b>271,475,450</b>	<b>78.64</b>

As stated in paragraph 2.8 of the Exit Offer Letter entitled "Irrevocable Undertakings", save as disclosed in this Section 3.7, none of the Offeror or its concert parties has received any irrevocable undertaking from any party to (A) vote for or against the Delisting Resolution, and/or (B) accept or reject the Exit Offer.

## 5 RATIONALE FOR THE DELISTING AND EXIT OFFER AND THE OFFEROR'S INTENTIONS FOR THE COMPANY

The rationale for the Delisting and Exit Offer as well as the Offeror's intentions for the Company has been extracted from paragraph 4 of the Exit Offer Letter and is reproduced below.

### 1. Background to the Delisting

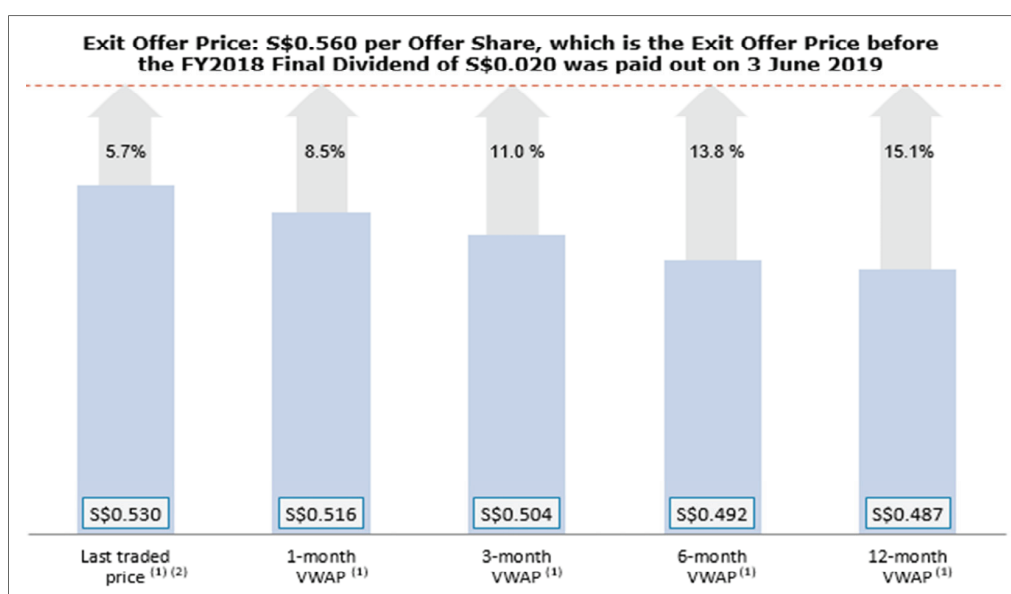
In October 2017, LLT received an unsolicited offer from a minority Shareholder, Pangolin Investment Management Pte. Ltd. ("**Pangolin**"), to sell its stake in the Company to LLT at S\$0.435 per Share. In March 2018, Pangolin again made a subsequent offer to sell its Shares to LLT without stating the price at which it would be willing to sell its Shares, which prompted LLT to consider exploring the possibility of the Delisting. Instead of only entering into a transaction with a single Shareholder, LLT wanted to make an offer to all Shareholders, and started looking for a partner to commence such a process.

### 2. Opportunity for Shareholders who are not prepared to bear business risks to realise a clean cash exit at a premium

Shareholders who do not wish to bear the business risks outlined in paragraph 4.5 below will have an opportunity to realise their investments in the Company for a cash consideration at a premium over the historical transacted prices of the Shares on the SGX-ST, without incurring any brokerage and other trading costs.

## APPENDIX I IFA LETTER

- a. The Exit Offer Price of S\$0.560, which is the Exit Offer Price before the FY2018 Final Dividend of S\$0.020 was paid out on 3 June 2019, exceeds the highest closing price of the Shares since 9 May 2014, being more than four (4) years prior to 15 March 2019, being the last full day of trading ("**Last Full Market Day**") in the Shares on the SGX-ST immediately prior to the date of the trading halt by the Company on 18 March 2019.
- b. The Exit Offer Price of S\$0.560, which is the Exit Offer Price before the FY2018 Final Dividend of S\$0.020 was paid out on 3 June 2019, represents a premium of approximately 5.7% over the last traded price of S\$0.530 per Share on the Last Full Market Day and a premium of approximately 8.5%, 11.0%, 13.8% and 15.1% over the volume weighted average price ("**VWAP**") of the Shares over the one (1)-month, three (3)-month, six (6)-month and 12-month periods respectively up to and including the Last Full Market Day.



Notes:

(1) The historical market prices and the corresponding premiums are computed based on data extracted from Bloomberg L.P.

(2) Last transacted price per Share on the Last Full Market Day.

- c. The Exit Offer Price of S\$0.560, which is the Exit Offer Price before the FY2018 Final Dividend of S\$0.020 was paid out on 3 June 2019, also represents an attractive premium of 101.2% over the latest publicly available net asset value / net tangible asset value per Share of S\$0.2783 as at 31 March 2019 (as reported in the unaudited consolidated financial statements of the Company and its subsidiaries (the "**Group**") for the three (3)-month period ended 31 March 2019).

## APPENDIX I IFA LETTER

3. *Opportunity for Shareholders to realise their investments amidst low trading liquidity of Shares*

*The trading liquidity of the Shares on the SGX-ST in the past year has been generally thin. The average daily trading volume of the Shares for the one (1)-month, three (3)-month, six (6)-month and 12-month periods prior to and including the Last Full Market Day are as follows:*

<b>Period prior to and including the Last Full Market Day</b>	<b>Average Daily Trading Volume <sup>(1)</sup></b>	<b>Approximate percentage of total number of Shares <sup>(2)</sup> (%)</b>
Last one (1) month	55,273	0.016
Last three (3) months	48,394	0.014
Last six (6) months	45,990	0.013
Last 12 months	38,501	0.011

*Source: Bloomberg L.P.*

*Notes:*

*(1) The average daily trading volume is computed based on the total trading volume of the Shares for all Market Days for the relevant periods immediately prior to and including the Last Full Market Day, divided by the total number of Market Days during the respective periods. "Market Day" refers to a day on which the SGX-ST is open for the trading of securities.*

*(2) Computed based on 345,207,961 Shares, being the total number of issued Shares as at the Latest Practicable Date.*

***In view of the low trading liquidity during the periods prior to and including the Last Full Market Day, the Offeror believes that the Exit Offer represents an opportunity for Shareholders to realise their investments in Shares at a price (without incurring any brokerage and other trading costs) which may not otherwise be readily available.***

4. *Greater management flexibility*

*The Offeror believes that privatising the Company will give the Offeror and the management of the Company more flexibility to manage the business of the Company, optimise the use of its management and capital resources and facilitate the implementation of any operational changes without the attendant costs, regulatory restrictions and compliance issues associated with its listed status on the SGX-ST.*

5. *The Company is facing challenges due to weak retail sentiment and industry disruption, and may have to implement changes to its business to navigate the challenging retail environment. Dividends from the Company could be affected during such time*

*The Company operates in a challenging electrical and electronics retail business environment in Singapore, where the market is saturated and competitive pressures may increase margin pressure. Coupled with weak retail sentiment and industry disruption resulting from the rise in e-commerce, the Company has experienced a consistent decline in revenue over the last five (5) years.*

*In order to navigate the challenging business environment, the Offeror believes that the Company may have to implement changes to its business, which will require management commitment and allocation of resources in the near to mid-term. During such time, dividends from the Company could be affected.*

---

## APPENDIX I

### IFA LETTER

---

*In addition, the Company had in previous years benefited as a result of the Productivity and Innovation Credit Scheme, pursuant to which its customers were entitled to tax deductions and allowances and other benefits in respect of certain qualifying purchases, such as information technology and automation equipment from the Company. Following the expiry of the Productivity and Innovation Credit Scheme after the year of assessment 2018, there may be a resultant decline in the Company's sales, and the business and profits of the Company may be further impacted.*

6. *No need for access to capital markets*

*Since 2007, the Company has not carried out any corporate exercise to raise cash funding on the SGX-ST. The Company is also unlikely to require access to 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.*

7. *Compliance costs of maintaining listing*

*In maintaining its listed status, the Company incurs compliance and associated costs. In the event that the Company is delisted from the SGX-ST, the Company will be able to save on expenses relating to the maintenance of a listed status and focus its resources on its business operations.*

8. *Offeror's intentions*

*Following the close of the Exit Offer, the Offeror will undertake a review of the businesses, organisation and operations of the Group. This review will help the Offeror determine the optimal business strategy for the Group and thereafter, the Offeror may implement changes to the business of the Group to navigate the challenging retail business environment.*

*Save as disclosed above, the Offeror has no current intention to (a) introduce any major changes to the business of the Group, (b) re-deploy the fixed assets of the Group, or (c) discontinue the employment of any of the existing employees of the Group, other than in the ordinary course of business.*

*Nonetheless, the Offeror retains the flexibility at any time to consider any options or opportunities which may present themselves, and which it regards to be in the interests of the Offeror and/or the Group.*

## 6 IMPLICATIONS OF COMPULSORY ACQUISITION AND DELISTING FOR SHAREHOLDERS

The information relating to the rights of Compulsory Acquisition has been extracted from section 8.2 of the Delisting Circular and reproduced below.

*Pursuant to Section 215(1) of the Companies Act, in the event that the Offeror acquires 90 per cent. (90%) or more of the Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the Despatch Date and excluding any Shares held by the Company as treasury shares), the Offeror will be entitled to exercise its right under Section 215(1) of the Companies Act to compulsorily acquire all the Shares of Dissenting Shareholders, at a price equal to the Exit Offer Price.*

*As stated in the Exit Offer Letter, the Offeror intends to make the Company its wholly-owned subsidiary. Accordingly, should the Offeror acquire 90 per cent. (90%) or more of the Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the Despatch Date and excluding any Shares held by the Company as treasury shares), the Offeror intends to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act.*

---

## APPENDIX I

### IFA LETTER

---

*Accordingly, as at the Latest Practicable Date, the calculation for the 90 per cent. (90%) threshold for the exercise of the Offeror's right of compulsory acquisition under Section 215(1) of the Companies Act shall include the aggregate of 271,475,450 Shares held by the Undertaking Shareholders subject to the Irrevocable Undertakings, representing approximately 78.64% of the total number of issued Shares, but shall exclude the aggregate 3,427,100 Shares held by the Offeror, representing approximately 0.99% of the total number of issued Shares.*

*Dissenting Shareholders will have the right under and subject to Section 215(3) of the Companies Act to require the Offeror to acquire their Shares at the Exit Offer Price and on the same terms as the Exit Offer, in the event that the Shares acquired by the Offeror pursuant to the Exit Offer together with (a) any other Shares held by the Offeror, its related corporations or their respective nominees and (b) any Shares held by the Company as treasury shares, comprise 90 per cent. (90%) or more of the Shares and any Shares held by the Company as treasury shares.*

*Accordingly, as at the Latest Practicable Date, the calculation for the 90 per cent. (90%) threshold for the exercise of the Dissenting Shareholders' rights under Section 215(3) of the Companies Act to require the Offeror to acquire their Shares at the Exit Offer Price and on the same terms as the Exit Offer shall include (i) the aggregate of 271,475,450 Shares held by the Undertaking Shareholders subject to the Irrevocable Undertakings, representing approximately 78.64% of the total number of issued Shares; and (ii) the aggregate 3,427,100 Shares held by the Offeror, representing approximately 0.99% of the total number of issued Shares.*

***Dissenting Shareholders who wish to exercise such rights are advised to seek their own independent legal advice.***

***IN THE EVENT THAT THE DELISTING IS APPROVED BY SHAREHOLDERS AT THE EGM BUT NEITHER THE OFFEROR NOR THE DISSENTING SHAREHOLDERS ARE ENTITLED TO EXERCISE THEIR RIGHTS UNDER SECTION 215(1) AND SECTION 215(3) OF THE COMPANIES ACT RESPECTIVELY, THE COMPANY WILL BE DELISTED, REGARDLESS OF THE ACCEPTANCE LEVEL OF THE EXIT OFFER, AND SHAREHOLDERS WHO DO NOT ACCEPT THE EXIT OFFER WILL BE LEFT HOLDING SHARES IN AN UNLISTED COMPANY.***

Shareholders should note that if the Delisting Resolution is approved in accordance with the requirements of the Listing Manual, the Company will be delisted. Following the Delisting, Shareholders who do not accept the Exit Offer will continue to hold shares in the Company, which will then be an unlisted company. **Shareholders are advised to read carefully the Implications of Delisting for Shareholders as set out in paragraph 8.1 of the Delisting Circular.**

## 7 ASSESSMENT OF THE FINANCIAL TERMS OF THE EXIT OFFER

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

- (1) Historical market price performance and trading activity of the Shares;
- (2) Comparison with recently completed privatisation of companies listed on the SGX-ST;
- (3) Historical financial performance of the Company and outlook of the Industry;
- (4) Analysis of the Exit Offer Price to the trailing historical NTA of the Company;
- (5) Comparison with the valuation statistics of companies broadly comparable to the Company;
- (6) Dividend track record of the Company; and
- (7) Other relevant considerations.

## APPENDIX I IFA LETTER

### 7.1 Historical share price performance and trading activity of the Shares

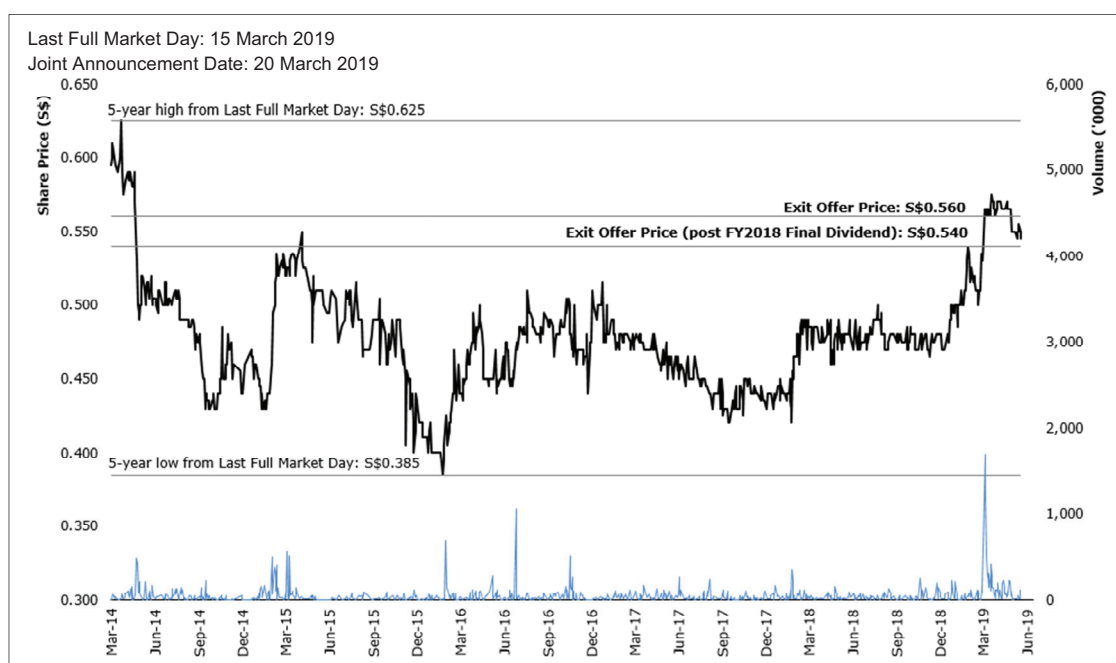
#### 7.1.1 Historical Share price performance

We have compared the Exit Offer Price and the Exit Offer Price (post FY2018 Final Dividend) against the historical market price performance of the Shares and considered the historical trading volume of Shares during the period commencing 17 March 2014, being the 5-year period prior to the last full trading day before the Joint Announcement Date and up to the Latest Practicable Date.

As the Company requested for a trading halt on 18 March 2019 prior to the close of trading on that day, 15 March 2019 is the last full day of trading immediately prior to the Joint Announcement Date on 20 March 2019 (the “**Last Full Market Day**”).

We set out below a chart showing the Exit Offer Price and the Exit Offer Price (post FY2018 Final Dividend) relative to the daily last transacted prices and trading volume of the Shares from 17 March 2014, and up to the Latest Practicable Date:

**Chart 1: Share Price Performance**



Source: Bloomberg

Note:

- (1) Exit Offer Price (post FY2018 Final Dividend) is computed by taking the Exit Offer Price and subtracting the FY2018 Final Dividend.

A summary of the salient announcement relating to the Company during the 2-year period prior to the LPD is as follow:

No	Date	Details
1	04-Jun-19	Announcement on the receipt of no objection letter from the Singapore Exchange Securities Trading Limited. The Company wishes to announce that the SGX-ST has, in its letter dated 4 June 2019, advised that it has no objection to the Delisting, subject to compliance with Rule 1307 of the Listing Manual.



## APPENDIX I IFA LETTER

No	Date	Details
2	31-May-19	The Company announced that the First Quarter Results is in compliance with the Singapore Code on Take-overs and Mergers, the auditor of the Company (RSM Chio Lim LLP) and the independent financial advisor of the Company (Deloitte & Touche Corporate Finance Pte Ltd), have issued the 1Q2019 Auditor's Report and the 1Q2019 IFA Report, respectively, to be included and read with the 1Q2019 Results Announcement dated 10 May 2019.
3	27-May-19	Announcement on the indicative timeline for the proposed voluntary delisting of Challenger Technologies.
4	10-May-19	Announcement of the First Quarter Results. The Company reported an increase in revenue of S\$80,933,000 from S\$77,590,000 for the same period a year ago. Profit before tax from continuing operations was S\$4,989,000 as compared to S\$6,290,000 for the same period a year ago. Profit attributable to owners of the company was S\$4,083,000 as compared to S\$5,215,000 for the same period a year ago.
5	12-Apr-19	Announcement for the acquisition of 1,000 Shares by Digileap Capital Limited at S\$0.56. As a result, total percentage of Shares owned, controlled or agreed to be acquired by the Offeror and persons acting in concert became 55.57% of total Shares as at 12 April 2019.
6	11-Apr-19	Announcement for the acquisition of 9,000 Shares by Digileap Capital Limited at S\$0.56. As a result, total percentage of Shares owned, controlled or agreed to be acquired by the Offeror and persons acting in concert became 55.57% of total Shares as at 11 April 2019.
7	08-Apr-19	The Company announced that they had secured leases at Jewel Changi Airport – Challenger Store and West Coast Plaza – Challenger Mini, commencing 2Q 2019 and 3Q 2019 respectively.
8	01-Apr-19	Announcement for the acquisition of 172,400 Shares by Digileap Capital Limited at S\$0.56. As a result, total percentage of Shares owned, controlled or agreed to be acquired by the Offeror and persons acting in concert became 55.57% of total Shares as at 1 April 2019.
9	29-Mar-19	Announcement for the acquisition of 37,500 Shares by Digileap Capital Limited at S\$0.56. As a result, total percentage of Shares owned, controlled or agreed to be acquired by the Offeror and persons acting in concert became 55.52% of total Shares as at 29 March 2019.
10	28-Mar-19	Announcement for the acquisition of 10,100 Shares by Digileap Capital Limited at S\$0.56. As a result, total percentage of Shares owned, controlled or agreed to be acquired by the Offeror and persons acting in concert became 55.51% of total Shares as at 27 March 2019.
11	27-Mar-19	Announcement for the acquisition of 72,000 Shares by Digileap Capital Limited at S\$0.56. As a result, total percentage of Shares owned, controlled or agreed to be acquired by the Offeror and persons acting in concert became 55.49% of total Shares as at 27 March 2019.
12	26-Mar-19	Appointment of Deloitte & Touche Corporate Finance Pte Ltd as the independent financial advisor to advise the Directors who are considered independent for the purposes of the Exit Offer.



## APPENDIX I

### IFA LETTER

No	Date	Details
13	26-Mar-19	Announcement for the acquisition of 21,600 Shares by Digileap Capital Limited at S\$0.56. As a result, total percentage of Shares owned, controlled or agreed to be acquired by the Offeror and persons acting in concert became 55.48% of total Shares as at 26 March 2019.
14	25-Mar-19	Announcement for the acquisition of 260,000 Shares by Digileap Capital Limited at S\$0.56. As a result, total percentage of Shares owned, controlled or agreed to be acquired by the Offeror and persons acting in concert became 55.48% of total Shares as at 25 March 2019.
15	22-Mar-19	Announcement for the acquisition of 1,257,100 Shares by Digileap Capital Limited at S\$0.56. As a result, total percentage of Shares owned, controlled or agreed to be acquired by the Offeror and persons acting in concert became 55.40% of total Shares as at 22 March 2019.
16	21-Mar-19	Announcement for the acquisition of 1,586,400 Shares by Digileap Capital Limited at S\$0.56. As a result, total percentage of Shares owned, controlled or agreed to be acquired by the Offeror and persons acting in concert became 55.04% of total Shares as at 22 March 2019.
17	20-Mar-19	Request for Lifting of Trading Halt effective as of 21 March 2019 08:30.
18	20-Mar-19	Joint Announcement of Proposed Voluntary Delisting of Challenger Technologies Limited at an Exit Offer Price of S\$0.56 per share.
19	18-Mar-19	The Company requested for a trading halt, with immediate effect, pending release of announcement.
20	15-Feb-19	Announcement of full year financial statements for the financial year ended 31 December 2018. The Group reported a decrease in revenue of S\$320,168,000 from S\$321,851,000 for the same period a year ago. Profit before tax from continuing operations was S\$24,157,000 as compared to S\$18,817,000 for the same period a year ago. Profit attributable to owners of the company was S\$19,454,000 as compared to S\$15,986,000 for the same period a year ago.
21	15-Feb-19	Announcement of proposed final dividend of S\$0.020 per share for the period 1 September 2018 to 31 December 2018 to be approved at its coming Annual General Meeting. Together with the interim dividend of S\$0.011, this would give a total dividend of S\$0.031 per share for the full year ended 31 December 2018. Payout represents 55% of net profit attributable to shareholders.
22	02-Nov-18	Announcement of the Third Quarter Results. The Company reported an increase in revenue of S\$236,309,000 from S\$232,898,000 for the same period a year ago. Profit before tax from continuing operations was S\$17,041,000 as compared to S\$12,341,000 for the same period a year ago. Profit attributable to owners of the company was S\$13,721,000 as compared to S\$10,137,000 for the same period a year ago.
23	06-Aug-18	Announcement of tax exempt (one-tier) interim dividend of S\$0.011 per share for the period ended 30 June 2018.

## APPENDIX I

### IFA LETTER

No	Date	Details
24	03-Aug-18	Announcement of the Second Quarter Results. The Company reported a decrease in revenue of S\$153,839,000 from S\$155,092,000 for the same period a year ago. Profit before tax from continuing operations was S\$11,525,000 as compared to S\$8,434,000 for the same period a year ago. Profit attributable to owners of the company was S\$9,217,000 as compared to S\$7,007,000 for the same period a year ago.
25	05-Jul-18	The Company announced that they had secured leases at Jcube–Pre-owned IT Store and ION Orchard–Musica Boutique, commencing 3Q 2018 and 4Q 2018 respectively.
26	10-May-18	Announcement of the First Quarter Results. The Company reported an increase in revenue of S\$77,590,000 from S\$76,340,000 for the same period a year ago. Profit before tax from continuing operations was S\$6,290,000 as compared to S\$3,736,000 for the same period a year ago. Profit attributable to owners of the company was S\$5,215,000 as compared to S\$3,094,000 for the same period a year ago.
27	07-May-18	The Company announced that it has struck off Valore Lifestyle Pte. Ltd., a subsidiary of the Company, from the Register of Companies. Valore Lifestyle Pte. Ltd., has ceased operation since 2016. There is no material impact expected on the NTA of the Company.
28	11-Apr-18	The Company announced that it has struck off Andios Pte. Ltd., a subsidiary of the Company, from the Register of Companies. Andios Pte. Ltd., has ceased operation since 2016. There is no material impact expected on the NTA of the Company.
29	09-Feb-18	Announcement of tax exempt (one-tier) final dividend of S\$0.022 per share for the year ended 31 December 2017.
30	09-Feb-18	Announcement of full year financial statements for the financial year ended 31 December 2017. The Group reported a decrease in revenue of S\$322,083,000 from S\$339,441,000 for the same period a year ago. Profit before tax from continuing operations was S\$19,049,000 as compared to S\$14,916,000 for the same period a year ago. Profit attributable to owners of the company was S\$16,218,000 as compared to S\$12,285,000 for the same period a year ago.
31	03-Nov-17	Announcement of the Third Quarter Results. The Company reported a decrease in revenue of S\$233,123,000 from S\$256,028,000 for the same period a year ago. Profit before tax from continuing operations was S\$12,566,000 as compared to S\$11,213,000 for the same period a year ago. Profit attributable to owners of the company was S\$10,362,000 as compared to S\$9,267,000 for the same period a year ago.
32	04-Aug-17	Announcement of tax-exempt (one-tier) interim dividend of S\$0.011 per share for the period ended 30 June 2017.
33	04-Aug-17	Announcement of the Second Quarter Results. The Company reported a decrease in revenue of S\$155,131,000 from S\$181,630,000 for the same period a year ago. Profit before tax from continuing operations was S\$8,473,000 as compared to S\$9,086,000 for the same period a year ago. Profit attributable to owners of the company was S\$7,046,000 as compared to S\$7,520,000 for the same period a year ago.

