

**CIRCULAR DATED 6 APRIL 2017**

**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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

If you have sold or transferred all your shares in the capital of Sarine Technologies Ltd. ("**Company**"), you should immediately hand this Circular and the attached Proxy Form to the purchaser or transferee or to the stockbroker or agent through whom you effected the sale for onward transmission to the purchaser or transferee.

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.



**SARINE TECHNOLOGIES LTD.**

(Incorporated in Israel)  
(Israel Registration No. 51 1332207)

**CIRCULAR TO SHAREHOLDERS**

in relation to

**THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE  
(AS DEFINED HEREIN)**

**IMPORTANT DATES:**

Last date and time for lodgement of Proxy Form	:	24 April 2017 at 4:00 pm Singapore time
Date and time of Extraordinary General Meeting	:	25 April 2017 at 4:00 pm Singapore time (or as soon thereafter as the Annual General Meeting of the Company to be held at 3:00 pm Singapore time on the same day and at the same place is concluded or adjourned)
Place of Extraordinary General Meeting	:	Maxwell Chambers, 32 Maxwell Road #03-01, Singapore 069115

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## DEFINITIONS

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

<b>2016 Circular</b>	: The Company's circular to Shareholders dated 4 April 2016, issued in connection with the 2016 EGM
<b>2016 EGM</b>	: The extraordinary general meeting of the Company convened on 19 April 2016
<b>Act</b>	: The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
<b>AGM</b>	: The Annual General Meeting of the Company
<b>Approval Date</b>	: The date of the forthcoming EGM at which the proposed renewal of the Share Buy-Back Mandate is approved
<b>Articles of Association</b>	: The Articles of Association of the Company
<b>CDP</b>	: The Central Depository (Pte) Limited
<b>CEO</b>	: Chief Executive Officer
<b>Circular</b>	: This circular to Shareholders dated 6 April 2017
<b>Code</b>	: The Singapore Code on Takeovers and Mergers
<b>Company or Sarine</b>	: Sarine Technologies Ltd.
<b>Controlling Shareholder</b>	: Unless elsewhere defined in this Circular, a person who holds directly or indirectly 15% or more of the total number of issued shares excluding treasury shares and Subsidiary Holdings in the Company (unless otherwise determined by the SGX-ST) or in fact exercises control over the Company
<b>Directors</b>	: The directors of the Company as at the date of this Circular
<b>Dormant Shares</b>	: Shares which were purchased or acquired and held as dormant shares by the Company in accordance with the Israeli Companies Law
<b>EGM</b>	: The extraordinary general meeting of the Company, notice of which is set out on pages 27 to 28 of this Circular
<b>EPS</b>	: Earnings per Share
<b>Group</b>	: The Company and its subsidiaries
<b>Israeli Companies Law</b>	: The Companies Law, 5759-1999, and the Companies Ordinance (New version) 1983 of Israel, or any statutory modification, amendment or re-enactment thereof for the time being in force, and any reference to any provision of the said law is to that provision as so modified, amended or re-enacted or contained in any such subsequent act or acts
<b>Latest Practicable Date</b>	: The latest practicable date prior to the printing of this Circular, being 22 February 2017
<b>Listing Manual</b>	: The SGX-ST Listing Manual, as amended or modified from time to time
<b>Listing Rules</b>	: The listing rules of the SGX-ST set out in the Listing Manual
<b>Market Day</b>	: A day on which the SGX-ST is open for securities trading

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## DEFINITIONS

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<b>NTA</b>	: Net tangible assets
<b>Plan</b>	: The Sarin Technologies Ltd 2005 Share Option Plan
<b>S\$</b>	: Singapore dollars
<b>SFA</b>	: The Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time
<b>SGX-ST</b>	: The Singapore Exchange Securities Trading Limited
<b>Shareholders</b>	: Registered holders of Shares except that where the registered holder is CDP, the term “ <b>Shareholders</b> ” shall, in relation to such Shares, mean the persons whose securities accounts, maintained with CDP, are credited with the Shares
<b>Shares</b>	: Ordinary shares in the capital of the Company
<b>Share Buy-Back</b>	: The buy-back of Shares by the Company in accordance with the terms set out in this Circular as well as the Israeli Companies Law and the Listing Manual
<b>Share Buy-Back Mandate</b>	: The general mandate to be given by Shareholders to authorise the Directors to effect Share Buy-Backs
<b>SIC</b>	: Securities Industry Council
<b>Subsidiary Holdings</b>	: Shares referred to in sections 21(4), 21(4B), 21(6A) and 21(6C) of the Act
<b>Substantial Shareholder</b>	: A Shareholder who holds, directly or indirectly, 5% or more of the issued voting shares of the Company
<b>US\$</b>	: United States dollars
<b>%</b>	: Per centum or percentage

Unless otherwise specifically provided, the following exchange rate is used throughout this Circular:

US\$1.00 : S\$1.4188

The terms “**Depositor**”, “**Depository Agent**”, “**Depository Register**” and “**Sub-Account Holder**” shall have the respective meanings ascribed to them in Section 81SF of the SFA.

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

Unless expressly stated otherwise herein, any reference to a time of day in this Circular shall be a reference to Singapore time.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act, the SFA, the Listing Manual, or any statutory modification thereof and not otherwise defined in this Circular shall have the meaning assigned to it under the Act, the SFA, or the Listing Manual, or any statutory modification thereof, as the case may be.

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## INTRODUCTION

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**SARINE TECHNOLOGIES LTD.**  
(Incorporated in Israel)  
(Israel Registration No. 51 1332207)

**Directors:**

Daniel Benjamin Glinert (*Executive Director and Chairman*)  
Uzi Levami (*Executive Director and CEO*)  
Eyal Mashiah (*Executive Director*)  
Avraham Eshed (*Non-Executive Director*)  
Ehud Harel (*Non-Executive Director*)  
Hanoh Stark (*Non-Executive Director*)  
Chan Kam Loon (*Lead Independent Director*)  
Yehezkel Pinhas Blum (*Independent Director*)  
Valerie Ong Choo Lin (*Independent Director*)

**Registered Office:**

4 Haharash Street (Third floor)  
Hod Hasharon 4524076  
Israel

To the Shareholders of  
**SARINE TECHNOLOGIES LTD.**

Dear Sir/Madam,

**1. THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE**

**1.1 Introduction**

The Company's existing Share Buy Back Mandate was approved by Shareholders at the 2016 EGM. The rationale for, the authority and limitations on, and the financial effects of the existing Share Buy-Back Mandate were set out in the 2016 Circular.

The Share Buy-Back Mandate was expressed to take effect from the date of passing of the ordinary resolution approving it at the 2016 EGM and to expire on the date of the forthcoming AGM to be held on 25 April 2017. Accordingly, Shareholders' approval is now being sought for the renewal of the Share Buy-Back Mandate at the EGM, which will be held immediately after the AGM.

The Directors propose that the Share Buy-Back Mandate be renewed at the EGM to continue to authorise the Company to undertake buy-backs of the Shares. The Share Buy-Back Mandate is set out in the Ordinary Resolution in the notice of EGM accompanying this Circular.

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## THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

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### 1.2 Rationale

The rationale for renewing the Share Buy-Back Mandate is to continue to allow the Company the flexibility to undertake buy-backs of the Shares at any time, subject to market conditions, during the period when the Share Buy-Back Mandate is in force. The Board of Directors believes that Share Buy-Backs provide the Company and its Directors with a mechanism to facilitate the return of surplus cash over and above the Company's ordinary capital requirements in an expedient and cost-efficient manner. Share Buy-Backs will allow the Directors greater flexibility over the Company's share capital structure with a view to enhancing the EPS and/or NTA per Share of the Company and the Group. The Directors also expect that Share Buy-Backs may help mitigate against short term market volatility and offset the effects of short term speculation.

The Directors will only engage in Share Buy-Backs when they believe that it would benefit the Company and Shareholders, taking into consideration factors such as the amount of surplus cash available and the prevailing market conditions. In addition, the Directors do not intend to engage in Share Buy-Backs to such extent that would, or in circumstances that might, result in a material adverse effect on the financial position of the Company or the Group, the orderly trading of the Shares, or result in the Company being de-listed from the SGX-ST.

Any Share Buy-Back has to be made in accordance with, and in the manner prescribed by the Israeli Companies Law, the Listing Rules and such other laws and regulations as may be applicable from time to time.

### 1.3 Authority and Limits

The authority and limitations placed on the Share Buy-Backs under the proposed Share Buy-Back Mandate, if renewed at the forthcoming EGM, are the same as previously approved by Shareholders at the 2016 EGM. They are summarised as follows:

(a) Maximum number of Shares

Only Shares which are issued and fully paid-up may be purchased by the Company. The total number of Shares that may be purchased is limited to that number of Shares representing not more than 10% of the issued Shares of the Company as at the Approval Date (excluding any Dormant Shares which may be held by the Company from time to time and Subsidiary Holdings).

As at the Latest Practicable Date, there are no Subsidiary Holdings.

For illustrative purposes only, on the basis of 350,481,213 Shares in issue (and excluding 1,623,100 Dormant Shares) as at the Latest Practicable Date, not more than 35,048,121 Shares (representing 10% of the Shares in issue as at that date excluding Dormant Shares and Subsidiary Holdings) may be purchased or acquired by the Company pursuant to the renewed Share Buy-Back Mandate.

