

CIRCULAR DATED 29 MARCH 2019

THIS DOCUMENT IS IMPORTANT. BEFORE MAKING ANY INVESTMENT IN THE SECURITIES BEING OFFERED, YOU SHOULD CONSIDER THE INFORMATION PROVIDED IN THIS DOCUMENT CAREFULLY, AND CONSIDER WHETHER YOU UNDERSTAND WHAT IS DESCRIBED IN THIS DOCUMENT. YOU SHOULD ALSO CONSIDER WHETHER AN INVESTMENT IN THE SECURITIES BEING OFFERED IS SUITABLE FOR YOU, TAKING INTO ACCOUNT YOUR INVESTMENT OBJECTIVES AND RISK APPETITE. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISER. YOU ARE RESPONSIBLE FOR YOUR OWN INVESTMENT CHOICES.

If you have sold or transferred all your ordinary shares (the “**Shares**”) in the capital of Jason Holdings Limited (“**JHL**” or the “**Company**”) held through The Central Depository (Pte) Limited (the “**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 represented by physical share certificate(s), you should immediately forward this Circular, the enclosed Notice of Extraordinary General Meeting and the accompanying Proxy Form to the purchaser or the transferee, or to the bank, stockbroker or agent through whom the sale or the transfer was effected for onward transmission to the purchaser or the transferee.

Neither the Monetary Authority of Singapore (the “**Authority**”) nor the Singapore Exchange Securities Trading Limited (the “**SGX-ST**” or the “**Exchange**”) has examined or approved the contents of this Circular. Neither the Authority nor the SGX-ST assumes any responsibility for the contents of this Circular, including the correctness or accuracy of any of the statements made, reports contained or opinions expressed. The lodgement of this Circular with the SGX-ST, acting as agent on behalf of the Authority, does not imply that the Securities and Futures Act, Cap. 289 (the “**SFA**”), or any other legal or regulatory requirements, or requirements under the Catalyst Rules (as defined herein), have been complied with.

An application has been made to the SGX-ST for the listing and quotation of the Consideration Shares and Introducer Shares and the Compliance Placement Shares on the Catalyst. The listing and quotation notice, if issued by the SGX-ST, is not to be taken as an indication of the merits of the Proposed Transactions, the Company, the Group, the Target Group, the Enlarged Group, the Shares, the Consideration Shares and Introducer Shares or the Compliance Placement Shares (all as defined herein). Terms appearing on the cover of this Circular bear the same meanings as defined in this Circular.

The Company was listed on the Catalyst board (“**Catalist**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 25 September 2012. Companies listed on the Catalyst may carry higher investment risk when compared with larger or more established companies listed on the SGX-ST Mainboard. In particular, companies may list on the Catalyst without a track record of profitability and there is no assurance that there will be a liquid market in the Shares traded on the Catalyst. You should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with your professional adviser(s).

This Circular has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the SGX-ST Listing Manual Section B: Rules of Catalyst. The Sponsor has not verified the contents of this Circular. This Circular has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this Circular, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Circular.

The contact person for the Sponsor is Mr Tang Yeng Yuen, Vice President, Head of Corporate Finance, Hong Leong Finance Limited, at 16 Raffles Quay, #01-05 Hong Leong Building, Singapore 048581, Telephone: +65 6415-9886.

YOUR ATTENTION IS DRAWN TO SECTION 3.7 ENTITLED “RISK FACTORS” OF THIS CIRCULAR WHICH HIGHLIGHTS CERTAIN MATERIAL RISKS RELATING TO THE TARGET GROUP, ITS BUSINESS AND INDUSTRY AND OWNERSHIP OF THE SHARES FOLLOWING COMPLETION. IN PARTICULAR, SHAREHOLDERS SHOULD NOTE THAT THE TARGET GROUP IS SUBJECT TO RISKS ASSOCIATED WITH INFORMATION TECHNOLOGY AND MICE PROJECTS. SHAREHOLDERS ARE ADVISED TO TAKE THESE FACTORS INTO CONSIDERATION WHEN DECIDING ON THE PROPOSED TRANSACTIONS.

IF ANY OF THE RISKS SET OUT IN THE SECTIONS ABOVE DEVELOPS INTO ACTUAL EVENTS, THE TARGET GROUP’S BUSINESS, FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS COULD BE MATERIALLY AND ADVERSELY AFFECTED. IN SUCH CASES, THE TRADING PRICES OF THE SHARES COULD DECLINE AND YOU MAY LOSE ALL OR PART OF YOUR INVESTMENTS.

IN ADDITION, YOUR ATTENTION IS DRAWN TO SECTION 11.1 ENTITLED “DETAILS OF THE PROPOSED SHARE CONSOLIDATION” OF THIS CIRCULAR WHICH HIGHLIGHTS THE PROPOSED SHARE CONSOLIDATION RATIO. IN PARTICULAR, SHAREHOLDERS SHOULD NOTE THAT UNDER THE PROPOSED SHARE CONSOLIDATION, THE COMPANY IS PROPOSING TO CONSOLIDATE EVERY ONE HUNDRED (100) SHARES INTO ONE (1) CONSOLIDATED SHARE. SHAREHOLDERS ARE ADVISED TO TAKE THIS SHARE CONSOLIDATION RATIO INTO CONSIDERATION WHEN DECIDING ON THE PROPOSED TRANSACTIONS.

JASON HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 201119167Z)

CIRCULAR TO SHAREHOLDERS IN RELATION TO:

- (1) THE PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF REVEZ GROUP PTE. LTD. FOR AN AGGREGATE CONSIDERATION OF S\$42.66 MILLION;
- (2) THE PROPOSED ALLOTMENT AND ISSUANCE OF 11,642,995,836 CONSIDERATION SHARES AT AN ISSUE PRICE OF S\$0.003664 EACH TO THE VENDORS FOR THE PROPOSED ACQUISITION;
- (3) THE PROPOSED ALLOTMENT AND ISSUANCE OF 215,583,741 INTRODUCER SHARES AT AN ISSUE PRICE OF S\$0.003664 EACH TO THE INTRODUCER (AS DEFINED HEREIN)
- (4) THE PROPOSED COMPLIANCE PLACEMENT OF 21,621,621 COMPLIANCE PLACEMENT SHARES AT AN ISSUE PRICE OF S\$0.3664 EACH TO THE SUBSCRIBERS;
- (5) THE PROPOSED DISPOSAL OF THE COMPANY’S ENTIRE INTEREST IN THE EXISTING BUSINESS (AS DEFINED HEREIN) AS A DISCLOSEABLE TRANSACTION;
- (6) THE PROPOSED WHITEWASH RESOLUTION FOR THE WAIVER BY INDEPENDENT SHAREHOLDERS OF THEIR RIGHT TO RECEIVE A MANDATORY TAKE-OVER OFFER FROM THE VENDORS AND THEIR CONCERT PARTIES;
- (7) THE PROPOSED CHANGE OF NAME OF THE COMPANY FROM “JASON HOLDINGS LIMITED” TO “REVEZ CORPORATION LTD.”;
- (8) THE PROPOSED APPOINTMENT OF THE PROPOSED NEW DIRECTORS TO THE COMPANY;
- (9) THE PROPOSED ADOPTION OF THE NEW CONSTITUTION OF THE COMPANY;
- (10) THE PROPOSED NEW SHARE ISSUE MANDATE; AND
- (11) THE PROPOSED SHARE CONSOLIDATION.

Sponsor to the Company in respect of the Proposed Acquisition



HONG LEONG FINANCE

HONG LEONG FINANCE LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 196100003D)

Independent Financial Adviser in respect of the Proposed Whitewash Resolution and the Proposed Disposal



ZICO CAPITAL PTE. LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 201613589E)

IMPORTANT DATES AND TIMES:

Last date and time for lodgement of Proxy Form	:	21 April 2019 at 3.00 p.m.
Date and time of Extraordinary General Meeting	:	23 April 2019 at 3.00 p.m. (or such time immediately following the conclusion or adjournment of the annual general meeting of the Company to be held at 2.00 p.m. on the same day and at the same place)
Place of Extraordinary General Meeting	:	Koo Chye Bo Seng Hong Temple San Qing Gong, Level 2, 21 Bedok North Avenue 4, Singapore 489948

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CORPORATE INFORMATION

BOARD OF DIRECTORS	:	Lim Chwee Kim	Executive Chairman
		Wui Heck Koon	Lead Independent Director
		Karam Singh Parmar	Independent Director
		Tan Lai Heng	Independent Director
PROPOSED NEW BOARD OF DIRECTORS	:	Neo Wee Han Victor	Executive Director, Chief Executive Officer and Deputy Board Chairman
		Lim Kian Sing	Executive Director
		Lee Han Chong	Executive Director
		Lim Chwee Kim	Non-Executive Director
		Lim Choon Noi	Independent Director
		Koh Choon Hui	Independent Director and Board Chairman
COMPANY SECRETARY	:	Wong Yoen Har (Institute of Chartered Secretaries and Administrators)	
REGISTERED OFFICE	:	11 Tampines Street 92 #03-05 Tampines Bizhub, Singapore 528872	
SHARE REGISTRAR AND SHARE TRANSFER OFFICE	:	Boardroom Corporate & Advisory Service Pte. Ltd. 50 Raffles Place #32-01 Singapore Land Tower Singapore 048623	
SPONSOR TO THE COMPANY IN RESPECT OF THE PROPOSED ACQUISITION	:	Hong Leong Finance Limited 16 Raffles Quay #01-05 Hong Leong Building Singapore 048581	
AUDITORS TO THE COMPANY FOR THE THREE (3) MOST RECENT COMPLETED FINANCIAL YEARS	:	Moore Stephens LLP 10 Anson Road #29-15 International Plaza Singapore 079903 Partner-in-charge: Neo Keng Jin BDO LLP 600 North Bridge Road #23-01 Parkview Square Singapore 188778	
INDEPENDENT BUSINESS VALUER	:	BDO Advisory Pte. Ltd. 600 North Bridge Road #23-01 Parkview Square Singapore 188778	

CORPORATE INFORMATION

AUDITORS TO THE TARGET GROUP AND REPORTING ACCOUNTANTS TO THE ENLARGED GROUP	: Moore Stephens LLP 10 Anson Road #29-15 International Plaza Singapore 079903 Partner-in-charge: Neo Keng Jin
LEGAL ADVISER ON SINGAPORE LAW ON THE PROPOSED TRANSACTIONS	: Morgan Lewis Stamford LLC 10 Collyer Quay #27-00, Ocean Financial Centre Singapore 049315
INDEPENDENT FINANCIAL ADVISER IN RESPECT OF THE PROPOSED WHITEWASH RESOLUTION AND THE PROPOSED DISPOSAL	: ZICO Capital Pte. Ltd. 8 Robinson Road #03-00 ASO Building Singapore 048544
INTRODUCER	: Goh Way Siong 391B Orchard Road Ngee Ann City Tower B #21-06 Singapore 2388774

DEFINITIONS

Save where the context otherwise requires, the following definitions apply throughout this Circular:

COMPANIES, ORGANISATIONS, PERSONS AND OTHER ENTITIES

“ACRA”	:	The Accounting and Corporate Regulatory Authority of Singapore
“Audit and Risk Committee” or “Audit Committee”	:	The audit and risk committee of the board of directors of the Company from time to time
“Authority” or “MAS”	:	The Monetary Authority of Singapore
“B1”	:	Business 1 areas are typically used or intended to be used for industry, warehouse, utilities and telecommunication uses
“Board”	:	The existing board of directors of the Company
“CDP”	:	The Central Depository (Pte) Limited
“CPF”	:	The Central Provident Fund
“Company” or “JHL”	:	Jason Holdings Limited
“Directors”	:	Directors of the Company, from time to time, “Director” shall be construed accordingly
“Enlarged Group”	:	The pro forma enlarged group of companies comprising the Company and the Target Group on Completion, and the term “Enlarged Group Company” shall be construed accordingly
“Group”	:	The Company and its subsidiaries, and the term “Group Company” shall be construed accordingly
“Independent Business Valuer”	:	BDO Advisory Pte. Ltd.
“Independent Directors”	:	Directors who are considered independent for the purpose of the Proposed Acquisition, Proposed Whitewash Resolution and the Proposed Disposal
“Independent Financial Adviser” or “IFA”	:	ZICO Capital Pte. Ltd., the independent financial adviser to the Independent Directors in respect of the Proposed Whitewash Resolution and the Proposed Disposal
“Independent Shareholders”	:	Shareholders who are considered independent for the purpose of the Proposed Acquisition or the Proposed Whitewash Resolution, as the case may be
“MICE”	:	Meetings, Incentive, Conferences, Exhibitions
“New Audit and Risk Committee”	:	The new audit and risk committee of the board of directors of the Company upon Completion
“New Nominating Committee”	:	The new nominating committee of the board of directors of the Company upon Completion
“New Remuneration Committee”	:	The new remuneration committee of the board of directors of the Company upon Completion

DEFINITIONS

“Nominating Committee”	:	The nominating committee of the board of directors of the Company from time to time
“Period Under Review”	:	FY2015, FY2016, FY2017 and 9MFY2018
“Purchaser”	:	Chia David
“Remuneration Committee”	:	The remuneration committee of the board of directors of the Company from time to time
“Reporting Accountants”	:	Moore Stephens LLP
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Registrar”	:	Boardroom Corporate & Advisory Service Pte. Ltd.
“SIC”	:	The Securities Industry Council of Singapore
“Smart Nation”	:	A Singaporean government initiative to harness infocomm technologies, networks and big data to create tech-enabled solutions
“Sponsor”	:	Hong Leong Finance Limited
“Target”	:	Revez Group Pte. Ltd.
“Target Group”	:	The Target and the Target Subsidiaries
“Target Subsidiaries”	:	Collectively, the following companies: (a) Revez Motion Pte. Ltd.; (b) Revez Pte. Ltd.; (c) IOIO Lab Pte. Ltd.; and (d) Newood Design Pte. Ltd.
“Vendors”	:	Neo Wee Han Victor, Lim Kian Sing and Lee Han Chong
“WCPL”	:	White Cubic Pte. Ltd.

GENERAL

“9M”	:	Nine-month period ended 30 September
“Business Valuation Report”	:	The business valuation report prepared by the Independent Business Valuer in relation to the Target Group
“Business Day”	:	A day on which banks are open for business in Singapore (other than Saturdays, Sundays and days which are gazetted as public holidays)
“Catalist”	:	The Catalist board of the SGX-ST
“Catalist Rules”	:	The SGX-ST’s Listing Manual Section B: Rules of Catalist, as may be amended, modified, supplemented or revised from time to time

DEFINITIONS

“CCC”	:	Certificate of Completion and Compliance
“Circular”	:	This circular to Shareholders dated 29 March 2019 including all its appendices attached hereto
“Code”	:	The Singapore Code on Take-overs and Mergers, as may be amended, modified, supplemented or revised from time to time
“Companies Act”	:	The Companies Act (Cap. 50) of Singapore, as amended, varied or supplemented from time to time
“Completion”	:	Completion of the Proposed Acquisition
“Completion Date”	:	The date of Completion
“Compliance Placement Shares”	:	New Shares of the Company to be allotted and issued and pursuant to the Proposed Compliance Placement
“Consideration”	:	The aggregate consideration of the Proposed Acquisition, being S\$42.66 million
“Consideration Shares”	:	New ordinary Shares to be allotted and issued at the Issue Price in satisfaction of the Consideration
“Consolidation Books Closure Date”	:	The time and date to be determined by the Board after consultation with the Sponsor for compliance with the relevant Catalist Rules, at and on which the Register of Members and share transfer books of the Company will be closed to determine the entitlements of Consolidated Shares of Shareholders under the Proposed Share Consolidation
“Consolidated Shares”	:	The consolidated Shares after completion of the Proposed Share Consolidation, being shares in the capital of the Company
“Constitution”	:	The constitution of the Company, previously known as its memorandum and articles of association, as amended, modified or supplemented from time to time
“Court”	:	Shall have the meaning ascribed to it in Section 4(1) of the Companies Act
“CPFIS”	:	Central Provident Fund Investment Scheme
“Disposal Agreement”	:	The disposal agreement dated 2 November 2018
“Disposal Conditions Precedent”	:	Has the meaning ascribed to it in Section 5.2.3 of this Circular
“Disposal Consideration”	:	Has the meaning ascribed to it in Section 5.2.2 of this Circular
“Disposal Long-Stop Date”	:	Has the meaning ascribed to it in Section 5.2.4 of this Circular