## APPENDIX I IFA LETTER

No	Date	Details
34	22-Jun-17	The Company announced that they had secured new lease at Paya Lebar Quarter–Challenger store, commencing 3Q 2018.
35	09-May-17	Announcement of the First Quarter Results. The Company reported a decrease in revenue of S\$76,452,000 from S\$90,385,000 for the same period a year ago. Profit before tax from continuing operations was S\$3,848,000 as compared to S\$4,465,000 for the same period a year ago. Profit attributable to owners of the company was S\$3,206,000 as compared to S\$3,758,000 for the same period a year ago.
36	22-Feb-17	Announcement of restatement of full year financial statements for the financial year ended 31 December 2016. The Group had erroneously overstated ending inventory balance for 31 December 2016 by S\$1,750,000. After restatement, profit before tax from continuing operations was S\$14,916,000. Profit attributable to owners of the company was S\$12,285,000.
37	15-Feb-17	Announcement of tax exempt (one-tier) final dividend of S\$0.016 per share for the year ended 31 December 2016.
38	15-Feb-17	Announcement of full year financial statements for the financial year ended 31 December 2016. The Group reported a decrease in revenue of S\$339,441,000 from S\$352,245,000 for the same period a year ago. Profit before tax from continuing operations was S\$16,336,000 as compared to S\$21,735,000 for the same period a year ago. Profit attributable to owners of the company was S\$13,421,000 as compared to S\$18,248,000 for the same period a year ago.

We highlight the following in respect of the development in market prices of the Shares:

- a. In the 5-year period prior to the Last Full Market Day, the last transacted price of Shares was higher than the Exit Offer Price of S\$0.560 during the period between March 2014 to May 2014 (where the Shares traded in the range of S\$0.490 to S\$ 0.625 per Share)
  - The Shares traded at the higher range in the aforesaid period in 2014. This period coincides with the earnings announcement for the FY2013 results on 12 Feb 2014 where year-on-year revenue growth was 14.3%;
- b. The Exit Offer Price of S\$0.560 is higher than the last transacted price of Shares in the four-year period preceding the Last Full Market Day (where the Shares traded in the range of S\$0.385 to S\$0.550 per Share);
- c. The Exit Offer Price (post FY2018 Final Dividend) of S\$0.540 is higher than the last transacted price of Shares in the four-year period preceding the Last Full Market Day with the exception of 20 April 2015 whereby the last transacted Share price was S\$0.550
  - We note that in the period leading up to 20 April 2015, there were a series of acquisition by certain members of the Loo Family Group; and
- d. The Shares have generally traded higher than the Exit Offer Price in the period post the Joint Announcement Date to 15<sup>th</sup> May 2019 being the ex-dividend date and has since traded higher than the Exit Offer Price (post FY2018 Final Dividend) and lower than the Exit Offer Price till the Latest Practicable Date.

## APPENDIX I IFA LETTER

### 7.1.2 Exit Offer Price in comparison to historical Share price

We have tabulated below the premium/ discount implied by the Exit Offer Price and the Exit Offer Price (post FY2018 Final Dividend) over the historical volume weighted average price (“VWAP”) and historical trading volume of the Shares for the 12-month period prior to the Last Full Market Day and up to the Latest Practicable Date set out below:

**Table 1: Share Price Performance and Trading Liquidity Table**

Reference period	Highest traded price (\$)	Lowest traded price (\$)	VWAP <sup>(1)</sup> (\$)	Premium of Exit Offer Price (%)	Premium of Exit Offer Price (post FY2018 Final Dividend) (%)	Number of traded days <sup>(2)</sup>	Average daily trading volume <sup>(3)</sup> ('000)	Average daily trading volume as a percentage of free float <sup>(4)</sup> (%)
<u>Prior to the Last Full Market Day</u>								
<b>Last 12-month</b>	0.550	0.460	0.487	15.1%	11.0%	187	39	0.0546%
<b>Last 6-month</b>	0.550	0.465	0.492	13.8%	9.8%	92	46	0.0652%
<b>Last 3-month</b>	0.550	0.470	0.504	11.0%	7.0%	48	48	0.0868%
<b>Last 1-month</b>	0.535	0.500	0.516	8.5%	4.6%	15	104	0.1469%
<b>Last Full Market Day</b>	0.530	0.520	0.524	7.0%	3.1%	1	79	0.1114%
<u>After the Last Full Market Day</u>								
<b>From 15 March 2019 to the Latest Practicable Date</b>	0.575	0.520	0.563	(0.4)%	(4.0)%	48	179	0.2544% <sup>(5)</sup>
<b>Latest Practicable Date</b>	0.555	0.545	0.552	1.4%	(2.2)%	1	119	0.1687% <sup>(5)</sup>

Source: Bloomberg

Notes:

- (1) The VWAP for the respective periods are calculated based on the daily turnover divided by volume as extracted from Bloomberg;
- (2) Traded days refer to the number of days on which the Shares were traded on the SGX-ST during the period;
- (3) The average daily trading volume of the Shares is computed based on the total volume of Shares traded on the SGX-ST during the relevant periods, divided by the number of market trading days (excluding market trading days with full day trading halts) for the relevant periods;
- (4) Free Float refers to the Shares held by the hands of the public as provided by the Management and documented in the financial statements of the Company and amounts to 70,558,011 Shares representing approximately 20.44% of the issued Shares; and
- (5) Free Float has been updated for Share purchases by the Offeror during the period after the Joint Announcement Date up to the Latest Practicable Date and amounts to 274,902,550 Shares representing approximately 79.63% of the total number of Shares owned, controlled or agreed to be acquired by the Offeror and persons acting in concert with it, which includes the 83,067,500 Shares held by Mr. Ng Leong Hai to be tendered towards acceptance of the Exit Offer pursuant to his Irrevocable Undertaking.

---

## APPENDIX I

### IFA LETTER

---

We observed the following with regard to the share price performance from 17 March 2018 and up to the Latest Practicable Date:

- a. The Exit Offer Price represents a premium of 15.1%, 13.8%, 11.0%, 8.5%, and 7.0% above the VWAP of the Shares for the 12-month, 6-month, 3-month and 1-month periods prior to and including the Last Full Market Day respectively;
- b. The Exit Offer Price (post FY2018 Final Dividend) represents a premium of 11.0%, 9.8%, 7.0%, 4.6%, and 3.1% above the VWAP of the Shares for the 12-month, 6-month, 3-month and 1-month periods prior to and including the Last Full Market Day respectively;
- c. Over the 12-month period prior to the Last Full Market Day, the Shares have traded between a low of S\$0.460 and a high of S\$0.550. The Exit Offer Price represents a premium of S\$0.100 (or 21.7%) above the lowest transacted price of the Shares and a premium of S\$0.010 (or 1.8%) above the highest transacted price of the Shares;
- d. The Exit Offer Price represents a premium of 7.0% above the VWAP of Shares on the Last Full Market Day of S\$0.524;
- e. Since the Last Full Market Day and up to the Latest Practicable Date, the Shares have generally traded above the Exit Offer Price and at or around a VWAP of S\$0.563; and
- f. As at the Latest Practicable Date, the last transacted price of the Shares was S\$0.545.

We wish to highlight that in the event that the Exit Offer does not become or is not declared unconditional in all respects with the terms, the Exit Offer will lapse and there is no assurance that the price of the Shares will remain at the current levels after the close of the Exit Offer.

#### 7.1.3 Historical Trading Volume and Liquidity

Share prices transacted in the equity capital market can be affected by their liquidity, which for this purpose is expressed as average daily volume traded as a percentage of free float. In order to evaluate whether the historical market prices of the Shares provide a meaningful reference point for comparison of the Exit Offer Price, we have considered the historical liquidity of the Shares over selected reference periods.

- a. Trading liquidity of the Shares over all the reference periods prior to the Last Full Market Day has been in general at an average daily trading volume of the Shares between 38,501 to 103,638 representing between 0.0546% and 0.1469% of the free float of the Company.
- b. During the period following the Last Full Market Day and up to the Latest Practicable Date, the average trading volume of the Shares was around 179,490 of the free float of the Company representing 0.2544% of the free float of the Company.

**Shareholders should note that the past trading performance of the Shares should not in any way be relied upon as an indication or an assurance of its future trading performance.**

#### 7.1.4 Liquidity analysis of the Shares

Share prices may be affected by different factors including but not limited to relative liquidity, free float and investor interest or market sentiment at a given point in time. In considering the Exit Offer Price relative to the Company's historical share price as at the Last Full Market Day, we have considered the relative liquidity of the Shares in comparison with 20 companies of similar market capitalisation listed on the SGX-ST Mainboard.

We note that as at the Last Full Market Day, the Company had a market capitalisation of S\$183.0 million while those of the companies listed on the SGX-ST Mainboard of similar market capitalisation used in our liquidity analysis ranged from S\$152.0 million to S\$233.6 million.

## APPENDIX I IFA LETTER

**Table 2: Liquidity analysis of the Shares relative to companies of similar market capitalisation listed on the SGX-ST Mainboard**

Reference period: 12-month prior to the Last Full Market Day		Average daily trading volume ("ADTV") of shares as a percentage of	
Company	Market capitalisation as at Last Full Market Day (\$mn)	Total outstanding shares as at Last Full Market Day	Free float as at Last Full Market Day
Micro-Mechanics (Holdings) Ltd.	233.6	0.0226%	0.0723%
Cortina Holdings Limited	226.8	0.0064%	0.0454%
Avarga Limited	227.3	0.0261%	0.0610%
PropNex Limited	214.6	0.1988%	0.8818%
MYP Ltd.	178.4	0.0076%	0.0812%
APAC Realty Limited	223.8	0.3454%	1.2695%
Hwa Hong Corporation Limited	192.5	0.0130%	0.0392%
Civmec Limited	200.4	0.0088%	0.0205%
JB Foods Limited	185.0	0.0768%	0.4220%
Wee Hur Holdings Ltd.	183.8	0.0229%	0.0685%
Hock Lian Seng Holdings Limited	186.9	0.0187%	0.0742%
Asian Pay Television Trust	192.5	0.2801%	0.3225%
Singapore Reinsurance Corporation Limited	175.5	0.0122%	0.0147%
Second Chance Properties Ltd	169.9	0.0169%	0.0857%
Pan-United Corporation Ltd	175.2	0.0107%	0.0373%
Sarine Technologies Ltd.	131.5	0.0802%	0.1143%
AF Global Limited	174.2	0.0025%	0.0166%
Hotung Investment Holdings Limited	160.8	0.0327%	0.0484%
Sing Holdings Limited	152.4	0.0383%	0.0847%
ValueMax Group Limited	152.0	0.0301%	0.0665%
<b>Maximum</b>		<b>0.3454%</b>	<b>1.2695%</b>
<b>Minimum</b>		<b>0.0025%</b>	<b>0.0147%</b>
<b>Average</b>		<b>0.0625%</b>	<b>0.1913%</b>
<b>Median</b>		<b>0.0228%</b>	<b>0.0704%</b>
<b>Company (Implied by the Exit Offer Price)</b>	<b>183.0</b>	<b>0.0112%</b>	<b>0.0546%</b>

Source: Bloomberg, SGX-ST

For the 12-month period preceding the Last Full Market Day, we note that:

- a. The Company had an average daily traded volume of 38,501 shares;
- b. The ADTV of the Shares as a percentage of total shares outstanding as at the Last Full Market Day was 0.0112%, which lies within the range of companies listed on the SGX-ST Mainboard of similar market capitalisation, and is lower than the average and median of 0.0625% and 0.0228% respectively; and
- c. The ADTV of the Shares as a percentage of free float as at the Last Full Market Day was 0.0546%, which lies within the range of companies listed on the SGX-ST Mainboard of similar market capitalisation, and is lower than the average and median at 0.1913% and 0.0704% respectively.



## APPENDIX I IFA LETTER

### 7.2 Comparison of recently completed privatisations on SGX-ST

The transaction is presently proposed to be effected by way of a voluntary delisting exit offer. Subject to the Delisting Proposal becoming effective in accordance with its terms, the Company will be delisted from the Official List of the SGX-ST. In assessing the reasonableness of the Exit Offer, we have compared the financial terms of the Exit Offer with those of selected successful privatisation transactions announced since January 2016 up to the Last Full Market Day, which were carried out either by way of voluntary delisting exit offers under Rule 1307 of the Listing Manual, by way of a scheme of arrangement under Section 210 of the Companies Act or general takeover offers under the Code where the offeror has stated its intention to delist the listed company from the SGX-ST ("**Precedent Privatisation Transactions**").

This analysis serves as a general indication of the relevant premium/ discount that the offerors had paid in order to acquire the target companies without having regard to their specific industry characteristics or other considerations, and the comparison sets out the premium or discount represented by each of the respective offer prices to the VWAPs over the last transacted price, the 1-month, 3-month, 6-month and 12-month periods prior to the announcement of the Precedent Privatisation Transactions.

**Table 3: Precedent Privatisation Transactions Table**

Company Name	Announcement Date	Price Offered (\$S)	Premiums/ (Discount) of Price Offered over the (5):					P/NAV
			Last Price	1-month VWAP	3-month VWAP	6-month VWAP	12-month VWAP	
Lantrovision (S) Ltd	27-Jan-16	3.25	47.7%	42.8%	46.2%	56.6%	42.1%	1.50
China Yongsheng	24-Feb-16	0.03	52.4%	67.5%	62.4%	56.9%	34.5%	0.70
Xinren Aluminium Holdings Limited	25-Feb-16	0.60	66.7%	63.9%	63.5%	57.9%	35.7%	1.48 <sup>(1)</sup>
Interplex Holdings Ltd	29-Feb-16	0.82	15.5%	11.1%	13.1%	16.5%	11.4%	1.73
OSIM International Ltd	7-Mar-16	1.41	27.0%	40.9%	42.5%	16.7%	-2.2%	2.60
Select Group Ltd	23-Mar-16	0.53	23.5%	37.9%	43.4%	31.6%	27.0%	2.90
XYEC Holdings Co Ltd	29-Mar-16	0.30	50.0%	43.5%	47.1%	51.5%	43.5%	1.30
Pteris Global Ltd	21-Apr-16	0.85	14.5%	19.3%	24.6%	29.4%	25.6%	0.90 <sup>(1)</sup>
China Merchants Holdings (Pacific) Limited	9-May-16	1.02	22.9%	21.8%	25.3%	20.2%	8.0%	1.08 <sup>(1)</sup>
Eu Yan Sang International Ltd	16-May-16	0.60	2.6%	8.5%	16.5%	24.7%	22.5%	1.70
Otto Marine	8-Jun-16	0.32	39.1%	44.8%	43.5%	42.9%	(13.5)%	0.85 <sup>(1)</sup>
HTL International Holdings	22-Jun-16	1.00	46.0% <sup>(4)</sup>	71.5% <sup>(4)</sup>	101.2% <sup>(4)</sup>	108.3% <sup>(4)</sup>	116.0% <sup>(4)</sup>	1.84 <sup>(4)</sup>
SMRT	20-Jul-16	1.68	8.7%	10.8%	10.7%	8.7%	15.5%	2.8 <sup>(3)</sup>
Sim Lian Group Limited	8-Aug-16	1.08	14.9%	16.8%	19.5%	26.5%	28.0%	0.78 <sup>(1)</sup>
China Minzhong	6-Sep-16	1.20	25.0%	24.8%	23.1%	25.9%	35.4%	0.72
Innovalues Limited	26-Oct-16	1.01	14.5%	19.0%	21.6%	27.8%	30.5%	3.70
Super Group	3-Nov-16	1.30	62.5%	60.5%	62.5%	55.7%	51.0%	2.69 <sup>(3)</sup>
ARA Asset Management	8-Nov-16	1.78	26.2%	29.6%	30.3%	31.7%	43.9%	3.05 <sup>(1)</sup>
Advanced Integrated Manufacturing Corp	24-Nov-16	0.21	22.8%	20.7%	20.7%	17.3%	6.1%	0.6 <sup>(1)</sup>
Sunmart Holdings Limited	30-Nov-16	0.07	(39.1)% <sup>(4)</sup>	(39.1)% <sup>(4)</sup>	(37.5)% <sup>(4)</sup>	(34.0)% <sup>(4)</sup>	(54.25)% <sup>(4)</sup>	0.85 <sup>(4)</sup>
Auric Pacific Group	7-Feb-17	1.65	13.4%	17.8%	23.8%	35.8%	59.6%	1.24
Heathway Medical Corporation Limited	7-Feb-17	0.04	5.0%	13.8%	19.7%	19.3%	22.1%	0.66
International Heathway Corporation	16-Feb-17	0.11	1.9%	14.2%	20.6%	32.5%	37.7%	0.91 <sup>(1)</sup>
Global Premium Hotels Limited	23-Feb-17	0.37	14.1%	18.1%	21.7%	23.3%	22.5%	0.50
CWT Limited	9-Apr-17	2.33	13.1%	16.6%	14.6%	15.3%	13.5%	0.026 <sup>(1)</sup>
Nobel Design Holdings Ltd	2-May-17	0.51	8.5%	9.4%	15.9%	18.6%	22.6%	0.67 <sup>(1)</sup>
Changtian Plastic & Chemical Limited	29-May-17	1.30	45.3%	46.6%	48.2%	49.6%	62.9%	0.40
China Flexible Packaging Holdings Limited	19-Jun-17	1.25	23.2%	24.3%	28.2%	43.5%	59.4%	0.60
Croesus Retail Trust	28-Jun-17	4.38	24.5%	26.2%	32.1%	34.5%	37.7%	1.16 <sup>(1)</sup>



## APPENDIX I IFA LETTER

Company Name	Announcement Date	Price Offered (\$S)	Premiums/ (Discount) of Price Offered over the (5):					P/NAV
			Last Price	1-month VWAP	3-month VWAP	6-month VWAP	12-month VWAP	
Global Logistics Properties	14-Jul-17	3.38	64.1%	67.4%	72.4%	76.5%	80.6%	1.10 <sup>(1)</sup>
Fischer Tech Ltd	27-Jul-17	3.02	31.3%	46.9%	63.6%	76.5%	95.6%	1.54 <sup>(2)</sup>
Poh Tiong Choon Logistics Limited	20-Sep-17	1.30	1.6%	32.5%	43.2%	48.7%	58.1%	3.10
GP Batteries International Limited	22-Sep-17	1.30	62.5%	62.9%	62.7%	61.1%	61.5%	0.80
Rotary Engineering Limited	2-Oct-17	0.46	20.1%	21.9%	25.1%	19.3%	19.7%	1.25 <sup>(1)</sup>
Indiabulls Properties Investment Trust	11-Oct-17	0.90	252.9% <sup>(4)</sup>	259.7% <sup>(4)</sup>	284.3% <sup>(4)</sup>	285.3% <sup>(4)</sup>	285.3% <sup>(4)</sup>	0.18 <sup>(4)</sup>
New Wave Holdings Ltd	19-Oct-17	0.01	44.4%	38.0%	9.0%	18.7%	29.1%	0.89 <sup>(2)</sup>
Cogent Holdings Limited	3-Nov-17	1.02	5.2%	6.2%	12.7%	20.3%	30.6%	1.20 <sup>(1)</sup>
Vard Holdings Limited	13-Nov-17	0.25	8.7%	16.2%	29.3%	35.1%	30.7%	0.85
CWG International Ltd	28-Dec-17	0.20	27.5%	29.5%	29.2%	30.9%	10.3%	0.74
LTC Corporation limited	9-Feb-18	0.93	44.5%	46.1%	45.4%	44.2%	49.3%	0.60
Lee Metal Group Ltd	21-Feb-18	0.42	9.1%	14.1%	21.4%	26.5%	32.9%	1.08
Weiye Holdings Limited	13-Mar-18	0.65	31.3%	40.7%	44.1%	44.4%	27.7%	0.30 <sup>(1)</sup>
Tat Hong Holdings Limited	26-Apr-18	0.55	42.9%	47.5%	49.1%	40.3%	44.0%	0.72
Wheelock (Singapore) Properties Limited	19-Jul-18	2.10	22.7%	29.0%	22.7%	17.8%	13.3%	0.84 <sup>(1)</sup>
M1 Limited	27-Sep-18	2.06	26.3%	29.9%	29.1%	21.8%	18.0%	3.90
Cityneon Holdings Limited	29-Oct-18	1.30	3.2%	6.8%	11.9%	15.7%	19.2%	4.50
Declout Limited	7-Jan-19	0.13	60.5%	66.7%	66.7%	58.5%	51.2%	1.00
Courts Asia Limited	18-Jan-19	0.21	34.9%	35.8%	34.0%	23.5%	(16.7)%	0.55
<b>Maximum</b>			<b>66.7%</b>	<b>67.5%</b>	<b>72.4%</b>	<b>76.5%</b>	<b>95.6%</b>	<b>4.50</b>
<b>Minimum</b>			<b>1.6%</b>	<b>6.2%</b>	<b>9.0%</b>	<b>8.7%</b>	<b>(16.7)%</b>	<b>0.03</b>
<b>Average</b>			<b>27.3%</b>	<b>31.3%</b>	<b>33.6%</b>	<b>34.5%</b>	<b>32.0%</b>	<b>1.17</b>
<b>Median</b>			<b>23.5%</b>	<b>29.0%</b>	<b>29.1%</b>	<b>30.9%</b>	<b>30.5%</b>	<b>0.87</b>
<b>Company (Implied by the Exit Offer Price)</b>	<b>15-Mar-19</b>	<b>0.560</b>	<b>7.0%</b>	<b>8.5%</b>	<b>11.0%</b>	<b>13.8%</b>	<b>15.1%</b>	<b>P/NAV<sup>(6)</sup> = 2.01</b>
								<b>P/RNAV<sup>(6)</sup> = 1.93</b>
<b>Company (Implied by the Exit Offer Price (post FY2018 Final Dividend))</b>	<b>15-Mar-19</b>	<b>0.540</b>	<b>3.1%</b>	<b>4.6%</b>	<b>7.0%</b>	<b>9.8%</b>	<b>11.0%</b>	<b>P/NAV<sup>(7)</sup> = 2.09</b>
								<b>P/RNAV<sup>(7)</sup> = 2.00</b>

Source: SGX Circulars, Companies' announcements and Bloomberg

Notes:

- (1) Denotes P/RNAV based on available revalued NAV as reported by respective companies;
- (2) Denotes P/RNTA based on available revalued NTA as reported by respective companies;
- (3) Denotes P/NTA based on available NTA as reported by respective companies;
- (4) Excluded as statistical outlier in the maximum, minimum, average and median computations;
- (5) Market premia/ discounts calculated relative to the closing price of the respective companies 1 day prior to the respective announcement date and VWAPs over the last transacted price, 1-month, 3-month, 6-month and 12-month period prior to the respective announcement date/ last trading date/ Last Full Market Day;
- (6) P/NAV and P/RNAV ratios is calculated based on the Exit Offer Price and the NAV and RNAV of the Company as at 31 March 2019; and
- (7) P/NAV and P/RNAV ratios is calculated based on the Exit Offer Price (post FY2018 Final Dividend) and the adjusted NAV and RNAV of the Company as at 31 March 2019. The NAV and RNAV have been adjusted by the estimated decrease in cash post the FY2018 Final Dividend.

---

## APPENDIX I

### IFA LETTER

---

Based on the above, we note that:

- a. The premium implied by the Exit Offer Price above the VWAP for the last transacted price, the VWAP for the 1-month period, the 3-month period, the 6-month period and the 12-month period prior to the Last Full Market Day are within the range and below the average and median of the corresponding premia of the Precedent Privatisation Transactions.
- b. The premium implied by the Exit Offer Price (post FY2018 Final Dividend) above the VWAP for the last transacted price, the VWAP for the 6-month period and the 12-month period prior to the Last Full Market Day are within the range and below the average and median of the corresponding premia of the Precedent Privatisation Transactions.
- c. The premium implied by the Exit Offer Price (post FY2018 Final Dividend) above the VWAP for the 1-month period prior to the Last Full Market Day and the 3-month period prior to the Last Full Market Day are below the range and below the average and median of the corresponding premia of the Precedent Privatisation Transactions; and
- d. The implied P/NAV and P/RNAV ratio of the Company as implied by the Exit Offer Price is within range and higher than the average and median of the offer price over the NAV ratios of the Precedent Privatisation Transaction.

We wish to highlight that the target companies involved in the Precedent Privatisation Transactions as set out in the analysis above may not be directly comparable to the Company in terms of market capitalisation, size of operations, composition of business activities, asset base, geographical spread, track record, operating and financial leverage, risk profile, liquidity, accounting policies, future prospects and other relevant criteria. Each transaction must be judged on its own commercial and financial merits.

The premium or discount that an offeror pays in any particular privatisation transaction varies in different specific circumstances depending on, inter alia, factors such as the potential synergy the offeror can gain by acquiring the target, the prevailing market conditions and sentiments, attractiveness and profitability of the target's business and assets, the possibility of a significant revaluation of the assets to be acquired, the availability of substantial cash reserves, the liquidity in the trading of the target company's shares, the presence or absence of competing bids for the target company, and the existing and desired level of control in the target company.

The list of the Precedent Privatisation Transactions is by no means exhaustive and as such any comparison made only serves as an illustration. Conclusions drawn from the comparisons made may not necessarily reflect the perceived or implied market valuation of the Company.