In the event that any of the options that have vested are exercised during the period between the Latest Practicable Date and the date of the EGM, only those new Shares that are allotted and issued by the Approval Date pursuant to the exercise of such vested options will be taken into account for the purposes of determining the total number of Shares as at the Approval Date.

(b) Duration of authority

Under the renewed Share Buy-Back Mandate, Share Buy-Backs may be made, at any time and from time to time, on and from the Approval Date, up to the earliest of:

- (i) the date on which the next annual general meeting of the Company is held or required by law to be held;
- (ii) the date on which the authority conferred by the proposed Share Buy-Back Mandate is revoked or varied by the Company in general meeting; or
- (iii) the date on which Share Buy-Backs are carried out to the full extent mandated.

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## THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

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(c) Manner of Share Buy-Backs

Share Buy-Backs may be made by way of:

- (i) an on-market purchase (“**On-Market Purchase**”) transacted through the SGX-ST’s trading system or on another stock exchange on which the Shares are listed; and/or
- (ii) an off-market purchase (“**Off-Market Purchase**”) effected pursuant to an equal access scheme (as defined in Section 76C of the Act) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme shall satisfy all the conditions prescribed by the Act and the Listing Rules.

Under the Act, an Off-Market Purchase effected in accordance with an equal access scheme must satisfy all of the following conditions:

- (a) the offers under the scheme are to be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (b) all of those persons have a reasonable opportunity to accept the offers made to them; and
- (c) the terms of all the offers are the same except that there shall be disregarded:
  - (i) differences in consideration attributable to the fact that the offers relate to Shares with different accrued dividend entitlements;
  - (ii) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid; and
  - (iii) differences in the offers introduced solely to ensure that each member is left with a whole number of Shares.

In addition, the Listing Rules provides that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders which contain at least the following information:

- (i) the terms and conditions of the offer;
- (ii) the period and procedures for acceptances;
- (iii) the reasons for the proposed Share Buy-Back;
- (iv) the consequences, if any, of Share Buy-Backs that will arise under the Code or other applicable takeover rules;
- (v) whether the Share Buy-Back, if made, could affect the listing of the Shares on the SGX-ST;
- (vi) details of any Share Buy-Backs made by the Company in the previous 12 months (whether On-Market Purchases or Off-Market Purchases in accordance with an equal access scheme), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (vii) whether the Shares purchased by the Company will be cancelled or kept as dormant shares.

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## THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

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(d) Maximum purchase price

The purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) to be paid for a Share in the event of any Share Buy-Back shall be determined by the Directors, but in any event, shall not exceed the Maximum Price, which:

- (i) in the case of an On-Market Purchase, shall mean the price per Share based on not more than 5% above the average of the closing market prices of the Shares over the last five Market Days on the SGX-ST, on which transactions in the Shares were recorded immediately preceding the day of the On-Market Purchase and deemed to be adjusted for any corporate action occurring after such 5-market day period; and
- (ii) in the case of an Off-Market Purchase, shall mean the price per Share based on not more than 20% above the average of the closing market prices of the Shares over the last five Market Days on the SGX-ST, on which transactions in the Shares were recorded immediately preceding the day on which the Company makes an announcement of an offer under an equal access scheme.

### 1.4 Status of Purchased Shares

The Company, being an Israeli-incorporated company, is consequently subject to the Israeli Companies Law. Any Share which is purchased or acquired by the Company shall, unless held as Dormant Shares in accordance with the Israeli Companies Law, be deemed to be cancelled immediately on purchase or acquisition, and all rights and privileges attached to that Share will expire on cancellation. The total number of Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as dormant shares.

All Shares purchased or acquired by the Company (other than Dormant Shares held by the Company in accordance with the Israeli Companies Law) will be automatically de-listed by the SGX-ST and certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following the settlement of any such purchase or acquisition.

Under the Israeli Companies Law, Shares purchased or acquired by the Company may be held or dealt with as dormant shares. Some of the provisions on Dormant Shares under the Israeli Companies Law are summarised below:

(a) Voting and other rights

The Dormant Shares shall be treated as having no voting rights or any other rights for as long as they are held by the Company as Dormant Shares.

(b) Disposal and cancellation

Where Shares are held as Dormant Shares, the Company may at any time sell, transfer or re-issue the Dormant Shares.

### 1.5 Source of Funds

Under the Israeli Companies Law, any Share Buy-Back may only be made out of the Company's profits, being its balance of surplus or surplus accumulated over the past two years, whichever is the greater, provided that the Company is solvent. A company's surplus is defined under the Israeli Companies Law as being sums included in a company's equity originating from the company's net profits, determined in accordance with accepted accounting principles.

### 1.6 Financial Effects

The financial effects on the Company and the Group arising from Share Buy-Backs made pursuant to the Share Buy-back mandate will depend on, amongst others, the number of Shares purchased or acquired and the price paid for such Shares.

As the consideration paid by the Company for a Share Buy-Back will only be made out of profits, such consideration (excluding related brokerage, goods and services tax, stamp duties and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company.



## THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

The financial effects on the Company and the Group, based on the audited financial statements of the Company and the Group for the financial year ended 31 December 2016, are based on the assumptions set out below:

(a) Number of Shares purchased or acquired

For illustrative purposes only, on the basis of 350,481,213 Shares in issue (excluding any Dormant Shares and Subsidiary Holdings) as at the Latest Practicable Date, the exercise in full of the renewed Share Buy-Back Mandate will result in the purchase or acquisition of 35,048,121 Shares, representing 10% of the Shares in issue as at that date.

(b) Maximum price to be paid for Share Buy-Backs

For illustrative purposes only, in the case of an On-Market Purchase by the Company and assuming that the Company purchases or acquires 35,048,121 Shares at the Maximum Price of S\$1.96455 per Share (being 5% above the average of the closing market prices of the Shares for the five (5) Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 35,048,121 Shares is approximately S\$68,853,786.

For illustrative purposes only, in the case of an Off-Market Purchase by the Company and assuming that the Company purchases or acquires 35,048,121 Shares at the Maximum Price of S\$2.2452 per Share (being 20% above the average of the closing market prices of the Shares for the five (5) Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 35,048,121 Shares is approximately S\$78,690,041.

For illustrative purposes only, and based on the assumptions set out above, the financial effects of the Share Buy-Backs pursuant to the renewed Share Buy-Back Mandate on the audited accounts of the Company and the Group for the financial year ended 31 December 2016 as if the renewed Share Buy-Back Mandate had been effective on 1 January 2016 are as follows:

(a) **On-Market Purchases made entirely out of profits and cancelled**

	Group		Company	
	Before the Share Buy-Back	After the Share Buy-Back	Before the Share Buy-Back	After the Share Buy-Back
<b>As at 31 December 2016</b>	<b>(US\$)</b>	<b>(US\$)</b>	<b>(US\$)</b>	<b>(US\$)</b>
Cash and cash equivalents	19,467,000	Nil	11,631,000	Nil
Short-term investments	18,520,000	Nil	11,835,000	Nil
Current Assets	67,660,000	29,673,000	34,447,000	10,981,000
Current Liabilities	12,263,000	12,263,000	7,049,000	7,049,000
Working Capital	55,397,000	17,410,000	27,398,000	3,932,000
Total Borrowings	Nil	10,542,593	Nil	25,063,593
Equity	79,313,000	30,783,407	79,313,000	30,783,407
NTA	71,844,000	23,314,407	71,844,000	23,314,407
Number of issued and paid Shares	352,104,313	317,056,192	352,104,313	317,056,192
Number of Dormant Shares	(1,623,100)	(1,623,100)	(1,623,000)	(1,623,100)
Number of Shares in issue	350,481,213	315,433,092	350,481,213	315,433,092
<b>Financial Ratios</b>				
NTA per Share (cents)	20.50	7.39	20.50	7.39
Gearing (%)	--	34%	--	81%
Current Ratio (times)	5.52	2.42	4.89	1.56
EPS (cents)	5.14	5.54	5.14	5.31

## THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

(b) **On-Market Purchases made entirely out of profits and held as dormant shares**

	Group		Company	
	Before the Share Buy-Back	After the Share Buy-Back	Before the Share Buy-Back	After the Share Buy-Back
<b>As at 31 December 2016</b>	<b>(US\$)</b>	<b>(US\$)</b>	<b>(US\$)</b>	<b>(US\$)</b>
Cash and cash equivalents	19,467,000	Nil	11,631,000	Nil
Short-term investments	18,520,000	Nil	11,835,000	Nil
Current Assets	67,660,000	29,673,000	34,447,000	10,981,000
Current Liabilities	12,263,000	12,263,000	7,049,000	7,049,000
Working Capital	55,397,000	17,410,000	27,398,000	3,932,000
Total Borrowings	Nil	10,542,593	Nil	25,063,593
Equity	79,313,000	30,783,407	79,313,000	30,783,407
NTA	71,844,000	23,314,407	71,844,000	23,314,407
Number of issued and paid Shares	352,104,313	352,104,313	352,104,313	352,104,313
Number of Dormant Shares	(1,623,100)	(36,671,221)	(1,623,000)	(36,671,221)
Number of Shares in issue	350,481,213	315,433,092	350,481,213	315,433,092
<b>Financial Ratios</b>				
NTA per Share (cents)	20.50	7.39	20.50	7.39
Gearing (%)	--	34%	--	81%
Current Ratio (times)	5.52	2.42	4.89	1.56
EPS (cents)	5.14	5.54	5.14	5.31