DEFINITIONS

“Disposal Shares”	: The 60% of the entire issued and fully paid-up ordinary shares in the capital of WCPL owned by the Company, which are to be sold to the Purchaser on the terms and subject to the conditions of the Disposal Agreement
“EGM”	: The extraordinary general meeting of the Company to be held on 23 April 2019 at 3.00 p.m. (or such time immediately following the conclusion or adjournment of the annual general meeting of the Company to be held at 2.00 p.m. on the same day and at the same place), the notice of which is set out in this Circular
“Enlarged Share Capital”	: The issued and paid-up share capital of the Company immediately after Completion (including Introducer Shares) but prior to the Proposed Share Consolidation and the Proposed Compliance Placement, being 14,587,833,172 Shares
“EPS”	: Earnings per share
“Existing Business”	: The existing business of the Company as at the Latest Practicable Date, which comprises of the assets and liabilities of the existing business of wholesale of structural clay, concrete products, ceramic, mosaic and tiles, and brick-laying, stone setting and cement works
“Existing Constitution”	: Has the meaning ascribed to it in Section 9.2 of this Circular
“Existing Share Capital”	: The existing issued and paid-up share capital of the Company as at the Latest Practicable Date, being 2,729,253,595 Shares
“Fifth Schedule”	: The fifth schedule of the SFR
“FY”	: Financial year ended 31 December
“IFA Letter”	: Appendix F to this Circular, entitled “Letter From ZICO Capital Pte. Ltd. to the Independent Directors of Jason Holdings Limited”
“Issue Price”	: S\$0.003664, subject to adjustments to be agreed, such as share consolidation
“Key Resolutions”	: The key resolutions in this Circular, being Ordinary Resolutions 1, 2, 3, 4, 5, 6, 7, 8, 11 and 12, and Special Resolutions 1, 2 and 3
“Latest Practicable Date”	: 15 March 2019, being the latest practicable date (“ LPD ”) prior to the lodgement of this Circular
“Listing Manual”	: The Listing Manual of the SGX-ST, as may be amended, modified, supplemented or revised from time to time
“Minimum Issue Price”	: The minimum issue price, pursuant to Rule 429 of the Catalist Rules, of S\$0.20 for each share offered for subscription or sale, for which a listing is sought

DEFINITIONS

“New Constitution”	:	The proposed new constitution of the Company upon Completion, which full text is set out in Appendix H of this Circular
“Notice of EGM”	:	The notice of EGM which is set out on pages N-1 to N-5 of this Circular
“NTA”	:	Net tangible assets
“Proposed Acquisition”	:	The proposed acquisition by the Company of the entire issued and paid-up share capital of the Target in accordance with the terms and on the conditions of the SPA
“Proposed Adoption of the New Constitution”	:	The proposed adoption of the New Constitution, which will replace the Existing Constitution of the Company entirely
“Proposed Appointment of the Proposed New Directors”	:	The proposed appointment of the Proposed New Directors to the board of directors of the Company upon Completion
“Proposed Change of Name”	:	The proposed change of name from Jason Holdings Limited to Revez Corporation Ltd.
“Proposed Compliance Placement”	:	The proposed issue of 21,621,621 Compliance Placement Shares at an issue price of S\$0.3664, on Completion for purposes of, among other things, meeting the public float requirement, the shareholding spread and distribution requirements of the Catalist Rules
“Proposed Disposal”	:	The proposed disposal of all of the Company’s Existing Business and shareholding interests in WCPL
“Proposed Issuance of the Consideration Shares”	:	The proposed issuance of 11,642,995,836 Consideration Shares at an issue price of S\$0.003664 each to the Vendors and/or their nominees
“Proposed Issuance of the Introducer Shares”	:	The proposed issuance of 215,583,741 new ordinary Shares to be issued at an issue price of S\$0.003664 to the Introducer
“Proposed New Directors”	:	The proposed new board of directors of the Company upon Completion being Neo Wee Han Victor, Lim Kian Sing, Lee Han Chong, Lim Chwee Kim, Lim Choon Noi and Koh Choon Hui
“Proposed New Executive Officer”	:	The proposed new executive officer of the Company upon Completion being Joel Leong Kum Hoe
“Proposed Share Issue Mandate”	:	Has the meaning ascribed to it in Section 10.1
“Proposed Share Consolidation”	:	The proposed consolidation of every 100 existing Shares into one (1) Consolidated Share
“Proposed Transactions”	:	Has the meaning ascribed to it in Section 1.2
“Proposed Whitewash Resolution”	:	Has the meaning ascribed to it in Section 6.2.2

DEFINITIONS

“Registrar”	: Registrar of Companies appointed under the Companies Act and includes any Deputy or Assistant Registrar of Companies
“Sale Shares”	: The entire issued and paid-up share capital of the Target
“Service Agreements”	: The service agreements of Neo Wee Han Victor, Lim Kian Sing, Lee Han Chong and Joel Leong Kum Hoe
“SFA”	: The Securities and Futures Companies Act (Cap. 289) of Singapore, as amended, varied or supplemented from time to time
“SFR”	: Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018
“SGXNET”	: A system network used by listed companies to send information and announcements to the SGX-ST or any other system networks prescribed by the SGX-ST
“Shareholders”	: Registered holders of Shares, except where the registered holder is CDP, in which case the term “Shareholders” shall in relation to such Shares mean the Depositors whose securities accounts maintained with CDP are credited with Shares
“Shares”	: Ordinary shares in the issued and paid-up capital of the Company, and “Share” to be construed accordingly
“SPA”	: The sale and purchase agreement dated 2 November 2018 entered into between the Company, the Target, and the Vendors, as supplemented by the supplemental deed dated 28 March 2019 between the Company, the Target, and the Vendors, and as further supplemented, modified and/or amended
“Substantial Shareholder”	: A person (including a corporation) who has an interest in 5.0% or more of the issued shares of a company
“Target Letter”	: Appendix A to this Circular, entitled “Letter to Shareholders from the Proposed New Directors”
“Target Group’s Business”	: The business of the Target Group as described in Section 4.1 of the Target Letter
“Valuation Letter”	: The valuation letter prepared by the Independent Business Valuer as set out in Appendix G of the Circular
“Vendor Shares”	: The Consideration Shares owned by the Vendors and/or their nominee upon Completion
“Whitewash Waiver”	: Has the meaning ascribed to it in Section 6.2.2

CURRENCIES AND UNITS OF MEASUREMENT

S\$: Singapore dollar, the lawful currency of Singapore
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DEFINITIONS

Unless the context otherwise requires:

- (a) the terms “**depositor**”, “**depository register**” and “**depository agent**” shall have the meanings ascribed to them respectively in Section 81SF of the SFA and the terms “**subsidiary**”, “**related company**” and “**substantial shareholder**” shall have the meanings ascribed to them in Sections 5, 6 and 81 of the Companies Act respectively;
- (b) the terms “**acting in concert**” and “**whitewash resolution**” shall have the meanings ascribed to them in the Code;
- (c) the terms “**associate**”, “**associated company**” and “**controlling shareholder**” shall have the meanings ascribed to them in the Section entitled “Definitions and Interpretation” of the Listing Manual or the Catalist Rules, where relevant;
- (d) the terms “**entity-at-risk**” and “**interested person**” shall be persons falling within the scope of the definitions for the same set out in Section 1 of the Fourth Schedule of the SFR or the Listing Manual;
- (e) 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 the context otherwise requires, any references to persons shall include individuals, corporate bodies (wherever incorporated), unincorporated associations and partnerships;
- (f) 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 SFA, the SFR, the Listing Manual, the Catalist Rules or the Code or any modification thereof and not otherwise defined in this Circular shall, where applicable, have the same meaning ascribed to it under the Companies Act, the SFA, the SFR, the Listing Manual, the Catalist Rules or the Code or such modification thereof, as the case may be, unless the context otherwise requires;
- (g) any reference to a time of a day in this Circular shall be a reference to Singapore time unless otherwise stated;
- (h) any reference to terms containing “1Q”, “2Q”, “3Q” and “4Q” shall be construed as references to the relevant quarters in the stated calendar year and “1H” and “2H” shall be construed as references to the relevant halves in the stated calendar year;
- (i) any discrepancies between the figures listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them; and
- (j) the headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

EXCHANGE RATES, EXCHANGE CONTROLS AND TAXATION

1. EXCHANGE CONTROLS

The following is a description of the exchange controls that exist in the jurisdictions which the Group operates in.

Singapore

Currently, no foreign exchange control restrictions are enforced in Singapore. As at the Latest Practicable Date, there are no laws or regulations in Singapore that may affect (a) the repatriation of capital, including the availability of cash and cash equivalents for use by the Group; and (b) the remittance of profits that may affect dividends, interests or other payments to Shareholders.

2. TAXATION

SINGAPORE TAX

The following is a summary of certain Singapore income tax, stamp duty and Goods and Services Tax (“GST”) consequences of purchasing, owning or disposing of the Shares. This summary is not intended to be and does not constitute legal or tax advice.

The summary is based on existing tax laws of Singapore in force as at the Latest Practicable Date and is subject to any changes in such laws, or in interpretation of such laws, occurring after such date, which changes could be made on a retrospective basis. These laws are also subject to various interpretations and no assurance can be given that the courts or fiscal authorities responsible for the administration of such laws will agree with this interpretation. The summary is limited to a general description of certain tax consequences in Singapore with respect to the purchase, ownership or disposition of the Shares by Singapore investors, and does not purport to be a comprehensive or exhaustive description of all of the tax considerations that may be relevant in a decision to purchase, own or dispose of the Shares. This summary does not take into account the effect of any applicable tax treaty.

Prospective investors should consult their own tax advisers regarding Singapore income tax and other tax consequences of purchasing, owning and disposing of the Shares. It is emphasised that neither the Company, the Group, the Directors, the Target Group, the Proposed New Directors nor any other persons involved in this Circular accept the responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Shares.

Corporate Income Tax (General)

A corporate taxpayer is regarded as resident in Singapore for Singapore tax purposes if the control and management of its business are exercised in Singapore. The meaning of control and management is not defined in the Income Tax Act (Chapter 134) of Singapore. In practice, the residency of a company is generally taken to be where the directors meet to exercise control and management of the company's business.

Singapore resident corporate taxpayers are subject to Singapore income tax on: (i) income accruing in or derived from Singapore; and (ii) unless otherwise exempt, foreign-sourced income received in Singapore or deemed to have been received in Singapore by the operation of law.

Foreign-sourced dividends, branch profits and service income received in Singapore or deemed to have been received in Singapore by Singapore resident corporate taxpayers are tax exempt in Singapore provided certain prescribed conditions are met, including the condition that at the time the foreign-sourced dividends, branch profits or service income is received in Singapore, the jurisdiction from which the income is received has a headline (or highest published) rate of tax of at least 15.0% and on which income tax, with certain exceptions, has been imposed on the foreign-sourced dividends, branch profits or service income.

EXCHANGE CONTROLS AND TAXATION

Non-Singapore resident corporate taxpayers are subject to Singapore income tax only on (i) income accruing in or derived from Singapore; and (ii) unless otherwise exempt, foreign-sourced income received in Singapore or deemed to have been received in Singapore by operation of law.

Up to the Year of Assessment (YA) 2019, partial tax exemption for normal chargeable income up to S\$300,000 is available, where 75% of the first S\$10,000 is exempt and 50% of the next S\$290,000 is exempt. The remaining chargeable income is taxable at the prevailing corporate tax rate of 17%. For YA2019, a 20% tax rebate, capped at S\$10,000 is granted. With effect from YA2020, the partial tax exemption will be restricted to chargeable income of S\$200,000, where 75% of first S\$10,000 is exempt and 50% of the next S\$190,000 is exempt. The remaining chargeable income is taxable at the prevailing corporate tax rate of 17%.

Individual Income Tax (General)

An individual is regarded as resident in Singapore in a year of assessment if, in the preceding calendar year, the individual was physically present in Singapore or exercises an employment in Singapore (other than as a director of a company) for 183 days or more, or if the individual ordinarily resides (except for temporary absences) in Singapore.

Singapore resident individuals are subject to Singapore income tax on income accruing in or derived from Singapore. All foreign-sourced income received in Singapore by Singapore resident individuals (except for income received through a partnership in Singapore) is generally exempt from Singapore income tax. Singapore resident individuals are taxed at progressive rates ranging from 0% to 22%.

Non-Singapore resident individuals are generally subject to Singapore income tax only on income accruing in or derived from Singapore at the maximum rate of 22%.

Dividend Distributions

Singapore currently operates on a “one-tier” corporate tax system, under which the tax collected from corporate profits is final and Singapore dividends are exempt from Singapore income tax in the hands of the shareholder, regardless of whether the shareholder is a corporate or individual shareholder or whether the shareholder is a Singapore tax resident. Therefore, the dividends received from Shares are exempt from Singapore income tax on the basis that the Company is a tax resident of Singapore.

However, foreign Shareholders are advised to consult their own tax advisers to take into account the tax laws of their respective countries of residence and the existence of any double taxation agreement which their country of residence may have with Singapore.

Gains on Disposal of the Shares

Singapore does not currently impose tax on capital gains. Therefore, any gains derived from the disposal of the Shares will not be liable for Singapore income tax unless such gains are considered income derived from a trade or business carried on in Singapore. Such gains may also be liable for Singapore income tax if the Shares were acquired with the intent or purpose of making a profit from their subsequent sale and not for long-term investment purposes.

If a seller has held the Shares as investment assets, any gains arising from a subsequent sale should generally be considered capital gains not subject to Singapore income tax. However, if the Shares have been held as trading assets, the gains arising from a subsequent sale may be subject to Singapore income tax.

As the precise tax status of one seller will vary from another, sellers are advised to consult their own professional advisers on the Singapore tax consequences that may apply to their individual circumstances.

EXCHANGE CONTROLS AND TAXATION

Notwithstanding the above, gains derived by a divesting company from the disposal of ordinary shares in an investee company are not taxable if immediately prior to the date of the share disposal, the divesting company had held at least 20% of the ordinary shares in the investee company for a continuous period of at least 24 months (the “**Tax Certainty Scheme**”).

The Tax Certainty Scheme is applicable to disposals made during the period from 1 June 2012 to 31 May 2022 (both dates inclusive), unless extended. The Tax Certainty Scheme does not apply to certain situations, such as the disposal of shares in an unlisted investee company that is in the business of trading or holding Singapore immovable properties (other than property development). Therefore, if the gains derived from the disposal of the Shares qualify for the Tax Certainty Scheme, they will not be subject to Singapore income tax, even if such gains are considered income from a trade or business carried on in Singapore or where the Shares were acquired with the intent of making a profit from their subsequent sale.

In addition, Shareholders may be taxed on gains (not being gains in the nature of capital) even though no sale or disposal of the Shares is made as a result of adopting the Singapore Financial Reporting Standard 109 Financial Instruments for accounting purpose. Shareholders should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding and disposal of the Shares.

Stamp Duty

There is no stamp duty payable on the subscription of the Shares.

Stamp duty is payable on every instrument of transfer of the Shares at the rate of 0.2%, computed on the consideration or market value of the Shares, whichever is the higher and in the situation that the Shares are not considered to be held by property-holding entities that own primarily residential properties in Singapore. The purchaser, rather than the seller, is liable for stamp duty, unless there is an agreement to the contrary. No stamp duty is payable if no instrument of transfer is executed (such as in the case of scripless shares, the transfer of which does not require instrument of transfer to be executed) or the instrument of transfer is executed outside Singapore. However, stamp duty would be payable if the instrument of transfer which is executed outside Singapore is subsequently received in Singapore (both electronic and non-electronic).

Stamp duty is not applicable to electronic transfers of the Shares through the scripless trading system operated by CDP.

GST

The sale of the Shares by a GST-registered investor belonging in Singapore through a SGX-ST member or to another person belonging in Singapore is an exempt supply not subject to GST.

Any GST incurred by a GST-registered investor on services acquired (for example, GST on brokerage) in connection with the making of this exempt supply will generally become an additional cost to the investor unless the investor satisfies certain conditions prescribed under the GST legislation or certain GST concessions.

Where the Shares are sold by a GST-registered investor to a person belonging outside Singapore (and who is outside Singapore at the time of supply), the sale is a taxable supply subject to GST at zero rate (i.e. 0%). Consequently, any GST (for example, GST on brokerage) incurred by him in the making of this zero-rated supply for the purpose of his business will, subject to the provisions of the GST legislation, be recoverable as an input tax credit in his GST returns.

Investors should seek their own tax advice on the recoverability of GST incurred on expenses in connection with the purchase and sale of the Shares.

EXCHANGE CONTROLS AND TAXATION

Services such as brokerage and handling services rendered by a GST-registered person to an investor belonging in Singapore in connection with the investor's purchase or sale of the Shares will be subject to GST at the prevailing rate (currently 7.0%). Similar services rendered contractually to an investor belonging outside Singapore are subject to GST at zero-rate, provided that the investor is not physically present in Singapore at the time the services are performed and the services do not directly benefit a person who belongs in Singapore.

Estate duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

CAUTIONARY NOTE ON FORWARD LOOKING STATEMENTS

All statements contained in this Circular, statements made in press releases and oral statements that may be made by the Company, the Group, the Target, the Target Group, their directors, executive officers or employees acting on their behalf, that are not statements of historical fact, constitute “forward looking statements”. Some of these statements can be identified by words that have a bias towards, or are, forward looking such as “anticipate”, “believe”, “could”, “estimate”, “expect”, “forecast”, “if”, “intend”, “may”, “plan”, “possible”, “probable”, “project”, “should”, “will” and “would” or similar words. However, the Shareholders should note that these words are not the exclusive means of identifying forward looking statements. All statements regarding the Company’s, the Group’s, the Target’s, the Target Group’s and the Enlarged Group’s expected financial position, business strategies, plans and prospects are forward looking statements.