### 7.3 Historical Financial Performance and Position of the Company

We set out below the financial performance and position of the Company for the audited FY2016, FY2017, FY2018 financial statements of the Company, and the unaudited 1Q2018 and 1Q2019 financial statements of the Company. The following financial statements should be read in conjunction with the full text of the Company's annual report and financial results announcements in respect of the relevant financial periods.

## APPENDIX I IFA LETTER

### 7.3.1 Historical Financial Performance of the Company

**Table 4: Historical Financial Performance (Comprehensive Income)**

Consolidated Statement of Comprehensive Income	Audited (restated) FY2016 (S\$'000)	Audited (restated) FY2017 (S\$'000)	Audited FY2018 (S\$'000)	Audited TTM2019 (S\$'000)	Unaudited 1Q2018 (S\$'000)	Unaudited 1Q2019 (S\$'000)
Revenue	337,563	321,851	320,168	323,511	77,590	80,933
Other Items of Income						
Interest Income	505	517	802	959	166	323
Other Gains	1,168	576	474	399	295	220
<b>Other Items of Expense:</b>						
Changes in Inventories of Finished Goods	(449)	(3,737)	4,431	2,323	635	(1,473)
Purchase of Goods and Consumables	(268,359)	(248,547)	(253,128)	(255,064)	(60,659)	(62,595)
Other Consumables Used	(724)	(577)	(159)	(155)	(33)	(29)
Depreciation Expense	(4,256)	(3,430)	(2,768)	(2,559)	(787)	(578)
Employee Benefits Expense	(25,212)	(24,706)	(23,430)	(23,720)	(5,470)	(5,760)
Other Expenses	(24,355)	(22,562)	(21,913)	(22,501)	(5,320)	(5,908)
Other losses	(2,843)	(568)	(320)	(337)	(127)	(144)
<b>Profit before Tax from Continuing Operations</b>	<b>13,038</b>	<b>18,817</b>	<b>24,157</b>	<b>22,856</b>	<b>6,290</b>	<b>4,989</b>
Income Tax Expense	(2,786)	(2,720)	(4,555)	(4,383)	(1,041)	(869)
<b>Profit from Continuing Operations, Net of Tax</b>	<b>10,252</b>	<b>16,097</b>	<b>19,602</b>	<b>18,473</b>	<b>5,249</b>	<b>4,120</b>
Profit Attributable to Owners of the Parent, Net of Tax	10,407	15,986	19,454	18,322	5,215	4,083
Profit Attributable to Non-Controlling Interests, Net of Tax	(155)	111	148	151	34	37
<b>Gross Profit Margin</b>	<b>20.4%</b>	<b>21.6%</b>	<b>22.3%</b>	<b>21.9%</b>	<b>22.6%</b>	<b>20.8%</b>
<b>Profit after Tax Margin</b>	<b>3.0%</b>	<b>5.0%</b>	<b>6.1%</b>	<b>5.7%</b>	<b>6.8%</b>	<b>5.1%</b>

Source: Company financial statements and SGX announcements

#### FY2016 vs FY2017

We note that for FY2017 revenue decreased by S\$15.7 million to S\$321.9 million from S\$337.6 million in FY2016 mainly due to weaker performance from retail operations and lower revenue contribution from tradeshow division, partially offset by an increase from their corporate sales division.

In FY2017, the net profit after tax attributable to Owners of the Parent, was S\$16.0 million, an increase of 53.6% from the FY2016 net profit after tax attributable to Owners of the Parent of S\$10.4 million. We note that the improvement was driven by improvement in process flows and implementing manpower productivity measures across the Company and the closure of non-performing retail stores throughout the year. There was also a one-off impairment provision of approximately S\$2.3 million for an investment in a last mile delivery company in FY2016.

---

## APPENDIX I

### IFA LETTER

---

#### **FY2017 vs FY2018**

We note that in FY2018 the Company's revenue of S\$320.2 million was 0.5% lower than S\$321.9 million achieved for in FY2017. This was mainly due to lower contribution from IT products and services business segment, which decreased slightly by 0.4% or S\$1.4 million to S\$313.6 million in FY2018. This lower contribution from retail sales was partially offset by stronger revenue contribution from corporate and tradeshow sales.

In FY2018, the net profit after tax attributable to Owners of the Parent was S\$19.5 million, an increase of 21.7% from FY2017 net profit after tax attributable to owners of the parent of S\$16.0 million. We note that the improvement was driven by improvement in gross profit and lower operating expenses.

#### **1Q2018 vs 1Q2019**

We note that in the first quarter ended 31 March 2019 ("**1Q2019**"), the Company's revenue of S\$80.9 million was 4.3% higher than S\$77.6 achieved for the last corresponding quarter, first quarter ended 31 March 2018 ("**1Q2018**"). The increase in revenue was primarily driven by improved performance from IT products and services business segment, which strengthen 4.2% to S\$79.3 million in 1Q2019, from S\$76.1 million in 1Q2018. The growth in this segment was mainly attributed to revenue contribution from tradeshow sales.

In 1Q2019, the net profit after tax attributable to Owners of the Parent was S\$4.1 million, a decrease of 21.7% from 1Q2018 net profit after tax attributable to owners of the parent of S\$5.2 million. We note that this was mainly attributable to the decrease in gross profit due to lower rebates from vendors and an increase in operating expenses such as employee benefits due to increased part-timer costs, and rental expenses due to increased retail stores rental expenses and participation in trade shows.

## APPENDIX I IFA LETTER

### 7.3.2 Historical Financial Position of the Company

**Table 5: Historical Financial Performance (Statement of Financial Position)**

Statement of Financial Position	Audited (restated) FY2016 (S\$'000)	Audited (restated) FY2017 (S\$'000)	Audited FY2018 (S\$'000)	Unaudited 1Q2019 (S\$'000)
<b>Assets</b>				
<b>Non-Current Assets:</b>				
Other Financial Assets	5,625	3,886	6,102	6,102
Property, Plant and Equipment	10,547	9,375	7,573	7,052
Rights of use Assets <sup>(1)</sup>				10,100
<b>Total Non-Current Assets</b>	<b>16,172</b>	<b>13,261</b>	<b>13,675</b>	<b>23,254</b>
<b>Current Assets:</b>				
Cash and Cash Equivalents	52,273	63,232	63,240	66,246
Trade and Other Receivables	5,052	8,232	10,138	11,016
Other Assets	5,739	5,148	5,460	5,837
Other Financial Assets	509	0	503	503
Inventories	37,160	33,407	37,939	36,249
Rights of use Assets <sup>(1)</sup>				9,337
<b>Total Current Assets</b>	<b>100,733</b>	<b>110,019</b>	<b>117,280</b>	<b>129,188</b>
<b>Total Assets</b>	<b>116,905</b>	<b>123,280</b>	<b>130,955</b>	<b>152,442</b>
<b>Equity and Liabilities</b>				
Equity attributable to Owners of the Parents				
Share Capital	18,775	18,775	18,775	18,775
Retained Earnings	58,689	65,354	73,415	77,498
Other Reserves	(242)	(136)	(194)	(188)
Equity, Attributable to owners of the Parents	77,222	83,993	91,996	96,085
Non-Controlling Interests	408	339	337	374
<b>Total Equity</b>	<b>77,630</b>	<b>84,332</b>	<b>92,333</b>	<b>96,459</b>
<b>Non-Current Liabilities:</b>				
Deferred Tax Liabilities	22	22	17	17
Other Liabilities, Non-Current	3,152	3,367	2,759	2,416
Lease Liabilities <sup>(1)</sup>				10,100
<b>Total Non-Current Liabilities</b>	<b>3,174</b>	<b>3,389</b>	<b>2,776</b>	<b>12,533</b>
<b>Current Liabilities:</b>				
Trade and Other Payables	22,221	22,272	21,569	19,153
Provisions	1,736	1,886	1,955	1,974
Income Tax Payable	3,510	3,141	4,587	5,366
Other Liabilities, Current	8,634	8,260	7,735	7,525
Lease Liabilities <sup>(1)</sup>				9,432
<b>Total Current Liabilities</b>	<b>36,101</b>	<b>35,559</b>	<b>35,846</b>	<b>43,450</b>
<b>Total Liabilities</b>	<b>39,275</b>	<b>38,948</b>	<b>38,622</b>	<b>55,983</b>
<b>Total Equity and Liabilities</b>	<b>116,905</b>	<b>123,280</b>	<b>130,955</b>	<b>152,442</b>

Source: Company financial statements and SGX announcements

Note:

- (1) The Group adopted the SFRS(I) 16 Leases with effect from 1 January 2019 based on the modified retrospective approach.

---

## APPENDIX I

### IFA LETTER

---

As at 31 March 2019, the current assets comprise primarily of cash and cash equivalents, trade and other receivables, other assets and inventories. Cash and inventories account for 51.3% and 28.1% of current assets respectively and collectively 79.3% of the total current assets.

Total current assets increased by 10.2% at 31 March 2019 in comparison to 31 December 2018, primarily due to the increase in Cash and Cash Equivalents and Rights-of-use of assets as the Group adopted the SFRS(I) 16 Leases with effect from 1 January 2019 based on the modified retrospective approach.

We note that property, plant & equipment comprise 30.3% of the total non-current assets as at 31 March 2019. 26.2% is due to other financial assets which comprise largely of corporate bonds, and the balance of 43.4% is due to the rights-of-use assets as the Group adopted the SFRS(I) 16 Leases with effect from 1 January 2019 based on the modified retrospective approach.

As at 31 March 2019, the current liabilities comprise primarily of trade and other payables, provisions, income tax payable, other current liabilities and lease liabilities comprising 44.1%, 4.5%, 12.3%, 17.3% and 21.7% of total current liabilities. Other liabilities comprise primarily of membership administration fees, Star Shield warranty and Customer loyalty programmes.

Similarly, other liabilities (non-current) comprise primarily of membership administration fees and Star Shield warranty. Total liabilities of the Company has increased largely due to the recognition of lease liabilities as the Group adopted the SFRS(I) 16 Leases with effect from 1 January 2019 based on the modified retrospective approach.

The Company's NAV attributable to Owners of the Parent as at 31 March 2019 is S\$96.1 million implying a NAV per Share of S\$0.2783.

### 7.3.3 Analysis of Net Asset Value ("NAV") and Revalued Net Asset Value ("RNAV") of the Company

#### NAV

The NAV of the Company refers to the aggregate value of all the assets in their existing condition, net of any minority interests and all liabilities of the Company. The NAV approach may provide an estimate of the value of a group assuming the hypothetical sale of all of its assets over a reasonable period of time, the proceeds of which would be first used to settle the liabilities of that group with the balance available for distribution to its shareholders.

However, such a hypothetical scenario is assumed to be made without considering factors such as, inter alia, time value of money, market conditions, legal fees, liquidation costs, taxes, contractual obligations, regulatory requirements and availability of potential buyers, which would theoretically lower the NAV that can be realised.

Based on the Company's unaudited financial statements as at 31 March 2019, the NAV attributable to Shareholders is approximately S\$96.1 million and its NAV per Share is S\$0.2783. The Exit Offer Price is at a premium of 101.2% over the NAV per Share, or at a Price-to-NAV ("P/NAV") ratio of 2.01 times, while the Exit Offer Price (post FY2018 Final Dividend) is at a premium of 109.0% over the NAV per Share, or at a P/NAV ratio of 2.09 times.

#### RNAV

In our evaluation of the Exit Offer Price, we have also considered whether there are any assets which may be valued at an amount that is materially different from what was recorded in the unaudited balance sheet of the Company as at 31 March 2019.

Based on the Company's latest unaudited financial statements as at 31 March 2019, the Company's property, plant and equipment (which comprises mainly a leasehold property and plant and equipment) had an aggregate book value of approximately S\$7.0 million, representing approximately 30.3% of the Company's total non-current assets of approximately S\$23.3 million.

## APPENDIX I IFA LETTER

We understand that the Company has commissioned a valuer (the “**Independent Valuer**”) to conduct an independent valuation of and review of the Company’s leasehold property at 1 Ubi Link Challenger TechHub, Singapore 408553 (“**Revalued Property**”).

Based on the Valuation Report, we set out the adjustment to determine the RNAV of the Company:

**Table 6: RNAV of the Company**

NAV and RNAV of the Company	As at 31 March 2019 (‘000)
Property	4,361
Revalued Property	8,500
Revaluation surplus	4,139
NAV as at 31 March 2019	96,085
RNAV as at 31 March 2019	100,224
NAV per Share	0.2783
RNAV per Share	0.2903
<b>P/NAV (Implied by the Exit Offer Price)</b>	<b>2.01x</b>
<b>P/RNAV (Implied by the Exit Offer Price)</b>	<b>1.93x</b>
<b>Premium of Exit Offer Price over NAV</b>	<b>101.2%</b>
<b>Premium of Exit Offer Price over RNAV</b>	<b>93.0%</b>
<b>P/NAV (Implied by the Exit Offer Price (post FY2018 Final Dividend))<sup>(1)</sup></b>	<b>2.09x</b>
<b>P/RNAV (Implied by the Exit Offer Price (post FY2018 Final Dividend))<sup>(1)</sup></b>	<b>2.00x</b>
<b>Premium of Exit Offer Price (post FY2018 Final Dividend) over NAV<sup>(1)</sup></b>	<b>109.0%</b>
<b>Premium of Exit Offer Price (post FY2018 Final Dividend) over RNAV<sup>(1)</sup></b>	<b>99.8%</b>

Source: Company financial statements, Independent Valuer Report

Note:

- (1) P/NAV and P/RNAV ratios and premiums are calculated based on the Exit Offer Price (post FY2018 Final Dividend) and the adjusted NAV and RNAV of the Company as at 31 March 2019. The NAV and RNAV have been adjusted by the estimated decrease in cash post the FY2018 Final Dividend.

Based on the table above, NAV per Share and RNAV per Share is S\$0.2783 and S\$0.2903 respectively as at 31 March 2019. We note the corresponding P/NAV and P/RNAV implied by the Exit Offer Price is 2.01 and 1.93 times respectively. The Exit Offer Price of S\$0.560 represents a premium of 101.2% and 93.0% over NAV per Share and RNAV per Share respectively.

P/NAV and P/RNAV implied by the Exit Offer Price (post FY2018 Final Dividend) is 2.09 times and 2.00 times respectively as at 31 March 2019. The Exit Offer Price (post FY2018 Final Dividend) of S\$0.540 represents a premium of 109.0% and 99.8% over NAV per Share and RNAV per Share respectively.

We have not made any independent evaluation or appraisal of the balance sheet items and we have been furnished by the Company with the Valuation Report in respect of the fair value of the balance sheet items. With respect to such valuation, we are not experts in the evaluation appraisal of the balance sheet items and have relied on the Valuation Report for the fair value of the balance sheet items.



## APPENDIX I IFA LETTER

The Directors have represented that they had reviewed the Valuation Report to understand the assumptions used by the Independent Valuer and the information relied upon by the Independent Valuer in arriving at the fair value of the balance sheet items. The Directors have reviewed the information made available to them as a whole and are of the opinion that the assumptions used by the Independent Valuer is reasonable and confirmed that the Independent Valuer has been provided with information that to the best of their knowledge or belief is true, complete as per request and accurate in all respects and that there is no other information or fact, the omission of which would render the assumptions used by the Independent Valuer to be untrue, inaccurate or incomplete in any respect or misleading.

The Management has confirmed to us that save as disclosed in this letter, to the best of their knowledge and belief, there are no material differences between the realisable value of the abovementioned balances and their respective book values as at 31 March 2019 which would result in a material impact on the NAV of the Company.

### 7.3.4 Outlook of the Company

We note the following commentary was made in the Company's result announcement for the financial period ended 31 March 2019.

#### *IT products and services*

*The operating environment in the retail sector has remained challenging. However, we will continue to capture sales in new locations we are currently not present by opening new outlets and rationalise underperforming stores. In this regard, the group will be opening three new stores at Jewel Changi, West Coast Plaza and Paya Lebar Quarter by the second half of 2019. Two stores located at Great World City and Thomson Plaza will be closed in the second half of 2019.*

### 7.4 Analysis of the Exit Offer Price to the Historical NAV of the Company

We have compared the Exit Offer Price and the Exit Offer Price (post FY2018 Final Dividend) against the trailing NAV of the Company for the 3-year period preceding the latest unaudited financials by the Company as at 31 March 2019.

**Table 7: Exit Offer Price to the Historical NAV**

Relevant Period <sup>(1)</sup>	For the period as at <sup>(1)</sup>	NAV per share (cents)	Exit Offer Price (cents)	Implied P/NAV <sup>(2)</sup> (times)	Exit Offer Price (post FY2018 Final Dividend) (cents)	Implied P/NAV <sup>(2)</sup> (times)
1Q2019	31-Mar-19	27.83		2.01		2.09 <sup>(3)</sup>
4Q2018	31-Dec-18	26.65		2.10		2.03
3Q2018	30-Sep-18	25.00		2.24		2.16
2Q2018	30-Jun-18	24.80	56.00	2.26	54.00	2.18
1Q2018	31-Mar-18	25.84		2.17		2.09
FY2017	31-Dec-17	24.33		2.30		2.22
FY2016	31-Dec-16	22.37		2.50		2.41
<b>Company (Implied from Exit Offer Price)</b>					<b>P/NAV = 2.01x</b>	
<b>Company (Implied from Exit Offer Price (post FY2018 Final Dividend))</b>					<b>P/NAV = 2.09x</b>	

Source: Company financial statements and SGX announcements

Notes:

- (1) Financials in FY2016 and FY2017 was restated, therefore quarterly NAV for the relevant periods were not available; and
- (2) Implied P/NAV is computed by taking the Exit Offer Price over the historical NAV per share for the relevant periods.

---

## APPENDIX I

### IFA LETTER

---

(3) NAV per share have been adjusted for FY2018 Final Dividend to compute Implied P/NAV for 1Q2019

Based on the above, we note that:

- (a) We note that since 31 December 2016, the P/NAV multiple implied by the Exit Offer Price is at a premium to the trailing historical NAV and has ranged between 2.01 to 2.50 times.
- (b) We note that since 31 December 2016, the P/NAV multiple implied by the Exit Offer Price (post FY2018 Final Dividend) is at a premium to the trailing historical NAV and has ranged between 2.03 to 2.41 times.

#### 7.5 Comparison with the valuation statistics of companies broadly comparable to the Company

##### 7.5.1 Comparison of valuation ratios of selected listed companies which are broadly comparable with the Company

The principal activities of the Company and its subsidiaries consist of the sale of information technology products, the supply and installation of electronic signage, and the provision of telephonic call centre and data management services.

The Company operates a chain of information technology retail stores under the Challenger name in Singapore, with approximately 39 stores comprising of 1 flagship store, 25 superstores, 1 Pit. MONEY store, 1 Musica Boutique store and 11 small format stores.

We wish to highlight that the Comparable Companies may not be exhaustive and we have not identified any listed company which is truly comparable to the Company in terms of the composition of its business activities, geographical spread, size of operations, asset base, track record, financial performance, operating and financial leverage, market capitalisation, risk profile, liquidity, future prospects and other relevant criteria. As a result, any comparisons drawn can serve only as an illustrative guide.

We have considered Singapore listed companies whose principal activities are broadly similar to the Company's business activities – retailers with majority of their sales derived in Singapore (the **"Comparable Companies"**). We have had discussions with the Management about the suitability and reasonableness of the selected Comparable Companies as a basis for comparison with the Company.

We have benchmarked the Exit Offer Price by generating selected valuation statistics for the Company implied by the Exit Offer Price and the Exit Offer Price (post FY2018 Final Dividend) and compared those statistics with those for the Comparable Companies.

In our analysis, we have collated and presented the following ratios:

<b>TTM EV/EBITDA</b>	<p>A variation of the EV/EBITDA ratio where the EBITDA of a company is computed based upon the trailing-twelve-month ("<b>TTM</b>") period ending on the most recent quarter for which financial results have been published.</p> <p>("EV") or ("<b>Enterprise Value</b>") is the sum of a company's market capitalisation, preferred equity, minority interests, short and long term debts less its cash and cash equivalents. ("<b>EBITDA</b>") stands for historical consolidated earnings before interest, tax, depreciation and amortisation expenses.</p> <p>The EV/EBITDA ratio illustrates the ratio of the market value of a company's business relative to its historical consolidated pre-tax operating cashflow performance, without regard to its capital structure.</p>
----------------------	---

## APPENDIX I IFA LETTER

<b>TTM EV/ Sales</b>	<p>A variation of the EV/Sales ratio where the revenue of a company is computed based upon the TTM period ending on the most recent quarter for which financial results have been published.</p> <p>The EV/Sales ratio illustrates the ratio of the market value of a company's business relative to its historical consolidated sales performance, without regard to its capital structure.</p>
<b>TTM PER</b>	<p>A variant of the Price-to-Earnings ratio ("<b>PER</b>") where the earnings of a company is computed based upon the TTM period ending on the most recent quarter for which financial results have been published.</p> <p>The PER is the ratio of market capitalisation relative to its profit after tax attributable to shareholders of the company ("NPAT"). The PER is affected by, inter alia, the capital structure of a company, its tax position as well as its accounting policies relating to depreciation and intangible assets.</p>
<b>P/NAV</b>	<p>P/NAV ratio illustrates the ratio of the market price of a company's shares relative to its asset backing as measured in terms of its historical consolidated NAV per share as stated in its financial statements. The NAV figure provides an estimate of the value of the company assuming the sale of all its tangible and intangible assets, the proceeds which are first used to settle its liabilities and obligations with the balance available for distribution to its shareholders. Any comparison of NAV will be affected by respective accounting policies with respect to depreciation and asset valuation practice.</p>

The selected valuation statistics of the Comparable Companies are based upon their closing prices on the LPD while those of the Company are as implied by the Exit Offer Price and the Exit Offer Price (post FY2018 Final Dividend). Such comparisons are affected by differences in their accounting policies. Our analysis has not attempted to adjust for such differences. Relevant information has been extracted from Bloomberg, publicly available annual reports and/ or public announcements of the selected listed companies. We make no representations or warranties, expressed or implied, as to the accuracy or completeness of such information. The Comparable Companies' accounting policies with respect to the values for which the assets or revenue and costs are recorded may differ from that of the Company.

The following is the list of Comparable Companies, together with a brief description of their principal activities.

**Table 8: Description for Comparable Companies**

<b>Company Name</b>	<b>Business Description</b>
The Hour Glass Limited (" <b>The Hour Glass</b> ")	Retails and distributes watches, jewellery, and other luxury products in Singapore, Malaysia, Australia, Vietnam, Thailand, Japan, and Hong Kong. In addition, the company invests in properties. It operates approximately 38 boutiques.
Cortina Holdings Limited (" <b>Cortina</b> ")	Retail and distributes of timepieces and accessories in Singapore, Malaysia, Thailand, Indonesia, Hong Kong, Taiwan, and Russia through its wholesale segment (wholesale of timepieces and luxury branded accessories) and retail segment (retail of time pieces, branded pens, and accessories).
Isetan (Singapore) Limited (" <b>Isetan</b> ")	Operates department stores and supermarkets in Singapore. In addition, the company invests in properties. It offers products through its retail outlets and online.
SK Jewellery Group Limited (" <b>SK Jewellery</b> ")	Engages in the retail and trade of jewellery products in Singapore, Malaysia, and China. It operates approximately 60 retail stores in Singapore, Malaysia, and China.

## APPENDIX I IFA LETTER

Company Name	Business Description
TLV Holdings Limited ("TLV")	Engages in the wholesale and retail sale of watches and jewellery in Singapore, the United States, Europe, the Middle East, East Asia, and Southeast Asia. The company retails pre-owned jewellery and watches under the Top Cash brand. It operates approximately 12 jewellery outlets, 3 pawnshops.
Polaris Ltd. ("Polaris")	Engages in the retail and distribution of sale of mobile communication devices and accessories, provision of broadband and other related telecommunication services in Singapore, Indonesia, Myanmar, and the Philippines. In addition, the company franchises SingTel stores and retails IT and related products.
F J Benjamin Holdings Ltd ("F J Benjamin")	Engages in import, export, licensing, distribution and retail of consumer fashion wear and accessories, furnishings and timepieces. In addition, the company engages in the brand building and management, development of retail and distribution networks for international luxury and lifestyle brands in Southeast Asia. It operates approximately 220 stores.
Noel Gifts International Ltd ("Noel Gifts")	Retails gifts such as hampers and flowers in Singapore and Malaysia. In addition, the company invests in properties and provides franchise program. It offers products through its retail outlets and online.

Source: Bloomberg, annual reports of the respective comparable companies

We set out below the financial ratios of the Company (implied by the terms of the Exit Offer) and the Selected Comparables as at the Latest Practicable Date.