(c) **Off-Market Purchases made entirely out of profits and cancelled**

	Group		Company	
	Before the Share Buy-Back	After the Share Buy-Back	Before the Share Buy-Back	After the Share Buy-Back
<b>As at 31 December 2016</b>	<b>(US\$)</b>	<b>(US\$)</b>	<b>(US\$)</b>	<b>(US\$)</b>
Cash and cash equivalents	19,467,000	Nil	11,631,000	Nil
Short-term investments	18,520,000	Nil	11,835,000	Nil
Current Assets	67,660,000	29,673,000	34,447,000	10,981,000
Current Liabilities	12,263,000	12,263,000	7,049,000	7,049,000
Working Capital	55,397,000	17,410,000	27,398,000	3,932,000
Total Borrowings	Nil	17,475,392	Nil	31,996,392
Equity	79,313,000	23,850,608	79,313,000	23,850,608
NTA	71,844,000	16,381,608	71,844,000	16,381,608
Number of issued and paid Shares	352,104,313	317,056,192	352,104,313	317,056,192
Number of Dormant Shares	(1,623,100)	(1,623,100)	(1,623,000)	(1,623,100)
Number of Ordinary Shares	350,481,213	315,433,092	350,481,213	315,433,092
<b>Financial Ratios</b>				
NTA per Share (cents)	20.50	5.19	20.50	5.19
Gearing (%)	--	73%	--	134%
Current Ratio (times)	5.52	2.42	4.89	1.56
EPS (cents)	5.14	5.43	5.14	5.20

## THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

(d) **Off-Market Purchases made entirely out of profits and held as Dormant Shares**

	Group		Company	
	Before the Share Buy-Back	After the Share Buy-Back	Before the Share Buy-Back	After the Share Buy-Back
<b>As at 31 December 2016</b>	<b>(US\$)</b>	<b>(US\$)</b>	<b>(US\$)</b>	<b>(US\$)</b>
Cash and cash equivalents	19,467,000	Nil	11,631,000	Nil
Short-term investments	18,520,000	Nil	11,835,000	Nil
Current Assets	67,660,000	29,673,000	34,447,000	10,981,000
Current Liabilities	12,263,000	12,263,000	7,049,000	7,049,000
Working Capital	55,397,000	17,410,000	27,398,000	3,932,000
Total Borrowings	Nil	17,475,392	Nil	31,996,392
Equity	79,313,000	24,850,608	79,313,000	23,850,608
NTA	71,844,000	16,381,608	71,844,000	16,381,608
Number of issued and paid Shares	352,104,313	352,104,313	352,104,313	352,104,313
Number of Dormant Shares	(1,623,100)	(36,671,221)	(1,623,000)	(36,671,221)
Number of Shares in issue	350,481,213	315,433,092	350,481,213	315,433,092
<b>Financial Ratios</b>				
NTA per Share (cents)	20.50	5.19	20.50	5.19
Gearing (%)	--	73%	--	134%
Current Ratio (times)	5.52	2.42	4.89	1.56
EPS (cents)	5.14	5.43	5.14	5.20

Shareholders should note that the financial effects illustrated above are based on certain assumptions and purely for illustrative purposes only. In particular, it is important to note that the above analysis is based on historical audited financial year 2016 numbers and is not necessarily representative of the future financial performance of the Company or the Group.

Although the renewed Share Buy-Back Mandate would authorise the Company to buy back up to 10% of the Company's issued Shares (excluding Dormant Shares and Subsidiary Holdings), the Company may not necessarily buy back or be able to buy back the entire 10% of the issued Shares (excluding Dormant Shares and Subsidiary Holdings), nor to such an extent that would materially and adversely affect the financial position of the Company or the Group.

Share Buy-Backs will only be effected after assessing the relative impact of a Share Buy-Back taking into consideration both financial factors (such as cash surplus, debt position and working capital requirements) and non-financial factors (such as share market conditions and the performance of the Shares).

### 1.7 Tax Implications

Shareholders who are in doubt as to their respective tax positions or any tax implications, or who may be subject to tax in a jurisdiction outside Singapore, should consult their own professional advisers.

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## THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

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### 1.8 Listing Rules

#### 1.8.1 Reporting requirements

The Listing Rules provide that a listed company shall notify the SGX-ST of any Share Buy-Back as follows:

- (a) in the case of an On-Market Purchase, by 9.00 a.m. on the Market Day following the day on which it purchased Shares; and
- (b) in the case of an Off-Market Purchase under an equal access scheme, by 9.00 a.m. on the second Market Day after the close of acceptances of the offer.

The notification of such Share Buy-Backs to the SGX-ST shall be in the form of Appendix 8.3.1 to the Listing Manual and shall include, amongst others, details such as the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such Shares, as applicable.

#### 1.8.2 Insider trading

While the Listing Rules do not expressly prohibit any purchase of shares by a listed company during any particular time or times, because a listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its shares, the Company will not engage in any Share Buy-Backs pursuant to the renewed Share Buy-Back Mandate at any time after a price sensitive matter or development has occurred or has been the subject of a decision until the price sensitive information has been announced. In particular, in line with the best practices on dealings in securities in the Listing Manual, the Company will not purchase or acquire any shares pursuant to the proposed Share Buy-Back Mandate during the period commencing two weeks immediately preceding the announcement of the Group’s financial statements for each of the first three quarters of its financial year and one month immediately preceding the announcement of the Group’s full-year financial statements, as the case may be.

#### 1.8.3 Listing status

The Listing Rules require a listed company to ensure that at least 10% of its total number of issued shares (excluding treasury shares (or dormant shares), preference shares and convertible equity securities) in a class that is listed is at all times held by the public.

As at the Latest Practicable Date, approximately 45.00% of the Company’s Shares are held in the hands of the public. Assuming that the Company purchases the maximum of 10% of the issued Shares excluding Dormant Shares and Subsidiary Holdings from such public Shareholders and the Shares bought back are cancelled, the resultant percentage of the issued Shares excluding Dormant Shares and Subsidiary Holdings, held by the public would be reduced to approximately 38.89%. Accordingly, the Company is of the view that there is a sufficient number of Shares in issue held by the public which would permit the Company to undertake Share Buy-Backs up to the full 10% limit pursuant to the renewed Share Buy-Back Mandate without affecting the orderly trading or listing status of the Shares on the SGX-ST.

### 1.9 Takeover Implications under the Code

#### 1.9.1 Provisions under the Code

Some of the provisions of the Code are summarised below:

- (a) Under Appendix 2 of the Code, an increase of a Shareholder’s proportionate interest in the voting rights of the Company resulting from a Share Buy-Back by the Company will be treated as an acquisition for the purposes of Rule 14 of the Code.
- (b) Pursuant to Rule 14 of the Code, a shareholder and persons acting in concert with the shareholder will incur an obligation to make a mandatory takeover offer if, amongst others, he and persons acting in concert with him increase their voting rights in the company to 30% or more or, if they, together holding between 30% and 50% of the company’s voting rights, increase their voting rights in the company by more than 1% in any period of six months.

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- (c) Persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal) co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate control of that company. Unless the contrary is established, the Code presumes certain persons to be acting in concert, amongst others:
- (i) a company, its parent, its subsidiaries and fellow subsidiaries, any associated companies of the above companies, any companies whose associated companies include any of the above companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above companies for the purchase of voting rights. For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be the test of associated company status;
  - (ii) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
  - (iii) a company with any of its pension funds and employee share schemes;
  - (iv) a person with any investment company, unit trust or other fund in respect of the investment account which such person manages on a discretionary basis;
  - (v) a financial or other professional advisor, including a stockbroker, with its client in respect of the shareholdings of the adviser and persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10% or more of the client's equity share capital;
  - (vi) directors of a company (together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent;
  - (vii) partners; and
  - (viii) an individual, his close relatives, his related trusts, any person who is accustomed to act in accordance with his instructions, companies controlled by any of the above persons, and any person who has provided financial assistance (other than a bank in its ordinary course of business) to any of the above for the purchase of voting rights.
- (d) The effect of Rule 14 and Appendix 2 of the Code is that:
- (i) unless exempted, directors and persons acting in concert with them will incur an obligation to make a takeover offer if, as a result of the company purchasing or acquiring its shares, the voting rights held by such directors and their concert parties would increase to 30% or more, or if they together hold between 30% and 50% of the Company's voting rights, their voting rights increases by more than 1% in any period of six months; and
  - (ii) a shareholder not acting in concert with the directors will not be required to make a takeover offer if, as a result of the company purchasing or acquiring its shares, the voting rights of such shareholder would increase to 30% or more, or if such shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such shareholder would increase by more than 1% in any period of six months. Such shareholder need not abstain from voting in respect of the resolution authorising the proposed Share Buy Back Mandate.