These forward looking statements including but not limited to, statements as to revenue and profitability; any expected growth; any expected industry prospects and trends; planned strategy and future expansion plans; any other matters that are not historical facts; and any other matters discussed in this Circular, are only predictions. These forward looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company’s, the Group’s, the Target’s, the Target Group’s, and the Enlarged Group’s actual future results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward looking statements. These risk factors and uncertainties are discussed in more detail in this Circular, in particular, but not limited to, discussions in Section 3.7 entitled “Risk Factors”.

Given the risks and uncertainties that may cause the Company’s, the Group’s, the Target’s, the Target Group’s and the Enlarged Group’s actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward looking statements in this Circular, undue reliance must not be placed on these statements.

The Company, the Group, the Target, the Target Group, the Enlarged Group, their respective directors and executive officers and the Sponsor are not representing or warranting to you that the actual future results, performance or achievements of the Company, the Group, the Target, the Target Group and the Enlarged Group will be as those discussed in those statements. The respective actual future results may differ materially from those anticipated in these forward looking statements as a result of the risks faced by us. Further, the Company, the Group, the Target, the Target Group, the Enlarged Group and the Sponsor disclaim any responsibility for updating any of those forward looking statements or publicly announcing any revisions to those forward looking statements to reflect their future developments, events or circumstances.

Upon Completion, the Enlarged Group will be subject to the listing rules of the SGX-ST regarding corporate disclosure.

INDICATIVE TIMETABLE

The following indicative timetable assumes that approval for all the resolutions proposed at the EGM is obtained.

Last Date and Time for Lodgement of Proxy Form	:	21 April 2019 at 3.00 p.m.
Date and Time of EGM / Venue of EGM	:	23 April 2019 at 3.00 p.m. (or such time immediately following the conclusion or adjournment of the annual general meeting of the Company to be held at 2.00 p.m. on the same day and at the same place) / Koo Chye Bo Seng Hong Temple San Qing Gong, Level 2, 21 Bedok North Avenue 4, Singapore 489948
Notice of Books Closure Date for Share Consolidation	:	23 April 2019
Expected completion of Proposed Acquisition and Proposed Disposal	:	30 April 2019
Expected Books Closure Date for Share Consolidation	:	6 May 2019
Expected effective date of the Proposed Share Consolidation	:	7 May 2019
Expected date of completion of the Proposed Compliance Placement	:	13 May 2019
Expected date of the commencement of trading of the Consolidated Shares, Consideration Shares and Compliance Placement Shares on Catalist	:	16 May 2019

Save for the date of the EGM, the dates set out in the above timetable are indicative and may be subject to change. The Company will make further announcements on the exact dates of such events.

LETTER TO SHAREHOLDERS FROM THE BOARD OF DIRECTORS OF THE COMPANY

JASON HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 201119167Z)

LETTER TO SHAREHOLDERS

Board of Directors:

Lim Chwee Kim (Executive Chairman)
Wui Heck Koon (Lead Independent Director)
Karam Singh Parmar (Independent Director)
Tan Lai Heng (Independent Director)

Registered Office:

11 Tampines Street 92
#03-05 Tampines Bizhub
Singapore 528872

29 March 2019

To: The Shareholders of Jason Holdings Limited

Dear Sir/Madam

CIRCULAR TO SHAREHOLDERS IN RELATION TO:

- (1) THE PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF REVEZ GROUP PTE. LTD. FOR AN AGGREGATE CONSIDERATION OF S\$42.66 MILLION;
 - (2) THE PROPOSED ALLOTMENT AND ISSUANCE OF 11,642,995,836 CONSIDERATION SHARES AT AN ISSUE PRICE OF S\$0.003664 EACH TO THE VENDORS FOR THE PROPOSED ACQUISITION;
 - (3) THE PROPOSED ALLOTMENT AND ISSUANCE OF 215,583,741 INTRODUCER SHARES AT AN ISSUE PRICE OF S\$0.003664 EACH TO THE INTRODUCER
 - (4) THE PROPOSED COMPLIANCE PLACEMENT OF 21,621,621 COMPLIANCE PLACEMENT SHARES AT AN ISSUE PRICE OF S\$0.3664 EACH TO THE SUBSCRIBERS;
 - (5) THE PROPOSED DISPOSAL OF THE COMPANY'S ENTIRE INTEREST IN THE EXISTING BUSINESS AS A DISCLOSEABLE TRANSACTION;
 - (6) THE PROPOSED WHITEWASH RESOLUTION FOR THE WAIVER BY INDEPENDENT SHAREHOLDERS OF THEIR RIGHT TO RECEIVE A MANDATORY TAKE-OVER OFFER FROM THE VENDORS AND THEIR CONCERT PARTIES;
 - (7) THE PROPOSED CHANGE OF NAME OF THE COMPANY FROM "JASON HOLDINGS LIMITED" TO "REVEZ CORPORATION LTD.";
 - (8) THE PROPOSED APPOINTMENT OF THE PROPOSED NEW DIRECTORS TO THE COMPANY;
 - (9) THE PROPOSED ADOPTION OF THE NEW CONSTITUTION OF THE COMPANY;
 - (10) THE PROPOSED NEW SHARE ISSUE MANDATE; AND
 - (11) THE PROPOSED SHARE CONSOLIDATION.
-

LETTER TO SHAREHOLDERS FROM THE BOARD OF DIRECTORS OF THE COMPANY

1. INTRODUCTION

1.1. Overview

1.1.1. The Proposed Acquisition and Proposed Issue of 11,642,995,836 Consideration Shares at an issue price of S\$0.003664 each

As announced on 5 November 2018, the Company had entered into the SPA with the Vendors for the Proposed Acquisition of the entire issued and paid-up share capital of the Target upon the terms and subject to the conditions of the SPA.

The Consideration of the Proposed Acquisition is S\$42.66 million, to be satisfied in full by the allotment and issuance of 11,642,995,836 Consideration Shares to the Vendors (and/or their designated nominees) at the Issue Price upon Completion.

For illustration purposes, the Issue Price represents a discount of approximately 94.1% to the last traded price of the Shares, being S\$0.062, as at the last traded market day for the Company on 5 January 2016. As the Issue Price is at a discount greater than 10% to the last traded price of the Shares, the Company will be seeking Shareholders' approval for the issue of the Consideration Shares at the Issue Price pursuant to Rule 811(3) of the Catalist Rules.

Furthermore, the Proposed Acquisition constitutes a reverse take-over as set out under Rule 1015 of the Catalist Rules as the relative figures under Rules 1006(b) and 1006(d) of the Catalist Rules exceed 100% and on Completion will result in the change in control of the Company. Accordingly, the Company will be seeking the approval of Shareholders for, among other things, the Proposed Acquisition and the issue of the Consideration Shares at the EGM.

1.1.2. The Proposed Compliance Placement of 21,621,621 Compliance Placement Shares at an issue price of S\$0.3664 each

Upon the allotment and issuance of the Consideration Shares on Completion, the Company will fall short of the public float requirement of the Catalist Rules. As such, in order to meet the public float requirement, the Company is proposing to undertake the Proposed Compliance Placement on Completion. Trading of the Shares on the SGX-ST will be suspended upon Completion. The suspension will continue until the completion of the Proposed Compliance Placement.

For illustration purposes, the issue price of each Compliance Placement Share shall be fixed at S\$0.3664 **(after the Proposed Share Consolidation)** which represents a discount of approximately 94.1% based on the last traded price of the Shares, being S\$6.20 (taking into account the consolidation ratio of every 100 existing Shares into one (1) consolidated Share) as at the last traded market day for the Company on 5 January 2016. As the issue price of each Compliance Placement Share is at a discount greater than 10% to the last traded price of the Shares, the Company will be seeking Shareholders' approval for the issue of the Consideration Shares at the Issue Price pursuant to Rule 811(3) of the Catalist Rules.

1.1.3. The Proposed Whitewash Resolution

Upon the allotment and issuance of the Consideration Shares on Completion, the Vendors, together with their concert parties, will incur an obligation to make a mandatory general offer for the Shares under Rule 14 of the Code unless such obligation is waived by the SIC. The Whitewash Waiver was obtained by the Vendors from SIC on 8 February 2019 and is subject to, among other things, the Proposed Whitewash Resolution being approved by the Shareholders at the EGM. Accordingly, the Company is seeking the approval of Shareholders for the Proposed Whitewash Resolution at the EGM.

1.1.4. The Proposed Disposal

On 5 November 2018, the Company announced that it had entered into the Disposal Agreement with Chia David and WCPL for the Proposed Disposal of the Group's Existing Business. As the relative figures computed on the bases set out in Rules 1006 of the Catalist Rules exceed 5% but do not exceed 50%, the Proposed Disposal could be classified as a discloseable transaction under Rule 1010 of the Catalist Rules. Notwithstanding this, the Company will be seeking the approval of Shareholders for the Proposed Disposal at the EGM.

LETTER TO SHAREHOLDERS FROM THE BOARD OF DIRECTORS OF THE COMPANY

1.1.5. Other Proposed Transactions

In conjunction with the actions listed above and in connection with the Proposed Acquisition, the Company is also seeking approval from Shareholders for (a) the Proposed Change of Name, (b) the Proposed Appointment of the Proposed New Directors, (c) the Proposed Adoption of the New Constitution, (d) the Proposed New Share Issue Mandate and (e) the Proposed Share Consolidation.

1.2. **Purpose of Circular**

The Company is seeking Shareholders' approval for the following:

- (a) the Proposed Acquisition;
- (b) the Proposed Issuance of the Consideration Shares;
- (c) the Proposed Issuance of the Introducer Shares;
- (d) the Proposed Compliance Placement;
- (e) the Proposed Disposal;
- (f) the Proposed Whitewash Resolution;
- (g) the Proposed Change of Name;
- (h) the Proposed Appointment of the Proposed New Directors;
- (i) the Proposed Adoption of the New Constitution;
- (j) the Proposed New Share Issue Mandate; and
- (k) the Proposed Share Consolidation,

(collectively, the “**Proposed Transactions**”).

The purpose of this Circular is to provide Shareholders with the relevant information relating to the Proposed Transactions for which the approval of Shareholders will be sought at the EGM. Shareholders' approval for the Proposed Transactions shall be sought by way of ordinary resolutions, except for the Proposed Change of Name and the Proposed Adoption of the New Constitution for which approval shall be sought by way of special resolutions.

This Circular has been prepared solely for the purposes set out herein and may not be relied upon by any persons (other than the Shareholders to whom this Circular is despatched to) or for any other purpose.

The SGX-ST assumes no responsibility for the accuracy of any of the statements made, reports contained or opinions expressed in this Circular.

1.3. **Conditionality of Resolutions**

Shareholders are advised that the Key Resolutions are inter-conditional. This means that if any of Ordinary Resolutions 1, 2, 3, 4, 5, 6, 7, 8, 11, and 12 and Special Resolutions 1, 2 and 3 are not approved, none of Ordinary Resolutions 1, 2, 3, 4, 5, 6, 7, 8, 11 and 12, and Special Resolutions 1, 2, 3 will be duly passed. Ordinary Resolutions 9 and 10 relating to the proposed appointment of Ms. Lim Choon Noi and Mr. Koh Choon Hui are conditional upon the passing of the Key Resolutions. The Key Resolutions are inter-conditional as the subject matter of the Key Resolutions will facilitate the conduct of business of the Enlarged Group upon Completion.

LETTER TO SHAREHOLDERS FROM THE BOARD OF DIRECTORS OF THE COMPANY

Additionally, the inter-conditionality of the proposed appointment of Mr. Neo Wee Han Victor, Mr. Lim Kian Sing, and Mr. Lee Han Chong, as Proposed New Directors with the other Key Resolutions underscore their key involvement in the Target Group. Shareholders' approval is required for the appointment of each of the Proposed New Directors under separate resolutions.

2. SUBMISSION TO THE SGX-ST

On 21 January 2019, the Sponsor had submitted the pre-admission notification to the SGX-ST. A copy of this Circular has been lodged by the Sponsor with the SGX-ST, acting as agent on behalf of the Authority, on 29 March 2019 for posting on the SGX-ST website.

Pursuant to Appendix 4F of the Catalist Rules, the SGX-ST is expected to issue a listing and quotation notice in respect of the Introducer Shares, Consideration Shares and the Compliance Placement Shares upon lodgement of this Circular with the SGX-ST, acting as agent on behalf of the Authority. In any event, no shares or units of shares, as the case may be, shall be allotted or allocated on the basis of this Circular later than 6 months after the date of lodgment of the Circular by the Authority.

It should be noted that the listing and quotation notice to be issued by the SGX-ST is not to be taken as an indication of the merits of the Proposed Transactions, the Company, the Group, the Target, the Target Group, the Enlarged Group, the Shares, the Consideration Shares or the Compliance Placement Shares.

3. THE PROPOSED ACQUISITION AND PROPOSED ISSUANCE OF CONSIDERATION SHARES

3.1. Overview

As announced on 5 November 2018, the Company had entered into the SPA with the Vendors for the Proposed Acquisition of the entire issued and paid-up share capital of the Target upon the terms and subject to the conditions of the SPA.

The Consideration of the Proposed Acquisition is S\$42,660,000, to be satisfied in full by the allotment and issuance of 11,642,995,836 Consideration Shares to the Vendors (and/or their designated nominees) at the Issue Price upon Completion.

The Proposed Acquisition constitutes a reverse take-over as set out under Rule 1015 of the Catalist Rules as the relative figure under Rule 1006(b) and Rule 1006(d) of the Catalist Rules exceed 100.0% and on Completion will result in the change in control of the Company. The Company will be seeking the approval of Shareholders for, among other things, the Proposed Acquisition and the Proposed Issuance of Consideration Shares at the EGM.

For illustration purposes, the Issue Price represents a discount of approximately 94.1% to the last traded price of the Shares, being S\$0.062, as at the last traded market day for the Company on 5 January 2016. As the Issue Price is at a discount greater than 10% to the last traded price of the Shares, the Company will be seeking Shareholders' approval pursuant to Rule 811(3) of the Catalist Rules under Ordinary Resolution 2. In this regard, the Company will also be seeking Shareholders' approval for the proposed share consolidation ratio, as calculated based on S\$0.062, being the last traded price of the Shares, for the Proposed Share Consolidation under Ordinary Resolution 11. Please refer to Section 11 of this Circular entitled "The Proposed Share Consolidation" for more details on the Proposed Share Consolidation.

LETTER TO SHAREHOLDERS FROM THE BOARD OF DIRECTORS OF THE COMPANY

Group Structure of the Company before the Proposed Acquisition and the Proposed Disposal

For the purposes of clarity, the group structure of the Company is set out as follows:-



3.2. Rationale

The Proposed Acquisition is in line with the Group's strategy to venture into a new business area that has the potential for growth. In view of the historical financial performance of the Group, the Company has been constantly looking to explore new investments, acquisitions, strategic alliances and/or joint ventures to grow and improve the quality of its business operations. The Proposed Acquisition represents a good opportunity for the Group to expand and diversify its businesses and operations, which will allow it to achieve a more consistent and sustainable financial growth. As a result of the Proposed Acquisition, the Company will be injected with the new businesses undertaken by the Target Group and the Board is of the opinion that the Company can expect an additional revenue stream and this will help the Company.

In view of the foregoing, the Board believes that the Proposed Acquisition will contribute positively to the future earnings of the Group and enhance Shareholders' value in the long term. Therefore, the Board is of the view that the Proposed Acquisition is beneficial to the Company, and likely to enhance the long term interests of Shareholders of the Company.

Further, as the continuing sponsor of the Company, Hong Leong Finance Limited, had on behalf of the Company, applied for a further extension of time from 31 December 2018 to 30 April 2019 for the Company to submit a proposal pursuant to Rule 1304 of the Catalist Rules to the SGX-ST. As announced on 24 December 2018, the SGX-ST informed the Company on 21 December 2018, that it has no objection to granting the extension, and the Company will endeavour to submit the resumption proposal to the SGX-ST by 30 April 2019. This Proposed Acquisition is therefore in line with the Company's efforts to resume trading.

3.3. Information on the Target and the Vendors

The Target is a private company incorporated in Singapore on 20 August 2018 and its entire issued and paid up share capital are legally and beneficially owned by the Vendors. As at LPD, L3N Capital Pte. Ltd. holds 77.40% of the shares in the Target, Neo Wee Han Victor holds 8.20% of the shares in the Target, and Lim Kian Sing and Lee Han Chong each hold 7.20% of the shares in the Target.

The Vendors are not related to the Directors or controlling shareholders of the Company or their respective associates and do not hold any shares in the Company. The Vendors were introduced to the Company by Goh Way Siong (the "Introducer"). Further details of the Introducer are set out

LETTER TO SHAREHOLDERS FROM THE BOARD OF DIRECTORS OF THE COMPANY

in Section 3.5 of the Circular. The Vendors will remain in the management of the Target post-completion of the Proposed Acquisition.