**Table 9: Financial ratios for Comparable Companies**

Comparable Companies	Last financial year-end	Market capitalisation as at LPD (\$\$'mn)	TTM EV/Sales <sup>(2)</sup> (times)	TTM EV/Adjusted EBITDA <sup>(1)</sup> (times)	TTM Adjusted PER <sup>(3)</sup> (times)	P/NAV <sup>(4)</sup> (times)
The Hour Glass	31 March 2019	542.9	0.54x	4.08x	7.73x	0.97x
Cortina	31 March 2019	197.0	0.32x	3.24x	6.79x	0.99x
Isetan	31 December 2018	146.0	0.84x <sup>(5)</sup>	9.48x <sup>(5,9)</sup>	78.08x <sup>(5)</sup>	0.92x
SK Jewellery	31 December 2018	53.4	0.37x	5.53x <sup>(9)</sup>	8.78x	0.86x
TLV	31 March 2019	43.1	0.55x	12.09x	12.30x	0.42x
Polaris <sup>(10)</sup>	31 December 2018	34.1	1.13x <sup>(5)</sup>	NM <sup>(6)</sup>	NM <sup>(6)</sup>	0.62x
F J Benjamin	30 June 2018	28.2	0.31x	6.75x	NM <sup>(6)</sup>	0.53x
Noel Gifts	30 June 2018	22.0	0.43x <sup>(5)</sup>	8.77x <sup>(5)</sup>	27.00x <sup>(5)</sup>	0.67x
<b>Maximum</b>			<b>0.55x</b>	<b>12.09x</b>	<b>12.30x</b>	<b>0.99x</b>
<b>Minimum</b>			<b>0.31x</b>	<b>3.24x</b>	<b>6.79x</b>	<b>0.42x</b>
<b>Average</b>			<b>0.42x</b>	<b>6.34x</b>	<b>8.90x</b>	<b>0.75x</b>
<b>Median</b>			<b>0.37x</b>	<b>5.53x</b>	<b>8.26x</b>	<b>0.76x</b>

## APPENDIX I IFA LETTER

Comparable Companies	Last financial year-end	Market capitalisation as at LPD (\$\$mn)	TTM EV/Sales <sup>(2)</sup> (times)	TTM EV/Adjusted EBITDA <sup>(1)</sup> (times)	TTM Adjusted PER <sup>(3)</sup> (times)	P/NAV <sup>(4)</sup> (times)
Company (Implied by the Exit Offer)		193.3 <sup>(7)</sup>	0.39x	5.21x <sup>(8,9)</sup>	10.55x <sup>(8)</sup>	P/NAV = 2.01x P/RNAV = 1.93x
Company (Implied by the Exit Offer post FY2018 Final Dividend)		186.4 <sup>(7)</sup>	0.39x	5.21x <sup>(8,9)</sup>	10.17x <sup>(8)</sup>	P/NAV = 2.09x P/RNAV = 2.00x

Source: Bloomberg, annual reports and latest publicly available financial information of the respective comparable companies as at LPD

Notes:

- (1) The Enterprise Value ("EV") was calculated based on the sum of the companies' market capitalisation as at LPD, preferred equity, minority interests, short and long term debts less cash and cash equivalents. The TTM Earnings before Interest, Tax, Depreciation and Amortisation ("EBITDA") is computed based on the trailing twelve-month ("TTM") period for which financial results have been published for the respective companies, and adjusted for non-recurring gains and one-off losses;
- (2) TTM EV/Sales was calculated based on the ratio of market capitalisation as at LPD to TTM sales of the respective companies;
- (3) TTM Price-Earnings Ratio ("PER") was calculated based on the ratio of market capitalisation as at LPD to TTM net profits after tax attributable to shareholders of the respective companies, and adjusted for non-recurring gains and one-off losses;
- (4) The Price to NAV ("P/NAV") was calculated based on the ratio of market capitalisation as at the LPD to the latest published NAV attributable to shareholders of the respective companies;
- (5) Excluded as statistical outlier in the maximum, minimum, average and median computations. Isetan reported a net loss for FY2018;
- (6) N.M denotes not meaningful;
- (7) Based on the Exit Offer Price and Exit Offer Price (post FY2018 Final Dividend) of S\$0.560 and S\$0.540 respectively and the Company's share capital of 345,207,961 Shares (excluding treasury shares);
- (8) Based on TTM EBITDA and TTM profit attributable to owners of the parent, net of tax;
- (9) Amortisation and interest expense recognised under SFRS(I) 16 Leases has been treated as part of operating expense for the calculation of TTM EBITDA; and
- (10) Financial ratios have been computed based on the financials for continuing operations.

Based on the above, we note that:

- a. The TTM EV/EBITDA ratio of the Company at 5.21 times as implied by the Exit Offer Price and Exit Offer Price (post FY2018 Final Dividend) is within the range of TTM EV/EBITDA of the Comparable Companies, and below the median and average TTM EV/EBITDA of the Comparable Companies;
- b. The TTM EV/Sales ratio of the Company at 0.39 times as implied by the Exit Offer Price and Exit Offer Price (post FY2018 Final Dividend) is within the range of TTM EV/Sales of the Comparable Companies, below the average and above the median TTM EV/Sales of the Comparable Companies;
- c. The TTM PER of the Company at 10.55 times as implied by the Exit Offer Price is within the is within the range of TTM PER of the Comparable Companies, and above the median and average TTM PER of the Comparable Companies;

## APPENDIX I IFA LETTER

- d. The TTM PER of the Company at 10.17 times as implied by the Exit Offer Price (post FY2018 Final Dividend) is within the range of TTM PER of the Comparable Companies, and above the median and average TTM PER of the Comparable Companies;
- e. The P/NAV and P/RNAV of the Company at 2.01 times and 1.93 times respectively as implied by the Exit Offer Price is above the range of the P/NAV of the Comparable Companies; and
- f. The P/NAV and P/RNAV of the Company at 2.09 times and 2.00 times respectively as implied by the Exit Offer Price (post FY2018 Final Dividend) is above the range of the P/NAV of the Comparable Companies.

### 7.5.2 Comparable Transaction Analysis

For the purposes of assessing the financial terms of the Exit Offer, we have reviewed the valuation ratios of the Company implied by the Exit Offer Price and the Exit Offer Price (post FY2018 Final Dividend) with those of completed precedent transactions completed between 1 January 2014 and the Latest Practicable Date, involving the acquisitions of targets that are predominately engaged in retail with a focus on consumer electronics particularly based in Singapore, which in our opinion, are broadly comparable to the Company (the “**Comparable Transactions**”).

We wish to highlight that the Comparable Transactions are not exhaustive and there may not be any entity that is directly comparable to Challenger in terms of, inter alia, market capitalisation, size of operations, clientele base, composition of business activities, asset base, geographical spread, track record, operating and financial leverage, risk profile, liquidity, accounting policies, future prospects and other relevant criteria.

Based on the availability of financial data, we have identified one Comparable Transaction as indicated below. Do note that in accordance with the above, any comparison made with respect to the Comparable Transaction(s) is intended to serve as an illustrative guide only.

**Table 10: Comparable Transaction**

Announcement Date	Target Entity	Acquiring Entity	Transaction Value	Implied EV <sup>(1)</sup> (\$mn)	EV/ EBITDA (times)	PER (times)	P/NAV (times)
Jan-19	Courts Asia Limited	Nojima Corporation	106.1	276.1	10.58x	N.M <sup>(2)</sup>	0.55x
<b>Implied by the Exit Offer Price</b>				<b>193.3</b>	<b>5.21x<sup>(3)</sup></b>	<b>10.55x</b>	<b>P/NAV = 2.01x P/RNAV = 1.93x</b>
<b>Implied by the Exit Offer Price (post FY2018 Final Dividend)</b>				<b>186.4</b>	<b>5.21x<sup>(3)</sup></b>	<b>10.17x</b>	<b>P/NAV = 2.09x P/RNAV = 2.00x</b>

Source: Company announcements, Mergermarket, Capitaliq

Notes:

- (1) Implied EV refers to the implied enterprise value of the respective Target Entity based on the assumption that Nojima Corporation acquired 100.0% of Courts Asia Limited;
- (2) N.M denotes not meaningful; and
- (3) Amortisation and interest expense recognised under SFRS(I) 16 Leases has been treated as part of operating expense for the calculation of TTM EBITDA.

---

## APPENDIX I

### IFA LETTER

---

Based on the above, we note that:

- a. The EV/EBITDA ratio of the Company at 5.21 times as implied by the Exit Offer Price is below the EV/EBITDA of the recent Comparable Company transaction.
- b. The P/NAV and P/RNAV ratio of the Company as implied by the Exit Offer Price and the Exit Offer Price (post FY2018 Final Dividend) is higher than the recent Comparable Company transaction.

We note that while we do consider Courts Asia Limited (“**Courts**”) to be broadly comparable to the Company, Courts has presence in markets such as Malaysia and Indonesia, while the Company only has operations in Singapore.

#### 7.6 Dividend Track Record to the Company

We note that for the past 4 financial years, the Company has paid dividends as follows:

**Table 11: Dividend history**

Historical dividend (Period)	Dividends declared for period (S\$'000)	PAT (S\$'000)	Payout ratio (%)
FY2018	10,701	19,544	54.8%
FY2017	11,392	16,203	70.3%
FY2016	9,321	12,130	76.8%
FY2015	8,975	18,286	49.1%

*Source: Company financial statements and SGX announcements*

Based on the above, we note that over the last 4 financial years, the Company had been declaring dividends, with a payout ratio of 49.1% to 76.8%. We wish to highlight that the above dividend analysis of the Company serves as an illustrative guide and not an indication of the Company's future dividend payout.

We further note that the Company's dividend policy as stated in their latest Annual Report:

*“The Company does not have a formal dividend policy. The form, frequency and amount of dividends will depend on the Company's earnings, general financial condition, results of operations, capital requirements, cash flow, general business condition, development plans and other factors as the Directors may deem appropriate.”*

#### 7.7 Other relevant consideration

##### 7.7.1 Irrevocable Undertakings

Paragraph 3.7 of the Delisting Circular sets out certain information relating to the Irrevocable Undertaking of the Undertaking Shareholders. The Offeror has obtained irrevocable undertakings from the Undertaking Shareholders pursuant to which they have each undertaken and/or agreed, inter alia, to vote all their Shares in favour of the Delisting Resolution and accept the Exit Offer in respect of all their Shares.

As at the Latest Practicable Date, the Undertaking Shareholders collectively hold an aggregate of 271,475,450 Shares representing approximately 78.64% of the total number of issued Shares;

**In addition, the Offeror owns or controls an aggregate 3,427,100 Shares, representing 0.99% of the total number of issued Shares.**



---

## APPENDIX I

### IFA LETTER

---

#### 7.7.2 Offer Condition

The Delisting and Exit Offer is conditional on the Delisting Resolution be being approved by a majority of at least 75% and not voted against by 10% or more of the total number of issued Shares (excluding treasury shares and subsidiary holdings) 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.

As at the Latest Practicable Date, the Offeror and parties acting in concert with it hold Shares representing more than 50% of the total number of issued Shares. Accordingly, the Delisting and the Exit Offer will not be conditional upon a minimum number of acceptances being received by the Offeror.

In addition, Under Rule 1307(2) of the Listing Manual, the Directors and the controlling Shareholders are not required to abstain from voting on the Delisting Resolution. Accordingly, the Undertaking Shareholders are entitled to, and have undertaken pursuant to their respective Irrevocable Undertakings to vote all their Shares in favour of the Delisting Resolution at the EGM and to accept the Exit Offer in respect of all their Shares.

Accordingly, the Exit Offer is unconditional as to acceptances.

In the event that the Exit Offer lapses, pursuant to Rule 33.1 of the Code, neither the Offeror, any persons who acted in concert with it in the course of the Exit Offer, nor any other person who is subsequently acting in concert with any of them may, except with the consent of the SIC, within 12 months from the date on which the Exit Offer lapses (i) announce an offer or possible offer for the Company or (ii) acquire any voting rights of the Company if the Offeror or persons acting in concert with it would thereby become obliged under Rule 14 of the Code to make an offer.

#### 7.7.3 Compulsory Acquisition and Listing Status

As stated in the Delisting 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 which, for the avoidance of doubt, excludes any issued and paid-up ordinary 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 at a price equal to the Exit Offer Price.

**The Offeror intends to make the Company its wholly-owned subsidiary. Accordingly, when entitled, the Offeror intends to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act.**

#### 7.7.4 Alternative Offer from Third Parties and Revision to the Exit Offer

As at the Latest Practicable Date there is no publically available evidence of other offers for the Shares from any third party. The management of the Company has also confirmed that, as at the Latest Practicable Date, apart from the Exit Offer, no alternative offer from third party has been received.

In addition, the Offeror does not intend to revise the Exit Offer Price.

---

## APPENDIX I IFA LETTER

---

### 8 OUR RECOMMENDATION ON THE EXIT OFFER AS REQUIRED PURSUANT TO LISTING RULE 1309(2)

In arriving at our recommendation on the Exit Offer, we have assessed the financial terms of the Exit Offer after taking into consideration the following key considerations which we consider to be pertinent and which we consider may have a significant bearing on our assessment:

Factors in favour of the Exit Offer:

- (1) The Exit Offer Price of S\$0.560 is higher than the traded price of Shares in the four-year period preceding the Last Full Market Day (where the Shares traded in the range of S\$0.385 to S\$0.550 per Share);
- (2) The Exit Offer Price represents a premium of 15.1%, 13.8%, 11.0%, 8.5%, and 7.0% above the VWAP of the Shares for the 12-month, 6-month, 3-month and 1-month periods prior to and including the Last Full Market Day respectively;
- (3) Over the 12-month period prior to the Last Full Market Day, the Shares have traded between a low of S\$0.460 and a high of S\$0.550. The Exit Offer Price represents a premium of S\$0.100 (or 21.7%) above the lowest transacted price of the Shares and a premium of S\$0.010 (or 1.8%) above the highest transacted price of the Shares;
- (4) Trading liquidity of the Shares over all the reference periods prior to the Last Full Market Day has been in general at an average daily trading volume of the Shares between 38,501 to 103,638 representing between 0.0546% and 0.1469% of the free float of the Company. We further note that the ADTV of the Shares as a percentage of free float as at the Last Full Market Day was 0.0546%, which lies within the range of companies listed on the SGX-ST Mainboard of similar market capitalisation, and is lower than the average and median at 0.1913% and 0.0704% respectively;
- (5) The P/NAV and P/RNAV ratio of the Company implied by the Exit Offer Price is within range and higher than the mean and median of the offer price over the NAV and RNAV ratios of the Precedent Privatisation Transactions;
- (6) The Exit Offer Price is at a premium of 101.2% and 93.0% over the NAV and RNAV per Share or P/NAV and P/RNAV ratio of 2.01 and 1.93 times respectively as at 31 March 2019;
- (7) We note that since 31 December 2016, the P/NAV multiple implied by the Exit Offer Price is at a premium to the trailing historical NAV and has ranged between 2.01 to 2.50 times;
- (8) The TTM PER of the Company at 10.55 times as implied by the Exit Offer Price is within the range of TTM PER of the Comparable Companies, and above the median and average TTM PER of the Comparable Companies;
- (9) The P/NAV and P/RNAV of the Company at 2.01 times and 1.93 times respectively as implied by the Exit Offer Price is above the range of the P/NAV of the Comparable Companies;
- (10) The P/NAV and P/RNAV ratio of the Company as implied by the Exit Offer Price is higher than the recent Comparable Company transaction; and
- (11) In 1Q2019, the net profit after tax attributable to Owners of the Parent was S\$4.1 million, a decrease of 21.7% from 1Q2018 net profit after tax attributable to owners of the parent of S\$5.2 million.

---

## APPENDIX I

### IFA LETTER

---

#### Factors not in favour of the Exit Offer:

- (12) In comparison with the corresponding premia of the Precedent Privatisation Transactions, the premium implied by the Exit Offer Price above the VWAP for 1-month, 3-month and 6-month and 12-month periods prior to the Last Full Market Day are within the range and below the average and median;
- (13) The TTM EV/EBITDA ratio of the Company as implied by the Exit Offer Price is within the range and below the average and median of TTM EV/EBITDA of the Comparable Companies; and
- (14) The EV/EBITDA of the Company as implied by the Exit Offer Price is below the EV/EBITDA of recent Comparable Company transaction.

#### Other relevant considerations:

- (15) We have considered the rationale of the Delisting Proposal;
- (16) The TTM EV/Sales ratio of the Company as implied by the Exit Offer Price is within the range, below the average and above the median of TTM EV/Sales of the Comparable Companies;
- (17) We note that the Company remains cautious about the outlook of the overall retail business environment in the local market, which is expected to stay soft in 2019. In addition, it is noted that the Company recognises that it may have benefited from the Productivity and Innovation Credit Scheme, pursuant to which its customers were entitled to tax deductions and allowances and other benefits in respect of certain qualifying purchases, such as information technology and automation equipment from the Company. Following the expiry of the Productivity and Innovation Credit Scheme after the year of assessment 2018, the Company is of the view that there may be a resultant decline in the Company's sales, and the business and profits of the Company may be further impacted;
- (18) The Offeror has received an irrevocable undertaking from the Undertaking Shareholders to vote all their Shares in favour of the Delisting Resolution and accept the Exit Offer in respect of all their Shares. As at the Latest Practicable Date, the Undertaking Shareholders and the Offeror collectively hold an aggregate of 274,902,550 Shares representing approximately 79.63% of the total number of issued Shares;

Should the Delisting Resolution be approved by a majority of at least 75%, or if the Undertaking Shareholders hold more than 75% of the Shares, the Delisting will still not proceed if at the EGM, convened, the Shareholders (either in person or by proxy) holding 10% or more of the total number of issued Shares excluding treasury shares and subsidiary holdings vote against the Delisting Resolution;

In the event that the Exit Offer lapses, neither the Offeror, any persons who acted in concert with it, nor any other person who is subsequently acting in concert with any of them may, except with the consent of the SIC, within 12 months from the date on which the Exit Offer lapses (i) announce an offer or possible offer for the Company or (ii) acquire any voting rights of the Company if the Offeror or persons acting in concert with it would thereby become obliged under Rule 14 of the Code to make an offer; and

- (19) As at the Latest Practicable Date, the Company has not received other offers from a third party and the Offeror does not intend to revise the Exit Offer.

---

## **APPENDIX I**

### **IFA LETTER**

---

**Based on our analysis and after having considered carefully the information available to us as at the Latest Practicable Date, overall, we are of the view that the financial terms of the Exit Offer are fair and reasonable. Accordingly, we advise the Non-conflicted Directors to recommend the Shareholders to vote in favour of the Delisting Resolution and accept the Exit Offer.**

Our opinion, as disclosed in this IFA Letter, is based solely on publicly available information and information provided by the Directors and the Management and therefore does not reflect any projections of future financial performance of the Company or the Company after the completion of the Exit Offer. In addition, our opinion is based on the economic and market conditions prevailing as at the Latest Practicable Date and is solely confined to our views on the Exit Offer.

Our opinion is required under Rule 1309 of the Listing Manual and is also addressed to the Non-conflicted Directors for their benefit and for the purpose of their consideration of the Exit Offer. The recommendation to be made by them to the Shareholders shall remain the responsibility of the Non-conflicted Directors. Whilst a copy of this IFA Letter may be reproduced in the Delisting Circular, neither the Company, the Directors nor any other person may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any other purpose other than for the purpose of the Exit Offer at any time and in any manner without the prior written consent of DTCF in each specific case.

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

Yours faithfully,

**Deloitte & Touche Corporate Finance Pte Ltd**

Ng Jiak See  
Executive Director

---

## APPENDIX II

### ADDITIONAL INFORMATION ON THE COMPANY AND THE GROUP

---

#### 1. DIRECTORS

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

Name	Address	Description
Mr. Loo Leong Thye	c/o 1 Ubi Link, Challenger TechHub, Singapore 408553	Executive Director and Chief Executive Officer
Mr. Tan Wee Ko	c/o 1 Ubi Link, Challenger TechHub, Singapore 408553	Executive Director and Chief Financial Officer
Mr. Tan Han Beng	c/o 1 Ubi Link, Challenger TechHub, Singapore 408553	Lead Independent Director
Mr. Max Ng Chee Weng	c/o 1 Ubi Link, Challenger TechHub, Singapore 408553	Independent Director
Ms. Tan Chay Boon	c/o 1 Ubi Link, Challenger TechHub, Singapore 408553	Independent Director

#### 2. PRINCIPAL ACTIVITIES

The Company was incorporated in Singapore on 14 January 1984. It was listed on 14 January 2004 on SGX Sesdaq and subsequently listed on the Mainboard of the SGX-ST on 30 August 2007. The principal activities of the Company and its subsidiaries consist of the sale of information technology products, the supply and installation of electronic signage, and the provision of telephonic call centre and data management services.

#### 3. REGISTERED OFFICE

The registered office of the Company is at 1 Ubi Link, Challenger TechHub, Singapore 408553.

#### 4. SHARE CAPITAL

##### 4.1 Issued Share Capital

As at the Latest Practicable Date, the Company has an issued and paid-up share capital comprising 345,207,961 Shares and a market capitalisation of approximately S\$188.1 million. It does not have any treasury shares.

##### 4.2 Rights in respect of Capital, Dividends and Voting

The rights of Shareholders in respect of capital, dividends and voting are contained in the Constitution, which is available for inspection at the registered office of the Company at 1 Ubi Link, Challenger TechHub, Singapore 408553. The relevant provisions have been extracted from the Constitution and are reproduced in **Appendix VI** to this Circular. Capitalised terms and expressions not defined in **Appendix VI** have the meanings ascribed to them in the Constitution and/or the Companies Act.

##### 4.3 New Issues

As at the Latest Practicable Date, no new Shares have been issued by the Company since 31 December 2018, being the last financial year of the Company.

##### 4.4 Options and Convertible Instruments

There are no other outstanding instruments convertible into, rights to subscribe for, and options in respect of, the Shares, as at the Latest Practicable Date.

## APPENDIX II

### ADDITIONAL INFORMATION ON THE COMPANY AND THE GROUP

#### 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. FINANCIAL INFORMATION

### 5.1 Consolidated Statements of Comprehensive Income

A summary of the audited consolidated statements of comprehensive income of the Group for FY2016, FY2017 and FY2018 and the unaudited consolidated statements of comprehensive income of the Group for 1Q2019 is set forth below. The summary set out below should be read together with the annual reports, the audited consolidated statements of comprehensive income of the Group for the relevant financial periods and the 1Q2019 Results (as set out in **Appendix III** to this Circular) and their respective accompanying notes, copies of which are available for inspection at the registered office of the Company at 1 Ubi Link, Challenger TechHub, Singapore 408553.

	<b>Group</b>			
	<b>Unaudited 3 months ended</b>		<b>Audited 12 months ended</b>	
	<b>31.03.2019</b>	<b>31.12.2018</b>	<b>31.12.2017 (Restated)</b>	<b>31.12.2016 (Restated)</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Revenue</b>	80,933	320,168	321,851	337,563
<b><u>Other Items of Income</u></b>				
Interest Income	323	802	517	505
Other Gains	220	474	576	1,168
<b><u>Other Items of Expense</u></b>				
Changes in Inventories of Finished Goods	(1,473)	4,431	(3,737)	(449)
Purchase of Goods and Consumables	(62,595)	(253,128)	(248,547)	(268,359)
Other Consumables Used	(29)	(159)	(577)	(724)
Depreciation Expense	(578)	(2,768)	(3,430)	(4,256)
Employee Benefits Expense	(5,760)	(23,430)	(24,706)	(25,212)
Other Expenses	(5,908)	(21,913)	(22,562)	(24,355)
Other Losses	(144)	(320)	(568)	(2,843)
<b>Profit Before Tax from Continuing Operations</b>	4,989	24,157	18,817	13,038
Income Tax Expense	(869)	(4,555)	(2,720)	(2,786)
<b>Profit from Continuing Operations, Net of Tax</b>	4,120	19,602	16,097	10,252

#### **Other Comprehensive Income / (Loss):**

#### **Items that May Be Reclassified Subsequently to Profit or Loss:**

Exchange Differences on Translating Foreign Operations, Net of tax	6	(16)	(21)	(47)
Reclassification adjustments for (losses) / gains included in Profit or Loss	—	(8)	80	37
Fair value changes on debt assets instruments at FVTOCI, net of tax	—	(34)	47	12



## APPENDIX II

### ADDITIONAL INFORMATION ON THE COMPANY AND THE GROUP

	Group			
	Unaudited	Audited		
	3 months	12 months ended		
	ended			
	31.03.2019	31.12.2018	31.12.2017	31.12.2016
			(Restated)	(Restated)
	\$'000	\$'000	\$'000	\$'000
Other Comprehensive Income / (Loss) for the Period, Net of Tax	6	(58)	106	2
Total Comprehensive Income	4,126	19,544	16,203	10,254
Profit Attributable to Owners of the Parent, Net of Tax	4,083	19,454	15,986	10,407
Profit Attributable to Non-Controlling Interests, Net of Tax	37	148	111	(155)
	4,120	19,602	16,097	10,252
Total Comprehensive Income Attributable to Owners of the Parent, Net of Tax	4,089	19,396	16,092	10,409
Total Comprehensive Income Attributable to Non-Controlling Interests, Net of Tax	37	148	111	(155)
Total Comprehensive Income	4,126	19,544	16,203	10,254

#### 5.2 Consolidated Statements of Financial Position

The audited consolidated statements of financial position of the Group for FY2016, FY2017 and FY2018 and the unaudited consolidated statements of financial position of the Group for 1Q2019 are summarised below. The summary set out below should be read together with the annual report of the Group for the relevant financial periods and the 1Q2019 Results (as set out in **Appendix III** to this Circular) and their respective accompanying notes, copies of which are available for inspection at the registered office of the Company at 1 Ubi Link, Challenger TechHub, Singapore 408553.