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### 1.9.2 SIC rulings

(i) **2009 SIC ruling**

In 2005, the then Substantial Shareholders of the Company, Sarin Research & Development Ltd (“**Sarin R&D**”) and Interhightech (1982) Ltd (“**Interhightech**”) entered into a shareholders’ agreement (“**2005 Agreement**”) and agreed, amongst others, that:

- (a) they will co-operate in appointing six directors, up to four of whom may be proposed by Sarin R&D and up to two may be proposed by Interhightech;
- (b) Sarin R&D shall have the right to propose one of the three independent directors (who is a non-Singaporean independent director) and Interhightech shall support such proposal;
- (c) neither Sarin R&D nor Interhightech shall initiate or support an attempt to remove a director, who was appointed based on the other party’s proposal;
- (d) if a director retires or is removed before his term ends, the party appointing such director may propose another person and such person shall be appointed for the remainder of the term of office of the outgoing or retiring director;
- (e) if Interhightech’s shareholding in the Company at any time falls below 50% of its shareholding at the time the 2005 Agreement was signed, Interhightech shall have the right to propose only one director;
- (f) the allocation of seats in the board of directors shall be reviewed and adjusted on a pro-rata basis every three years, according to the respective shareholdings of Sarin R&D and Interhightech;
- (g) neither party shall initiate or support the amendment of the Articles of Association without the consent of the other party, or the consent of the holders of at least 75% of the Shares held by both Sarin R&D and Interhightech;
- (h) both parties shall have a mutual first right of refusal with regard to the sale of shares by the other party other than on the SGX-ST; and
- (i) the 2005 Agreement shall be for a term of six years and may be renewed unless terminated earlier in accordance with the terms and conditions therein.

The 2005 Agreement was automatically renewed for two consecutive terms of three years each with effect from 4 March 2011 and 4 March 2014. The 2005 Agreement was subject to termination at will by a three-month notice. In accordance with the Termination Notice (as such term is defined below), the 2005 Agreement shall stand terminated as of 1 April 2017 and the New Shareholders’ Agreements (as such term is defined below) have been executed effective as of 15 March 2017 and supersede the 2005 Agreement. Please refer to sections 1.9.2(ii) and 1.9.2(iii) below for further details.

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Sarin R&D and its deemed concert parties (“**Sarin R&D Group**”) are as follows:

Substantial Shareholder	Concert Parties
Sarin R&D	<ul style="list-style-type: none"> <li>(a) Hargem Ltd (a Controlling Shareholder of Sarin R&amp;D);</li> <li>(b) Stark Hanoh Holdings Ltd (a Controlling Shareholder of Sarin R&amp;D);</li> <li>(c) Ehud Harel (a director of Sarin R&amp;D, a Controlling Shareholder of Hargem Ltd and brother-in-law of Hanoh Stark);</li> <li>(d) Hanoh Stark (a director of Sarin R&amp;D, the sole shareholder of Stark Hanoh Holdings Ltd and brother-in-law of Ilan Weisman);</li> <li>(e) Ilan Weisman (a director of Sarin R&amp;D);</li> <li>(f) Idit Weisman (wife of Ilan Weisman);</li> <li>(g) Ilan Weisman and Co. Ltd (a company controlled by Ilan Weisman);</li> <li>(h) Avraham Eshed (a director of Sarin R&amp;D);</li> <li>(i) Nitza Eshed (wife of Avraham Eshed);</li> <li>(j) Gemstar Ltd (a company controlled by Avraham Eshed);</li> <li>(k) Eyal Mashiah (a director of Sarin R&amp;D);</li> <li>(l) Oz Mashiah (sibling of Eyal Mashiah);</li> <li>(m) Ifat Oved (sibling of Eyal Mashiah);</li> <li>(n) Ramgem Ltd (a company controlled by Eyal Mashiah);</li> <li>(o) Ram Investments Ltd (a company wholly-owned by Eyal Mashiah);</li> <li>(p) Fabulous Ltd (a shareholder of Sarin R&amp;D)<sup>(1)</sup>;</li> <li>(q) Colgem EL 97 Ltd (a shareholder of Sarin R&amp;D)<sup>(1)</sup>;</li> <li>(r) Israel Zeev Eliezri (a Controlling Shareholder of Colgem EL 97 Ltd and a director of Sarin R&amp;D)<sup>(1)</sup>;</li> <li>(s) Precious Stones Ltd (a Controlling Shareholder of Fabulous Ltd and a company controlled by Alfio Harari)<sup>(1)</sup>;</li> <li>(t) Alfio Harari</li> </ul>

**Note:**

- (1) In 2009, the Company requested for the SIC’s confirmation that the Sarin R&D Group (excluding Fabulous Ltd and Colgem EL 97 Ltd) and the Interhightech Group (as defined below) to be considered as concert parties (“**Request**”).

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Due to an inadvertent oversight, Fabulous Ltd and Colgem EL 97 Ltd, both minority shareholders of Sarin R&D, were not named as concert parties of Sarin R&D in the Request (“**Oversight**”). As a consequence, the SIC’s Confirmation (as defined below) did not include Fabulous Ltd and Colgem EL 97 Ltd. However, Fabulous Ltd and Colgem EL 97 Ltd have been shareholders of Sarin R&D as of the Company’s initial public offering in 2005, and have been subject to the 2005 Agreement from the beginning. In this connection, notwithstanding the Oversight, there has been, pursuant to the 2005 Agreement, an agreement or understanding between Fabulous Ltd, Colgem EL 97 Ltd and the Concert Party Group to cooperate to obtain and consolidate effective control of the Company. For all intents and purposes, the Concert Party Group, Fabulous Ltd, Colgem EL 97 Ltd have been parties acting in concert since 2005.

The Directors are of the view that the Oversight is not prejudicial to its Shareholders for the following reasons, namely:

- (a) From 2005 to 18 February 2014 (being the latest practicable date for the purpose of the Company’s circular to Shareholders dated 3 April 2014) (“**Relevant Period**”), Fabulous Ltd and Colgem EL 97 Ltd had not acquired or disposed of any Shares in the Company and have been complying with the 2005 Agreement;
- (b) For the Relevant Period, the Concert Party Group, Fabulous Ltd and Colgem EL 97 Ltd (collectively, the “**Whole Concert Party Group**”) have been interested in an aggregate of more than 50% of the issued Shares and would therefore not be obliged to make a general offer under Rule 14 and Appendix 2 of the Code in the event of a Share Buy-Back by the Company; and
- (c) The Whole Concert Party Group has remained unchanged since 2005. The leader of the Whole Concert Party Group, the largest individual shareholding and the balance between the shareholdings in the Whole Concert Party Group has not changed significantly during the Relevant Period and therefore there has not been any obligation to make a general offer under Rule 14 of the Code due to any acquisition by a single member or sub-group of Whole Concert Party Group to increase his/its holding to 30% or more, if he/it already holds between 30% and 50%, by more than 1% in any 6 month period.

Interhightech and its deemed concert parties (“**Interhightech Group**”) are as follows:

Substantial Shareholder	Concert Parties
Interhightech	<ol style="list-style-type: none"> <li>(a) D. Glinert Holdings Ltd (a Controlling Shareholder of Interhightech);</li> <li>(b) A. Shapira 2000 Systems Ltd (a Controlling Shareholder of Interhightech);</li> <li>(c) U LevAmi Holdings Ltd (a Controlling Shareholder of Interhightech);</li> <li>(d) Moran Hightech Ltd (a Controlling Shareholder of Interhightech);</li> <li>(e) Daniel Benjamin Glinert (a director of Interhightech and the sole shareholder of D. Glinert Holdings Ltd);</li> <li>(f) Aharon Shapira (a director of Interhightech and the sole shareholder of A. Shapira 2000 Systems Ltd);</li> <li>(g) Uzi Levami (a director of Interhightech and the sole shareholder of U Lev-Ami Holdings Ltd);</li> <li>(h) Gilad Moran (a director of Interhightech and the sole shareholder of Moran Hightech Ltd);</li> <li>(i) Eitan Kenneth (a director of Interhightech);</li> </ol>



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## THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

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The SIC had in their letter of 25 May 2009 confirmed that the Sarin R&D Group (excluding Fabulous Ltd and Colgem EL 97 Ltd) and the Interhightech Group shall be considered as concert parties ("**Concert Party Group**") for the purpose of Rule 14 of the Code ("**Confirmation**").

(ii) **2014 SIC ruling**

The Concert Party Group has changed in the following ways since the 2009 SIC ruling as set out in paragraph (i) above, namely:

- (a) On 17 March 2014, the collective shareholding of the Concert Party Group fell below 50% to 49.83%, as a result of a sale of Shares by certain members of the Concert Party Group. Notwithstanding that the Concert Party Group's collective shareholdings have changed, they continue to be bound by the 2005 Agreement<sup>1</sup>; and
- (b) In January 2015, the shareholders of Sarin R&D and Interhightech have elected to dissolve Sarin R&D and Interhightech for reasons relating to a decrease in their common business activity conducted through these entities ("**Restructuring**"). Accordingly, the Shares held by these two entities have been distributed vertically to the next holding level, without effecting any change in the actual individual beneficial shareholding in the Company at the time of distribution. The Restructuring resulted in the Concert Party Group being lessened by two members, namely Sarin R&D and Interhightech ("**Restructured Concert Party Group**").