As a condition to the Proposed Acquisition, the Vendors and the Target carried out such restructuring (the “**Restructuring**”) that has resulted in the Target holding the issued and paid up share capital of the following companies as illustrated in **Figure 1** below:

- (a) Revez Motion Pte. Ltd. (100%);
- (b) Revez Pte. Ltd. (100%);
- (c) IOIO Lab Pte. Ltd. (80%); and
- (d) Newood Design Pte. Ltd. (51%),

(collectively, the “**Target Subsidiaries**” and together with the Target, the “**Target Group**”).

FIGURE 1: STRUCTURE OF TARGET GROUP AS AT LPD



Further, the Vendors have, on 31 January 2019, incorporated an investment holding company (“**L3N Capital Pte. Ltd.**”). As at the Latest Practicable Date, Neo Wee Han Victor, Lim Kian Sing and Lee Han Chong own shares equally in L3N Capital Pte. Ltd. Upon the issuance of the Consideration Shares, the shareholding shall be as follows:

- L3N Capital Pte. Ltd. will own (i) 9,010,880,523 Shares (61.77% shareholding in the Company) after Completion and before the Proposed Share Consolidation and the Proposed Compliance Placement; and (ii) 90,108,805 Shares (53.80% shareholding in the Company) after Completion, the Proposed Share Consolidation and the Proposed Compliance Placement;
- Neo Wee Han Victor shall hold (i) 954,991,743 shares in the Company (representing 6.55% of shareholding in the Company) after Completion and before the Proposed Share Consolidation and the Proposed Compliance Placement; and (ii) 9,549,917 shares in the Company (representing 5.70% of shareholding in the Company) after Completion, the Proposed Share Consolidation and the Proposed Compliance Placement;
- Lim Kian Sing shall hold (i) 838,561,785 shares (representing 5.75% of shareholding in the Company) after Completion and before the Proposed Share Consolidation and the Proposed Compliance Placement; and (ii) 8,385,617 shares in the Company (representing 5.01% of shareholding in the Company) after Completion, the Proposed Share Consolidation and the Proposed Compliance Placement; and

LETTER TO SHAREHOLDERS FROM THE BOARD OF DIRECTORS OF THE COMPANY

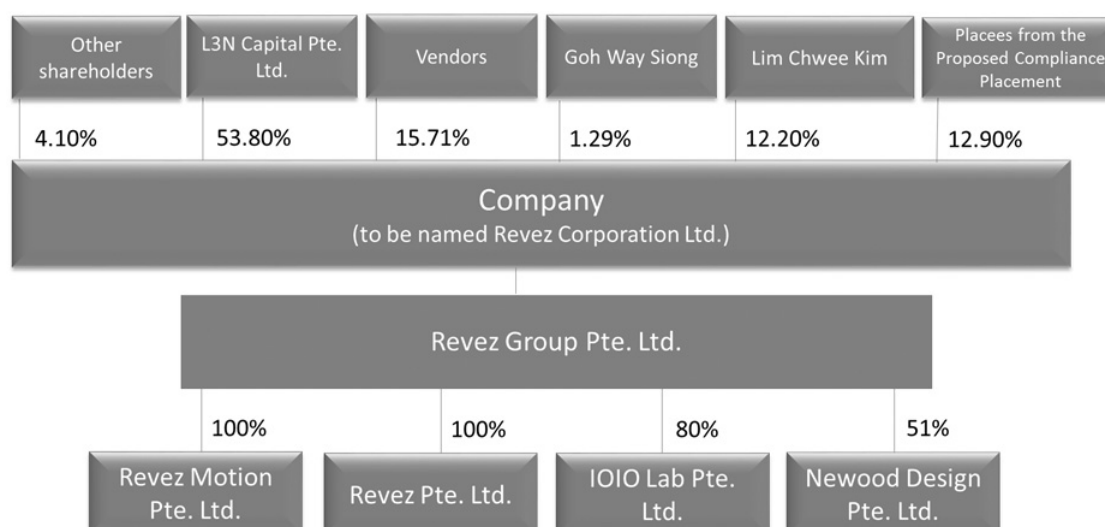
- Lee Han Chong shall hold (i) 838,561,785 shares (representing 5.75% of shareholding in the Company) after Completion and before the Proposed Share Consolidation and the Proposed Compliance Placement; and (ii) 8,385,617 shares in the Company (representing 5.01% of shareholding in the Company) after Completion, the Proposed Share Consolidation and the Proposed Compliance Placement.

As at the LPD, the Target Group specialises in the design and development of integrated suite of solutions by tapping on new technology, immersive multimedia, Artificial Intelligence (“AI”), Internet of Things (“IoT”), Information and Communications Technology (“ICT”), Software-as-a-Service (“SAAS”), and Creative & Content Service. The design and implementation of an integrated suite of solutions significantly transforms brand experience, communication and engagement, together with its add-on solutions that enhance the productivity and operations of the organisation. Within the Research & Development (“R&D”) arena, the Target Group engages an Intellectual Property-centric strategy to achieve continued growth and expansion by exploring the possibilities of adopting new media and technology, and continuously working on new innovative solutions and building an intellectual property portfolio.

Please refer to Section 23 of the Target Letter entitled “Directors and Executive Officers of the Target Group” for more information on the Vendors.

Following the incorporation of L3N Capital Pte. Ltd., Completion, the Proposed Share Consolidation and the Proposed Compliance Placement, the Enlarged Group structure shall be as set out under **Figure 2**:

FIGURE 2: PROPOSED GROUP STRUCTURE OF ENLARGED GROUP



3.4. Principal Terms of the Sale and Purchase Agreement

Sale Shares

Pursuant to the SPA, the Vendors have agreed to sell to the Company and the Company has agreed to purchase from the Vendors the Sale Shares on the terms and subject to the conditions contained in the SPA, free from all and any encumbrances together with all rights, dividends, entitlements and benefits attaching thereto as at completion of the Proposed Acquisition (“Completion”).

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3.4.1. Purchase Consideration

The Purchase Consideration for the Sale Shares shall be S\$42,660,000, which shall be satisfied in full by the allotment and issuance of the Consideration Shares by the Company to the Vendors (and/or its designated nominees). In arriving at the Purchase Consideration, Parties agree to take into account the current valuation of the Target Group which amongst others, shall be based on the annualised unaudited net profits before tax of the Target Group and the price-earnings ratio of 15.8. The basis of the current valuation at price-earnings ratio of 15.8 was determined based on a willing-buyer willing-seller basis after arm's length negotiation between the Parties. In addition, the Board notes that such Purchase Consideration was not out of line with market comparables based on the market data available at the time of the negotiation. The Parties have agreed that the annualised unaudited net profits before tax of the Target Group based on the Target Group's 9-month financial period (from January 2018 to September 2018) shall be fixed at the sum of S\$2,700,000, and the Purchase Consideration shall not be subjected to adjustment nor reimbursement from or to either Party in the event the valuation reports report a higher or lower figure.

The Purchase Consideration shall be satisfied by the Company through the issuance of Consideration Shares at approximately S\$0.003664 per Consideration Share (the "**Issue Price**"). The Issue Price of S\$0.003664 was derived after taking into consideration the value of the Company of S\$10 million (agreed on a willing seller willing buyer basis) and the total number of Shares in issue as at 31 December 2018, being 2,729,253,595 Shares.

The Consideration Shares shall be issued as fully-paid shares and rank *pari passu* in all respects with and carry all rights similar to the shares in issue then, except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls on or before the date of issue of the Consideration Shares.

For illustration purposes, the Issue Price represents a discount of approximately 94.1% to the last traded price of the Shares, being S\$0.062, as at the last traded market day for the Company on 5 January 2016. As the Issue Price is at a discount greater than 10% to the last traded price of the Shares, the Company will be seeking Shareholders' approval pursuant to Rule 811(3) of the Catalist Rules under Ordinary Resolution 2. In this regard, the Company will also be seeking Shareholders' approval for the proposed share consolidation ratio, as calculated based on S\$0.062, being the last traded price of the Shares, for the Proposed Share Consolidation under Ordinary Resolution 11.

3.4.2. Restructuring

The Vendors and the Target has completed the Restructuring, resulting in the Target holding the entire issued and paid up share capital of the Target Subsidiaries.

Please refer to Section 2.3 of the Target Letter entitled "Restructuring" for more information on the Restructuring.

3.4.3. Conditions Precedent to the Proposed Acquisition

Completion of the Proposed Acquisition shall be conditional upon, amongst others, the following conditions being satisfied on or before Completion ("**Conditions Precedent**"):

- (a) the completion of the Restructuring of the Target Group;
- (b) the completion of a legal, business and financial due diligence review of the Target Group by the Company and/or its appointed advisers, including the provision of valuation reports with regard to the valuation of the Target Group which comply with the requirements of the SGX-ST, the outcome of which is to be satisfactory to the Company for the purposes of the Proposed Acquisition;

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- (c) the rectification, or the procurement of such rectification, to the satisfaction of the Company by the Vendors, of all issues or irregularities uncovered by the Company during the legal, business and financial due diligence review of the Target Group;
- (d) the completion of a legal, business and financial due diligence review of the Company by the Vendors and/or their appointed advisers, the outcome of which is to be satisfactory to the Vendors for the purposes of the Proposed Acquisition;
- (e) the Proposed Acquisition on the terms set out in the SPA being approved by the Sponsor (i.e. the Sponsor being satisfied that such terms are in compliance with the Catalist Rules) and the SGX-ST as (part of) a reverse takeover by the Company pursuant to Part VIII, Chapter 10 of the Catalist Rules, as relevant, and where approval from the SGX-ST is obtained subject to any conditions, such conditions being reasonably acceptable to the Parties;
- (f) the Securities Industry Council of Singapore ("**SIC**") having granted the Vendors and their concert parties (and not having revoked or repealed such grant) a waiver of their obligation to make a mandatory general offer under Rule 14 of the Singapore Code on Take-overs and Mergers ("**Takeover Code**") for the shares of the Company not held by them and their concert parties and from having to comply with the requirements of Rule 14 of the Takeover Code, subject to (a) any conditions that the SIC may impose, provided that such conditions are reasonably acceptable to the Vendors; and (b) the independent Shareholders of the Company ("**Independent Shareholders**") approving at a general meeting of the Company the proposed ordinary resolutions of the Company which if passed by the Independent Shareholders would result in a waiver by the Independent Shareholders of their right to receive a mandatory general offer from the Vendors and parties acting in concert with them in connection with the issue of the Consideration Shares under the Proposed Acquisition ("**Whitewash Resolution**");
- (g) the approval of the Shareholders of the Company being obtained at an extraordinary general meeting of the Company (or any adjournment thereof) to be convened, in respect of:
 - (i) the Proposed Acquisition on the terms set out in the SPA;
 - (ii) the Proposed Compliance Placement (as defined below);
 - (iii) the issuance and allotment of the new Shares in respect of the Proposed Acquisition;
 - (iv) the change of name of the Company to such name as may be determined by the Vendors (subject to prior approval for the new name being obtained from the Accounting and Corporate Regulatory Authority of Singapore);
 - (v) the Whitewash Resolution;
 - (vi) the consolidation of the issued and paid up ordinary shares in the capital of the Company (the "**Shares**") of the Company following Completion, at a ratio to be advised by the Sponsor;
 - (vii) the proposed new general share issue mandate;
 - (viii) the proposed amendments to the Company's constitution ("**Constitution**"), if any;
 - (ix) the proposed appointment of new directors of the Company;
 - (x) the proposed disposal by the Company of all subsidiaries of the Company including White Cubic Pte. Ltd. on the terms and subject to the conditions of the disposal agreement ("**Proposed Disposal**"); and

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- (xi) such other corporate action(s) in connection with the Proposed Acquisition as may be necessary.
- (h) the listing and quotation notice of the Consideration Shares, Compliance Placement Shares (as defined below) and Introducer Shares (as defined below), on the Catalist being obtained from the SGX-ST and not revoked or withdrawn on or prior to Completion and, where such approval is subject to conditions, such conditions being reasonably acceptable to the Company and the Vendors as confirmed by the Parties;
- (i) the allotment, issue and subscription of the new Shares as at completion not being prohibited by any statute, order, rule or regulation promulgated after the date of the SPA by any legislative, executive or regulatory body or authority of Singapore which is applicable to the Company;
- (j) the Vendors being reasonably satisfied, as at completion, that the Consideration Shares, Introducer Shares and Compliance Placement Shares will be admitted to and listed for quotation on the Catalist without undue delay after completion;
- (k) the approval of the shareholders of the Vendor (where applicable) being obtained at a general meeting of the Vendor (or any adjournment thereof) to be convened, in respect of the sale by the Vendor of the Sale Shares on the terms set out in the SPA;
- (l) the appointment of such directors nominated by the Vendors, including the appointment of Neo Wee Han Victor as Executive Director and Board Chairman, Lim Kian Sing as Executive Director, Lee Han Chong as Executive Director and Lim Chwee Kim as Non-Executive Director, to form the Company's Board on the date of Completion provided always that (i) the directors nominated by the Vendor shall be subject to the review of the Sponsor and nominating committee of the Company; and (ii) the right of the Vendor to nominate the directors shall at all times be subject to the prevailing laws in Singapore and the Constitution, including the requirement for retirement by rotation and re-election of such directors and the appointment and removal of such directors as prescribed by law and the Constitution;
- (m) such consents, approvals or waivers as may be required (or deemed necessary by the Parties hereto) being obtained from any other person(s), including but not limited to any governmental, regulatory body or competent authority having jurisdiction over the Parties in respect of the transactions contemplated in the SPA and such consents, approvals or waivers not having been amended or revoked before Completion or the long-stop date of 30 June 2019 ("**Long-Stop Date**") (whichever is earlier) and if any such consents, approvals or waivers are subject to conditions, such conditions being reasonably acceptable to the Parties;
- (n) the Target Group meeting and complying with all the requirements for listing on the Catalist;
- (o) the receipt of a notification by the SGX-ST confirming that it has no further comments to the Company's draft shareholders' circular prepared in relation to the Proposed Acquisition and the compliance by the Company of all the conditions which may be imposed by the SGX-ST in connection thereto;
- (p) all representations, undertakings and warranties of the Vendors and the Company under the SPA being complied with, true, accurate and correct as at the date of the SPA and as at Completion or the Long-Stop Date (whichever is earlier), unless expressly specified otherwise;

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- (q) no relevant government authority taking, instituting, implementing or threatening to take, institute or implement any action, proceeding, suit, investigation, inquiry or reference, or making, proposing or enacting any statute, regulation, decision, ruling, statement or order or taking any steps to do so, and there not continuing to be in effect or outstanding any statute, regulation, decision, ruling, statement or order which would or might:
 - (i) make the transactions contemplated under the SPA void, illegal and/or unenforceable or otherwise frustrate or be adverse to the same; and/or
 - (ii) render the Company being unable to acquire all or any of the Sale Shares or control the Target;
- (r) the Vendors and Company not having received notice of any injunction or other order, directive or notice restraining or prohibiting the consummation of the transactions contemplated by the SPA, and there being no action seeking to restrain or prohibit the consummation thereof, or seeking damages in connection therewith, which is pending or any such injunction, order or action which is threatened.
- (s) completion of the Proposed Disposal;
- (t) the Company being free from all liabilities, contingent or otherwise, save for:
 - (i) the costs and expenses incurred in the ordinary course of the Company's business, including the usual administrative and operational costs and expenses for the maintenance of the Company as a company listed on the Catalist and the existing liabilities of the Company, which is subject to further accrual (the total of which shall be capped at S\$1,422,161.93);
 - (ii) the costs and expenses in connection with the proposed transactions contemplated in the SPA (including all properly and reasonably incurred fees, costs and expenses charged by or of parties rendering professional advice and/or in connection with the acquisition of the Sale Shares and other transaction costs which shall not exceed a total value of S\$1,000,000), details of which are set out in the SPA; and
 - (iii) the potential third party claim against the Company by EQ Insurance Company Ltd. amounting to S\$395,183.50 as set out in Section 16.
- (u) there being no material adverse change, or events, acts or omissions likely to lead to such a change, in the business, assets, prospects, performance, financial position or results of operations of the Target Group from the date of the SPA;
- (v) approval of the respective boards of directors of the Target and the Company for the Proposed Acquisition; and
- (w) the delivery of the disclosure by the Vendors to the Company and the Company being satisfied with the contents thereof of the disclosure letter as at Completion (which shall include, by reference, any disclosures pertaining to Target Group and the business(es) of the Target Group as will be found in the Shareholders' circular to be issued by the Company in connection with the acquisition of the Sale Shares).