	Group			
	Unaudited	Audited		
	31.03.2019	31.12.2018	31.12.2017	31.12.2016
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Assets</b>				
<b>Non-Current Assets</b>				
Other Financial Assets	6,102	6,102	3,886	5,625
Property, Plant and Equipment	7,052	7,573	9,375	10,547
Rights-of-use assets <sup>(1)</sup>	10,100	—	—	—
<b>Total Non-Current Assets</b>	<b>23,254</b>	<b>13,675</b>	<b>13,261</b>	<b>16,172</b>

**APPENDIX II**  
**ADDITIONAL INFORMATION ON THE COMPANY AND THE GROUP**

	Unaudited 31.03.2019 S\$'000	31.12.2018 S\$'000	Group Audited Restated 31.12.2017 S\$'000	Restated 31.12.2016 S\$'000
<b><u>Current Assets</u></b>				
Inventories	36,249	37,939	33,407	37,160
Cash and Cash Equivalents	66,246	63,240	63,232	52,273
Trade and Other Receivables	11,016	10,138	8,232	5,052
Other Financial Assets	503	503		509
Other Assets	5,837	5,460	5,148	5,739
Rights-of-use assets <sup>(1)</sup>	9,337	—	—	—
<b>Total Current Assets</b>	<b>129,188</b>	<b>117,280</b>	<b>110,019</b>	<b>100,733</b>
<b>Total Assets</b>	<b>152,442</b>	<b>130,955</b>	<b>123,280</b>	<b>116,905</b>
<b><u>Equity and Liabilities</u></b>				
<b><u>Equity</u></b>				
Share Capital	18,775	18,775	18,775	18,775
Retained Earnings	77,498	73,415	65,354	58,689
Other Reserves	(188)	(194)	(136)	(242)
Equity, Attributable to Owners of the Parent	96,085	91,996	83,993	77,222
Non-Controlling Interests	374	337	339	408
<b>Total Equity</b>	<b>96,459</b>	<b>92,333</b>	<b>84,332</b>	<b>77,630</b>
<b><u>Non-Current Liabilities</u></b>				
Deferred Tax Liabilities	17	17	22	22
Other Liabilities	2,416	2,759	3,367	3,152
Lease Liabilities <sup>(1)</sup>	10,100	—	—	—
<b>Total Non-Current Liabilities</b>	<b>12,533</b>	<b>2,776</b>	<b>3,389</b>	<b>3,174</b>
<b><u>Current Liabilities</u></b>				
Trade and Other Payables	19,153	21,569	22,272	22,221
Provisions	1,974	1,955	1,886	1,736
Income Tax Payable	5,366	4,587	3,141	3,510
Other Liabilities	7,525	7,735	8,260	8,634
Lease Liabilities <sup>(1)</sup>	9,432	—	—	—
<b>Total Current Liabilities</b>	<b>43,450</b>	<b>35,846</b>	<b>35,559</b>	<b>36,101</b>
<b>Total Liabilities</b>	<b>55,983</b>	<b>38,622</b>	<b>38,948</b>	<b>39,275</b>
<b>Total Equity and Liabilities</b>	<b>152,442</b>	<b>130,955</b>	<b>123,280</b>	<b>116,905</b>

**Note:**

<sup>(1)</sup> The Group adopted SFRS(I) 16 Leases with effect from 1 January 2019 based on the modified retrospective approach.

---

## APPENDIX II

### ADDITIONAL INFORMATION ON THE COMPANY AND THE GROUP

---

#### 5.3 Consolidated NTA per Share

The consolidated NTA per Share of the Group based on the latest published accounts prior to the date of this Circular (being the 1Q2019 Results) is S\$0.278. As at the Latest Practicable Date, the Directors are not aware of any material changes which may affect the above stated consolidated NTA per Share.

#### 5.4 Significant Accounting Policies and Changes

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.

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

#### 5.5 Material Changes in Financial Position

Save as set out in publicly available information on the Group, as at the Latest Practicable Date, there have been no known material changes in the financial position of the Company since 31 December 2018, being the date of the Company's last published audited consolidated financial statements.

### 6. **DISCLOSURE OF INTERESTS**

#### 6.1 Shareholdings and dealings

- (a) None of the Company and its subsidiaries has any direct or deemed interest in (i) any shares of the Offeror; or (ii) any convertible securities, warrants, options or derivatives in respect of any shares of the Offeror, as at the Latest Practicable Date.
- (b) Neither the Company nor its subsidiaries have dealt for value in (i) any shares of the Offeror; or (ii) any convertible securities, warrants, options or derivatives in respect of any shares of the Offeror during the period commencing three (3) months prior to the Joint Announcement Date and ending on the Latest Practicable Date.
- (c) As at the Latest Practicable Date, Mr. Loo Leong Thye owns 76% of the equity interest in Loo SPV, and is therefore deemed to be interested in the shares of the Offeror held by Loo SPV, representing 70% of the issued share capital of the Offeror. Save as disclosed above, as at the Latest Practicable Date, none of the Directors has any direct or deemed interests in any (i) shares of the Offeror; and (ii) convertible securities, warrants, options or derivatives in respect of any shares of the Offeror.
- (d) Save as disclosed above, none of the Directors has dealt for value in any (i) shares of the Offeror; and (ii) convertible securities, warrants, options or derivatives in respect of any shares of the Offeror during the period commencing three (3) months prior to the Joint Announcement Date and ending on the Latest Practicable Date.
- (e) Save as disclosed in Section 12 of this Circular entitled "Interests of Directors and Substantial Shareholders", none of the Directors has any direct or indirect interest in the (i) Shares; or (ii) convertible securities, warrants, options or derivatives in respect of any Shares as at the Latest Practicable Date.
- (f) None of the Directors has dealt for value in any (i) Shares; and (ii) convertible securities, warrants, options or derivatives in respect of any Shares during the period commencing three (3) months prior to the Joint Announcement Date and ending on the Latest Practicable Date.

---

## APPENDIX II

### ADDITIONAL INFORMATION ON THE COMPANY AND THE GROUP

---

- (g) None of the IFA, its related corporations or any of the funds whose investments are managed by the IFA and its related corporations on a discretionary basis owns or controls, directly or indirectly, any (i) Shares; or (ii) convertible securities, warrants, options or derivatives in respect of any Shares as at the Latest Practicable Date.
- (h) None of the IFA, its related corporations or any of the funds whose investments are managed by the IFA and its related corporations on a discretionary basis has dealt for value in any (i) Shares; and (ii) convertible securities, warrants, options or derivatives in respect of any Shares during the period commencing three (3) months prior to the Joint Announcement Date, and ending on the Latest Practicable Date.

#### 6.2 Directors' intentions in relation to the Exit Offer

- (a) As described in Section 3.7 of this Circular entitled "Irrevocable Undertakings", Mr. Loo Leong Thye has provided an Irrevocable Undertaking to, *inter alia*, vote all of the Shares held by him in favour of the Delisting Resolution and accept the Exit Offer in respect of all of his Shares.
- (b) Mr. Tan Wee Ko intends to vote all of his Shares in favour of the Delisting Resolution and accept the Exit Offer in respect of all of his Shares.
- (c) Mr. Max Ng Chee Weng intends to vote all of his Shares in favour of the Delisting Resolution and accept the Exit Offer in respect of all of his Shares.
- (d) Mr. Tan Han Beng and Ms. Tan Chay Boon do not hold any Shares.

#### 6.3 Other Disclosures

- (a) There are no service contracts between any of the Directors or proposed directors with the Company or its subsidiaries which have more than 12 months to run and which are not terminable by the employing company within the next 12 months without paying any compensation. There are no such service contracts entered into or amended by the Company or its subsidiaries during the period commencing six (6) months prior to the Joint Announcement Date and ending on the Latest Practicable Date.
- (b) It is not proposed that any payment or other benefit be made or given to any Director or director of any other corporation which is by virtue of Section 6 of the Companies Act deemed to be related to the Company, as compensation for loss of office or otherwise in connection with the Exit Offer.
- (c) Save for the relevant Loo Family Group Undertakings, there are no agreements or arrangements made between any Director and any other person in connection with or conditional upon the outcome of the Exit Offer.

#### 6.4 Material Contracts

Save as disclosed in this Circular, none of the Directors has a material personal interest, whether direct or indirect, in any material contract entered into by the Offeror as at the Latest Practicable Date.

### 7. MATERIAL CONTRACTS WITH INTERESTED PERSONS

Neither the Company nor any of its subsidiaries has entered into material contracts with persons who are interested persons (other than those entered into in the ordinary course of business) during the period commencing three (3) years prior to the Joint Announcement Date and ending on the Latest Practicable Date.

---

**APPENDIX II**  
**ADDITIONAL INFORMATION ON THE COMPANY AND THE GROUP**

---

**8. MATERIAL LITIGATION**

As at the Latest Practicable Date, the Directors are not aware of any material litigation, claims or proceedings pending or threatened against, or made by, the Company or any of its subsidiaries or any facts likely to give rise to any such material litigation, claims or proceedings, which might materially and adversely affect the financial position of the Group, taken as a whole.

**9. MATERIAL CHANGE IN INFORMATION**

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

**Challenger Technologies Limited**



**FIRST QUARTER UNAUDITED FINANCIAL STATEMENT**

**FOR THE FINANCIAL PERIOD ENDED**

**31 MARCH 2019**

Co Reg No: 198400182 K



## APPENDIX III

### 1Q2019 RESULTS

#### CHALLENGER TECHNOLOGIES LIMITED

#### FIRST QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 31 MARCH 2019

- 1(a) A consolidated statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

##### Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Group		
	1Q2019	1Q2018	Change
	\$'000	\$'000	%
<b>Revenue</b>	80,933	77,590	4
<b><u>Other Items of Income</u></b>			
Interest Income	323	166	95
Other Gains [Note (A)]	220	295	(25)
<b><u>Other Items of Expense</u></b>			
Changes in Inventories of Finished Goods	(1,473)	635	N.M.
Purchase of Goods and Consumables	(62,595)	(60,659)	3
Other Consumables Used	(29)	(33)	(12)
Depreciation Expense	(578)	(787)	(27)
Employee Benefits Expense	(5,760)	(5,470)	5
Other Expenses [Note (B)]	(5,908)	(5,320)	11
Other Losses [Note (A)]	(144)	(127)	13
<b>Profit Before Tax from Continuing Operations</b>	<b>4,989</b>	<b>6,290</b>	<b>(21)</b>
Income Tax Expense	(869)	(1,041)	(17)
<b>Profit from Continuing Operations, Net of Tax</b>	<b>4,120</b>	<b>5,249</b>	<b>(22)</b>
<b><u>Other Comprehensive Income:</u></b>			
<b>Items that May Be Reclassified Subsequently to Profit or Loss:</b>			
Exchange Difference on Translating Foreign Operations, Net of tax	6	5	20
<b>Other Comprehensive Income for the Period, Net of Tax</b>	<b>6</b>	<b>5</b>	<b>20</b>
<b>Total Comprehensive Income</b>	<b>4,126</b>	<b>5,254</b>	<b>(21)</b>
<b>Profit Attributable to Owners of the Parent, Net of Tax</b>	<b>4,083</b>	<b>5,215</b>	<b>(22)</b>
<b>Profit Attributable to Non-Controlling Interests, Net of Tax</b>	<b>37</b>	<b>34</b>	<b>9</b>
	<b>4,120</b>	<b>5,249</b>	<b>(22)</b>
<b>Total Comprehensive Income Attributable to Owners of the Parent, Net of Tax</b>	<b>4,089</b>	<b>5,220</b>	<b>(22)</b>
<b>Profit Attributable to Non-Controlling Interests, Net of Tax</b>	<b>37</b>	<b>34</b>	<b>9</b>
	<b>4,126</b>	<b>5,254</b>	<b>(21)</b>
<b>Note:</b>			
<b>Profit before income tax is arrived after charging/ (crediting) the followings:</b>			
<b><u>Note (A) - Other (Losses) / Gains</u></b>			
Foreign exchange adjustment gains	69	23	200
Sundry income	151	272	(44)
Provision for bad debts - trade	-	(7)	N.M.
Provision for inventories	(144)	(120)	20
	<b>76</b>	<b>168</b>	<b>(55)</b>
<b>Presented in profit or loss as:</b>			
Other Gains	220	295	(25)
Other Losses	(144)	(127)	13
	<b>76</b>	<b>168</b>	<b>(55)</b>
<b><u>Note (B) - Other Expenses</u></b>			
Premises expenses	(4,379)	(3,986)	10
Other operating expenses	(528)	(516)	2
Selling and distribution costs	(1,001)	(818)	22
	<b>(5,908)</b>	<b>(5,320)</b>	<b>11</b>

N.M. = not meaningful

## APPENDIX III

### 1Q2019 RESULTS

#### CHALLENGER TECHNOLOGIES LIMITED

#### FIRST QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 31 MARCH 2019

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

##### Statements of Financial Position

	Group		Company	
	31.03.2019	31.12.2018	31.03.2019	31.12.2018
	\$'000	\$'000	\$'000	\$'000
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
Investments in Subsidiaries	-	-	6,031	6,031
Other Financial Assets	6,102	6,102	5,793	5,793
Property, Plant and Equipment	7,052	7,573	6,881	7,389
Rights-of-use assets*	10,100	-	10,100	-
<b>Total Non-Current Assets</b>	<b>23,254</b>	<b>13,675</b>	<b>28,805</b>	<b>19,213</b>
<b>Current Assets</b>				
Cash and Cash Equivalents	66,246	63,240	58,628	55,610
Trade and Other Receivables	11,016	10,138	8,968	8,247
Other Assets	5,837	5,460	5,667	5,322
Inventories	36,249	37,939	36,080	37,785
Other Financial Assets	503	503	503	503
Rights-of-use assets*	9,337	-	9,337	-
<b>Total Current Assets</b>	<b>129,188</b>	<b>117,280</b>	<b>119,183</b>	<b>107,467</b>
<b>Total Assets</b>	<b>152,442</b>	<b>130,955</b>	<b>147,988</b>	<b>126,680</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to Owners of the Parent</b>				
Share Capital	18,775	18,775	18,775	18,775
Retained Earnings	77,498	73,415	77,242	73,227
Other Reserves	(188)	(194)	14	14
<b>Equity, Attributable to Owners of the Parent</b>	<b>96,085</b>	<b>91,996</b>	<b>96,031</b>	<b>92,016</b>
Non-Controlling Interests	374	337	-	-
<b>Total Equity</b>	<b>96,459</b>	<b>92,333</b>	<b>96,031</b>	<b>92,016</b>
<b>Non-Current Liabilities</b>				
Deferred Tax Liabilities	17	17	-	-
Other Liabilities, Non-Current	2,416	2,759	1,130	1,368
Lease Liabilities*	10,100	-	10,100	-
<b>Total Non-Current Liabilities</b>	<b>12,533</b>	<b>2,776</b>	<b>11,230</b>	<b>1,368</b>
<b>Current Liabilities</b>				
Trade and Other Payables	19,153	21,569	17,872	20,456
Provisions	1,974	1,955	1,974	1,955
Income Tax Payable	5,366	4,587	5,025	4,251
Other Liabilities, Current	7,525	7,735	6,424	6,634
Lease Liabilities*	9,432	-	9,432	-
<b>Total Current Liabilities</b>	<b>43,450</b>	<b>35,846</b>	<b>40,727</b>	<b>33,296</b>
<b>Total Liabilities</b>	<b>55,983</b>	<b>38,622</b>	<b>51,957</b>	<b>34,664</b>
<b>Total Equity and Liabilities</b>	<b>152,442</b>	<b>130,955</b>	<b>147,988</b>	<b>126,680</b>

\* The Group adopted SFRS(I) 16 Leases with effect from 1 January 2019 based on the modified retrospective approach.

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

Amount repayable in one year or less, or on demand  
Nil.

Amount repayable after one year  
Nil.

Details of any collateral  
Nil.

## APPENDIX III

### 1Q2019 RESULTS

#### CHALLENGER TECHNOLOGIES LIMITED

#### FIRST QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 31 MARCH 2019

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

##### Consolidated Statement of Cash Flow

	31.03.2019 \$'000	31.03.2018 \$'000
<b>Cash Flow From Operating Activities</b>		
Profit Before Tax	4,989	6,290
Adjustments for:		
Depreciation Expense	578	787
Amortisation on Rights-of-use Assets	3,553	-
Interest Expense	156	-
Interest Income	(323)	(166)
Net Effect of Exchange Rate Changes in Consolidating Foreign Operations	6	5
Operating Cash Flows Before Working Capital Changes	8,959	6,916
Trade and Other Receivables	(878)	(3)
Other Assets	(377)	287
Inventories	1,690	(515)
Trade and Other Payables	(2,416)	(3,429)
Other Liabilities	(553)	(586)
Net Cash Flows From Operations	6,425	2,670
Income Tax Paid	(90)	(402)
Net Cash Flows From Operating Activities	6,335	2,268
<b>Cash Flows From Investing Activities</b>		
Interest Received	323	166
Purchase of Plant and Equipment	(38)	(9)
Net Cash Flows From Investing Activities	285	157
<b>Cash Flows From Financing Activities</b>		
Principal element of lease payments	(3,458)	-
Interest element of lease payments	(156)	-
Net Cash Flows used in Financing Activities	(3,614)	-
<b>Net Increase in Cash and Cash Equivalents</b>	3,006	2,425
Cash and Cash Equivalents, Consolidated Statement of Cash Flow , Beginning Balance	63,240	63,232
<b>Cash and Cash Equivalents, Consolidated Statement of Cash Flow , Ending Balance</b>	66,246	65,657

## APPENDIX III 1Q2019 RESULTS

### CHALLENGER TECHNOLOGIES LIMITED

#### FIRST QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 31 MARCH 2019

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

##### Statements of Changes in Equity

	Attributable to Equity Holders of the Company					
	Total Equity \$'000	Attributable to Parent sub-total \$'000	Share Capital \$'000	Retained Earnings \$'000	Other Reserves \$'000	Non-controlling Interests \$'000
<b>Group</b>						
<b>Current Period:</b>						
<b>Opening Balance at 1 January 2019</b>	92,333	91,996	18,775	73,415	(194)	337
<b>Movements in Equity:</b>						
Total Comprehensive Income for the Period	4,126	4,089	-	4,083	6	37
<b>Closing Balance at 31 March 2019</b>	<b>96,459</b>	<b>96,085</b>	<b>18,775</b>	<b>77,498</b>	<b>(188)</b>	<b>374</b>
<b>Previous Period:</b>						
<b>Opening Balance at 1 January 2018</b>	86,442	86,103	18,775	67,464	(136)	339
Impact of adoption of SFRS(I) 15 on previously reported results for the period ended 31 December 2017	(2,110)	(2,110)	-	(2,110)	-	-
<b>Balance at 1 January 2018, as restated</b>	<b>84,332</b>	<b>83,993</b>	<b>18,775</b>	<b>65,354</b>	<b>(136)</b>	<b>339</b>
<b>Movements in Equity:</b>						
Total Comprehensive Income for the Period	5,254	5,220	-	5,215	5	34
<b>Closing Balance at 31 March 2018</b>	<b>89,586</b>	<b>89,213</b>	<b>18,775</b>	<b>70,569</b>	<b>(131)</b>	<b>373</b>
<b>Company</b>						
<b>Current Period:</b>						
<b>Opening Balance at 1 January 2019</b>	92,016	92,016	18,775	73,227	14	-
<b>Movements in Equity:</b>						
Total Comprehensive Income for the Period	4,015	4,015	-	4,015	-	-
<b>Closing Balance at 31 March 2019</b>	<b>96,031</b>	<b>96,031</b>	<b>18,775</b>	<b>77,242</b>	<b>14</b>	<b>-</b>
<b>Previous Period:</b>						
<b>Opening Balance at 1 January 2018</b>	86,107	86,107	18,775	67,276	56	-
Impact of adoption of SFRS(I) 15 on previously reported results for the period ended 31 December 2017	(2,110)	(2,110)	-	(2,110)	-	-
<b>Balance at 1 January 2018, as restated</b>	<b>83,997</b>	<b>83,997</b>	<b>18,775</b>	<b>65,166</b>	<b>56</b>	<b>-</b>
<b>Movements in Equity:</b>						
Total Comprehensive Income for the Period	5,134	5,134	-	5,134	-	-
<b>Closing Balance at 31 March 2018</b>	<b>89,131</b>	<b>89,131</b>	<b>18,775</b>	<b>70,300</b>	<b>56</b>	<b>-</b>

---

## APPENDIX III

### 1Q2019 RESULTS

---

#### CHALLENGER TECHNOLOGIES LIMITED

#### FIRST QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 31 MARCH 2019

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

There were no changes in the share capital of the Company in the first quarter of 2019. As at 31 March 2019, the Company's issued and paid up capital comprises 345,207,961 (31 December 2018: 345,207,961) ordinary shares and \$18,775,054 (31 December 2018: \$18,775,054) respectively.

There were no outstanding convertibles issued or treasury shares held by the Company or subsidiary as at 31 March 2019 and 31 March 2018.

- 1(d)(iii) Total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	31.03.2019	31.12.2018
Total number of issued shares (excluding treasury shares)	345,207,961	345,207,961

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

Not applicable.

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

Not applicable.

- 2 Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)**

The figures have not been audited nor reviewed by the Group auditors.

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

Not applicable.

## APPENDIX III

### 1Q2019 RESULTS

#### CHALLENGER TECHNOLOGIES LIMITED

#### FIRST QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 31 MARCH 2019

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

The Group and the Company have applied the same accounting policies and methods of computation in the financial statements for the current reporting period, which are consistent with those described in the Audited Financial Statements for the year ended 31 December 2018, except for the adoption of all applicable new and revised Singapore Financial Reporting Standards (International), ("SFRS(I)") and Interpretations of SFRS(I) ("INT SFRS(I)") which becomes effective from annual periods beginning on or after 1 January 2019.

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

The application of the new and revised standards and interpretations has no material effect on the financial statements, except for the adoption of SFRS(I) 16 – Leases.

The Group adopted SFRS(I) 16 - Leases on 1 January 2019. At the date of initial application, the Group recognised the rights to use leased assets as right-of-use assets and their associated obligations as lease liabilities. The Group applied this standard using the modified retrospective approach. Therefore, the 1Q2018 comparative figures have not been restated from that which was previously announced in 1Q2018 announcement as the Group and the Company have applied the standard retrospectively with the cumulative effect recognised at the date of initial application.

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

	Group	
	31.03.2019	31.03.2018
	cents	cents
Earnings per share based on consolidated profit after taxation and minority interest		
- on weighted average number of shares	1.18	1.51
- on a fully diluted basis	1.18	1.51

(i) Earnings per ordinary share is computed based on the weighted average number of 345,207,961 issued shares.

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

	Group		Company	
	31.03.2019	31.12.2018	31.03.2019	31.12.2018
	cents	cents	cents	cents
Net asset value per share based on existing issued share capital as at the end of the respective period	27.83	26.65	27.82	26.66

The net asset value per ordinary share of the Group and the Company as at 31 March 2019 and 31 December 2018 is computed based on the total number of issued shares of 345,207,961.



---

## APPENDIX III

### 1Q2019 RESULTS

---

#### CHALLENGER TECHNOLOGIES LIMITED

#### FIRST QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 31 MARCH 2019

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

#### Revenue

For the first quarter ended 31 March 2019 ("1Q2019"), the Group achieved revenue of \$80.9 M, an increase of 4.3% or \$3.3 M compared to the revenue of \$77.6 M recorded in the last corresponding quarter.

The increase in revenue was primarily driven by improved performance from IT products and services business segment, which strengthened 4.2% to \$79.3 M in 1Q2019, from \$76.1 M in 1Q2018. The growth in this segment was mainly attributed to revenue contribution from tradeshow sales.

Revenue from the electronic signage services business segment remained flat at \$0.1 M in 1Q2019 compared to 1Q2018.

Revenue from the telephonic call centre and data management services marketing call centre improved by 14.3% to \$1.6 M in 1Q2019 compared to the corresponding period last year as more projects were secured in the current period.

#### Profit after taxation

The Group registered PAT of \$4.1 M in 1Q2019, down by \$1.1 M as compared to \$5.2 M in 1Q2018.

The decrease in PAT was mainly due to the following:

- a) decrease in overall gross profit by about \$0.7 M mainly due to lower rebates from vendors. Overall gross profit margin decreased to 21% in 1Q2019 compared to 23% in 1Q2018 mainly due to higher tradeshow sales and competitive pressures in the challenging IT retail market;
- b) increase employee benefits expenses by \$0.3 M mainly due to increased part-timer costs;
- c) higher selling and distribution expenses increased by \$0.2 M mainly from card surcharges and marketing expense;
- d) net impact of \$0.1 M arising from the adoption of SFRS(I) 16 Leases, mainly on amortisation expenses on right-of-use assets and interest expense on lease liabilities;
- e) increase in rental expenses by \$0.3 M due to increased retail stores rental expenses and participation in trade show; and
- f) other income which mainly comprises of government grant decreased by \$0.1 M on lower receipts from Wage Credit Scheme.

The above items have been offset by:

- g) decrease in depreciation expenses by \$0.2 M;
- h) increase interest income from SGD fixed deposits and coupon received from investment in corporate bonds by \$0.2 M; and
- i) lower income tax provision by \$0.1 M.

Other than the above, provision for inventories of \$0.1 M is for both third parties and house brand products. Foreign exchange gains of \$0.07 M mainly arising from revaluation of RMB transactions.