Table A below sets out the members of the Restructured Concert Party Group:

Table A

(a)	Hargem Ltd;
(b)	Stark Hanoh Holdings Ltd;
(c)	Ehud Harel (a director of Sarine, the sole shareholder of Hargem Ltd and brother-in-law of Hanoh Stark);
(d)	Hanoh Stark (a director of Sarine, the sole shareholder of Stark Hanoh Holdings Ltd and brother-in-law of Ilan Weisman);
(e)	Ilan Weisman;
(f)	Idit Weisman (wife of Ilan Weisman);
(g)	Ilan Weisman and Co. Ltd (a company controlled by Ilan Weisman);
(h)	Avraham Eshed (a director of Sarine);
(i)	Nitza Eshed (wife of Avraham Eshed);
(j)	Gemstar Ltd (a company controlled by Avraham Eshed);
(k)	Eyal Mashiah (a director of Sarine);
(l)	Oz Mashiah (sibling of Eyal Mashiah);
(m)	Ifat Oved (sibling of Eyal Mashiah);
(n)	Rangem Ltd (a company controlled by Eyal Mashiah);

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<sup>1</sup> As per the Termination Notice, the 2005 Agreement shall stand terminated as of 1 April 2017. The New Shareholders' Agreements have been executed effective as of 15 March 2017 and supersede the 2005 Agreement. Please refer to Sections 1.9.2(i) and 1.9.2(iii) of the Circular for more information.

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Table A

(o)	Ram Investments Ltd (a company wholly-owned by Eyal Mashiah);
(p)	Fabulous Ltd;
(q)	Colgem EL 97 Ltd;
(r)	Israel Zeev Eliezri (a Controlling Shareholder of Colgem EL 97 Ltd);
(s)	Precious Stones Ltd (a Controlling Shareholder of Fabulous Ltd and a company controlled by Alfio Harari);
(t)	Alfio Harari;
(u)	Glinert Projects Initiation and Execution Ltd. (formerly known as D. Glinert Holdings Ltd);
(v)	A. Shapira 2000 Systems Ltd;
(w)	U LevAmi Holdings Ltd;
(x)	Moran Hightech Ltd;
(y)	Daniel Benjamin Glinert (a director of Sarine and the minority shareholder of Glinert Projects Initiation and Execution Ltd.);
(z)	Michal Haya Glinert (wife of Daniel Benjamin Glinert and the Controlling Shareholder of Glinert Projects Initiation and Execution Ltd.);
(aa)	Aharon Shapira (the sole shareholder of A. Shapira 2000 Systems Ltd);
(bb)	Uzi Levami (a director of Sarine and the sole shareholder of U Lev-Ami Holdings Ltd);
(cc)	Gilad Moran (the sole shareholder of Moran Hightech Ltd); and
(dd)	Eitan Kenneth.

As the 2005 Agreement had provided that, in the event of a transfer of Shares held by Sarin R&D and Interhightech to the respective shareholders of Sarin R&D and Interhightech, such shareholders were to be bound by the 2005 Agreement.

As per the notice of termination given on 1 January 2017 (“**Termination Notice**”) by the existing members of Interhightech to the existing members of Sarin R&D, the 2005 Agreement shall stand terminated as of 1 April 2017.

On 15 March 2017, members of the New Concert Party Group (as such term is defined below) entered into the New Shareholders’ Agreements (as such term is defined below), as further detailed in section 1.9.2(iii) below.

(iii) **New Shareholders’ Agreements**

On 15 March 2017, two new agreements, namely an agreement in relation to voting (“**Voting Agreement**”) and a shareholders’ agreement (“**Shareholders’ Agreement**”) (collectively, the “**New Shareholders’ Agreements**”) were executed and will apply to members of the Restructured Concert Party Group (with the exception of Eitan Kenneth who holds approximately 0.44% interest in the Company as at the Latest Practicable Date) (collectively, the “**New Concert Party Group**” or the “**NCPG**”).

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## THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

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The New Shareholders' Agreements are effective 15 March 2017 and supersede the 2005 Agreement.

The parties to the New Shareholders' Agreements are Hargem Ltd, Stark Hanoh Holdings Ltd, Ramgem Ltd., Gemstar Ltd. Fabulous Ltd, Colgem EL 97 Ltd, Ilan Weisman and Co. Ltd, Glinert Projects Initiation and Execution Ltd., U LevAmi Holdings Ltd, A. Shapira 2000 Systems Ltd and Moran Hightech Ltd, who are members of the New Concert Party Group (collectively, the "**Parties**"). Pursuant to the New Shareholders' Agreements, the Parties have undertaken to procure that their respective shareholders and their relatives, including the remaining members of the New Concert Party Group, be bound by the New Shareholders' Agreements.

As at the Latest Practicable Date, the members of the New Concert Party Group are set out in Table B below:

Table B

(a)	Hargem Ltd;
(b)	Stark Hanoh Holdings Ltd;
(c)	Ehud Harel (a director of Sarine, the sole shareholder of Hargem Ltd and brother-in-law of Hanoh Stark);
(d)	Hanoh Stark (a director of Sarine, the sole shareholder of Stark Hanoh Holdings Ltd and brother-in-law of Ilan Weisman);
(e)	Ilan Weisman;
(f)	Idit Weisman (wife of Ilan Weisman);
(g)	Ilan Weisman and Co. Ltd (a company controlled by Ilan Weisman);
(h)	Avraham Eshed (a director of Sarine);
(i)	Nitza Eshed (wife of Avraham Eshed);
(j)	Gemstar Ltd (a company controlled by Avraham Eshed);
(k)	Eyal Mashiah (a director of Sarine);
(l)	Oz Mashiah (sibling of Eyal Mashiah);
(m)	Ifat Oved (sibling of Eyal Mashiah);
(n)	Rangem Ltd (a company controlled by Eyal Mashiah);
(o)	Ram Investments Ltd (a company wholly-owned by Eyal Mashiah);
(p)	Fabulous Ltd;
(q)	Colgem EL 97 Ltd;
(r)	Israel Zeev Eliezri (a Controlling Shareholder of Colgem EL 97 Ltd);
(s)	Precious Stones Ltd (a Controlling Shareholder of Fabulous Ltd and a company controlled by Alfio Harari);
(t)	Alfio Harari;

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Table B

(u)	Glinert Projects Initiation and Execution Ltd. (formerly known as D. Glinert Holdings Ltd);
(v)	A. Shapira 2000 Systems Ltd;
(w)	U LevAmi Holdings Ltd;
(x)	Moran Hightech Ltd;
(y)	Daniel Benjamin Glinert (a director of Sarine and the minority shareholder of Glinert Projects Initiation and Execution Ltd.);
(z)	Michal Haya Glinert (wife of Daniel Benjamin Glinert and the Controlling Shareholder of Glinert Projects Initiation and Execution Ltd.);
(aa)	Aharon Shapira (the sole shareholder of A. Shapira 2000 Systems Ltd);
(bb)	Uzi Levami (a director of Sarine and the sole shareholder of U Lev-Ami Holdings Ltd); and
(cc)	Gilad Moran (the sole shareholder of Moran Hightech Ltd).

A summary of the key terms of the Voting Agreement and Shareholders' Agreement is set out below:

- (a) The Voting Agreement provides, among other things, that:
- I. The NCPG shall consult internally whenever any of the following issues is brought before the shareholders' meeting: (A) appointment, termination and/or removal of directors; (B) private placements; (C) changes in the registered or issued share capital; (D) issuance of shares or changes in the rights attached to existing shares or creation of new classes of shares; and (E) amendment to the Company's articles of association (each a "**Substantial Matter**" and collectively, the "**Substantial Matters**").
  - II. Where members of the NCPG holding at least 80% of the NCPG's holdings of the Company's Shares (the "**Binding Majority**") support a certain position with regard to a Substantial Matter, all the NCPG's members shall support such position in any shareholders' meeting.
  - III. Where members of the NCPG holding at least 60%, but less than 80% of the NCPG's holdings of the Company's Shares support a certain position with regard to a Substantial Matter, the NCPG's members shall consult the Company Secretary or an external consultant (in the event that the Company Secretary is unable to provide an opinion and members of the NCPG holding more than 65% of the NCPG's holdings of the Company's Shares choose to appoint an external consultant) who will render a non-binding opinion on the Substantial Matter in question.
  - IV. Absent a Binding Majority, each member of the NCPG may vote on any Substantial Matter raised in a shareholders' meeting as it shall see fit.
  - V. The Voting Agreement shall remain in effect until the earlier to occur of (A) its termination by a Binding Majority; (B) the NCPG's holdings in the Company falling below 20%; or (C) the sale of the Company's Shares held by the NCPG, amounting to at least 20% of the Company's share capital, to a third party.
  - VI. Upon the second anniversary of the execution of the Voting Agreement, the NCPG shall discuss its termination or amendment, but absent a unanimous resolution to amend the Voting Agreement or a Binding Majority's resolution to terminate it, the Voting Agreement shall remain in full force and effect.
  - VII. The NCPG members may submit any dispute concerning the Voting Agreement to mediation, reconciliation or arbitration.