3.4.4. IOIO Lab Pte. Ltd.

Pursuant to the SPA, the Parties agree that at any time after Completion, in relation to IOIO Lab Pte. Ltd. ("**IOIO Lab**"), where the revenue for IOIO Lab in a financial year amounts to or exceeds S\$3 million, the minority shareholder of IOIO Lab is entitled to purchase up to 25% of the issued and paid-up capital of IOIO Lab from the Target Group for a consideration of S\$75,000. Save as disclosed, there are no other material terms and conditions attached to this transfer. The

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consideration was determined based on the revenue of IOIO Lab amounting to S\$3,000,000 and a gross profit of 10%. At this stage, whilst the Target Group is unable to quantify the potential resulting dilution to the Enlarged Group's shareholding in IOIO Lab, the expected maximum impact to the Enlarged Group's shareholding in IOIO Lab would be a decrease from 80% (as at present) to 75% (upon the occurrence of the aforesaid event). There are no termination events pertaining to this agreement, save by termination by mutual agreement between parties.

3.4.5. Royalty Fees

- (a) In consideration of the Vendors, as inventors of patents (both granted and pending grant) under the Target Group, allowing the said patents to remain as intellectual properties under the Target Group even though the same had been omitted from the valuation of the Target Group, the Parties agree that after Completion, the Vendors shall be entitled to a royalty fee of up to 15% for revenue generated by Enlarged Group from any of the said patents, pursuant to a royalty fee agreement commencing on 18 January 2018. The quantum of 15% was derived based on the Target Group's assessment that the patents are not meant for mass production and that the Enlarged Group shall be entitled to full exclusivity. The Company will comply with the relevant Catalist Rules in relation to announcements and/or seeking of specific shareholders' approval in the event that the royalty fees payable exceeds the 3% or 5% threshold. For the avoidance of doubt, the Company will seek Shareholders' approval for entry into interested person transactions in compliance with Chapter 9 of the Catalist Rules.
- (b) Particulars of the said patents are as follows: 10201510006Q (Guide Information Method and System), 10201600661W (Method and System for Determining Route Value), 10201605168R (Method and System for Determining Route Value) and 10201800832W (Method and System for Determining Route Value). The royalty fees shall be paid to the Vendors for as long as the patent is valid. For the avoidance of doubt, this clause in the SPA pertaining to the royalty fees to be paid to the Vendors, shall survive the termination or expiration of the SPA.
- (c) The patents were not taken into account when assessing the valuation of the Target Group as no revenue had been generated from the said patents till date.
- (d) There are no termination events pertaining to the royalty fees to be paid to the Vendors pursuant to the royalty fee agreement, save for the expiry of these patents.

3.4.6. Long-Stop Date

If any of the Conditions Precedent is not fulfilled or waived by the relevant Party by the Long-Stop Date of the SPA (or such other date and time as the parties may agree in writing), the SPA shall automatically terminate and (save as provided in the SPA, or for any antecedent breach of the SPA) none of the parties shall have any claim against any other Party for costs, damages, compensation or anything whatsoever.

3.4.7. Completion

- (a) Completion shall fall on a date no later than 5 business days after the fulfilment (or waiver) of the Conditions Precedent (or such other date as may be agreed in writing between the Parties).
- (b) On Completion, the Company, as agreed, shall allot and issue 215,583,741 new ordinary shares (the "**Introducer Shares**"), amounting to a total share value of approximately S\$0.8 million and representing approximately 1.48% of the enlarged share capital of the Company (following the Proposed Acquisition but prior to the Proposed Compliance Placement) at the Issue Price to the Introducer.

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3.4.8. Dividend

- (a) Pursuant to the SPA, following Completion, the Vendors shall be entitled to dividends amounting to S\$1,650,000 from the retained earnings of the Target Group as at 30 September 2018 (“**Dividend Payment**”), in connection with the Proposed Acquisition, provided always that the enlarged group comprising the Purchaser and the Target Group after Completion has sufficient working capital to meet its present requirements.
- (b) In line with the condition set out under Section 3.4.8(a) above and to ensure that the working capital is sufficient for the next twelve (12) months, the Enlarged Group shall provide an undertaking as follows: -
 - (i) The Enlarged Group cannot draw down on bank loans to make the Dividend Payment;
 - (ii) The Enlarged Group’s working capital requirements should be met before making the payment (whether in full or partial payments); and
 - (iii) The placement proceeds from the Proposed Compliance Placement will not be used to make the Dividend Payment.
- (c) The New Audit and Risk Committee of the Enlarged Group shall ensure compliance with the undertaking set out above, by monitoring the cash flows of the Enlarged Group (Please refer to the roles and responsibilities of the New Audit and Risk Committee set out under Section 23.6 of Appendix A to the Circular).

3.4.9. Independent Valuation

Pursuant to Rule 1015(3)(a) of the Catalist Rules, the Company has commissioned the Independent Business Valuer to undertake an independent valuation of the Target Group’s Business (the “**Independent Valuation**”).

The Independent Business Valuer has assessed the fair value of the Sale Shares to be between S\$39.7 million and S\$43.2 million as at 30 September 2018 (“**Fair Value Range**”).

The Independent Business Valuer has applied the following valuation approaches:

- (i) The income approach, which utilises discounted cash flow analysis and is premised on the principle that the value of a company, division, business, or collection of assets can be derived based on the present value of its projected free cash flow; and
- (ii) The market approach (as a secondary methodology), which utilises comparable companies analysis and determines the value of a company’s business by referencing to available market information, such as trading multiples of comparable publicly listed companies.

The Independent Valuation does not take into consideration of the value of investment property (office building at 18 Howard Road, Novelty BizCentre) owned by Revez Motion Pte. Ltd. Please refer to Appendix G of this Circular entitled “Valuation Letter Prepared by the Independent Business Valuer” for further details. The full text of the reports of the Business Valuation Report will be made available for inspection at the principal place of business of the Company during normal business hours for a period of six (6) months from the date of this Circular.

3.4.10 Purchaser’s Undertaking in relation to the Proposed Compliance Placement

The Purchaser represents, warrants and undertakes to the Vendors that it will raise gross proceeds amounting to no less than S\$7,922,161.93¹ from the Proposed Compliance Placement, provided that such new Shares are not issued at a discount to the Issue Price (before the Proposed Share Consolidation) of S\$0.003664;

¹ This figure is derived based on 21,621,621 Compliance Placement shares, at a Placement Issue Price of S\$0.3664 for each share issued pursuant to the Compliance Placement.

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3.5. Information on the Introducer

The Introducer, is a business owner of an advisory firm that specialises on technology related companies. He has a wealth of experience in asset management and international business advisory matters. In relation to the Proposed Acquisition, the Introducer Shares are issued as consideration for his services for introducing the Company to the Target. The Introducer fee paid in the form of Introducer Shares, was arrived at after negotiations between the Introducer, Vendors and the Company at arm's length and took into account, the services provided by the Introducer, which amongst others, includes acting as a liaison between the Company and the Target to provide the necessary information for the purposes of the Proposed Acquisition and formulating, organising and conducting the negotiation process between the Company and the Vendors to facilitate the transactions contemplated in connection with the Proposed Acquisition.

As at the Latest Practicable Date, the Introducer does not hold any Shares in the Company. The Introducer is not related to any of the directors or substantial holders of the Company and the Target Group, or their respective associates. The Introducer is not co-operating or acting in concert with any other shareholders of the Company to obtain or consolidate effective control of the Company through the Introducer Shares. Save for the services provided by the Introducer in relation to the Proposed Acquisition as set out above, there is no past or present connection (including business relationship) between the Company, its subsidiaries, its Directors or substantial shareholders, the Target Group, the Target Group Directors and the Introducer.

The Company intends to seek the specific approval of Shareholders for the allotment and issue of the Introducer Shares at the EGM in accordance with Rules 805(1) and 811(3) of the Catalist Rules and Section 161 of the Companies Act. The Company will be making an application to the SGX-ST through the Sponsor for the listing of and quotation for the Introducer Shares on the Catalist, and will make the necessary announcement upon receipt of the listing and quotation notice from the SGX-ST.

3.6. Reverse Take-Over Transaction

The relative figures in relation to the Proposed Acquisition are computed on the applicable bases set out in Rule 1006 of the Catalist Rules, based on the Group's announced unaudited consolidated financial statements for the 6-month financial period ended 30 June 2018 ("HY2018"), and the pro-rated to 6 months' from the audited interim combined financial statements for Target Group for the 9-month period ended 30 September 2018 as follows:

Rule 1006	Bases	Relative Figures for the Proposed Acquisition
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value.	Not applicable ⁽¹⁾
(b)	The net profits ⁽²⁾ of S\$1,547,551 ⁽⁶⁾ attributable to the Sale Shares, compared with the Group's net losses of S\$261,578.	(591.6%)
(c)	The aggregate value of the consideration given, compared with the Company's market capitalisation.	25.21% ⁽³⁾
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	426.6% ⁽⁴⁾
(e)	The aggregate volume or amount of proven and probable reserves to be disposed of, compared with the aggregate of the Group's proven and probable reserves.	Not applicable ⁽⁵⁾

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Notes:

- (1) This basis is not applicable as the Company is not disposing of any assets pursuant to the Proposed Acquisition.
- (2) "Net profits" means profit before income tax, minority interests and extraordinary items.
- (3) The market capitalisation of the Company is calculated on the basis of the number of ordinary Shares in issue (excluding treasury shares) as at the date of the announcement, and the volume-weighted average price for such Shares transacted on the last market day on which Shares were traded immediately preceding the date of the SPA. The last traded market day for the Company was on 5 January 2016 at last traded price of S\$0.062.
- (4) The number of consideration shares to be issued by the Company in relation to the Proposed Acquisition is 11,642,995,836. The number of Shares in issue as at 30 June 2018 is 2,729,253,595.
- (5) This is not applicable as the Proposed Acquisition is not an acquisition of mineral, oil or gas assets.
- (6) The audited net profits of the Target Group for the 9-month period ended 30 September 2018 was S\$2,321,326.

As the relative figure computed on the bases set out under Rule 1006(b) and Rule 1006(d) of the Catalist Rules exceeds 100% and given that the Completion will result in a change in control of the Company, the Proposed Acquisition is classified as a "Reverse Takeover" and shall be conditional upon, *inter alia*, the approval of Shareholders at the EGM to be convened pursuant to Rule 1015 of the Catalist Rules.

3.7. Risk Factors

Shareholders and prospective investors should carefully evaluate each of the following considerations and all of the other information set forth in this Circular. Some of the following considerations relate principally to the industry in which the Target Group operates and its businesses in general. Other considerations relate principally to general economic and political conditions.

Shareholders should also note that certain of the statements set forth below constitute "forward-looking statements" that involve risks and uncertainties. If any of the following risk factors and uncertainties develops into actual events, the Target Group and its business, financial condition, results of operations or cash flows may be adversely affected. In such circumstances, the trading price of the shares of the Company could decline and Shareholders may lose all or part of their investment.

Save as disclosed below, to the best of the Directors' and the Proposed New Directors' knowledge and belief, all risk factors which are material to Shareholders in making an informed judgment of the Target Group and the Proposed Acquisition have been set out in this Circular. Following Completion, the risk factors in relation to the Target Group will also be relevant to the Enlarged Group. If any of the following considerations and uncertainties develops into actual events, the business, financial condition or results of operations of the Enlarged Group could be materially and adversely affected. In such circumstances, the trading price of the Company's Shares could decline and investors may lose all or part of their investment.

(a) General Risk Factors relating to the Target Group, its business and industry

(i) **Technology is constantly improving and current technology may become obsolete**

There is a variety of technologies and methods available when dealing with the design and development of an integrated suite of solutions to transform brand experience and enhance an organisation's operations and productivity. The development and deployment of new technologies may also bring about new competitors and may influence the supply and demand of existing types of technology products and methods that the Target Group's Business will provide. New technology may render the technology currently in use uncompetitive (or non-

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competitive) or obsolete. The challenge for the Target Group's Business is to keep abreast of technological changes and ensure the relevance of the technologies and businesses that the Target Group's Business is engaged in. If the Target Group's Business does not keep up with technological changes, the Enlarged Group's business, financial condition, results of operations, and prospects may be materially and adversely affected.

(ii) **The continued success of the Target Group's Business and the timely completion of the projects handled by the Target Group is largely dependent on the ability of the Target Group to attract and retain qualified personnel**

The Target Group's operations require skilled personnel to deliver services and treatment. One of the key success factors of the Target Group's Business is the continued services of the management team and skilled employees. Having a team of experienced management staff and skilled personnel is critical in maintaining the quality of the Target Group's services and its relationship with the Target Group's customers. There is no assurance that the Target Group will be able to attract the necessary skilled personnel or that the Target Group will be able to retain and motivate the skilled personnel whom the Group has trained at its cost or that suitable replacements can be found for skilled personnel that leave. If the Target Group is unable to continue to attract, retain and motivate skilled employees, it could adversely affect the quality of services and treatments and the ability to compete effectively and to grow the Target Group's Business. A high employee turnover rate could also result in customers being regularly assigned new personnel thereby causing project delays, and potentially hampering the formation of strong customer relationships.

(iii) **If the Group fails to continue to innovate and provide effective solutions to attract and retain clients, it may lose customers and in turn, its financial performance may be adversely affected**

The Group's success depends on its ability to continue to provide effective efficient solutions that enable clients to have reliable applications and to have a high-quality experience. As such, the Group may need to invest significant resources in research and development to enhance its information technology solutions and to introduce high-quality products and services and enhance user experience in the highly dynamic operational environment. If the Group is unable to anticipate client's preferences or industry changes, or if it is unable to modify its solutions on a timely basis, and / or fails to innovate in adapting to the fast-changing tech-driven operational environment, the Target Group's Business and future financial performance will be adversely affected.

(iv) **Revenue for the Target Group's Business is dependent on the Target Group's ability to source new and advanced technology applications and systems and provide up-to-date proprietary solutions which meet customers' requirements**

New media and technology are subject to continuous development and upgrade. New products utilising more up-to-date and advanced technology are constantly being developed and new systems and applications with advanced features and functions are constantly introduced to the market at a rapid pace. The Target Group's ability to maintain its competitiveness is largely dependent on the Target Group's ability to continue to source new and advanced technology applications and systems, and provide up-to-date proprietary solutions which meet the Target Group's customers' requirements. The Target Group may face continuous developments and growing demands in relation to IT requirements and platforms (programming language may vary etc.). The Target Group's profits may be adversely affected in the event that the Target Group is unable to respond to the rapidly changing market trend or innovative development in the information technology market.

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(v) **Our customers may not pay us in a timely manner or at all**

We may face uncertainties over the timeliness of our customers' payments and their ability to pay, which may be affected by events or circumstances that are difficult to foresee or anticipate, such as a decline in their business or an economic downturn. We are also exposed to the risk of bad debts when our customers face financial difficulties such as bankruptcy, insolvency or insufficient working capital, or if they dispute, decline, neglect or fail to fulfil their payment obligations to us. As such, there is no assurance that we will be able to collect our trade debts fully or at all or within a reasonable period of time. In such circumstances, we may be required to make provisions for doubtful debts or write-offs of bad debts, which may have an adverse effect on our financial position and financial results. During the Period Under Review, the Target Group has not encountered any such incident which resulted in a material adverse impact on its financials and operations.

Please refer to Section 7.1 of the Target Letter entitled "Credit Policy and Management" which sets out the trade receivables aging for each of the financial periods during the Period Under Review. Section 7.1 of the Target Letter also sets out the write-off policy put in place by the Target Group in relation to the writing off of any bad debts by the Group. Save as disclosed in the Target Letter, no customers' debts were written-off for the Target Group during the Period Under Review.

(vi) **There is no assurance that there is recurring revenue since the customers of the Target Group are usually engaged on a project basis**

The Target Group's revenue is mainly generated on an order by order basis and there may not be a continuous and steady source of revenue to be generated by the Target Group's Business. As the Target Group's customers are generally not bound to the Target Group by long-term contracts nor exclusive agreements, the maintenance of close and satisfactory relationships with the Target Group's major customers is important to the success of the Target Group. The following are examples of situations, among others, where the Target Group's profitability may be affected by its customers' decisions: -

- a decision by the Target Group's customers to scale down their business projects; and
- a reduction in the reliance by the Target Group's customers on the Target Group.

Any of the above situations will result in a reduction of the Target Group's customers' demand for its services, thereby adversely affecting the Target Group's revenue and profitability. The Target Group's financial results will be materially and adversely affected if the conditions of the markets in which the Target Group operates worsen or if the Target Group is unable to secure sufficient orders.

(vii) **The Target Group may face potential delays in the process of ensuring that the IT solutions are designed according to contract specifications and requirements, and to meet security standards**

As part of its quality assurance measures, the Target Group allows its end customers to test the software to ensure that it is of a certain standard and able to handle the required tasks, according to contract specifications and requirements, and to meet security standards. Where the Target Group has not been able to adhere to contract specifications and requirements or meet the requisite security standards, this may cause delays which would result in increased costs, and adversely affect the business, financial condition and results of operations of the Target Group.

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While this is a risk factor, the Target Group has not, during the Period Under Review, encountered any such incident which resulted in a material adverse impact on its business, financial condition and results of operations.