#### Working capital, assets and liabilities

As at 31 March 2019, the Group has cash of approximately \$63.1 M.

The Group recorded an operating cash inflow of about \$6.3 M in 1Q2019. This has resulted mainly from the following:

- a) operating profit derived for 1Q2019 of \$9.0 M;
- b) decrease of trade, other payables and accrued liabilities of \$2.4 M;
- c) decrease of other liabilities of \$0.6 M;
- d) increase of trade, other receivables and other assets of \$1.3 M;
- e) decrease in inventory of \$1.7 M; and
- f) income tax paid of \$0.1 M.

The Group received interests from fixed deposits and bonds of \$0.3 M during the period, resulted a net cash inflow for investing activities. Meanwhile, \$3.6 M used in investing activities was incurred as principal and interest element for lease payments. Hence, cash and cash equivalents increased by about \$3.0 M for the period ended 31 March 2019.

Other than the above, no significant difference was noted for other working capital, assets and liabilities, except for the Group total assets which increased by \$21.4 M to \$152.4 M and total liabilities which increased by \$17.4 M to \$56.0 M as at 31 March 2019. This is mainly attributable to the recognition of right-of-use assets and lease liabilities arising from the adoption of SFRS(I) 16 Leases.

---

## APPENDIX III

### 1Q2019 RESULTS

---

#### CHALLENGER TECHNOLOGIES LIMITED

#### FIRST QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 31 MARCH 2019

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

No specific forecast was previously provided.

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

**a. IT products and services**

The operating environment in the retail sector has remained challenging. However, we will continue to capture sales in new locations we are currently not present by opening new outlets and rationalise underperforming stores. In this regard, the group will be opening three new stores at Jewel Changi, West Coast Plaza and Paya Lebar Quarter by the second half of 2019. Two stores located at Great World City and Thomson Plaza will be closed in the second half of 2019.

**b. Electronic signage services**

We will continue to explore business opportunities with strategic partners to continue to grow our business in architectural and commercial lighting projects.

11 Dividend

- (a) *Current Financial Period Reported On*

None.

- (b) *Corresponding Period of the Immediately Preceding Financial Year*

None.

- (c) *Date Payable*

Not applicable.

- (d) *Books Closure Date*

Not applicable.

---

## APPENDIX III

### 1Q2019 RESULTS

---

#### CHALLENGER TECHNOLOGIES LIMITED

#### FIRST QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 31 MARCH 2019

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

There is no dividend declared for this quarter. The Company does not have a formal dividend policy.

**13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.**

There is no IPT mandate obtained.

**14 Confirmation By the Company Pursuant to Rule 720(1) of the SGX Listing Manual**

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7.7) pursuant to Rule 720(1) of the SGX Listing Manual.

**15 CONFIRMATION BY THE BOARD**

On behalf of the Board of Directors of the Company, Loo Leong Thye and Tan Wee Ko being two directors of the Company, do hereby confirm to the best of our knowledge, that nothing has come to the attention of the Board of Directors of the Company which may render the financial statement for the first quarter ended 31 March 2019 to be false or misleading in any material aspect.

On behalf of the Board of Directors

LOO LEONG THYE  
EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER

TAN WEE KO  
EXECUTIVE DIRECTOR AND CHIEF FINANCIAL OFFICER

**BY ORDER OF THE BOARD**

LOO LEONG THYE  
DIRECTOR AND CHIEF EXECUTIVE OFFICER  
DATE: 10 May 2019

## APPENDIX IV

### 1Q2019 AUDITOR'S REPORT



Our Ref: RSMCL/0200/H4/3311

The Board of Directors  
Challenger Technologies Limited  
1 Ubi Link  
Challenger TechHub  
Singapore 408553

**RSM Chio Lim LLP**

8 Wilkie Road, #03-08  
Wilkie Edge, Singapore 228095

T +65 6533 7600  
F +65 6594 7811

Audit@RSMSingapore.sg  
www.RSMSingapore.sg

#### REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS

##### Introduction

We have reviewed the accompanying interim condensed financial statements which comprise the statements of financial position of the group and company as at 31 March 2019, and the related interim condensed statements of changes in equity of the group and the company and the interim condensed consolidated statement of profit or loss and other comprehensive income and consolidated cash flow statement of the group for the three-month period then ended and explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed financial statements in accordance with Singapore Financial Reporting Standard (International) SFRS(I) 1-34 Interim Financial Reporting ("SFRS(I) 1-34"). Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

The interim condensed statements of changes in equity of the group and the company and the interim condensed consolidated statement of profit or loss and other comprehensive income and consolidated cash flow statement of the group for the corresponding period from 1 January 2018 to 31 March 2018 included in these interim condensed financial statements are based on management financial information of the group and company, where appropriate. We have not performed an audit or a review of this comparative financial information.

##### Scope of Review

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

##### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with SFRS(I) 1-34.

RSM Chio Lim LLP  
Public Accountants and  
Chartered Accountants  
Singapore

31 May 2019

UEN: T09LL0009

RSM Chio Lim LLP is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

**Business Advisors to Growing Businesses**



---

**APPENDIX V**  
**1Q2019 IFA REPORT**

---



Deloitte & Touche  
Corporate Finance Pte Ltd  
Co. Reg. No. 200200144N  
6 Shenton Way  
QUE Downtown 2  
#33-00  
Singapore 068809

Tel: +65 6224 8288  
Fax: +65 6223 8539  
www.deloitte.com/sg

**LETTER FROM IFA ON THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS  
OF THE COMPANY AND ITS SUBSIDIARIES FOR THE THREE MONTHS  
ENDED 31 MARCH 2019**

31 May 2019

Challenger Technologies Limited  
1 Ubi Link Challenger TechHub  
Singapore 408553

Attention: The Board of Directors

Dear Sirs

**PROPOSED VOLUNTARY DELISTING (AS DEFINED HEREIN) OF CHALLENGER TECHNOLOGIES LIMITED ("COMPANY") FROM THE OFFICIAL LIST OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (SGX-ST) PURSUANT TO RULES 1307 AND 1309 OF THE SGX-ST LISTING MANUAL ("DELISTING PROPOSAL")**

1. On 10 May 2019, the directors of the Company ("**Directors**") announced the unaudited consolidated financial statements of the Company for the three-month period ended 31 March 2019 (the "**1Q19 Results**"). We have examined the 1Q19 Results and have discussed the same with the management of the Company who are responsible for their preparation. We have also considered the report by RSM Chio Lim LLP (the Company's auditor) dated 31 May 2019 on their review of the 1Q19 Results.
2. For the purpose of this letter, we have relied on and assumed the accuracy and completeness of all information provided to us by the Company. Saved as provided in this letter, we do not express any other opinion and views on the 1Q19 Results. The Board of Directors of the Company remains solely responsible for the 1Q19 Results.
3. Based on the above, we are of the opinion that the 1Q19 Results have been prepared by the Company after due and careful enquiry.
4. This letter is provided to the Board of Directors of the Company solely for the purpose of complying with Rule 25 of the Singapore Code on Take-overs and Mergers and not for any other purpose. We do not accept responsibility for any person(s), other than the Board of Directors of the Company, in respect of, arising out of, or in connection with this letter.

Yours faithfully,

For and on behalf of

**Deloitte & Touche Corporate Finance Pte Ltd**

Ng Jiak See  
Executive Director

---

## APPENDIX VI

### PROVISIONS IN THE CONSTITUTION RELATING TO THE 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, which is available for inspection at the registered office of the Company at 1 Ubi Link, Challenger TechHub, Singapore 408553. The relevant provisions have been extracted from the Constitution and reproduced below. Capitalised terms and expressions not defined below have the meanings ascribed to them in the Constitution.

#### **A. Rights in respect of Capital**

##### **SHARES**

- |             |   |   |
|-------------|---|---|
| <p>5.</p>   | <p>Subject to the Statutes, no shares may be issued without the prior approval of the Company in General Meeting but subject thereto and to these Articles relating to new shares and to any special right attached to any share for the time being issued, the Directors may allot (with or without conferring any right of renunciation), grant options over or otherwise dispose of the same to such persons on such terms and conditions (including such consideration) and at a premium or otherwise and at such time as the Directors determine Provided Always that:-</p> <p>(a) no shares may be issued at a discount except in accordance with the Statutes; and</p> <p>(b) the rights attaching to shares of a class other than ordinary shares shall be expressed in the resolution creating the same.</p> | <p>Shares under control of Company in General Meeting.</p>                                    |
| <p>6.1.</p> | <p>Subject to the limits referred to in Article 58, the Company in General Meeting may by Ordinary Resolution authorise the Directors to exercise any power of the Company to issue shares, such authority being confined to a particular exercise of that power or generally. Any such authority may be unconditional or subject to conditions and shall continue in force until the conclusion of the Annual General Meeting commencing next after the date on which the approval was given or the expiration of the period within which the next Annual General Meeting after that date is required by law to be held whichever is the earlier but may be previously revoked or varied by the Company in General Meeting.</p>  | <p>Authority of Directors to issue shares.</p>  |
| <p>6.2.</p> | <p>Subject to the terms and conditions of any application for shares, the Directors shall allot shares applied for within ten Market Days of the closing date (or such other period as may be approved by the 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 as the holder thereof or before such share is entered against the name of a Depositor in the Depository Register, as the case may be, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of such share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit.</p>  |   |
| <p>7.</p>   | <p>Any share in the Company may be issued with such preferred, qualified, deferred or other special rights, privileges and conditions or such restrictions, whether in regard to dividend, return of capital, voting or otherwise, as the Company may from time to time by Ordinary Resolution determine, and subject to the Statutes, the Company may issue preference shares which are or, at the option of the Company, are liable to be redeemed on such terms and in such manner as the Company before the issue thereof may by Ordinary Resolution determine Provided Always that the total nominal value of issued preference shares shall not at any time exceed the total nominal value of the issued ordinary shares for the time being.</p>  | <p>Company may issue shares with preferred, qualified, deferred and other special rights.</p> |



---

**APPENDIX VI**  
**PROVISIONS IN THE CONSTITUTION RELATING TO THE RIGHTS OF**  
**SHAREHOLDERS IN RESPECT OF CAPITAL, DIVIDENDS AND VOTING**

---

- |     |  |  |
|-----|--|--|
| 8.  | The Company shall have the power to issue further preference capital ranking equally with or in priority to the preference capital then already issued.  | Issue of further preference shares.              |
| 9.  | Subject to the provisions of the Statutes, all or any of the special rights or privileges for the time being attached to any preference share for the time being issued may from time to time (whether or not the Company is being wound up) be modified, affected, altered or abrogated and preference capital other than redeemable preference shares may be repaid if authorised by a Special Resolution passed by holders of such preference shares at a special meeting called for the purpose. To any such special meeting, all provisions of these Articles as to General Meetings of the Company shall mutatis mutandis apply but so that the necessary quorum shall be two persons at least holding or representing by proxy not less than one third of the issued preference shares concerned and that every holder of the preference shares concerned shall be entitled on a poll to one vote for every such share held by him and that any holder of the preference shares concerned present either in person or by proxy may demand a poll Provided Always that where the necessary majority for such a Special Resolution is not obtained at the meeting, consent in writing if obtained from holders of three-fourths of the preference shares concerned within two months of the meeting shall be as valid and effectual as a Special Resolution carried at the meeting. | Alteration of rights of preference shareholders. |
| 10. | Preference shareholders shall have the same rights as ordinary Members as regards the receiving of notices, reports and balance sheets and the attending of General Meetings of the Company. Preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital of the Company or winding up or sanctioning the sale of the undertaking of the Company or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six months in arrears.  | Rights of preference shareholders.               |
| 11. | If by the conditions of allotment of any share, the whole or part of the amount or issue price thereof shall be payable by instalments, every such instalment shall, when due, be paid to the Company by the holder for the time being of the share or his legal personal representative.  | Instalments of shares.                           |
| 12. | The Company may pay a commission to any person in consideration of his subscribing, or agreeing to subscribe, whether absolutely or conditionally, for any share in the capital of the Company but such commission shall not exceed ten per cent of the price at which the shares are issued or an amount equivalent thereof. Any such commission may be paid in whole or in part in cash or fully or partly paid shares of the Company at par as may be arranged, and 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, whether absolute or conditional, for any share in the Company, confer on any such person an option call within a specified time for a specified number or amount of shares in the Company at a specified price not being less than par. The payment or agreement to pay a commission or the conferring of an option shall be in the discretion of the Directors on behalf of the Company. The requirements of the Statutes shall be observed, so far as applicable.  | Commission for subscribing.                      |

---

**APPENDIX VI**  
**PROVISIONS IN THE CONSTITUTION RELATING TO THE RIGHTS OF**  
**SHAREHOLDERS IN RESPECT OF CAPITAL, DIVIDENDS AND VOTING**

---

- |  |                |
|--|----------------|
| 13.1. 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, administrators or trustees of the estate of a deceased Member.   | Joint Holders. |
| 13.2. Subject to Article 13(1), any two or more persons may be registered as joint holders of any share and the joint holders of a share shall be severally as well as jointly liable for the payment of all instalments and calls and interest (if any) due in respect of such share.   |                |
| 13.3. The joint holder first named in the Register or the Depository Register, as the case may be, shall as regards voting, proxy, service of notices and delivery of certificates and dividend warrants, be deemed to be the sole owner of such share.  |                |
| 14. No person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or be required in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any other rights in respect of any share other than an absolute right to the entirety thereof in the registered holder or in the person whose name is entered in the Depository Register in respect of that share, as the case may be, except only where these Articles otherwise provide or as required by the Statutes or pursuant to any order of Court. |                |
| 15. No person shall exercise any rights of a Member in respect of a share until his name shall have been entered in the Register as the registered holder thereof or in the Depository Register in respect of such share, as the case may be, and, unless the Directors otherwise determine, such person shall have paid all calls and other moneys for the time being due and payable on any share held by him.   |                |
| 16. The Company may, subject to and in accordance with the Act and any other relevant legislation, rules or regulations enacted or prescribed by any relevant authority from time to time, purchase or otherwise acquire ordinary shares in the issued share capital of the Company on such terms and in such manner as the Company may from time to time think fit. Any share which is so purchased or acquired by the Company shall be deemed to be cancelled immediately on purchase or acquisition by the Company. On the cancellation of any share as aforesaid, the rights and privileges attached to that share shall expire.   |                |

**SHARE CERTIFICATE**

- |  |                                 |
|--|---------------------------------|
| 17. Every certificate for shares shall be under the Seal.  | Authentication of certificates. |
| 18. Every certificate of shares shall specify the distinctive numbers of the shares in respect of which it is issued, and the amount paid up thereon. No share certificate shall be issued representing shares of more than one class. |                                 |

---

**APPENDIX VI**  
**PROVISIONS IN THE CONSTITUTION RELATING TO THE RIGHTS OF**  
**SHAREHOLDERS IN RESPECT OF CAPITAL, DIVIDENDS AND VOTING**

---

- |       |  |   |
|-------|--|---|
| 19.   | Every person whose name is entered as a registered holder in the Register shall be entitled without payment to receive within ten Market Days (or such other period as may be approved by the Exchange) after the closing date for applications to subscribe for a new issue of shares and within ten Market Days (or such other period as may be approved by the Exchange) after lodgement of a registrable transfer one certificate under the Seal in respect of each class of shares held by him for all his shares in that class or several certificates in reasonable denominations each for one or more of his shares in any one class subject to such person's prior payment of two Singapore Dollars (or such other sum as the Directors shall from time to time determine having regard to any limitation thereof as the Statutes or Exchange may prescribe) for every certificate after the first and such stamp duty as is payable on such certificate unless otherwise directed by the Directors Provided Always that in the case of joint registered holders, the Company shall not be bound to issue more than one certificate and delivery of such certificate to any one of them shall be sufficient delivery to all such holders. | Member's right to certificate & cancellation of certificates. |
| 20.1. | Where only some of the shares comprised in any share certificate are transferred, the old certificate shall be cancelled and a new certificate for the balance of such shares shall be issued in lieu thereof without charge.  | Issue of replacement certificates.                            |
| 20.2. | Any two or more certificates representing shares of any one class held by any person whose name is entered in the Register may be cancelled at his request and a single new certificate for such shares issued in lieu thereof without charge.   |   |
| 20.3. | Any share certificate representing shares of any class held by any person whose name is entered in the Register may be surrendered by such person for cancellation and at his request the Company may issue in lieu thereof two or more share certificates representing such shares in such proportions as such person may specify, and the Directors may comply with such request if they think fit. Such person shall pay a maximum of two Singapore Dollars 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, taking into consideration any limitation thereof as may be prescribed by the Exchange.  |   |
| 20.4. | Subject to the Statutes, if any share certificate shall be defaced, worn out, destroyed, stolen or lost, it may be renewed on such evidence being produced and a letter of indemnity or undertaking (if required) being given by the purchaser, registered holder, transferee, person entitled or member company of the Exchange or on its behalf or their client or clients as the Directors shall require and in the case of defacement or wearing out on delivery up of the old certificate and in any case on payment of such sum not exceeding two Singapore Dollar as the Directors may from time to time require (or such other amount as may be permitted under the Statutes). In the case of theft, destruction or loss the registered holder or the 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 theft, destruction or loss.   |   |
| 20.5. | Where shares are registered jointly in the names of several persons, any such request may be made by any one of the registered joint holders.  |   |
| 21.   | The certificates of shares registered in the names of two or more persons may be delivered to the joint holder first named in the Register.  | Delivery of share certificates.                               |

---

**APPENDIX VI**  
**PROVISIONS IN THE CONSTITUTION RELATING TO THE RIGHTS OF**  
**SHAREHOLDERS IN RESPECT OF CAPITAL, DIVIDENDS AND VOTING**

---

**LIEN ON SHARES**

- |     |   |                                  |
|-----|---|----------------------------------|
| 22. | The Company shall have a first and paramount lien on every share (not being a fully-paid share) and all dividends or interests from time to time declared in respect thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of that share (including without limitation unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid) and for all moneys which the Company may be called upon by law to pay in respect of the shares of the Member or the deceased Member. The Directors may however waive any lien which has arisen and may resolve that any share shall for any limited period be exempt wholly or partially from the provisions of this Article 22 upon such terms as they may deem fit in the best interest of the Company. | Company's lien on shares.        |
| 23. | For the purpose of enforcing such lien the Directors may sell all or any of the shares subject thereto in such manner as they think fit, and no sale shall be made until such time as the moneys are presently payable, and until a notice in writing stating the amount due and demanding payment, and giving notice of intention to sell in default, shall have been served in such a manner as the Directors shall think fit on the holder for the time being of the shares or the person (if any) entitled by transmission to the shares, and default in payment shall have been made by him or them for seven days after such notice.  | Right to enforce lien by sale.   |
| 24. | The net proceeds of any such sale shall be applied in or towards the satisfaction of the unpaid calls and accrued interest and expenses of such sale, and the residue (if any) shall be paid to the person whose shares have been sold, his executors, administrators, trustees or assignees or as he shall direct.   | Application of proceeds of sale. |
| 25. | To give effect to any such sale the Directors may authorise some person to transfer or to effect the transfer, as the case may be of the shares sold to the purchaser.  | How sale to be effected.         |

**CALLS ON SHARES**

- |     |  |                                    |
|-----|--|------------------------------------|
| 26. | The Directors may from time to time make calls upon the Members in respect of any money unpaid on their shares or on any class of shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times, and each Member shall (subject to his having been given at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. A call may be made payable by instalments. A call may be revoked or postponed as the Directors may determine. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed. | Powers of Directors to make calls. |
| 27. | The joint holders of a share shall be jointly and severally liable to pay all calls and interest (if any) in respect thereof.  | Joint and several liability.       |
| 28. | If before or on the day appointed for payment thereof a call payable in respect of a share is not paid, the person from whom the amount of the call is due shall pay interest on such amount at the rate of eight per cent per annum from the day appointed for payment thereof to the time of actual payment, but the Directors shall have power to waive payment of such interest or any part thereof.   | Interest on unpaid calls.          |

---

## APPENDIX VI

### PROVISIONS IN THE CONSTITUTION RELATING TO THE RIGHTS OF SHAREHOLDERS IN RESPECT OF CAPITAL, DIVIDENDS AND VOTING

---

- |     |  |   |
|-----|--|---|
| 29. | Any sum which by the terms of allotment of a share is made payable upon issue or at any fixed date whether on account of the nominal value of the share or by way of premium and any instalment of a call shall for all purposes of these Articles be deemed to be a call duly made and payable on the date fixed for payment, and in case of non-payment the provisions of these Articles as to payment of interest and expenses, forfeiture and the like, and all the other relevant provisions of these Articles or the Statutes shall apply as if such sum were a call duly made and notified as hereby provided.                      | Sums payable terms of allotment to be deemed calls. |
| 30. | The Directors may from time to time make arrangements on the issue of shares for a difference between the holders of such shares in the amount of calls to be paid and in the time of payment of such calls.   | Difference in calls between various holders.        |
| 31. | 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 any share held by him, and upon all or any part of the moneys so advanced may (until the same would, but for the advance, become payable) pay interest at such rate not exceeding (unless the Company in General Meeting shall otherwise direct) eight per cent per annum as may be agreed upon between the Directors and the Member paying the sum in advance. Capital paid on shares in advance of calls shall not, whilst carrying interest, confer a right to participate in profits. | Payment of call in advance.                         |

#### FORFEITURE OF SHARES

- |     |   |  |
|-----|---|--|
| 32. | If any Member fails to pay the whole or any part of any call or instalment of a call on or before the day appointed for the payment of the same or any interest thereon, the Directors may at any time thereafter during such time as the call or instalment or interest remains unpaid serve a notice on such Member requiring him to pay the same, together with any interest (including interest upon interest) and expenses that may have been incurred by the Company by reason of such nonpayment.  | Notice to be given of intended forfeiture.           |
| 33. | The notice shall name a further day (not being less than fourteen days from the date of service of the notice) and a place on and at which such call or instalment and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or instalment or interest is payable shall be liable to be forfeited.  | Form of notice.                                      |
| 34. | If the requirements of any notice as aforesaid are not complied with, any share in respect of which the notice has been given, may at any time thereafter, before payment of all such calls or instalments, interests and expenses due in respect thereof, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder. | If notice not complied with shares may be forfeited. |
| 35. | Any share so forfeited or surrendered shall be deemed to be the property of the Company, and the Directors may sell, re-allot, or otherwise dispose of the same in such manner as they think fit. The Company may receive the consideration, if any, given for the share on any sale or disposition thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed.  | Sale etc of forfeited and surrendered shares.        |
| 36. | The Directors may at any time before any share so forfeited or surrendered shall have been sold, re-allotted, or otherwise disposed of, annul the forfeiture or surrender thereof upon such condition as they think fit.  | Power of annul forfeiture.                           |

---

## APPENDIX VI

### PROVISIONS IN THE CONSTITUTION RELATING TO THE RIGHTS OF SHAREHOLDERS IN RESPECT OF CAPITAL, DIVIDENDS AND VOTING

---

37. For the purpose of giving effect to any sale of forfeited or surrendered shares, the Directors may authorise some person to transfer or to effect the transfer of, as the case may be, the shares sold to the purchaser. Transfer of forfeited or surrendered shares.
38. Any Member whose shares shall have been forfeited or surrendered shall cease to be a Member in respect of the forfeited or surrendered shares but shall, notwithstanding such forfeiture or surrender, be liable to pay, and shall forthwith pay to the Company all calls, instalments, interest and expenses owing upon or in respect of such shares at the time of forfeiture or surrender, together with interest thereon from the time of forfeiture or surrender until payment, at the rate of eight per cent per annum and the Directors may enforce the payment of such moneys or any part thereof if they think fit, but shall not be under any obligation so to do. Any residue after the satisfaction of the unpaid calls, accrued interest and expenses shall be paid to the person whose shares have been forfeited or surrendered, his executors, administrators, trustees or assignees or as he shall direct. Liability on forfeited shares.
- 39.1 A statutory declaration in writing that the declarant is a Director or the Secretary, and that a share has been duly forfeited, surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Such declaration and the receipt by the Company of the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together with the share certificate, where the same be required, delivered to a purchaser or (where the purchaser is a Depositor) to the Depository or the allottee thereof, as the case may be, shall (subject to the execution of a transfer if the same be required) constitute a good title to the share. Declaration by Director or Secretary conclusive of fact of forfeiture.
- 39.2 (a) In the event of such sale, re-allotment or disposal, where the person (the **“Relevant Person”**) to whom the share is sold, re-allotted or disposed of is not a Depositor, the share shall be registered in the Register in the name of the Relevant Person and, where the Relevant 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.
- (b) The Relevant 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.

#### TRANSFER OF SHARES

40. Save as provided by these Articles, there shall be no restriction on the transfer of fully paid shares (except where required by law or by the rules, bye-laws or listing rules of the Exchange). All transfers of shares may be effected by way of book-entry in the Depository Register Provided Always that the legal title in the shares may be transferred by the registered holders thereof by an instrument of transfer in the form approved by the Directors and the Exchange. The instrument of transfer shall be left at the Office accompanied by the certificate of the shares to be transferred and such other evidence (if any) as the Directors may reasonably require to show the right of the transferor to make the transfer. The transferor shall be deemed to remain the registered holder of the shares until the name of the transferee is entered in the Register in respect thereof. Shares to be transferable.