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- (b) The Shareholders' Agreement contains, among other things, that:
- I. Each NCPG member may sell up to 15% of its holdings in the Company's Shares (based on its holdings as of 19 January 2015, being the date of Restructuring ("**Restructuring Date**")) in on-market transactions every 12-month period throughout the term of the Shareholders' Agreement and carry forward the unused balance of such quota, provided that no NCPG member shall sell such number of the Company's Shares which is equivalent to more than 1.5% of the Company's issued share capital at such time during any 12-month period throughout the term of the Shareholders' Agreement (certain restrictions and/or concessions apply to members of the NCPG for a period of up to 36 months, depending on whether they sold any shares of the Company from the Restructuring Date up till the execution of the Shareholders' Agreement, provided that the 1.5% cap shall remain in effect at all times).
  - II. a NCPG member may sell shares in an off-market transaction to a "Qualified Purchaser" (i.e. a banking institution, or any recognized institutional investor (whether in Israel or abroad), having reputation and financial stability, as well as any other entity who shall purchase less than 2% of the Company's Shares and who, following such purchase, shall hold less than 5% of the Company's Shares, and who, to the best knowledge of the selling NCPG member, has no direct or indirect conflict of interests – in connection with the Company's business and there is no reasonable likelihood that such sale shall adversely affect the Company and/or its reputation), provided that the price per share payable in such transaction shall not be lower than 95% of the Company's share price as of the date of such transaction.
  - III. An off-market sale of the Company's Shares by a NCPG member shall be subject to standard rights of first refusal and tag along rights (with the exception of transfers to permitted transferees).
  - IV. NCPG members holding in the aggregate at least 75% of the NCPG's holdings in the Company at such time who wish to sell at least 5% of the Company's Shares to a single purchaser may bind all other NCPG members to participate in such sale, on a pro rata basis, subject to certain requirements being met.
  - V. NCPG members may pledge their shares in the Company only to recognised and reputable banking institutions, having adequate financial strength, and subject to the terms of the Shareholders' Agreement.
  - VI. NCPG members shall consult with the Company Secretary prior to increasing their shareholdings in the Company (including by way of exercise of options under the Company's share option plans) so as not to trigger a legal requirement that the NCPG make a takeover offer under the Code.
  - VII. The Shareholders' Agreement shall remain in effect until the earlier to occur of (A) its termination by a Binding Majority; (B) the NCPG's holdings in the Company falling below 20%; or (C) the sale of the Company's Shares held by the NCPG, amounting to at least 20% of the Company's share capital, to a third party.
  - VIII. Upon the second anniversary of the execution of the Shareholders' Agreement, the NCPG shall discuss its termination or amendment, but absent a unanimous resolution to amend the Shareholders' Agreement or a Binding Majority's resolution to terminate it, the Shareholders' Agreement shall remain in full force and effect.
  - IX. A NCPG member whose holdings in the Company fall below 1.3% of the Company's share capital ("**Relevant Minority Party**") shall no longer be bound by the provisions in the Shareholders' Agreement and may not rely on the same, provided that such member shall still be subject to the other members' rights of first refusal and that the duty to consult with the Company Secretary prior to increasing such NCPG member's holdings in the Company shall remain in full force and effect.

As at the Latest Practicable Date, there are three members of the New Concert Party Group, namely Ilan Weisman, Idit Weisman and Ilan Weisman & Co. Ltd., who each hold (or is deemed as holding) less than 1.3% shareholding interests in the Company.

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The SIC had in their letter dated 28 March 2017 ruled that the presumption that Eitan Kenneth is acting in concert with the New Concert Party Group with respect to the Company is rebutted (“**2017 SIC Ruling**”).

The 2017 SIC Ruling is subject to the New Concert Party Group and Eitan Kenneth each submitting to the SIC a written confirmation to the effect that subsequent to the 2005 Agreement ceasing to have any effect after 15 March 2017:

- (a) the New Concert Party Group does not have any agreement, arrangement or understanding (whether formal or informal) with Eitan Kenneth to obtain or consolidate effective control of the Company;
- (b) there is no agreement, arrangement or understanding (whether formal or informal, written or oral, entered into in or outside Singapore) between the New Concert Party Group and Eitan Kenneth, pursuant to which the New Concert Party Group can direct, instruct, prescribe, advise or otherwise influence the exercise of voting rights attached to any shares in the Company controlled by Eitan Kenneth; and
- (c) there is no significant relationship (other than as represented to the SIC) between Eitan Kenneth, on the one hand, and the New Concert Party Group on the other, which may give rise to an inference that Eitan Kenneth is acting in concert with the New Concert Party Group with respect to the Company

(the “**Confirmation**”).

Each of the New Concert Party Group and Eitan Kenneth had on 29 March 2017 submitted their Confirmations to the SIC.

As at the Latest Practicable Date, and for the purposes of the Code, the New Concert Party Group is interested in an aggregate of approximately 38.68% of the issued Shares. In the event that the Company undertakes any purchase or acquisition of Shares of up to the maximum limit of 10% of the issued Shares of the Company excluding Dormant Shares and Subsidiary Holdings as permitted by the Share Buy-Back Mandate, the aggregate shareholdings and voting rights of the New Concert Party Group will increase from approximately 38.68% to 42.98%. Accordingly, if such increase in shareholding were to occur over any 6 month period, the shareholding of the New Concert Party Group would have increased by more than 1% and they would be required to make a general offer for the Shares held by other Shareholders pursuant to Rule 14 of the Code.

### 1.9.3 Conditions for exemption from having to make a take-over offer

The New Concert Party Group will be exempted from the requirement to make an offer under Rule 14 of the Code, subject to the following conditions set out in Appendix 2 of the Code:

- (a) the circular to Shareholders on the resolution to approve the Share Buy-Back Mandate contains advice to the effect that by voting for the resolution, Shareholders are waiving their rights to a general offer at the required price from the New Concert Party Group, who, as a result of the Company buying back its Shares, would increase their voting rights by more than 1% in any period of 6 months; and the names of the members of the New Concert Party Group, and their voting rights at the time of the resolution and after the proposed buy-back under the Share Buy-Back Mandate are disclosed in the same circular;
- (b) the resolution to authorize a Share Buy-Back Mandate is approved by a majority of the Shareholders present and voting at the EGM on a poll who could not become obliged to make an offer as a result of the Share Buy-Back under the Share Buy-Back Mandate;
- (c) the New Concert Party Group abstain from voting for and/or recommending Shareholders to vote in favour of the resolution to approve the Share Buy-Back Mandate;
- (d) within seven (7) days after the passing of the resolution to approve the Share Buy-Back Mandate, each of the Directors is to submit to the SIC a duly signed form as prescribed by the SIC; and

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## THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

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- (e) the New Concert Party Group, holding between 30% and 50% of the Company's voting rights, not to have acquired and not to acquire any Shares between the date on which they know that the announcement of the Share Buy-Back proposal is imminent and the earlier of:
- (i) the date on which the authority of the Share Buy-Back Mandate expires; and
  - (ii) the date on which the Company announces it has bought back such number of Shares as authorized by Shareholders at the EGM in respect of the proposed Share Buy-Back Mandate or it has decided to cease buying back its Shares, as the case may be,

if such acquisitions, taken together with the Share Buy-Back, would cause their aggregate voting rights to increase by more than 1% in the preceding 6 months.

It follows that where the aggregate voting rights held by the New Concert Party Group increase by more than 1% solely as a result of the Share Buy-Back and none of them has acquired any Shares during the relevant period defined above, then the New Concert Party Group would be eligible for SIC's exemption from the requirement to make a general offer under Rule 14, or where such exemption has been granted, would continue to enjoy the exemption.

**Shareholders should note that by voting in favour of the Share Buy-Back Mandate, they are waiving their rights to a general offer at the required price from the New Concert Party Group, who, as a result of the Company buying back its Shares, would increase their voting rights by more than 1% in any period of 6 months.**

**Save as disclosed above, the Directors are not aware of any facts or factors which suggest or imply that any particular person(s) and/or Shareholder(s) are, or may be regarded as, parties acting in concert such that their respective interests in voting Shares should or ought to be consolidated, and consequences under the Code would ensue as a result of a purchase of Shares by the Company pursuant to the Share Buy-Back Mandate.**

Appendix 2 of the Code requires that the resolution to authorize the Share Buy-Back Mandate be approved by majority of those Shareholders present and voting at the meeting on a poll who could not become obliged to make an offer under the Code as a result of the Share Buy-Back. Accordingly, the resolution relating to the proposed renewal of the Share Buy-Back Mandate set out in the notice of EGM is proposed to be taken on a poll and members of the New Concert Party Group shall abstain from voting on such resolution and will not accept nominations as proxy or otherwise for voting at the EGM in respect thereof.

**Shareholders who are in doubt as to their obligations, if any, to make a mandatory takeover offer under the Code as a result of Share Buy-Backs by the Company are advised to consult their professional advisers and/or the SIC and/or other relevant authorities at the earliest opportunity.**

### 1.9.4 Form 2 submission to the SIC

Form 2 (Submission by directors and their concert parties pursuant to Appendix 2) is the prescribed form to be submitted to the SIC by a director and persons acting in concert with him pursuant to the conditions for exemptions (see paragraph (d) of Section 1.9.3 above) from the requirement to make a take-over offer under Rule 14 of the Code as a result of the buy-back of shares by a listed company under its share purchase mandate.