(viii) **The Target Group does not enter into exclusive service agreements with any of the Target Group's suppliers**

Most of the Target Group's service agreements are not exclusive. For these non-exclusive agreements, other IT solution providers can offer similar services and compete with the Target Group in the same markets that it operates in. While the Target Group intends to maintain its existing good working relationships with its suppliers for the foreseeable future, there can be no assurance that these relationships will remain unchanged. The appointment of other vendors by the suppliers in the markets in which the Target Group operates will also adversely affect our sales and profitability.

(ix) **The Target Group is at exposure to risks associated with acquisitions, joint ventures, partnerships, cooperation and strategic alliances**

Depending on available opportunities, feasibility and market conditions, the Group's expansion into the Target Group's Business may involve acquisitions, joint ventures, partnerships, cooperation or strategic alliances with third parties in overseas market that the Target Group intends to focus on. There is no assurance that such acquisitions, joint ventures, partnerships, cooperation, strategic alliances or the joint management of such enterprises will be successful. Participation in joint ventures, partnerships, cooperation strategic alliances, acquisitions or other investment opportunities involves numerous risks, including the possible diversion of management attention and loss of capital or other investments deployed in such ventures, alliances, acquisitions or opportunities.

(x) **The Target Group faces competition from existing competitors and new market entrants in the Target Group's Business**

The IT industry in Singapore is highly competitive, with various small to medium sized service providers and a few large established players. The barrier to entry into the information technology industry is relatively high as the market is highly fragmented and many of the software vendors are in the Asia-Pacific region. There is a limited number of global software vendors who have a combination of key technical expertise and supply network to serve global customers who require integrated solutions. While there are no directly comparable competitors to the Target Group, there are a number of companies that offer similar services in certain segments of the Target Group's business.

Thus, the Target Group's Business faces competition from established industry participants who may have larger financial resources or a stronger track record. The Target Group may not be able to provide comparable services at lower prices or respond more quickly to market trends than potential or existing competitors who may have larger financial resources and stronger track records. Further, new competitors may enter the industry resulting in increased competition or saturation. There is no assurance that the Target Group can compete successfully against its existing or potential competitors now or in the future. To compete effectively, the Target Group will have to offer more competitive pricing or differentiate itself by adopting more creative marketing strategies. In the event that the Target Group fails to do so, the Target Group's business, financial condition, results of operations and prospects may be adversely affected.

(xi) Intellectual Property infringement by or against the Target Group could seriously harm the Target Group due to substantial costs incurred

It is possible that competitors may infringe on the patent rights owned by the Target Group, or adopt trade or service names similar to the Target Group and the Target Group may not be able to completely prevent any infringement of its intellectual property rights notwithstanding that the Target Group may have registered certain trademarks and patents. As a result, the goodwill generated by the Target Group's brands may be eroded and business may be adversely affected. There can be no assurance that third parties will not initiate litigation against the Target Group alleging infringement of their proprietary rights. Any claim or litigation against the Target Group in respect of infringement of intellectual property rights of third parties, whether with or without merit, could result in a diversion of resources and the Target Group's financial results or operations may be adversely affected. Any litigation of this nature, regardless of outcome or merit, could result in substantial costs and diversion of management and technical resources, any of which could adversely affect the Target Group's business, financial condition and results of operations.

While this is a risk factor, the Target Group has not, during the Period Under Review, encountered any such incident which resulted in a material adverse impact on its business, financial condition and results of operations.

(xii) There can be no assurance that research and development efforts by the Target Group will yield the desired results

The Target Group's investments in research and development might be made in unproven technologies or for products with no proven markets and may therefore yield limited returns. The Target Group may need to increase expenditure on research and development in response to consumer's demand for new products, tapping on advanced technologies. The Target Group's Business, results of operations and financial condition may suffer if it fails to successfully anticipate and appropriately react in a timely manner to changes in customer preferences or if investments are made in technologies that do not function as expected or are not accepted in the marketplace.

(xiii) The Target Group may not be successful in implementing its strategies

The Target Group's strategy will include a number of risks. Such risks include the risk that the expected results or IP strategies may not materialise, the new strategies may conflict, or the investment process, controls and procedures that the Group develops will prove insufficient or inadequate, among other risks. Further, IOIO Lab Pte. Ltd., may in the future productise software which is done based on research and development ("R&D") as a value add service to the integrated suite of solutions offered by the Target Group which may not generate into revenue for the Target Group.

The Target Group may also enter into ventures in circumstances where the Directors believe that those ventures support the Target Group's growth strategy. However, there can be no assurances that the Target Group will be able to identify, complete and integrate suitable ventures successfully. If the Target Group is not successful in implementing its expansion strategies and ensuring that all the businesses of the Target Group do not adversely affect one another, there may be a material adverse effect on the Target Group's reputation, business, growth prospects, fee income, and results of operations and/or financial condition.

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- (xiv) **If the Target Group's expansion into Target Group's Business and overseas markets is not successful, its future results of operations and growth prospects may be materially and adversely affected**

The Target Group may also expand into overseas markets through investment or strategic alliances with local market participants. Expansions into new areas and new markets may present operating and marketing challenges that are different from those that the Group currently encounters. If the Target Group cannot successfully address the new challenges and compete effectively against existing leading players within the technology industry, it may not be able to develop a sufficiently large client base or recover costs incurred for marketing or developing new markets. Consequently, its future results of operations and growth prospects may be materially and adversely affected.

- (xv) **May be subject to disruptions in the information technology systems**

The Target Group's Business may rely on information technology ("IT") systems for its operations and the timely exchange of business information within the Group. These systems are critical to business operations. There can be no assurance that the IT systems will operate without interruption or will not malfunction. Although the Target Group may have disaster recovery policies and procedures and back-up systems in place, there can be no assurance that these systems will be adequate to support its operations in the event of a prolonged breakdown of the primary system, or that the back-up systems will not break down simultaneously with the primary system. Any breakdown for an extended period of time, or other failure of the IT systems due to, inter alia, security breaches, viruses, hacking or damage to the hardware or software systems may cause disruptions or cessations of the Target Group's Business and/or lead to loss of confidential and material information. This may negatively affect customer satisfaction and/or cause the Target Group to incur costs in reimbursing third parties, which may materially and adversely affect the Target Group's reputation, business and financial performance.

- (xvi) **The Target Group is subject to various government regulations in the Target Group's Business**

The Target Group's Business is exposed to the risks posed by current and potential future regulations and legislation that apply to the industries in which the Target Group operates and the industries its clients operate. Changes in the regulatory environment in countries in which the Target Group operates may have consequences for the Target Group, such as limiting the Group's ability to do business in a jurisdiction because of, for example, a change in laws.

- (xvii) **The Target Group's failure to perform contractual obligations may lead to delays and cost overruns**

The Target Group might face a risk of not being able to deliver its obligations or commitments pursuant to its agreements with customers due to delays and other unforeseen circumstances. This may result in delays and additional costs to the Target Group. In such events, the Target Group's reputation and results of operation and financial performance may be adversely affected. While this is a risk factor, the Target Group has not, during the Period Under Review, encountered any such incidents.

- (xviii) **The Target Group may be subject to exposure to litigation**

The Target Group may be involved from time to time in disputes with various parties such as the Target Group's customers and the suppliers. These disputes may lead to legal and other proceedings, and may cause the Target Group to suffer additional costs and delays. Any litigation brought against the Group by its clients or otherwise

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in the future in relation to the Target Group's Business could have a material adverse effect on the Group's reputation, business, growth prospects, income, operations and/ or financial performance.

Save as disclosed in this Circular and in particular Section 16 of this Circular entitled "Material Litigation", the Target Group has not, during the Period Under Review, encountered any such incidents which may have a material adverse effect on the Group's business, financials and operations.

(xix) The Target Group is subject to the general risks of doing business overseas

There are risks inherent in operating businesses overseas, which include unexpected changes in regulatory requirements, difficulties in staffing and managing foreign operations, social and political instability, fluctuations in currency exchange rates, potentially adverse tax consequences, legal uncertainties regarding the Target Group's liability and enforcement of legal rights, tariffs and other trade barriers, variable and unexpected changes in local laws and controls on the repatriation of capital or profits. Any of these risks could adversely affect the Group's overseas operations and consequently, its business, financial performance, financial condition and operating cash flow. In addition, the Target Group may not be able to expand successfully in the markets outside Singapore due to learning curve, costs competitiveness and commercial risks specifically relating to the foreign countries in which the businesses operate. The Target Group may thus face uncertainties associated with its overseas business expansion and strategic alliance plans, if any.

(xx) The Target Group is exposed to foreign exchange transaction risks

Foreign exchange may adversely affect the Target Group's financial position and operating results. The Target Group intends to conduct the businesses in various jurisdictions. The Target Group is therefore exposed to the effects of changes in currency exchange rates. Unfavourable movements in these exchange rates may have an adverse effect on the Target Group's revenue and/or cost of operating.

(xxi) The Target Group will be subject to risks in relation to interest rate movements

The Target Group may from time to time take loans from financial institutions to finance its operations and expansion plans. Accordingly, fluctuations in interest rate movements may affect the Target Group's financial performance and cash flow. Unfavourable changes in interest rates will affect the Target Group's interest income and interest expense from short-term deposits and other interest-bearing financial assets and liabilities which could have a material and adverse effect on net profits.

(xxii) The Target Group's business may be affected by adverse conditions in the global financial markets which may affect the Group's growth prospects and financial performance

The Target Group's business operations and financial results may be materially affected by conditions in the financial markets and the economy in Singapore and elsewhere. Adverse political and socio-economic changes may have an impact on the health of the global economic and financial system, and may affect global consumer sentiments. Such sentiments have precipitated an economic slowdown and recessionary pressures globally. In Singapore, concerns over, amongst others, increased unemployment, inflation, geopolitical issues and the availability and cost of credit have contributed to a reduction in liquidity levels, a general decline in lending activity by financial institutions, diminished expectations for the global economy and the markets in the near term, and declining business and consumer confidence. A global economic downturn can affect our ability to obtain short-term and long-term financing. It could also result in an increase in the cost of the Target

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Group's credit facilities and a reduction in the amount of credit facilities currently available to the Target Group, and this may have an adverse effect on Target Group's prospects, business, operations and financial results.

(xxiii) The Target Group may be exposed to risk of loss and potential liabilities that may not be covered by insurance

While the Group will, where appropriate, obtain insurance policies to cover losses with respect to its business, the insurance obtained may not be sufficient to cover all potential losses. Examples of such potential losses include losses arising out of extraordinary events such as natural disasters like earthquakes or floods. Losses arising out of damage to the Group's properties not covered by insurance policies in excess of the amount it is insured would affect the Group's profitability. The Group may also have to commit additional resources, other than to meet the uninsured losses, to complete a project, which would also adversely affect the financial performance of the Group.

(b) Risk Factors relating to the Enlarged Group / Ownership of Shares

(i) Concentration of control

The Vendors will obtain majority control over the Company after Completion, which will enable the Vendors to influence the outcome of matters submitted to Shareholders for approval. As a result, the Vendors will be able to exercise significant influence over all matters requiring Shareholders' approval, including the election of directors and the approval of significant corporate transactions except where they are required by the Catalist Rules, or such other applicable laws, to abstain from voting. The Vendors will also effectively have veto power with respect to any Shareholder action or approval requiring a special resolution. Such concentration of ownership will place the Vendors in a position to significantly affect corporate actions in a manner that could conflict with the interests of public Shareholders and may also have the effect of delaying, preventing or deterring a change in control of the Company, which may otherwise have benefited the public Shareholders.

(ii) Sale of Shares by the Vendors

Following the expiry of the moratorium period, all Shares owned by the Vendors and/or their nominees will be eligible for sale in the open market, subject to applicable securities laws and regulations. The market price of the Shares could decline as a result of the sales of such Shares in the market. These sales, or the possibility that these sales may occur, might also make it more difficult for the Company to issue new securities in the future at a time and price that it deems appropriate.

(iii) Existing Shareholders will face immediate and substantial dilution and may experience future dilution to shareholdings

Completion will result in immediate dilution to the shareholdings of the existing Shareholders as a result of the allotment and issuance of the Consideration Shares to the Vendor and/or its designated nominees.

The Company will also concurrently undertake the Proposed Compliance Placement to satisfy the public float requirement of the Catalist Rules, which will lead to further dilution of the existing Shareholders' shareholding in the Company.

The Company may also issue new shares or convertible securities, share options or share awards under any employee share schemes that may be implemented after Completion. This may lead to further dilution to the shareholdings of the existing Shareholders.

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(iv) **Additional funds raised through issuance of new shares or loans for the Enlarged Group's future growth will dilute Shareholders' equity interest or may limit their ability to pay dividends**

The Enlarged Group expects to incur significant capital expenditure in the future and therefore may require additional financing which may not be available to the Company. The raising of additional capital may also dilute your ownership in the Company.

The Enlarged Group may need to raise additional funds in the future to finance its expansion or for new developments in relation to its existing operations or new acquisitions. If additional funds are raised through the issuance of new equity or equity-linked securities other than on a pro rata basis to the then-existing Shareholders, the percentage ownership of Shareholders may be reduced and Shareholders may thus experience dilution.

The Enlarged Group cannot however, ensure that its profitability will increase significantly or that it will not incur losses after its capital expenditure. The Enlarged Group has identified plans as described in Section 21.3 of the Target Letter entitled "Business Strategies and Future Plans". In addition, the Enlarged Group may chance upon other opportunities to grow its business. Under such circumstances, it may need to obtain additional debt or equity financing to fund its future capital expenditures. Additional equity financing may result in dilution to the Shareholders. Additional debt financing may be required, which if obtained, may limit the Enlarged Group's ability to pay dividends or require it to seek consents from the relevant financial institutions or lenders, if necessary, for the payment of dividends, increase its vulnerability to general adverse economic and industrial conditions, limit its ability to pursue its growth plan and/or require it to dedicate a substantial portion of its cash flow from operations to payments of its debt, thereby reducing the availability of its cash flow to fund capital expenditures, working capital and other general corporate purposes and limit its flexibility in planning for, or reacting to, changes in its business and industries.

The Enlarged Group cannot ensure that it will be able to secure additional funding on terms that are acceptable to it when required to meet its business requirements and if that is so, it may not be able to fully implement its plans or respond to competitive pressures or unanticipated requirements, in which case, its business results would suffer.

(v) **The Enlarged Group may not be able to pay dividends in the future**

The Enlarged Group's ability to declare dividends to Shareholders in the future will be contingent on its future financial performance and distributable reserves of the Company. This is in turn dependent on its ability to implement its future plans, and on regulatory, competitive and technical factors and other factors such as general economic conditions, demand for and selling prices of the Enlarged Group's services and other factors exclusive to the IT industry. Any of these factors could have a material adverse effect on the Enlarged Group's business, financial position and results of operations, and hence there is no assurance that the Enlarged Group will be able to pay dividends to Shareholders after the completion of the Proposed Transactions.

Further, in the event that the Enlarged Group is required to enter into any loan arrangements with any financial institutions, covenants in the loan agreements may also limit when and how much dividends the Enlarged Group can declare and pay out.

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(vi) **The Share price may be volatile, which could result in substantial losses for investors in the Shares after Completion**

The market price of the new Shares may fluctuate significantly and rapidly as a result of, among other things, the following factors, some of which are beyond the control of the Company and the Enlarged Group:

- (a) the success or failure of the Enlarged Group's management team in implementing business and growth strategies;
- (b) announcements by the Company of significant contracts, acquisitions, strategic alliances or capital commitments;
- (c) changes in the Enlarged Group's operating results;
- (d) involvement in litigation;
- (e) any negative publicity on the Enlarged Group;
- (f) unforeseen contingent liabilities of the Enlarged Group;
- (g) addition or departure of key personnel;
- (h) fluctuations in share prices of companies with similar business to the Company that are listed in Singapore;
- (i) general economic and stock market conditions.

The price of the Shares may, in some instances, fluctuate based upon factors that have little or nothing to do with the Company, and these fluctuations may materially affect the price of its Shares.

(vii) **Negative publicity involving any of the Proposed New Directors, Proposed New Executive Officer or substantial Shareholders and the business of the Enlarged Group**

Any negative publicity or announcement relating to any of the Proposed New Directors, Proposed New Executive Officer or substantial Shareholders following the Completion may adversely affect the market perception of the Enlarged Group or performance of the Share price, whether or not it is justifiable. As at the Latest Practicable Date, there has been no negative publicity or announcement relating to any of the Proposed New Directors, Proposed New Executive Officer or substantial Shareholders, save as disclosed in this Circular and the Target Letter, including under Section 16 of the Circular entitled "Material Litigation", and Section 23.3 of the Target Letter entitled "Material background information on the Proposed New Directors and Proposed New Key Executive Officer".