---

**APPENDIX VI**

**PROVISIONS IN THE CONSTITUTION RELATING TO THE RIGHTS OF SHAREHOLDERS IN RESPECT OF CAPITAL, DIVIDENDS AND VOTING**

---

- |     |  |   |
|-----|--|---|
| 41. | The instrument of transfer shall be signed both by the transferor and by the transferee, and it shall be witnessed Provided Always 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.  | Instrument of transfer.                             |
| 42. | Shares of different classes shall not be comprised in the same instrument of transfer.   | Only shares of same class to be in same instrument. |
| 43. | No share shall in any circumstances be transferred to any infant, bankrupt or person of unsound mind.  | Restriction on transfer.                            |
| 44. | All instruments of transfer which are registered shall be retained by the Company, but any instrument of transfer which the Directors may refuse to register shall (except in any case of fraud) be returned to the party presenting the same.   | Retention of Instrument of transfer.                |
| 45. | <p>The Directors may decline to accept any instrument of transfer unless:-</p> <p>(a) all or any part of the stamp duty (if any) payable on each share transfer is paid to the Company; and</p> <p>(b) such fee not exceeding two Singapore Dollars as the Directors may from time to time determine or such other sum as may from time to time be prescribed by the Exchange is paid to the Company in respect of the registration of any instrument of transfer, probate, letters of administration, certificate of marriage or death, power of attorney or any document relating to or affecting the title to the shares.</p> | Fees relating to transfers.                         |
| 46. | <p>The Directors may refuse to register the transfer of shares or allow the entry of or against a person's name in the Depository Register in respect of shares transferred or to be transferred to such person:-</p> <p>(a) which are not fully paid up; or</p> <p>(b) on which the Company has a lien.</p>   | Power of Directors to refuse to register.           |
| 47. | If the Directors refuse to register any transfer of any share they shall, where required by the Statutes, serve on the transferor and transferee, within one month beginning with the day on which the transfer was lodged with the Company, a notice in writing informing each of them of such refusal and of the facts which are considered to justify the refusal.  | Notice of refusal to be sent by Company.            |
| 48. | The Register may be closed at such times and for such periods as the Directors may from time to time determine Provided Always that the Register shall not be closed for more than thirty days in any year Provided Always that the Company shall give prior notice of such closure as may be required to the Exchange stating the period and purpose or purposes for which such closure is to be made.  | Closure of the Register.                            |

---

## APPENDIX VI

### PROVISIONS IN THE CONSTITUTION RELATING TO THE RIGHTS OF SHAREHOLDERS IN RESPECT OF CAPITAL, DIVIDENDS AND VOTING

---

#### TRANSMISSION OF SHARES

- |      |  |  |
|------|--|--|
| 49.1 | In the case of the death of a Member the survivor where the deceased was a joint holder, and the legal personal representative of the deceased who was a sole or only surviving holder, or where such legal representative is entered in the Depository Register in respect of the shares of the deceased Member who was a Depositor, shall be the only person recognised by the Company as having any title to his shares.  | Transmission of registered shares.                                       |
| 49.2 | Nothing herein contained shall release the estate of a deceased Member from any liability in respect of any share solely or jointly held by him.   |  |
| 50.  | Any person becoming entitled to the legal title in a share in consequence of the death or bankruptcy of a person whose name is entered in the Register may upon producing such evidence of his title as the Directors may require, have the right either to be registered himself as the holder of the share, upon giving to the Company notice in writing of such intent, or to make such transfer thereof as such deceased or bankrupt person could have made, but the Directors shall in either case have the same right to refuse or suspend registration as they would have had in the case of such transfer by such deceased or bankrupt person before the death or bankruptcy, as the case may be.  | Rights of registration and transfer upon demise or bankruptcy of Member. |
| 51.  | Save as otherwise provided in these Articles, a person becoming entitled to a share pursuant to Articles 49(1) and 50, shall have the right to receive and give a discharge for any dividends or other moneys payable in respect of the share, but he shall have no right to receive notice or to attend or vote at meetings of the Company, or (save as aforesaid) to any of the rights or privileges of a Member until he shall have been registered as a Member in the Register or his name shall have been entered in the Depository Register, as the case may be. Provided Always that the Directors may at any time give notice requiring any such person to elect either to be registered himself or transfer the share, and if the notice is not complied with within ninety days of the date of such notice, the Directors may thereafter withhold payment of all dividends or other moneys payable in respect of the share until the requirements of the notice have been complied with. | Person registered under transmission clause entitled to dividends.       |

#### STOCK

- |     |  |   |
|-----|--|---|
| 52. | The Company in General Meeting may by Ordinary Resolution convert any paid-up shares into stock and may from time to time reconvert such stock into paid-up shares of any denomination.  | Conversion of shares to stock.              |
| 53. | When any shares have been converted into stock the several holders of such stock may transfer their respective interests therein or any part of such interests in such manner as the Company in General Meeting shall direct, but in default of any direction then in the same manner and subject to the same regulations as and subject to which the shares from which the stock arose might previously to conversion have been transferred or as near thereto as circumstances will admit. But the Directors may if they think fit from time to time fix the minimum amount of stock transferable. Provided Always that such minimum shall not exceed the nominal amount of the shares from which the stock arose. | Stockholders entitled to transfer interest. |

---

**APPENDIX VI**

**PROVISIONS IN THE CONSTITUTION RELATING TO THE RIGHTS OF  
SHAREHOLDERS IN RESPECT OF CAPITAL, DIVIDENDS AND VOTING**

---

54. The several holders of stock shall be entitled to participate in the dividends and profits of the Company according to the amount of their respective interests in such stock and such interests shall, in proportion to the amount thereof, confer on the holders thereof respectively the same rights, privileges and advantages for the purposes of voting at meetings of the Company and for other purposes as if they held the shares from which the stock arose, but so that none of such rights, privileges or advantages, except the participation in the dividends, profits and assets of the Company, shall be conferred by any such aliquot part of consolidated stock as would not, if existing in shares, have conferred such rights, privileges or advantages.
- Stockholders  
entitled to profits.

55. All such provisions of these Articles as are applicable to paid up shares shall apply to stock and in all such provisions the words “shares” shall include “stock”, and “Depositor”, “Member” and “shareholder” shall include “stockholder”.
- Definitions.

**INCREASE OF CAPITAL**

56. The Company in General Meeting may from time to time by Ordinary Resolution, whether all the shares for the time being authorised shall have been issued or all the shares for the time being issued have been fully paid up or not, increase its capital by the creation and issue of new shares, such aggregate increase to be of such amount and to be divided into shares of such respective amounts as the Company by the resolution authorising such increase shall direct.
- Power to  
increase capital.

- 57.1 Unless otherwise determined by the Company in General Meeting or except as permitted by the listing rules of the Exchange, all new shares shall, before issue, be offered to such persons who as at the date of the offer are entitled to receive notices from the Company of General Meetings, in proportion, as nearly as the circumstances admit, to the amount of the existing shares to which they are entitled.
- Issue of new  
shares to  
Members.

- 57.2 The offer shall be made by notice specifying the number of shares offered and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered in the manner hereinbefore provided.
- Notice of issue.

58. Notwithstanding Article 56 above, the Company may pursuant to Section 161 of the Act by Ordinary Resolution in General Meeting give to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the Ordinary Resolution, to issue shares whether by way of rights, bonus or otherwise, and make or grant offers, agreements or options (collectively, “Instruments”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares, and (notwithstanding the authority conferred by the Ordinary Resolution may have ceased to be in force) issue shares in pursuance of any instrument made or granted by the Directors while the Ordinary Resolution was in force, provided that:-
- Issue of shares  
up to fifty per  
cent.

---

**APPENDIX VI**  
**PROVISIONS IN THE CONSTITUTION RELATING TO THE RIGHTS OF**  
**SHAREHOLDERS IN RESPECT OF CAPITAL, DIVIDENDS AND VOTING**

---

- (a) the aggregate number of shares to be issued pursuant to the Ordinary Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to the Ordinary Resolution) does not exceed fifty per cent (or such other limit as may be prescribed by the Exchange) of the issued share capital of the Company (as calculated in accordance with sub-paragraph (b) below), of which the aggregate number of shares to be issued other than on a pro-rata basis to the Members of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to the Ordinary Resolution) does not exceed twenty per cent (or such other limit as may be prescribed by the Exchange) of the issued share capital of the Company (as calculated in accordance with sub-paragraph (b) below);
- (b) (subject to such manner of calculation as may be prescribed by the Exchange) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (a) above, the percentage of issued share capital shall be based on the issued share capital of the Company at the time that the Ordinary Resolution is passed, after adjusting for new shares arising from the conversion or exercise of any convertible securities or employee share options on issue at the time that the Ordinary Resolution is passed, and any subsequent consolidation or subdivision of shares provided that if a general mandate is obtained before the listing of the Company on the Exchange, the percentage of issued share capital shall be based on the post-invitation issued share capital of the Company after adjusting for new shares arising from the conversion or exercise of any convertible securities or employee share options on issue at the time such authority is given, and for any consolidation or subdivision of shares; and

unless previously revoked or varied by the Company in General Meeting, such authority conferred by the Ordinary Resolution shall not continue beyond the conclusion of the Annual General Meeting of the Company next following the passing of the Ordinary Resolution or the date by which such Annual General Meeting is required by law to be held, or the expiration of such other period as may be prescribed by the Act (whichever is the earliest).

59. Subject to any directions that may be given in accordance with the powers contained in the Memorandum of Association or these Articles, any capital raised by creation of new shares shall be considered as part of the original capital and all new shares shall be subject to the same provisions with reference to the payment of calls, transfer, transmission, forfeiture, lien and otherwise as if it had been part of the original capital.

New capital  
considered part  
of original capital.

**ALTERATION OF CAPITAL**

- 60.1 The Company may by Ordinary Resolution:-

Alteration of  
capital.

- (a) consolidate and divide its capital into shares of larger amount than its existing shares; or
- (b) cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled; or

---

## APPENDIX VI

### PROVISIONS IN THE CONSTITUTION RELATING TO THE RIGHTS OF SHAREHOLDERS IN RESPECT OF CAPITAL, DIVIDENDS AND VOTING

---

- (c) by subdivision of its existing shares or any of them divide its capital or any part thereof into shares of smaller amount than is fixed by the Memorandum of Association. The resolution by which the subdivision is effected may determine that, as between the holders of the resulting shares, one or more of such shares may have any such preferred, deferred or other special rights or be subject to any restriction as the Company has power to attach to unissued or new shares; or
- (d) subject to the Statutes, convert any class of shares into any other class of shares.

60.2 The Company may by Special Resolution reduce its share capital, any capital redemption reserve fund or share premium account in any manner and with and subject to any requirement authorised and consent required by law. Without prejudice to the generality of the foregoing, upon cancellation of any share purchased or otherwise acquired by the Company pursuant to these Articles and the Act, the nominal amount of the issued ordinary share capital of the Company shall be diminished by the nominal amount of the share so cancelled.

#### CAPITALISATION OF PROFITS AND RESERVES

- 148.1 The Directors may, with the sanction of an Ordinary Resolution of the Company in General Meeting (including any Ordinary Resolution passed pursuant to Article 6(1) or Article 58), capitalise any part of the amount for the time being standing to the credit of the Company's reserve funds or to the credit of the profit and loss account or otherwise available for distribution; and accordingly that such sum be set free for distribution amongst the holders of shares in the Register or in the Depository Register, as the case may be, who would have been entitled thereto if distributed by way of dividends and in the same proportions on condition that the same be not paid in cash but be applied either in or towards paying up any amounts for the time being unpaid on any shares held by such Members respectively or paying up on full unissued shares or debentures of the Company to be allotted and distributed credited as fully paid up to and amongst such holders or in their nominees in the proportion aforesaid or partly in the one way and partly in the other Provided Always that a capital redemption reserve fund may, for the purpose of this Article, only be applied in the paying up of unissued shares to be issued to such holders as fully paid bonus shares unless otherwise permitted by the provisions of the Act.
- 148.2 Whenever such Ordinary Resolution as aforesaid shall have been passed, the Directors shall make all appropriations and applications of the amounts resolved to be capitalised thereby and all allotments and issues of fully paid shares or debentures, if any, and generally shall do all acts and things required to give effect thereto with full power to the Directors to make such provision for the satisfaction of the right of the holders of such shares in the Register or in the Depository Register, as the case may be, under such resolution to a fractional part of a share by the issue of fractional certificates or by payment in cash or otherwise as they think fit and also to authorise any persons to enter on behalf of such holders entitled thereto or their nominees into an agreement with the Company providing for the allotment to them respectively credited as fully paid up of any further shares to which they may be entitled upon such capitalisation; and any agreement made under such authority shall be effective and binding on all such holders and their nominees.

Capitalisation  
of profits and  
reserves.

---

**APPENDIX VI**  
**PROVISIONS IN THE CONSTITUTION RELATING TO THE RIGHTS OF**  
**SHAREHOLDERS IN RESPECT OF CAPITAL, DIVIDENDS AND VOTING**

---

**B. Rights in respect of Voting**

**GENERAL MEETINGS**

- |     |   |   |
|-----|---|---|
| 66. | In addition to any other meetings, a General Meeting shall be held at least once in every calendar year, at such time and place as may be determined by the Directors, but so that no more than fifteen months shall be allowed to elapse between any two such General Meetings.  | General Meetings.   |
| 67. | The abovementioned General Meetings shall be called Annual General Meetings. All other General Meetings shall be called Extraordinary General Meetings.   | Annual General Meetings.  |
| 68. | The First Annual General Meeting of the Company shall be held at such time within a period of not more than eighteen months from the date of incorporation of the Company and at such time and place as the Directors may determine.  | First Annual General Meeting.   |
| 69. | The Directors may call an Extraordinary General Meeting of the Company whenever they think fit in accordance with the Statutes.   | Directors may call Extraordinary General Meetings.                    |
| 70. | The Directors shall, on the requisition of the holders of not less than one-tenth of the issued capital of the Company upon which all calls or other sums then due have been paid, forthwith proceed to convene an Extraordinary General Meeting of the Company, and in the case of such requisition the following provisions shall have effect:- | Extraordinary General Meetings called on requisition of shareholders. |
- (a) The requisition must state the objects of the meeting and must be signed by the requisitionists and deposited at the Office, and may consist of several documents in like form each signed by one or more requisitionists.
  - (b) If the Directors of the Company do not proceed to cause a meeting to be held within twenty-one days from the date of the requisition being so deposited, the requisitionists or any of them representing more than one-half of the voting rights of all of them may themselves convene the meeting, but any meeting so convened shall not be held after three months from the date of the deposit.
  - (c) In the case of a meeting at which a resolution is to be proposed as a Special Resolution the Directors shall be deemed not to have duly convened the meeting if they do not give such notice as is required by the Statutes.
  - (d) Any meeting convened under this Article by the requisitionists shall be convened in the same manner as nearly as possible as that in which meetings are to be convened by Directors.



---

**APPENDIX VI**  
**PROVISIONS IN THE CONSTITUTION RELATING TO THE RIGHTS OF**  
**SHAREHOLDERS IN RESPECT OF CAPITAL, DIVIDENDS AND VOTING**

---

- |     |   |   |
|-----|---|---|
| 71. | Subject to the Statutes relating to the convening of meetings to pass Special Resolutions, at least fourteen days' notice specifying the place, day and hour of the meeting, and in case of special business, a notice setting out the general nature of such special business, accompanied by a statement regarding the effect of any proposed resolution in respect of such special business, shall be given to all Members other than such as are not entitled under these Articles to receive such notices from the Company. At least fourteen days' notice in writing of any General Meeting shall be given and at least twenty-one days' notice in writing in the case of a Meeting to pass Special Resolution shall be given to the Exchange. Every such notice shall be published in at least one English Language daily newspaper circulating in Singapore at least fourteen days before the meeting. Whenever any meeting is adjourned for fourteen days or more, at least seven days' notice of the place and hour of such adjourned meeting shall be given in like manner Provided Always that when a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. | Notice of meeting.  |
| 72. | Any Member entitled to be present and vote at a meeting or his proxy may submit any resolution to any General Meeting, provided that at least for the prescribed time before the day appointed for the meeting he shall have served upon the Company a notice in writing by him containing the proposed resolution, and stating his intention to submit the same. The prescribed time abovementioned shall be such that, between the date that the notice is served and the day appointed for the meeting, there shall be not less than three nor more than fourteen intervening days.  | Members may submit resolution to meeting on giving notice to Company. |
| 73. | Upon receipt of any such notice as in the last preceding Article mentioned, the Secretary shall include in the notice of the meeting in any case where the notice of intention is received before the notice of the meeting is issued, and shall in any other case issue as quickly as possible to the Members notice that such resolution will be proposed.  | Secretary to give notice to Members.                                  |
| 74. | The accidental omission to give any notice to or non-receipt of any notice by any Member shall not invalidate the meeting or any resolution passed or proceedings at any such meeting.  | Accidental omission to give notice.                                   |

**PROCEEDINGS AT GENERAL MEETINGS**

- |     |  |                   |
|-----|--|-------------------|
| 75. | All business shall be deemed special that is transacted at an Extraordinary General Meeting and also all business that is transacted at an Annual General Meeting with the exception of the consideration of the accounts, balance sheets and reports (if any) of the Directors and Auditors, the fixing of the remuneration of Directors, the election of Directors in the place of those retiring, the declaration of dividends and the appointment of and the fixing of the remuneration of the Auditors. | Special business. |
| 76. | Save as is herein otherwise provided, two Members present in person or by proxy shall be a quorum for a General Meeting and no business shall be transacted at any General Meeting unless the quorum is present at the commencement of the business. A corporation being a Member shall be deemed to be personally present if represented in accordance with the provisions of Article 91.   | Quorum.           |



---

**APPENDIX VI**

**PROVISIONS IN THE CONSTITUTION RELATING TO THE RIGHTS OF SHAREHOLDERS IN RESPECT OF CAPITAL, DIVIDENDS AND VOTING**

---

- |      |   |                                     |
|------|---|-------------------------------------|
| 77.  | If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if convened upon the requisition of Members, shall be dissolved; in any other case it shall stand adjourned to the same day in the next week, at the same time and place. At the adjourned meeting, any two or more Members present in person or by proxy shall be a quorum.   | If quorum not present.              |
| 78.  | The Chairman (if any) of the Board of Directors shall preside as Chairman at every General Meeting, but if there be no such Chairman, or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding the same, or shall be unwilling to act as Chairman, the Members present shall choose some Director or, if no Director be present or if all the Directors present decline to take the chair, one of themselves to be Chairman of the meeting. | Chairman.                           |
| 79.  | The Chairman may with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.  | Adjournment.                        |
| 80.  | At every General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands by the Members present in person and entitled to vote, unless before or upon the declaration of the result of the show of hands a poll be demanded by:-  | How matters are to be decided.      |
|      | (a) the Chairman of the meeting; or   |                                     |
|      | (b) not less than two Members present in person or by proxy and entitled to vote; or  |                                     |
|      | (c) a Member or Members present in person or by proxy, holding or representing, as the case may be:-  |                                     |
|      | (i) not less than one-tenth of the total voting rights of all Members entitled to vote at the meeting; or   |                                     |
|      | (ii) shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.   |                                     |
| 81.1 | If a poll is duly demanded it shall be taken in such manner as the Chairman directs, and the results of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.  | Chairman's direction as to poll.    |
| 81.2 | No poll shall be demanded on the election of a Chairman of a meeting or on a question of adjournment. A poll demanded on any other question shall be taken at such time as the Chairman of the meeting directs.   |                                     |
| 82.  | Unless a poll be so demanded, a declaration by the Chairman of the meeting that a resolution has been carried, or has been carried by a particular majority, or lost, or not carried by a particular majority shall be conclusive, and an entry to that effect in the minute book of the Company shall be conclusive evidence thereof, without proof of the number or proportion of the votes recorded in favour of or against such resolution.   | Declaration of Chairman conclusive. |

---

**APPENDIX VI**

**PROVISIONS IN THE CONSTITUTION RELATING TO THE RIGHTS OF SHAREHOLDERS IN RESPECT OF CAPITAL, DIVIDENDS AND VOTING**

---

- |      |   |                                    |
|------|---|------------------------------------|
| 83.1 | No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting, as the case may be, at which the vote objected to is or may be given, tendered or cast, and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the Chairman of the meeting whose decision shall be final and conclusive.                   | Objection to admissibility.        |
| 83.2 | If any votes shall be counted which ought not to have been counted, or might have been rejected, the error shall not vitiate the result of the voting unless it be pointed out at the same meeting, or at any adjournment thereof, and unless in the opinion of the Chairman at the meeting or at any adjournment thereof as the case may be, it shall be of sufficient importance to vitiate the result of the voting. |                                    |
| 84.  | In case of an equality of votes, whether on a show of hands or on a poll, In the event of the Chairman of the meeting at which the show of hands takes place or equality of votes. at which the poll is demanded, as the case may be, shall have a second or casting vote.  | In the event of equality of votes. |

**VOTES OF MEMBERS**

- |      |   |  |
|------|---|--|
| 85.1 | Subject to and without prejudice to any special privileges or restriction as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company:-   | Voting rights.                                   |
|      | <p>(a) every Member who is present in person or by proxy shall have one vote on a show of hands, the Chairman shall be entitled to treat the first named proxy as the authorised representative to vote where a Member is represented by two proxies; and</p> <p>(b) every Member who is present in person or by proxy, in case of a poll, shall have one vote for every share which he holds or represents and upon which all calls or other sums due thereon to the Company have been paid.</p> |  |
| 85.2 | For the purpose of determining the number of votes which a Member, being a Depositor, or his proxy may cast at any General Meeting upon a poll being called, the number of shares held or represented shall, in relation to the shares of that Depositor, be the number of shares entered against his name in the Depository Register as at the Cut-Off Time as certified by the Depository to the Company.   |  |
| 86.  | In the case of joint holders the vote of the senior who tenders a vote whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders; and for this purpose seniority shall be determined by the order in which the names stand in the Register or the Depository Register, as the case may be.  | Right of joint holders.                          |
| 87.  | Unless the Directors otherwise determine, no person other than a Member who shall have paid everything for the time being due from him and payable to the Company in respect of his shares, shall be entitled to be present or to vote on any question either personally or by proxy at any General Meeting.  | Members only entitled to vote upon full payment. |
| 88.  | A Member of unsound mind, or in respect of whom an order has been made by any Court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll by the committee, curator bonis, or other person in the nature of committee or curator bonis appointed by that Court, and any such committee, curator bonis, or other person may, on a poll, vote by proxy.  | Votes of Members of unsound mind.                |

---

**APPENDIX VI**  
**PROVISIONS IN THE CONSTITUTION RELATING TO THE RIGHTS OF**  
**SHAREHOLDERS IN RESPECT OF CAPITAL, DIVIDENDS AND VOTING**

---

89. On a poll, votes may be given either personally or by proxy and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way. Vote personal or by proxy.
- 90.1 A proxy need not be a Member. Proxies.
- 90.2 A Member shall not be entitled to appoint more than two proxies to attend and vote at the same General Meeting Provided Always that where the Member is a Depositor, the Company shall be entitled and bound:-
- (a) to reject any instrument of proxy lodged if the Depositor is not shown to have any shares entered against his name in the Depository Register as at the Cut-Off Time as certified by the Depository to the Company;
  - (b) to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by the Depositor is or are able to cast on a poll a number which is the number of shares entered against the name of that Depositor in the Depository Register as at the Cut-Off Time as certified by the Depository to the Company, whether that number be greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor; and
  - (c) in determining rights to vote and other matters in respect of a completed instrument of proxy submitted to it, to have regard to the instructions (if any) given by and the notes (if any) set out in the instrument of proxy.
- 90.3 In any case where a form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his name in the Depository Register and any second named proxy as an alternate to the first named or at the Company's option to treat the instrument of proxy as invalid.
91. Any corporation which is a Member may, by resolution of its directors or other governing body, authorise any person to act as its representative at any meetings of the Company or any class of Members of the Company, and such representative shall be entitled to exercise the same powers on behalf of the corporation which he represents as if he had been an individual shareholder. Corporation may appoint representative.
92. An instrument appointing a proxy shall be in writing in any usual or common form (including the form approved from time to time by the Depository) or in any other form which the Directors may approve and:- Execution of instrument of proxy on behalf of appointor.
- (a) in the case of an individual shall be signed by the appointor or his attorney;
  - (b) in the case of a corporation shall be either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation.