As at the Latest Practicable Date, each of the Directors has informed the Company that he/she will be submitting Form 2 to the SIC within seven (7) days after the passing of the resolution in relation to the proposed renewal of the Share Buy-Back Mandate.

## THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

### 1.9.5 Voting Rights of the New Concert Party Group

Assuming that there is no change in the interest of each member of the New Concert Party Group between the Latest Practicable Date and the date of the EGM, the aggregate interest, both direct and deemed in Shares of each member of the New Concert Party Group as at the date of the EGM and after the purchase by the Company of 10% of the issued ordinary share capital of the Company pursuant to the Share Buy-Back Mandate are as follows:

Name of member of New Concert Party Group	Before Share Buy-Back (as at the date of the EGM)		After the Share Buy-Back	
	Number of Shares	% of the total issued Shares <sup>(1)</sup>	Number of Shares	% of the total issued Shares <sup>(2)</sup>
Hargem Ltd	25,608,848	7.31%	25,608,848	8.12%
Stark Hanoh Holdings Ltd	24,590,524	7.02%	24,590,524	7.80%
Ehud Harel	25,796,348	7.36%	25,796,348	8.18%
Hanoh Stark	24,590,524	7.02%	24,590,524	7.80%
Ilan Weisman	2,633,296	0.75%	2,633,296	0.83%
Idit Weisman	2,633,296	0.75%	2,633,296	0.83%
Ilan Weisman and Co. Ltd	2,633,296	0.75%	2,633,296	0.83%
Avraham Eshed	15,482,022	4.42%	15,482,022	4.91%
Nitza Eshed	15,482,022	4.42%	15,482,022	4.91%
Gemstar Ltd	14,731,772	4.2%	14,731,772	4.67%
Eyal Mashiah	16,325,096	4.66%	16,325,096	5.18%
Oz Mashiah	15,600,096	4.45%	15,600,096	4.95%
Ifat Oved	15,600,096	4.45%	15,600,096	4.95%
Rangem Ltd	15,600,096	4.45%	15,600,096	4.95%
Ram Investments Ltd	15,600,096	4.45%	15,600,096	4.95%
Fabulous Ltd	6,294,272	1.80%	6 294 272	2.00%
Colgem EL 97 Ltd	5,130,692	1.46%	5,130,692	1.63%
Israel Zeev Eliezri	5,130,692	1.46%	5,130,692	1.63%
Precious Stones Ltd	6,294,272	1.80%	6 294 272	2.00%
Alfio Harari	6,294,272	1.80%	6 294 272	1.80%
Glinert Projects Initiation and Execution Ltd.	10,997,906	3.14%	10,997,906	3.49%
A. Shapira 2000 Systems Ltd	9,795,306	2.79%	9,795,306	3.11%
U LevAmi Holdings Ltd	11,622,906	3.32%	11,622,906	3.68%
Moran Hightech Ltd	4,804,006	1.37%	4,804,006	1.52%
Daniel Benjamin Glinert	12,379,156	3.53%	12,299,156	3.92%
Michal Haya Glinert	12,379,156	3.53%	12,299,156	3.92%
Aharon Shapira	9,795,306	2.79%	9,795,306	3.11%
Uzi Levami	12,335,406	3.52%	12,335,406	3.91%
Gilad Moran	4,804,006	1.37%	4,804,006	1.52%

**Notes:**

(1) Based on 350,481,213 issued Shares as at the Latest Practicable Date.

(2) Based on 315,433,092 issued Shares, being the 350,481,213 Shares referred to in note (1) above, after repurchase of 35,048,121 Shares.

### 1.10 Shares Purchased by the Company

Since the approval of the existing Share Buy-Back Mandate at the 2016 EGM up to the date of this Circular, the Company has bought back 40,000 Shares by way of on-market purchases, all of which are held as Dormant Shares. The highest and lowest price paid was S\$1.695 and S\$1.68 per Share respectively and the total consideration for all purchases was S\$67,703.



## DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

### 2. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

Based on the Register of Director's Shareholdings and the Register of Substantial Shareholders, as at the Latest Practicable Date, the interests of the Directors and Substantial Shareholders in the capital of the Company are as follows:

	Direct interest (No. of Shares)	Deemed interest (No. of Shares)	Total interest (No. of Shares)	% of total issued Shares <sup>(1)</sup>
<b><u>Directors</u></b>				
Daniel Benjamin Glinert <sup>(2)</sup>	–	12,379,156	12,379,156	3.53
Hanoh Stark <sup>(3)</sup>	–	24,590,524	24,590,524	7.02
Ehud Harel <sup>(4)</sup>	–	25,796,348	25,796,348	7.36
Uzi Levami <sup>(5)</sup>	–	12,335,406	12,335,406	3.52
Avraham Eshed <sup>(6)</sup>	–	15,482,022	15,482,022	4.42
Eyal Mashiah <sup>(7)</sup>	–	16,325,096	16,325,096	4.66
Yehezkel Pinhas Blum	–	–	–	
Chan Kam Loon <sup>(8)</sup>	539,000	24,000	563,000	0.16
Valerie Ong Choo Lin <sup>(9)</sup>	–	575,000	575,000	0.16
<b><u>Substantial Shareholders</u></b>				
Mondrian Investment Partners Limited	–	31,461,100	31,461,100	8.98
Hanoh Stark <sup>(3)</sup>	–	24,590,524	24,590,524	7.02
Ehud Harel <sup>(4)</sup>	–	25,796,348	25,796,348	7.36
FIL Limited	–	23,060,350	23,060,350	6.58

**Notes:**

- (1) The total interest as a percentage of the issued share capital of the Company, comprising 350,481,213 Shares as at the Latest Practicable Date.
- (2) Daniel Benjamin Glinert is deemed a shareholder of the Company by virtue of his indirect ownership through Glinert Projects Initiation and Execution, Ltd. of 5,653,953 shares held on his and his wife's (Michal Haya Glinert) behalf by Bank Hapoalim (Israel) through HSBC Singapore custodians, by virtue of his and his wife's indirect ownership through Glinert Projects Initiation and Execution, Ltd. of 5,423,953 shares held on his behalf by UOB Kay Hian Pte. Ltd., by virtue of his indirect ownership of 300,500 shares held on his behalf by Eyal Khayat, Option Plan 2005 trustee, through UOB Kay Hian Pte. Ltd., pursuant to the Plan, and by virtue of the indirect ownership of 1,000,750 Shares held on his wife's behalf by UOB Kay Hian Pte. Ltd.
- (3) Hanoh Stark is deemed a shareholder of the Company by virtue of his indirect ownership through Stark Hanoh Holdings Ltd of 24,590,524 shares held on his behalf by the Israel Discount Bank through Citibank N.A. Singapore custodians.
- (4) Ehud Harel is deemed a shareholder of the Company by virtue of his indirect ownership through Hargem, Ltd. of 25,608,848 shares held on his behalf by the Israel Discount Bank through Citibank N.A. Singapore custodians and, by virtue of his indirect ownership of 187,500 shares held on his behalf by Eyal Khayat, The Plan's trustee, through UOB Kay Hian Pte. Ltd., pursuant to the Plan.
- (5) Uzi Levami is deemed a shareholder of the Company by virtue of his indirect ownership through U. Levami Holdings, Ltd. of 11,622,906 shares held on his behalf by Bank Hapoalim (Israel) through HSBC Singapore custodians and by virtue of his indirect ownership of 712,500 shares held on his behalf by Eyal Khayat, the Plan's trustee, through UOB Kay Hian Pte. Ltd., pursuant to the Plan.
- (6) Avraham Eshed is deemed a shareholder of the Company by virtue of his indirect ownership through Gemstar, Ltd. of 14,731,772 shares held on his behalf by the Israel Discount Bank through Citibank N.A. Singapore custodians, 562,500 shares held on his behalf by Eyal Khayat, the Plan's trustee, through UOB Kay Hian Pte. Ltd., pursuant to the Plan, and by virtue of his indirect ownership of 187,750 shares held on his behalf by Union Bank of Israel Ltd.
- (7) Eyal Mashiah is deemed a shareholder of the Company by virtue of his indirect ownership through Ramgem, Ltd. of 15,600,096 shares held on his behalf by the Israel Discount Bank through Citibank N.A. Singapore custodians and by his indirect ownership of 625,000 shares held on his behalf by UOB Kay Hian Pte. Ltd and 100,000 shares held on his behalf by Bank Leumi Ltd. through DBS Singapore custodians.
- (8) Chan Kam Loon is deemed a shareholder of the Company by virtue of his direct holdings of 539,000 shares and by virtue of the direct holdings of his wife (Au Yin Ling Patricia) of 24,000 shares.
- (9) Valerie Ong Choo Lin is deemed a shareholder of the Company by virtue of her indirect ownership of 575,000 shares held on her behalf by Bank of Singapore Nominees Pte Ltd.