(viii) **Goodwill may arise and the impairment of goodwill may materially affect the financials of the Enlarged Group**

If goodwill arises from the Proposed Acquisition, the impairment of goodwill in subsequent financial periods, notably in the next set of financial statements to be issued (of approximately S\$12,000,000 which is reflected as loss on reverse acquisition in the Circular), may materially affect the income statement and financial position of the Enlarged Group. Upon Completion, the Proposed Acquisition may result in goodwill being recognised in the financial statements of the Enlarged Group for FY2019. The goodwill represents an excess of the consideration transferred arising from the Proposed Acquisition over the fair values of the net identifiable assets and liabilities. The actual goodwill will be determined and will be

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accounted for in accordance with the accounting policies of the Enlarged Group. The accounting policies also require the goodwill to be tested for impairment on an annual basis or more frequently if there is indication of impairment. This assessment may lead to an impairment charge to be recorded in the income statements of the Enlarged Group in FY2019 or subsequent financial periods. Any impairment charge against the goodwill could have a material negative impact on the profits of the Enlarged Group to be reported in respect of FY2019 or subsequent financial periods.

(ix) The Enlarged Group may be subject to exposure to litigation

The Enlarged Group may be involved from time to time in disputes with various parties, including the pending litigation with EQ Insurance, details of which are set out under “Material Litigation” pursuant to Section 16 of this Circular. These disputes may lead to legal and other proceedings, and may cause the Enlarged Group to suffer additional costs and delays. Any litigation brought against the Enlarged Group by its clients or other relevant parties in the future in relation to the Enlarged Group’s business could have a material adverse effect on the Enlarged Group’s reputation, business, growth prospects, income, operations and/ or financial performance.

3.8. Further Announcements

The Company will make immediate announcement(s) on SGXNET of (a) any conditions precedent waived pursuant to the SPA; (b) the fulfilment of the conditions under the SPA; and (c) the termination of the SPA.

4. THE PROPOSED COMPLIANCE PLACEMENT

4.1. Proposed Compliance Placement

Assuming the Proposed Compliance Placement does not take place after the completion of the Proposed Share Consolidation and upon the allotment and issuance of the Consideration Shares, it is envisaged that the Vendors, together with: (i) the Directors, CEO, Substantial Shareholders, or Controlling Shareholders of the Company or its subsidiary companies; and (ii) associates of the persons described in (i) above, will hold more than 85.0% of the enlarged issued share capital of the Company.

Under Rule 724 of the Catalist Rules, the SGX-ST may suspend trading of the Shares if less than the required 10.0% of the Shares is held in the hands of the public. The SGX-ST may allow the Company a period of three (3) months, or such longer period as the SGX-ST may agree, to raise the percentage of Shares in public hands to at least 10.0%.

In compliance with Rule 1015(3) and Rule 406(1) of the Catalist Rules, at least 15.0% of the issued share capital of the Company must be held in the hands of at least 200 shareholders who are members of the public (“**Minimum Public Float**”). Rule 811(1) of the Catalist Rules requires that issue of shares must not be priced at more than a 10.0% discount to the weighted average price for trades done on the SGX-ST for the full market day on which the placement or subscription agreement is signed. Rule 811(3) provides that Rule 811(1) is not applicable if specific Shareholders’ approval is obtained for the issuance of shares at a greater discount.

To meet the Minimum Public Float, it is intended that the Company undertake the Proposed Compliance Placement. The Proposed Compliance Placement will comprise the proposed issue of 21,621,621 Shares to the placees (the “**Compliance Placement Shares**”).

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The Proposed Compliance Placement is subject to, *inter alia*, the following conditions being fulfilled:

- (i) the completion of the Proposed Acquisition;
- (ii) approval by Shareholders of the allotment and issuance of the Compliance Placement Shares; and
- (iii) the listing and quotation notice for the Consideration Shares, the Introducer Shares and the Compliance Placement Shares being obtained from the SGX-ST and not been withdrawn.

The listing and quotation notice, if issued by the SGX-ST for the listing and quotation of the Consideration Shares, the Introducer Shares and the Compliance Placement Shares, is not to be taken as an indication of the merits of the Proposed Transactions, the Company, the Group, the Enlarged Group, the Shares, the Consideration Shares and/or the Compliance Placement Shares.

The Compliance Placement Shares, when allotted and issued, will rank *pari passu* in all respects with the Consolidated Shares then in issue, save for any rights, benefits and entitlements the record date for which is before the date of the Proposed Compliance Placement.

Shareholders' approval will be sought at the EGM for the allotment and issuance of the Compliance Placement Shares, on such terms as may be determined by the Directors including, without limitation, the timing of the Proposed Compliance Placement, if and when they occur, taking into account various factors, including, without limitation, market conditions and prices.

The issue price of each Compliance Placement Share to be offered under the Proposed Compliance Placement shall be fixed at S\$0.3664 (no less than the Minimum Issue Price), by the Company following consultation with the Sponsor. Pursuant to Rule 1015(3)(c) of the Catalyst Rules, the issue price of the Compliance Placement Shares shall not be less than S\$0.20.

For illustration purposes, the issue price of each Compliance Placement Share shall be fixed at S\$0.3664 **(after the Proposed Share Consolidation)** which represents a discount of approximately 94.1% based on the last traded price of the Shares, being S\$6.20 (taking into account the consolidation ratio of every 100 existing Shares into one (1) consolidated Share) as at the last traded market day for the Company on 5 January 2016. As the issue price of each Compliance Placement Share is at a discount greater than 10% to the last traded price of the Shares, the Company will be seeking Shareholders' approval for the issue of the Consideration Shares at the Issue Price pursuant to Rule 811(3) of the Catalyst Rules.

In the event of unforeseen circumstances and the Compliance Placement Shares cannot be placed out at not less than S\$0.20 per Compliance Placement Share, the Company will seek Shareholders' approval at a separate extraordinary general meeting to be convened, to approve a revised consolidation ratio to meet the requirement under Rule 1015(3)(c) of the Catalyst Rules. In such a situation, the Company will provide the Shareholders an updated circular containing the necessary disclosures.

The Company will not issue securities to transfer a controlling interest in the Company without prior approval of Shareholders at a general meeting.

Shareholders should note that the terms and timing of the Proposed Compliance Placement, if and when they occur, would depend on various factors such as market conditions as well as the entry into a subscription agreement on terms and conditions acceptable to the Company and the subscribers.

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4.2. Use of Proceeds from the Proposed Compliance Placement

For illustrative purposes, information in this Section has been presented assuming that the Proposed Compliance Placement is in respect of all of the 21,621,621 Compliance Placement at a placement price of S\$0.3664 ("Placement Issue Price") per Compliance Placement Share. Shareholders should note that the foregoing terms are only indicative, and should not be construed as a representation that the Proposed Compliance Placement will be made on those terms.

The total net proceeds to be raised by the Company from the proposed placement of the Compliance Placement Shares, after deducting for estimated expenses (including placement commission and expenses relating to the Proposed Acquisition) is estimated to amount to S\$6,800,000.

For **illustrative purposes only**, the Company intends to utilise the net proceeds from the Proposed Compliance Placement in the following manner:

Use of proceeds	S\$ ('000)	Estimated amount allocated for each dollar of the gross proceeds from the Proposed Compliance Placement (cents)
Repayment of debts owing by the Company (Jason Holdings Limited)	1,422	17.95
To fund general corporate activities including, but not limited to, acquisitions, joint ventures and/or strategic alliances, establishing overseas companies and branch offices	4,000	50.49
General working capital	1,360	17.17
Net Proceeds	6,782	85.61
Listing and processing fees	–	–
Professional fees and expenses ⁽¹⁾	960	12.12
Placement commission	Not applicable	Not applicable
Miscellaneous expenses	180	2.27
Gross Proceeds	7,922	100.00

Note:

- (1) This includes fees payable to professionals including sponsor, legal advisers, tax advisers, auditors, valuers and public relations consultants for the Proposed Transactions.

Shareholders should note that the actual number of Compliance Placement Shares to be sold will depend on various factors such as market conditions, as well as potential investors' interest in the Shares of the Company upon Completion, and there is no certainty or assurance that the Company will be able to place out all or any of the Compliance Placement Shares and raise the requisite net proceeds therefrom. In such event, the Proposed New Directors shall allocate the actual net proceeds raised amongst the stated use of proceeds in such order of priority and/or such quantum as the Proposed New Directors may determine, subject to the relevant announcements to be made by the Company in relation to the same.

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Pending the deployment of the net proceeds as aforesaid, the funds will be placed in short-term deposits with financial institutions, used to invest in short-term money market instruments and/or used for working capital requirements as the Proposed New Directors may deem appropriate.

The Company will make periodic announcements as and when the proceeds from the Proposed Compliance Placement are materially disbursed and whether such a use is in accordance with the stated use and in accordance with the percentage allocated in this Circular. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation. The Company will also provide a status report on the use of the net proceeds in its annual report. Any material deviation in the use of the net proceeds will be subject to the Catalist Rules and appropriate announcements will be made by the Company on SGXNET.

4.3. Further Information

The Company will make the necessary follow-up announcements as and when required and/or as and when material developments arise in respect of the Proposed Compliance Placement.

5. THE PROPOSED DISPOSAL

On 5 November 2018, the Company announced that it had entered into the Disposal Agreement with the Purchaser and WCPL for the Proposed Disposal. The Proposed Disposal constitutes a discloseable transaction under Rule 1010 of the Catalist Rules. However, the Company will still be seeking the approval of Shareholders for the Proposed Disposal.

5.1. Rationale

In connection with the Proposed Acquisition, the Company is to undertake a disposal of all assets and liabilities of the Company's existing business of wholesale of structural clay, concrete products, ceramic, mosaic and tiles, and brick-laying, stone setting and cement works (the "**Existing Business**") via WCPL, including shareholding interests in any subsidiaries, prior to completion of the Proposed Acquisition. Accordingly, the Company is undertaking the Proposed Disposal to fulfil the condition precedent to the Proposed Acquisition. The completion of the Proposed Disposal and the Proposed Acquisition shall occur on the same day.

5.2. Salient Terms of the Proposed Disposal

5.2.1. Sale and Purchase of the Disposal Shares

On the terms and conditions of the Disposal Agreement, the Company shall sell, and the Purchaser shall buy the Disposal Shares, free from all encumbrances or third party interests and together with all rights, benefits and entitlements attaching thereto as at the date of completion of the Proposed Disposal and thereafter.

5.2.2. Consideration

The aggregate consideration payable by the Purchaser to the Company for the sale and purchase of the Disposal Shares (the "**Disposal Consideration**") shall be S\$20,000. The Disposal Consideration was arrived at on a willing-buyer and willing-seller basis after taking into account the financial performance and position of WCPL, including the fact that WCPL is loss-making in HY2018 and in a net liabilities position as at 30 June 2018. The Disposal Consideration shall be fully satisfied in cash and payable on the date of completion of the Proposed Acquisition (or on such other date and at such other place and time as the parties may agree) by way of a cashier's order or banker's draft or in such other manner as the parties may agree to in writing.

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5.2.3. Disposal Conditions Precedent

Completion of the Proposed Disposal is conditional upon the satisfaction (or waiver) of the following:

- (a) the approval of shareholders of the Company having been obtained at an EGM to be convened for the Proposed Acquisition;
- (b) the approval of shareholders of the Company having been obtained at an EGM to be convened for the Proposed Disposal;
- (c) the Proposed Acquisition and the Proposed Disposal not being prohibited by any statute, order, rule, regulation, directive or request promulgated or issued after the date of the Disposal Agreement by any legislative, executive or regulatory body or authority of Singapore or elsewhere, which is applicable to any Party;
- (d) all other necessary corporate and regulatory approvals, consents, licences or waivers (whether governmental, corporate or otherwise) for the transactions described or contemplated herein having been obtained by the Purchaser and/or the Company and not having been revoked or amended, and if such approval is subject to any conditions, such conditions being acceptable to the Party to whom such approval applies, and if any condition is required to be satisfied by completion of the Proposed Disposal, such condition being so satisfied; and
- (e) all other consents and approvals required under any and all applicable laws for the sale and purchase of the Disposal Shares and to give effect to the transactions contemplated in the Disposal Agreement (including, without limitation, such waivers as may be necessary of terms which would otherwise constitute a default under any instrument, contract, document or agreement to which the Company or WCPL is a party or by which the Company or WCPL is a party to or by which the Company or WCPL or its or their respective assets are bound) being obtained and where any consent or approval is subject to conditions, such conditions being satisfactory to the Purchaser,

(collectively, the “**Disposal Conditions Precedent**”).

The parties agree that the Disposal Conditions Precedent may be waived, in whole or in part and conditionally or unconditionally, by mutual agreement between the parties.

The parties shall use their best endeavours to ensure that the Disposal Conditions Precedent set out above shall be fulfilled on or before the Long-Stop Date (as defined below), and where necessary, provide all reasonable assistance Disposal to the other Party in procuring that the Disposal Conditions Precedent are fulfilled.

5.2.4. Disposal Long-Stop Date

If any of the Disposal Conditions Precedent is not fulfilled or waived by the relevant Party by the long-stop date of the SPA (or such other date and time as the parties may agree in writing) (the “**Disposal Long-Stop Date**”), the Disposal Agreement shall automatically terminate and (save as provided in the Disposal Agreement, or for any antecedent breach of the Disposal Agreement) none of the parties shall have any claim against any other Party for costs, damages, compensation or anything whatsoever.

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5.2.5. Financial Information on the Proposed Disposal

The following illustrate the excess of the gross proceeds over the net asset value of the Disposal Shares, assuming the Proposed Disposal is completed on 30 June 2018 and based on WCPL's unaudited management accounts for HY2018:

	S\$
Net asset value of the Disposal Shares	(419,459)
Excess of the net proceeds over the net liabilities value of the Disposal Shares	439,459

Assuming the Proposed Disposal is completed on 30 June 2018 and based on the Group's announced unaudited consolidated financial statements for HY2018, the Group expects to record a gain on disposal of S\$379,343 net of S\$60,116 intercompany loan.

No valuation on the Disposal Shares was carried out in connection with the Proposed Disposal.

5.2.6 Consent from SIC and Advice of the IFA

As WPCL is to be sold to Mr. Chia David, who holds 0.0004% of the Shares, the Proposed Disposal may constitute a special deal under Rule 10 of the Code. In this connection, ZICO Capital Pte. Ltd. has been appointed as the IFA to opine on whether the terms of the Proposed Disposal are fair and reasonable.

Taking into consideration the factors set out in the IFA Letter, the IFA is of the opinion that the terms of the Proposed Disposal are fair and reasonable. The IFA Letter, containing the IFA's advice in full, is set out in Appendix F to this Circular. Shareholders are advised to read the IFA Letter carefully and in its entirety.

Further to the above, the SIC has consented to the Proposed Disposal, subject to (a) the IFA publicly stating that in its opinion, the terms of the Proposed Disposal are fair and reasonable; and (b) Mr. Chia David abstaining from voting on the Proposed Whitewash Resolution.

5.3. **Information on the Disposal Company and the Purchaser**

5.3.1 WCPL

WCPL is a private company incorporated in Singapore on 3 May 2012 and is the Company's only 60%-owned operating subsidiary. WCPL is principally engaged in the business of wholesale of structural clay, concrete products, ceramic, mosaic and tiles, and brick-laying, stone setting and cement works. As at the date of the Disposal Agreement, WCPL has an issued and paid up share capital of S\$375,000 consisting of 375,000 ordinary shares. The Company and the Purchaser are the legal and beneficial owners of 60% and 40% of the entire issued and paid up share capital of WCPL, respectively. Based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2017 ("FY2017"), net liability value and net tangible liability of WCPL was S\$563,023.

Please refer to Appendix J, "Extracts of Audited Financial Statements of White Cubic Pte. Ltd. for FY2016, FY2017 and FY2018" for further financial information on WCPL. In particular, as highlighted in the IFA Letter, WCPL's auditors for FY2018, Moore Stephens LLP, have included a disclaimer of opinion on the financial statements for WCPL in relation to its audited financial statements for FY2018. An extract of the basis for the disclaimer of opinion is set out in Appendix J to the Circular.

5.3.2 Purchaser

Mr. Chia David is the Managing Director of WCPL. As at the date of the Disposal Agreement, Mr. Chia David is the legal and beneficial owner of 40% of the entire issued and paid up share capital of WCPL. Upon completion of the Proposed Disposal, Mr. Chia David will be the legal and

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beneficial owner of the entire issue and paid up share capital of WCPL. Save for his 0.0004% shareholding interest in the Company, Mr. Chia David is not related to the Company, its directors, controlling shareholders or substantial shareholders and their associates.

5.4. Use of Proceeds

The net proceeds arising from the Proposed Disposal is approximately S\$20,000. The Company intends to utilise such proceeds for working capital requirements.

5.5. Directors' Service Contracts

There are no persons who are proposed to be appointed as a Director of the Company in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

5.6. Chapter 10 of the Listing Manual

Chapter 10 of the Listing Manual governs the continuing listing obligations of a listed company in respect of acquisitions and realisations of assets, including securities and business undertakings. If any of the relative figures as computed on the bases set out in Rule 1006 of the Catalist Rules exceeds 50.0%, such transaction is classified as a major transaction.