---

**APPENDIX VI**  
**PROVISIONS IN THE CONSTITUTION RELATING TO THE RIGHTS OF  
SHAREHOLDERS IN RESPECT OF CAPITAL, DIVIDENDS AND VOTING**

---

- |     |   |  |
|-----|---|--|
| 93. | Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or the power of attorney or other authority, if any, or a duly certified copy thereof shall (failing previous registration with the Company) if required by law, be duly stamped and be deposited at the Office, not less than forty-eight hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. | Lodgement of instrument appointing proxy.                        |
| 94. | The signature on an instrument of proxy need not be witnessed.  | No witness needed for instrument of proxy.                       |
| 95. | A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal or revocation of the proxy or transfer of the share in respect of which the vote is given Provided Always that no notice in writing of the death or revocation or transfer shall have been received at the Office one hour at least before the time fixed for holding the meeting.   | When vote by proxy valid though authority revoked.               |
| 96. | An instrument appointing a proxy shall be deemed to confer authority to demand or join in demanding a poll and to speak at the meeting.   | Instrument deemed to confer authority.                           |
| 97. | Where the capital of the Company consists of shares of different monetary denominations, voting rights shall be prescribed in such manner that a unit of capital in each class, when reduced to a common denominator, shall carry the same voting power when such right is exercisable.   | Voting in respect of shares of different monetary denominations. |

**C. Rights in respect of Dividends**

**DIVIDENDS**

- |      |  |                                  |
|------|--|----------------------------------|
| 135. | The profits of the Company, subject to any special rights relating thereto created or authorised to be created by these Articles and subject to the provisions of these Articles as to the reserve fund shall be divisible among the Members in proportion to the amount of capital paid up on the shares held by them respectively.                           | Appropriation of profits.        |
| 136. | The Company in General Meeting may by Ordinary Resolution declare a dividend on or in respect of any share to the Members according to their rights and interest in the profits and may fix the time for payment. No larger dividend shall be declared than is recommended by the Directors but the Company in General Meeting may declare a smaller dividend. | Declaration of Dividend.         |
| 137. | No dividend shall be payable except out of the profits of the Company. No dividend shall carry interest.   | Dividend payable out of profits. |
| 138. | The declaration of the Directors as to the net profits of the Company shall be conclusive.   | Declaration conclusive.          |

---

**APPENDIX VI**

**PROVISIONS IN THE CONSTITUTION RELATING TO THE RIGHTS OF SHAREHOLDERS IN RESPECT OF CAPITAL, DIVIDENDS AND VOTING**

---

- |      |   |  |
|------|---|--|
| 139. | The Directors may from time to time pay to the Members such interim dividends as in their judgment the position of the Company justifies provided no such dividends shall be declared more than once in six months.   | Interim dividend.                        |
| 140. | The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities, or engagements in respect of which the lien exists.   | Debts may be deducted.                   |
| 141. | A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer or the entry of the shares against the Depositor's name in the Depository Register, as the case may be.  | Effect of transfer.                      |
| 142. | Any General Meeting declaring a dividend may direct payment of such dividend wholly or in part by the distribution of specific assets, and in particular of wholly or partly paid-up shares, debentures, or debenture stock of the Company, or wholly or partly paid-up shares, debentures or debenture stock of any other company, or in any one or more of such ways, and the Directors shall give effect to such resolution; and where any difficulty arises in regard to the distribution, they may settle the same as they think expedient, and in particular may issue fractional certificates, and may fix the value for distribution of such specific assets, or any part thereof and may determine that cash payment shall be made to any Member upon the footing of the value so fixed, in order to adjust the rights of all parties, and may vest any such specific assets in trustees upon such trusts for the persons entitled to the dividends as may seem expedient to the Directors. Where requisite, a proper contract shall be filed in accordance with Section 63 of the Act, and the Directors may appoint any person to sign such contract on behalf of the persons entitled to the dividend, and such appointment shall be effective. | Dividend in specie.                      |
| 143. | The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmissions of shares hereinbefore contained entitled to become a Member, or which any person under those provisions is entitled to transfer until such person shall become a Member in respect of such shares or shall duly transfer the same.   | Power to retain dividends.               |
| 144. | In case several persons are registered in the Register or entered in the Depository Register, as the case may be, as the holders of any share, any resolution of the Directors or the Company in General Meeting declaring a dividend on shares of any class may specify that the dividend shall be payable to such persons at the close of business on a particular date and thereupon the dividend shall be payable in accordance with their respective holdings so registered. Any person registered in the Register or in the Depository Register, as the case may be, as the holder or joint holder of any share or is entitled jointly to a share in consequence of the death or bankruptcy of the holder may give effectual receipts for dividends, bonuses, other moneys payable or properties distributable and payment on account of dividends on or in respect of such shares.   | Payment to and receipt by joint holders. |
| 145. | Notice of declaration of any dividend, whether interim or otherwise, may be given by advertisement.   | Notice of dividend.                      |

---

**APPENDIX VI**  
**PROVISIONS IN THE CONSTITUTION RELATING TO THE RIGHTS OF**  
**SHAREHOLDERS IN RESPECT OF CAPITAL, DIVIDENDS AND VOTING**

---

146. Unless otherwise directed, any dividend may be paid by cheque, dividend warrant or Post Office Order, sent through the post to the registered address appearing in the Register or the Depository Register, as the case may be, of the Member or person entitled, or where two or more persons are registered in the Register or entered in the Depository Register, as the case may be, as joint holders or are entitled to the dividend as a result of the death or bankruptcy of the holder, to that one whose name shall stand first on the Register or the Depository Register, as the case may be, in respect thereof and every cheque, dividend warrant or Post Office Order so sent shall be made payable to the order of the person to whom it is sent or to any person and address as such Member(s) or person(s) may direct in writing. The Company shall not be responsible for the loss of any cheque, dividend warrant or Post Office Order, which shall be sent by post duly addressed to and at the sole risk of the Member or person for whom it is intended. Payment of the cheque, dividend warrant or Post Office Order by the bank upon which they are respectively drawn shall be a full and valid discharge to the Company. Notwithstanding the provisions of these Articles, payment by the Company to the Depository of any dividend payable to a Depositor shall also be a full and valid discharge of the Company from liability to the Depositor in respect of that payment to the extent of the payment made to the Depository. Payment by post.
147. The Depository will hold all dividend unclaimed for six years after having been declared and paid before release to the Directors, and the Directors may invest or otherwise make use of the unclaimed dividends for the benefit of the Company until claimed. Unclaimed dividends

**D. Rights in respect of Reserves**

**RESERVE FUND**

149. The Directors may, before declaring any dividend or bonus in respect of any class of shares out of or in respect of the earnings or profits of the Company for any yearly or other period, cause to be reserved or retained and set aside out of such sums as they may determine to form a Reserve Fund to meet contingencies or depreciation in the value of the property of the Company, or for equalising dividends or for special dividends or for distribution of bonuses or for repairing, improving and maintaining any of the property of the Company, or for such other purposes the Directors shall, in their absolute discretion, think conducive to the interest of the Company. Formation and object of Reserve Fund.

**E. Rights in respect of Winding Up**

**WINDING UP**

168. The Directors shall have the power to present a petition to the court in the name and on behalf of the Company for the Company to be wound up. Directors have power to present petition.

---

**APPENDIX VI**  
**PROVISIONS IN THE CONSTITUTION RELATING TO THE RIGHTS OF**  
**SHAREHOLDERS IN RESPECT OF CAPITAL, DIVIDENDS AND VOTING**

---

169. If the Company shall be wound up, and the assets available for distribution among the Members as such shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that, as nearly as may be, the losses shall be borne by the Members in proportion to the capital paid up, or which ought to have been paid up, at the commencement of the winding up, on the shares held by them respectively. And if in a winding up the assets available for distribution among the Members shall be more than sufficient to repay the whole of the capital paid up at the commencement of the winding up, the excess shall be distributed amongst the Members in proportion to the capital at the commencement of the winding up paid up or which ought to have been paid up on the shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.
- Distribution of assets in winding up.
170. If the Company shall be wound up, the liquidators may, with the sanction of a Special Resolution, divide among the Members in specie any part of the assets of the Company and any such division may be otherwise than in accordance with the existing rights of the Members, but so that if any division is resolved or otherwise than in accordance with such rights, the Members shall have the same right of dissent and consequential rights as if such resolution were a Special Resolution passed pursuant to Section 306 of the Act. A Special Resolution sanctioning a transfer or sale to another company duly passed pursuant to the said Section may in like manner authorise the distribution of any share or other consideration receivable by the Liquidators amongst the Members otherwise than in accordance with their existing rights; and any such determination, shall be binding upon all the Members subject to the right of dissent and consequential rights conferred by the said Section.
- Distribution of assets in specie.



---

**APPENDIX VII**  
**EXTRACT OF THE VALUATION REPORT**

---

**Premas**

1 Ubi Link Challenger TechHub Singapore 408553

---

**Executive Summary**

---

**Valuation of 1 Ubi Link Challenger TechHub Singapore 408553**

---

**Valuation Date:** 1 April 2019

**Valuation Purpose:** To Determine Open Market Value

**Location:** The subject property is located at the junction of Ubi Link and Ubi Avenue 3. Accessibility is good via either Eunos Link or Paya Lebar Road. Public bus services are available along Ubi Avenue 3. The nearest MRT Stations are the MacPherson (Circle Line/ Downtown Line) and Ubi MRT Stations (Downtown Line). There is also easy access to both Pan-Island Expressway (PIE) and Kallang-Paya Lebar Expressway (KPE).



**Description:** A 4-storey detached factory enclosed within plastered brickwalls/ chain-linked fencing and completed with a metal sliding main gate/ metal pedestrian gate.

**Land Area:** 2,499.7 sq m (approx. 26,907 sq ft)

**Floor Area:** 4,994.18 sq m (approx. 53,757 sq ft)

**Tenure:** Leasehold 30 years with effect from 1 July 2004

**Tenancy Details:** The property is owner-occupied as at the time of inspection.

---

**Open Market Value:** **S\$8,500,000**

---

This summary is strictly confidential to the addressee. It must not be copied, distributed or considered in isolation from the full report.

---

---

## APPENDIX VII

### EXTRACT OF THE VALUATION REPORT

---

**Premas**

1 Ubi Link Challenger TechHub Singapore 408553

## Valuation Report

To: Challenger Technologies Limited  
Address of Property: 1 Ubi Link Challenger TechHub Singapore 408553  
Request Date: 1 April 2019  
Inspection Date: 2 April 2019  
Report Date: 22 April 2019

### 1 Instructions

#### Appointment

We are pleased to submit our valuation report, which has been prepared to assist you for determining the open market value.

### 2 Bases of Valuation

The valuation and report has been prepared in accordance with the Singapore Institute of Surveyors and Valuers' Valuation Standards and Practice Guidelines, 2015 Edition.

#### Bases

The Property has been valued on the basis of Market Value as at the Valuation Date.

#### Definitions

The term "Market Value" as used in the context of this valuation is defined 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."

### 3 Title & Tenure

Legal Description	MK 23 Lot 6304V	
Tenure	Leasehold 30 years with effect from 1 July 2004	
Registered Proprietor(s) (As at 2 Apr 2019 )	Lessor	Jurong Town Corporation (JTC)
	Lessee	Challenger Technologies Limited

### 4 Encumbrances

No title searches have been conducted for the subject property. We recommend that all encumbrances be confirmed through your solicitors.

### 5 Area

Land Area (According to Certificate of Title (SUB))	2,499.7 sq m (approx. 26,907 sq ft)
Floor Area (According to floor plans provided by lessee, subject to survey)	4,994.18 sq m (approx. 53,757 sq ft)

### 6 Town Planning

Zoning	Business 1 (according to Master Plan 2014 Edition)
--------	--

---

## APPENDIX VII

### EXTRACT OF THE VALUATION REPORT

---

Premas

1 Ubi Link Challenger TechHub Singapore 408553

#### 7 Land Rent

As at 01 March 2019, the monthly land rent payable in respect of the subject property is S\$12,081.25, which is equivalent to S\$58.00 per square metre per annum over the land area (excluding GST).

#### 8 Authorised Use

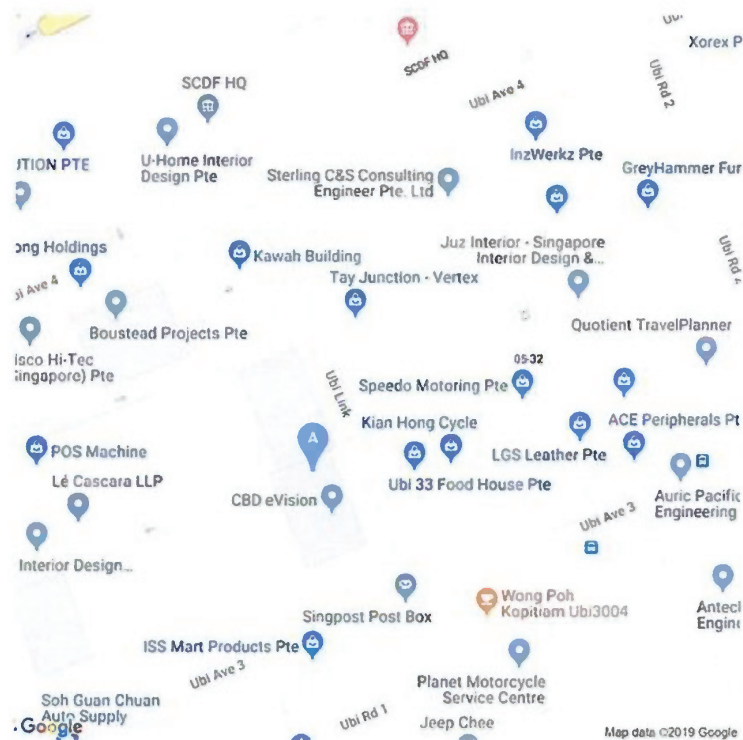
For the purpose of assembly, testing, servicing of computers, peripheral and electronics signage only.

#### 9 Property Description

A 4-storey detached factory enclosed within plastered brickwalls/ chain-linked fencing and completed with a metal sliding main gate/ metal pedestrian gate.

#### 10 The Location of Subject Property

The subject property is located at the junction of Ubi Link and Ubi Avenue 3. The immediate vicinity is predominantly industrial in nature, comprising detached factory/ warehouse buildings as well as high-rise flatted factories and single-storey terrace workshops. The surrounding residential estates are mainly HDB estates and these include Kampong Ubi Estate, Kaki Bukit Estate and MacPherson Estate where labour supply is readily available. Accessibility is good via either Eunos Link or Paya Lebar Road. Public bus services are available along Ubi Avenue 3. The nearest MRT Stations are the MacPherson (Circle Line/ Downtown Line) and Ubi MRT Stations (Downtown Line). There is also easy access to both Pan-Island Expressway (PIE) and Kallang-Paya Lebar Expressway (KPE).



#### 11 Site Description

The property is sited on a rectangular shaped plot of land with a splayed corner which is generally flat in contour.



## APPENDIX VII EXTRACT OF THE VALUATION REPORT

# Premas

1 Ubi Link Challenger TechHub Singapore 408553

### 12 Building Construction

Construction of the development is generally of:

Structure(s)	R.c framed
External Wall(s)	Brick infilled, Aluminium cladding
Roof(s)	R.c flat/ Metal pitched

### 13 Accommodation, Finishes and Fittings



1st Storey - Reception



2nd Storey - Gymnasium



2nd Storey - Storage Area



2nd Storey - Storage Area



3rd Storey - Partitioned Office Room



4th Storey - Conference Room

---

## APPENDIX VII

### EXTRACT OF THE VALUATION REPORT

---

**Premas**

1 Ubi Link Challenger TechHub Singapore 408553

The accommodation includes the following:

1st storey	Loading/ unloading areas, storage area, store, goods lobby, lift lobby, reception, 2 ancillary office rooms, meeting room, pantry, powergrid substation, transformer room, consumer switchroom, MDF room and toilets.
2nd storey	Lift lobby, gymnasium, karaoke room, general office area, storage areas, store, AHU room and toilets.
3rd storey	Lift lobby, reception, 2 meeting rooms, admin office with CEO's office/ lounge, various partitioned office rooms, pantry, AHU room and toilets.
4th storey	Lift lobby, meeting/ discussion rooms, conference room, multi-purpose hall, facilities room, various partitioned office rooms, training room with 2 office rooms, storage areas, pantry and toilets.

The property is fitted with:

Window(s)	Aluminium framed/ Fixed glass
Door(s)	Timber, Glass; Roller shutters
Gate(s)	Nil

Finishes & Fittings include:

Floor(s)	Epoxy cement, Cement screed, Homogeneous tiles, Granite, Vinyl floorings, Carpet
Wall(s)	Cement plastered and emulsion painted, Internal partitions, Fixed glass panels, Ceramic tiles
Ceiling(s)	Cement plastered and emulsion painted, False ceilings, Ceiling boards, Downlights, Concealed lights, Exposed underside of insulation sheets
Fitting(s)	Cassette/ Centralised unit air-conditioning systems; built-in cabinets/ display cabinets/ reception counters/ mirror panels/ shelves/ display shelves/ work desks/ decorative timber wall divider; high and low kitchen pantry cabinets/ granite worktop/ sinks..

#### 14 Condition

Above average state of repairs and maintenance.

#### 15 Year of Completion

Circa 2004.

#### 16 Services & Facilities

All usual Telecom and PUB services are available. Other facilities include tarmac paved driveway, guard house, bin centre, car parking lots, r.c staircases, a passenger lift and goods hoist.

#### 17 Tenancy Details

The property is owner-occupied as at the time of inspection.

#### 18 Comments on the Property

Nil.

---

## APPENDIX VII

### EXTRACT OF THE VALUATION REPORT

---

**Premas**

1 Ubi Link Challenger TechHub Singapore 408553

#### **19 Other Details**

Unless otherwise instructed we do not normally carry out requisitions with various public authorities to confirm whether the property is affected by any public schemes such as road improvements. We recommend that verification be obtained from your lawyers if required.

#### **20 Method & Basis of Valuation**

In arriving at the Market Value of the subject property, we have adopted both the Direct Comparison Method and the Investment Method of valuation.

With the Direct Comparison Method, sale transactions of comparable properties have been taken into consideration with regards to their location, tenure, age, size, condition, layout and design amongst other factors.

The Investment (Income) Method examines the present worth of the future income stream in the form of the net profit rental value capitalised at an appropriate investment yield.



---

**APPENDIX VII**  
**EXTRACT OF THE VALUATION REPORT**

---

**Premas**

1 Ubi Link Challenger TechHub Singapore 408553

**21 Valuation**

Having regard to the foregoing and the present market conditions, we are of the opinion that the market value of the subject property at **1 Ubi Link Challenger TechHub Singapore 408553**, with vacant possession and assuming free from all encumbrances, is valued as follows: -

<b>Valuation Date</b>	<b>: 1 April 2019</b>
<b>Open Market Value</b>	<b>: S\$8,500,000/-</b> <b>(Singapore Dollars Eight Million Five Hundred Thousand Only)</b>

**22 Confidentiality**

Our valuation is restricted to the use by the client to whom this report is addressed, for the specific purpose stated therein and for the sole purpose for which it was commissioned. Any reliance on its contents shall be made within a reasonable time from the date of the valuation report. We disclaim any liability arising from any reliance on the valuation report by any other person or for any other purpose or beyond a reasonable time.

**23 Limiting Conditions**

This report is prepared subject to the attached Terms and Conditions.

Signed for and on behalf of PREMAS Valuers & Property Consultants Pte Ltd



---

**Ms Kwang Heng Lee, Director**

Bachelor of Property Administration (Auck, NZ), FSISV

Licensed Appraiser No.: AD041-2006441J

(Our Ref: KHL/RL/2107)

Encl:-

Site Plan

Floor Plans



---

## NOTICE OF EXTRAORDINARY GENERAL MEETING

---

### CHALLENGER TECHNOLOGIES LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration No. 198400182K)

*All capitalised terms used in this Notice which are not defined herein shall, unless the context otherwise requires, have the same meaning ascribed to them in the circular to Shareholders dated 12 June 2019.*

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting of Challenger Technologies Limited (the **"Company"**) will be held at 1 Ubi Link, Challenger TechHub, Singapore 408553 on 27 June 2019 at 10.00 a.m. for the purpose of considering and, if thought fit, passing (with or without amendments) the following resolution (on a poll to be taken) to be passed in accordance with the requirements of the listing manual (the **"Listing Manual"**) of the Singapore Exchange Securities Trading Limited (the **"SGX-ST"**) (the **"Delisting Resolution"**):

#### DELISTING RESOLUTION

##### THAT:

- (1) the voluntary delisting of the Company from the Official List of the SGX-ST under Rules 1307 and 1309 of the SGX-ST Listing Manual (the **"Delisting"**), pursuant to which the Exit Offer (as defined in the circular dated 12 June 2019 (the **"Circular"**)) to the shareholders of the Company (the **"Shareholders"**) would be made to the Shareholders on the terms and conditions set out in the Circular, be and is hereby approved;
- (2) the directors of the Company and each of them be and is hereby authorised and empowered to complete and to do all such acts and things as they or he may consider necessary or expedient to give effect to the Delisting and/or this Delisting Resolution, with such modification thereto (if any) as they or he shall think fit in the interests of the Company.

#### BY ORDER OF THE BOARD

Chia Foon Yeow  
Company Secretary  
12 June 2019

##### Notes:

- (1) A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the extraordinary general meeting (**"Meeting"**). Where such member's proxy form appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the proxy form.
- (2) A member of the Company who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's proxy form appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.
- (3) **"Relevant Intermediary"** has the meaning ascribed to it in Section 181(6) of the Companies Act (Chapter 50).
- (4) A proxy need not be a member of the Company.
- (5) If the member is a corporation, the instrument appointing the proxy must be under its common seal or the hand of its attorney or a duly authorised officer.
- (6) The proxy form is attached and must be deposited at the office of the Company's share registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not less than forty-eight (48) hours before the time fixed for holding the Meeting in order for the proxy to be entitled to attend and vote at the Meeting.
- (7) A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited seventy-two (72) hours before the time fixed for holding the Meeting in order for the Depositor to be entitled to attend and vote at the Meeting.

---

## NOTICE OF EXTRAORDINARY GENERAL MEETING

---

### PERSONAL DATA PRIVACY

Where a member of the Company submits an instrument appointing proxy(ies) and/or representative(s) to attend, speak and vote at the Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data to 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 Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the Meeting (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.

## PROXY FORM

### CHALLENGER TECHNOLOGIES LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration No: 198400182K)

### PROXY FORM

### EXTRAORDINARY GENERAL MEETING

**Important:****CPF/SRS Investors**

- For CPF/SRS investors who have used their CPF/SRS monies to buy Shares in Challenger Technologies Limited, this Circular is forwarded to them at the request of their CPF Agent Bank or SRS Agent Bank (as the case may be) and is sent solely FOR INFORMATION ONLY.
- This Proxy Form is therefore not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
- A CPF/SRS investor who wishes to attend the meeting as a proxy must submit his request to his CPF Agent Bank or SRS Agent Bank (as the case may be) so that his CPF Agent Bank or SRS Agent Bank (as the case may be) may appoint him as its proxy within the specified time frame. (CPF Agent Banks/SRS Agent Banks: Please refer to Note 9 on the reverse side of this form for the required details.

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

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

being a member/members of Challenger Technologies Limited (the “Company”), hereby appoint(s):

Name	Address	NRIC / Passport No.	Proportion of Shareholdings		Class of Shares
			No. of Shares	%	

and/or (delete as appropriate)

Name	Address	NRIC / Passport No.	Proportion of Shareholdings		Class of Shares
			No. of Shares	%	

or failing him/her/them, the chairman of the Extraordinary General Meeting (“EGM”) as my/our proxy/proxies to attend and vote for me/us on my/our behalf, at the EGM to be held at 1 Ubi Link, Challenger TechHub, Singapore 408553 on 27 June 2019 at 10.00 a.m., and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Delisting Resolution to be proposed at the EGM as indicated hereunder. If no specific directions as to voting are given or in the event of any other matter arising at the EGM and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her/their discretion.

NO.	DELISTING RESOLUTION	No. of votes For*	No. of votes Against*
1.	Approval for the voluntary delisting of the Company pursuant to Rule 1307 and Rule 1309 of the Listing Manual		

\* Please indicate your vote “For” or “Against” with a tick (✓) within the box provided.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2019.

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

\_\_\_\_\_  
Signature(s) of Member(s) or  
Common Seal of Member(s) or  
Duly Authorised Attorney/Officer of Member(s)

**IMPORTANT: PLEASE READ NOTES OVERLEAF**



---

## PROXY FORM

---

### Notes:

- (1) A member who is not a Relevant Intermediary is entitled to appoint not more than two (2) proxies to attend, speak and vote at the extraordinary general meeting ("**Meeting**"). Where such member's proxy form appoints more than one (1) proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the proxy form.
- (2) A member of the Company who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's proxy form appoints more than two (2) proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.
- (3) "**Relevant Intermediary**" has the meaning ascribed to it in Section 181(6) of the Companies Act (Chapter 50).
- (4) A proxy need not be a member of the Company.
- (5) Please insert the total number of shares held by the appointor. If the appointor has shares entered against his/her name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act (Chapter 289) of Singapore), the appointor should insert that number of shares. If the appointor has shares registered in his/her name in the Register of Members of the Company, the appointor should insert that number of shares. If the appointor has shares entered against his/her name in the Depository Register and registered in his/her name in the Register of Members, the appointor should insert the aggregate number of shares. If no number is inserted, this proxy form will be deemed to relate to all the shares held by the appointor.
- (6) This proxy form must be deposited at the office of the Company's share registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not less than forty-eight (48) hours before the time fixed for holding the Meeting in order for the proxy to be entitled to attend and vote at the Meeting.
- (7) This proxy form must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where this proxy form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
- (8) Where this 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 this proxy form, failing which this proxy form shall be treated as invalid.
- (9) Agent Banks acting on the request of CPF/SRS investors who wish to attend the Meeting as observers are requested to submit in writing, a list of details of the members' names, NRIC/Passport numbers, addresses and numbers of Shares held. The list, signed by an authorised signatory of the Agent Bank, should reach the office of the Company's share registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not less than forty-eight (48) hours before the time fixed for holding the Meeting.

### General

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 entered against his/her name in the Depository Register as at seventy-two (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 an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 12 June 2019.