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## **EXTRAORDINARY GENERAL MEETING, ACTION TO BE TAKEN BY SHAREHOLDERS, DIRECTORS' RECOMMENDATIONS AND INSPECTION OF DOCUMENTS**

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### **3. EXTRAORDINARY GENERAL MEETING**

The EGM, notice of which is set out on pages 27 to 28 of this Circular, is being convened on 25 April 2017 at 4:00 pm, Singapore time (or as soon thereafter as the Annual General Meeting of the Company to be held at 3:00 pm, Singapore time on the same day and at the same place is concluded or adjourned) at Maxwell Chambers, 32 Maxwell Road #03-01, Singapore 069115, for the purpose of considering and, if thought fit, passing, with or without any modifications the proposed resolution set out in the notice.

### **4. ACTION TO BE TAKEN BY SHAREHOLDERS**

Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote at the EGM on their behalf will find attached to this Circular a Proxy Form which they are requested to complete, sign and return in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the office of the Company's Singapore Share Transfer Agent at 112 Robinson Road, #05-01, Singapore 068902 or the Company's offices at 4 Haharash Street (third floor), Hod Hasharon 4524076 Israel not less than 24 hours before the time fixed for the EGM. The sending of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM if he finds that he is able to do so. In such event, the relevant Proxy Forms will be deemed to be revoked. A Depositor shall not be regarded as a Shareholder of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register 72 hours before the time fixed for the EGM.

### **5. DIRECTORS' RECOMMENDATIONS**

Having considered the rationale of the proposed renewal of the Share Buy-Back Mandate, the Directors (save for Ehud Harel, Hanoh Stark, Avraham Eshed, Eyal Mashiah, Daniel Benjamin Glinert and Uzi Levami, who are abstaining from recommending Shareholders to vote in favour of the resolution to approve the proposed renewal of the Share Buy-Back Mandate in accordance with the conditions referred to in Section 1.9.3 above) are of the opinion that the proposed renewal of the Share Buy-Back Mandate is in the interests of the Company. Accordingly, the Directors (save for Ehud Harel, Hanoh Stark, Avraham Eshed, Eyal Mashiah, Daniel Benjamin Glinert and Uzi Levami) recommend that Shareholders vote in favour of the ordinary resolution relating to the proposed renewal of the Share Buy-Back Mandate.

### **6. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the proposed resolution, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in the 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 the Circular in its proper form and context.

### **7. INSPECTION OF DOCUMENTS**

The following documents are available for inspection at 112 Robinson Road, #05-01, Singapore 068902 during normal business hours from the date of this Circular up to the date of the EGM:

- (a) the Annual Report of the Company for the financial year ended 31 December 2016;
- (b) the 2016 Circular.

Yours faithfully  
for and on behalf of the Board of Directors of  
**SARINE TECHNOLOGIES LTD.**

**Daniel Benjamin Glinert**  
Executive Director and Chairman

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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**SARINE TECHNOLOGIES LTD.**  
(Incorporated in Israel)  
(Israel Registration No. 51 1332207)

### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting of the Shareholders of **SARINE TECHNOLOGIES LTD.** will be held on 25 April 2017 at 4:00 pm, Singapore time (or as soon thereafter as the Annual General Meeting of the Company to be held at 3:00 pm, Singapore time on the same day and at the same place is concluded or adjourned) at Maxwell Chambers, 32 Maxwell Road #03-01, Singapore 069115 for the purpose of considering and, if thought fit, passing the following resolution with or without any modification(s):

#### RESOLUTION 1: ORDINARY RESOLUTION

##### THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

That:

1. the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire the Shares not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:
  - (i) an on-market purchase ("**On-Market Purchase**") transacted through the SGX-ST's trading system or on another stock exchange on which the Shares are listed; and/or
  - (ii) an off-market purchase ("**Off-Market Purchase**") effected pursuant to an equal access scheme (as defined in Section 76C of the Act) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme shall satisfy all the conditions prescribed by the Act and the Listing Rules, and otherwise in accordance with all other laws, regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally ("**Share Buy-Back Mandate**");
2. unless varied or revoked by an ordinary resolution of shareholders of the Company in general meeting, the authority conferred on the directors of the Company pursuant to the Share Buy-Back Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the passing of this resolution and expiring on the earliest of:
  - (i) the date on which the next annual general meeting of the Company is held or required by law to be held;
  - (ii) the date on which the authority conferred by the proposed Share Buy-Back Mandate is revoked or varied by the Company in general meeting; or
  - (iii) the date on which Share Buy-Backs are carried out to the full extent mandated;
3. in this resolution:

**"Prescribed Limit"** means 10% of the issued ordinary Shares of the Company excluding Dormant Shares and Subsidiary Holdings as at the date of the passing of this resolution; and

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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“**Maximum Price**” in relation to a Share to be purchased, means an amount (excluding brokerage, commissions, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

- (i) in the case of an On-Market Purchase, 5% above the average of the closing market prices of the Shares over the last five Market Days on the SGX-ST, on which transactions in the Shares were recorded immediately preceding the day of the On-Market Purchase and deemed to be adjusted for any corporate action occurring after such 5-market day period; and
  - (ii) in the case of an Off-Market Purchase, 20% above the average of the closing market prices of the Shares over the last five Market Days on the SGX-ST, on which transactions in the Shares were recorded immediately preceding the day on which the Company makes an announcement of an offer under an equal access scheme; and
4. the Directors of the Company, be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this resolution.

By Order of the Board

Amir Jacob Zolty  
Company Secretary  
6 April 2017

### Notes:

1. **Capitalised terms used in this Notice of Extraordinary General Meeting which are not defined herein shall, unless the context requires otherwise, have the same meanings ascribed to them in the Company’s circular to Shareholders dated 6 April 2017 (“2017 Circular”).**
2. **A Shareholder entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint one or more proxies to attend and vote instead of him. A proxy need not be a Shareholder of the Company.**
3. **If the appointer is a corporation, the instrument of proxy must be executed under seal or by the hand of its duly authorised officer or attorney.**
4. **The instrument appointing a proxy must be deposited either at the office of the Company’s Singapore Share Transfer Agent at 112 Robinson Road, #05-01, Singapore 068902 or the Company’s offices at 4 Haharash Street (Third floor), Hod Hasharon 4524076 Israel not less than twenty four (24) hours before the time for holding the Extraordinary General Meeting.**
5. **For more information on the sources of funds to be used to finance the Share Buy-Backs by the Company including the amount of financing and the financial effects on the Company and the Group arising from the Share Buy-Backs made pursuant to the proposed Share Buy-Back Mandate, please refer to Sections 1.5 and 1.6 of the 2017 Circular.**

### Personal data privacy:

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a shareholder of the Company (i) consents to the collection, use and disclosure of the shareholders’ personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”), (ii) warrants that where the shareholder discloses the personal data of the shareholder’s proxy(ies) and/or representative(s) to the Company (or its agents), the shareholder 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 shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder’s breach of warranty.

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**SARINE TECHNOLOGIES LTD.**

(Incorporated in Israel)  
Israel Registration No. 51 1332207

**PROXY FORM**

I/We \_\_\_\_\_, NRIC/Passport no. \_\_\_\_\_

of \_\_\_\_\_

being a member/members of Sarine Technologies Ltd., hereby appoint

Name	Address	NRIC/Passport No.	No. of Shares

and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	No. of Shares

as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and, if necessary, to demand a poll at the Extraordinary General Meeting of the Company to be held on 25 April 2017 at 4:00 pm, Singapore time (or as soon thereafter as the Annual General Meeting of the Company to be held at 3:00 pm, Singapore time on the same day and at the same place is concluded or adjourned) at Maxwell Chambers, 32 Maxwell Road #03-01, Singapore 069115 and at any adjournment thereof.

(Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the resolutions as set out in the Notice of Extraordinary General Meeting. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matters arising at the Extraordinary General Meeting.)

No.	Resolution	For	Against
1	<b>Ordinary Resolution</b> To approve the proposed renewal of the Share Buy-Back Mandate		

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

Total Number of Shares Held

\_\_\_\_\_  
Signature(s) of Member(s) or Common Seal

**Important:** Please Read Notes Overleaf



## Notes

- 1 Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register, you should insert that number. If you have shares registered in your name in the Register of Members of the Company, you should insert that number. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
- 2 A member entitled to attend and vote at a meeting of the Company is entitled to appoint one or more proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
- 3 The instrument appointing a proxy or proxies must be deposited either at the office of the Company's Singapore Share Transfer Agent at 112 Robinson Road #05-01 Singapore 068902 or at the Company's offices at 4 Haharash Street (Third floor), Hod Hasharon 4524076 Israel not less than 24 hours before the time appointed for holding the meeting.
- 4 Where a member appoints more than one proxy, he shall specify the number of shares to be represented by each proxy, failing which, the first named proxy may be treated as representing 100% of the shareholding and any second named proxy as an alternate to the first named.
- 5 The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a company or other body corporate, it must be executed under its common seal or stamp or under the hand of its duly authorised agent or attorney on behalf of the corporation.
- 6 Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney or other authority, the power of attorney or authority or a notarially certified copy thereof must be lodged with the instrument of proxy, failing which the instrument of proxy may be treated as invalid.
- 7 A company or other body corporate which is a member may authorize, by resolution of its directors or any other managing body, such person as it thinks fit to act as its representative at the meeting.
- 8 The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.