Based on the unaudited consolidated financial statements of the Group for the financial period ended 30 June 2018, the relative figures for the Proposed Disposal computed on the bases set out in Rule 1006 of the Listing Manual are as follows:

Rule 1006	Bases	Relative Figures for the Proposed Disposal
(a)	The net liability value of approximately S\$419,459 attributable to the Disposal Shares, compared with the Group's net liability value of S\$1,350,420.	31.1%
(b)	The net losses ⁽¹⁾ of approximately S\$81,645 attributable to the Disposal Shares, compared with the Group's net losses of approximately S\$261,578.	31.2%
(c)	The aggregate value of the consideration received, compared with the Company's market capitalisation.	Not meaningful ⁽²⁾
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable ⁽³⁾
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves.	Not applicable ⁽⁴⁾

Notes:

- (1) "Net profits/losses" means profit/loss before income tax, minority interests and extraordinary items.
- (2) The market capitalisation of the Company is calculated on the basis of the number of ordinary Shares in issue (excluding treasury shares) as at the date of this announcement, and the volume-weighted average price for such Shares transacted on the last market day on which Shares were traded immediately preceding the date of the Disposal Agreement. However, the last traded market day for the Company was on 5 January 2016 at a last traded price of S\$0.062. This renders the computation under Rule 1006(c) of the Catalist Rules not meaningful.
- (3) This is not applicable as the Proposed Disposal pertains to a disposal of assets, and no equity securities are issued by the Company.
- (4) This is not applicable as the Proposed Disposal is not a disposal of mineral, oil or gas assets.

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As the relative figures computed on the bases set out in Rules 1006 of the Catalist Rules exceed 5% but do not exceed 50%, the Proposed Disposal could be classified as a discloseable transaction under Rule 1010 of the Catalist Rules.

Notwithstanding the above, the Company is of the view that it shall proceed with obtaining the approval of Shareholders in relation to the Proposed Disposal in view that WCPL is the only operating subsidiary of the Group, the Proposed Disposal, together with the Proposed Acquisition, will result in a fundamental change in business and risk profile of the Group.

5.7. Further Announcements

The Company will make immediate announcement(s) on SGXNET of (a) any conditions precedent waived pursuant to the Disposal Agreement; (b) the fulfilment of the conditions under the Disposal Agreement; and (c) the termination of the Disposal Agreement.

6. THE PROPOSED WHITEWASH RESOLUTION

6.1. Rule 14 of the Code

Under Rule 14 of the Code and Section 139 of the SFA, where (a) any person acquires, whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30.0% or more of the voting rights of a company; or (b) any person who, together with persons acting in concert with him, holds not less than 30.0% but not more than 50.0% of the voting rights and such person, or any person acting in concert with him, acquires in any period of six (6) months additional shares carrying more than 1.0% of the voting rights, such person must extend offers immediately to the holders of any class of share capital of the company which carries votes and in which such person, or persons acting in concert with him, hold shares.

6.2. Obligated Parties

In view of the requirements under Rule 14 of the Code, the Vendors would be required, together with its concert parties (collectively, the **"Target Obligated Parties"**) to make a general offer following the allotment and issuance of the Consideration Shares upon Completion.

6.2.1. Target Obligated Parties

The information relating to the Target Group and its concert parties provided below was provided to the Company by the Vendors and the Target Group. The Board of Directors has not conducted an independent review or verification of the accuracy of the statements and information below.

As at the Latest Practicable Date, the Target Obligated Parties do not hold any interest in any Shares. Upon Completion and prior to the Proposed Compliance Placement, the Target Obligated Parties will hold 11,642,995,836 Shares, representing approximately 79.8% of the Enlarged Share Capital on Completion.

Please refer to Appendix D of this Circular entitled "Changes in Shareholding Structure" for shareholding effects of, among other things, the Proposed Acquisition on the shareholding of the existing Shareholders and the Target Obligated Parties.

Shareholders should note that the Proposed Acquisition is conditional upon the approval for the Proposed Whitewash Resolution, and hence the Proposed Acquisition will not be completed in the event that the Proposed Whitewash Resolution is not approved.

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6.2.2. Conditional Waiver by the SIC

The SIC had on 8 February 2019 granted the Vendors a waiver of the requirement for the Vendors to make a general offer for the Company (under Rule 14 of the Code) in the event the Vendors together acquire more than 30% of the Company's total voting rights based on its enlarged issued capital as a result of acquiring the Consideration Shares under the Proposed Acquisition (the "**Whitewash Waiver**"), subject to:

- (a) a majority of holders of voting rights of the Company present and voting at a general meeting, held before the issue of the Consideration Shares under the Proposed Acquisition, approve by way of a poll, a resolution (the "**Proposed Whitewash Resolution**") to waive their rights to receive a general offer from the Vendors;
- (b) the Proposed Whitewash Resolution is separate from other resolutions;
- (c) the Vendors, parties acting in concert with them and parties not independent of them as well as parties not independent of the Proposed Acquisition abstain from voting on the Proposed Whitewash Resolution;
- (d) the Vendor and its concert parties did not acquire or are not to acquire any Company shares or instruments convertible into and options in respect of Company shares (other than subscriptions for, rights to subscribe for, instruments convertible into or options in respect of new Company shares which have been disclosed in the circular):
 - (i) during the period between the announcement of the Proposed Acquisition and the date shareholders' approval is obtained for the Proposed Whitewash Resolution; and
 - (ii) in the 6 months prior to the announcement of the Proposed Acquisition, but subsequent to negotiations, discussions or the reaching of understandings or agreements with the directors of the Company in relation to the Proposed Acquisition;
- (e) the Company appoints an independent financial adviser to advise its independent shareholders on the Proposed Whitewash Resolution;
- (f) the Company sets out clearly in its circular to shareholders:
 - (i) details of the Proposed Acquisition;
 - (ii) the dilution effect to existing holders of voting rights upon the acquisition of the Consideration Shares by the Vendors;
 - (iii) the number and percentage of voting rights in the Company as well as the number of instruments convertible into, rights to subscribe for and options in respect of Company shares held by the Vendors and their concert parties as at the latest practicable date;
 - (iv) the number and percentage of voting rights to be issued to the Vendors under the Proposed Acquisition;
 - (v) specific and prominent reference to the fact that the acquisition of the Consideration Shares by the Vendors would result in the Vendors and their concert parties holding shares carrying over 49% of the voting rights of the Company based on its enlarged issued share capital, and the fact that the Vendors and their concert parties will be free to acquire further Company shares without incurring any obligation under Rule 14 to make a general offer for the Company;

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- (vi) specific and prominent reference to the fact that shareholders, by voting for the Proposed Whitewash Resolution, are waiving their rights to a general offer from the Vendors at the highest price paid by the Vendors and their concert parties for Company shares in the past 6 months preceding the commencement of the offer;
- (g) the circular by the Company to its shareholders states that the waiver granted by SIC to the Vendors from the requirement to make a general offer under Rule 14 is subject to the conditions stated at (a) to (f) above;
- (h) the Company obtains SIC's approval in advance for those parts of the circular that refer to the Proposed Whitewash Resolution; and
- (i) to rely on the Proposed Whitewash Resolution, the approval of the Whitewash Resolution must be obtained within 3 months of the date of granting of the waiver (8 February 2019), and the acquisition of the Consideration Shares by the Vendors must be completed within 3 months of the date of the approval of the Proposed Whitewash Resolution.

6.3. Implications of the Proposed Whitewash Resolution

Independent Shareholders should note that:

- (a) **their approval of the Proposed Whitewash Resolution is a condition precedent to Completion pursuant to the terms of the SPA, and if Independent Shareholders do not vote in favour of the Proposed Whitewash Resolution, the Proposed Acquisition will not take place;**
- (b) **the issue of the Consideration Shares will result in the Target Obligated Parties holding Shares carrying over 49.0% of the voting rights of the Company, and the Target Obligated Parties will be free to acquire further Shares without incurring any obligation under Rule 14 of the Code to make a general offer;**
- (c) **by voting in favour of the Proposed Whitewash Resolution, they will be waiving their rights to receive a general offer for all of their Shares from the Target Obligated Parties at the highest price paid by the Target Obligated Parties for the Shares in the past six (6) months preceding the commencement of the offer; and**
- (d) **by voting for the Proposed Whitewash Resolution, the Shareholders could be foregoing the opportunity to receive a general offer from another person who may be discouraged from making a general offer in view of the potential dilution effect of the issue of new Shares to satisfy the Proposed Acquisition.**

ZICO Capital Pte. Ltd. has been appointed as the Independent Financial Adviser to the Independent Directors in respect of the Proposed Whitewash Resolution.

The IFA Letter setting out the IFA's advice in full is reproduced in Appendix F to this Circular entitled "Letter From ZICO Capital Pte. Ltd. to the Independent Directors of Jason Holdings Limited".

6.4. Recommending Directors

The Recommending Directors for the purposes of the Proposed Whitewash Resolution are all the existing Independent Directors of the Company, namely, Wui Heck Koon, Karam Singh Parmar and Tan Lai Heng. The Proposed Whitewash Resolution is one of the Key Resolutions to be voted upon at the EGM whereby if any of the Key Resolutions are not approved, the other Key Resolutions will not be duly passed.

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7. THE PROPOSED CHANGE OF NAME

In connection with the Proposed Acquisition and Proposed Disposal, the Company is proposing to change the name of the Company from “**Jason Holdings Limited**” to “**Revez Corporation Ltd.**” to better reflect the status of the Enlarged Group and the new business and activities of the Enlarged Group. The change of name of the Company will only take effect upon Completion.

In line with the Proposed Change of Name of the Company, the Company also intends to adopt the corporate logo as shown below:



The Proposed Change of Name of the Company is subject to the approval of the Shareholders by way of a special resolution to be tabled at the EGM.

Upon obtaining Shareholders' approval in respect of the Proposed Change of Name and the Proposed Adoption of the New Constitution, the name of the Company shall be “Revez Corporation Ltd.”. Accordingly, the name “Jason Holdings Limited” will be substituted with “Revez Corporation Ltd.” wherever the name “Jason Holdings Limited” appears in the Company's Constitution.

Shareholders should take note that notwithstanding the change of the Company's name, the Company will not recall any existing share certificates bearing the current name of the Company, which continue to be prima facie evidence of legal title. No further action is required on the part of the Shareholders.

8. THE PROPOSED APPOINTMENT OF THE PROPOSED NEW DIRECTORS

Upon Completion, all the existing members of the current Board, save for Lim Chwee Kim, will resign, and the Company proposes to appoint the Proposed New Directors who are as follows:

- (a) Neo Wee Han Victor;
- (b) Lim Kian Sing;
- (c) Lee Han Chong;
- (d) Lim Choon Noi; and
- (e) Koh Choon Hui.

For further information on each of the Proposed New Directors and details on the New Audit and Risk Committee, the New Nominating Committee, and the New Remuneration Committee of the Enlarged Group, please refer to Section 23 of the Target Letter entitled “Directors and Executive Officers of the Target Group”.

9. THE PROPOSED ADOPTION OF THE NEW CONSTITUTION OF THE COMPANY

9.1. Rationale

The Companies (Amendment) Act 2014 (the “**Amendment Act**”), which was passed in Parliament on 8 October 2014 and took effect in phases on 1 July 2015 and 3 January 2016 respectively, introduced wide-ranging changes to the Companies Act. The changes aim to reduce the regulatory burden on companies, provide for greater business flexibility, and improve the corporate governance landscape in Singapore. The key changes include the introduction of the multiple proxies regime to enfranchise indirect investors and CPF investors, provisions to facilitate the electronic transmission of notices and documents, and the merging of the Memorandum and Articles of Association of a company into one document called the “constitution”.

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The Companies (Amendment) Act 2017 (the “**2017 Amendment Act**”), which was passed in Parliament on 10 March 2017 and took effect in phases on 31 March 2017 and 31 August 2018, introduced further changes to the Companies Act to reduce regulatory burden on companies, including new requirements for the alignment of timelines for holding annual general meetings and filing of annual returns with the financial year end for both listed and non-listed companies.

9.2. New Constitution

The Company is proposing to adopt the New Constitution, which will replace the existing constitution (previously known as the memorandum and articles of association of the Company, which were in force immediately before 3 January 2016) (the “**Existing Constitution**”) entirely, and incorporate amendments to take into account the changes to the Companies Act introduced pursuant to the Amendment Act. At the same time, the existing objects clause will be replaced with a general provision giving the Company full capacity to carry on or undertake any business or activity, do any act or enter into any transaction. The New Constitution also contains updated provisions which are consistent with the prevailing listing rules of the SGX-ST in compliance with Rule 730 of the Catalist Rules, as well as to take into account the provisions of the Personal Data Protection Act 2012 relating to the collection, use and disclosure of personal data, and to streamline and rationalise certain other provisions.

9.3. Summary of Key Regulations in the New Constitution

The following is a summary of the key regulations of the New Constitution which are significantly different from the equivalent provisions in the Existing Constitution. This summary should be read together with (a) Appendix H to this Circular, which sets out the New Constitution in its entirety; and (b) Appendix I to this Circular, which sets out extracts of the proposed key amendments to the Existing Constitution.

9.3.1. Amendments in view of the Companies Act

The following key regulations in the New Constitution are in line with the Companies Act as amended pursuant to the Amendment Act:

(a) **Regulation 1 (Article 2 of the Existing Constitution)**

Regulation 1 is the interpretation of the New Constitution and includes the following revised / additional provisions:

- (i) new definitions of “registered address” and “address” to make it clear that these expressions mean, in relation to any Shareholder, his physical address for the service or delivery of notices or documents personally or by post, except where otherwise expressly specified;
- (ii) new regulation stating that the expressions “current address”, “electronic communication”, “relevant intermediary”, “special resolution” and “treasury shares” shall have the meanings ascribed to them respectively in the Companies Act, in light of the introduction of the new provisions facilitating electronic communication and the multiple proxies regime pursuant to the Amendment Act;
- (iii) new regulation stating that the terms “Depositor”, “Depository”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them in the Securities and Futures Act as the provisions in relation to the Central Depository System in the Companies Act have migrated to the Securities and Futures Act; and
- (iv) new definition of “writing” and new definition of “written” to clarify that the terms “writing” and “written” include any representation or reproduction of words, symbols or other information which may be displayed in a visible form, whether in a physical document or in an electronic communication or form.

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(b) **Regulation 8 (Article 4 of the Existing Constitution)**

Regulation 8, which relates to the issue of different classes of shares, has a new provision which empowers the Company to issue shares for which no consideration is payable to the Company. This follows the amended section 68 of the Companies Act pursuant to the Amendment Act, which clarifies that a company having a share capital may issue shares for which no consideration is payable to the issuing company.

(c) **Regulation 17 (Article 14 of the Existing Constitution)**

The requirement to disclose the amount paid on the shares in the share certificate relating to those shares has been removed in Regulation 17. A share certificate need only state, among other things, the number and class of the shares, whether the shares are fully or partly paid-up, and the amount (if any) unpaid on the shares. This follows the amendments to section 123(2) of the Companies Act pursuant to the Amendment Act.

(d) **Regulation 55 (Article 50(1) of the Existing Constitution)**

Regulation 55, which relates to the Company's power to alter its share capital, has new provisions which:

- (i) empower the Company, by ordinary resolution, to convert its share capital or any class of shares from one currency to another currency. This is in line with the new section 73 of the Companies Act, which sets out the procedure for such re-denominations; and
- (ii) empower the Company, by special resolution and subject to the Companies Act and applicable laws, to convert one class of shares into another class of shares. This is in line with the new section 74A of the Companies Act, which sets out the procedure for such conversions.

(e) **Regulation 65 (Article 59 of the Existing Constitution)**

Regulation 65, which relates to the routine business that is transacted at an annual general meeting, has been revised to substitute the references to "accounts" with "financial statements", and references to the "reports of the Directors" with "Directors' statement", for consistency with the updated terminology in the Companies Act.

(f) **Regulation 71(2) (Article 65 of Existing Constitution)**

Regulation 71(2), which relates to the method of voting at a general meeting where mandatory polling is not required, has been revised to reduce the threshold for eligibility to demand a poll from 10% to 5% of the total voting rights of the members having the right to vote at the meeting. This is in line with section 178 of the Companies Act, as amended pursuant to the Amendment Act.

(g) **Regulation 61(1) (Article 56(1) of the Existing Constitution)**

Regulation 61(1), which relates to the time for holding of annual general meetings, has been revised to align the timeline for holding annual general meetings with the financial year end. The Company shall hold its annual general meeting within four (4) months after the end of each financial year. This is in line with Section 175(1) of the Companies Act, as amended pursuant to the 2017 Amendment Act.

(h) **Regulations 77 and 85 (Articles 71 and 80 of the Existing Constitution)**

Regulations 77 and 85, which relate to the voting rights of Shareholders, has new provisions which cater to the multiple proxies regime introduced by the Amendment Act. The multiple proxies regime allows "relevant intermediaries", such as banks, capital markets services licence holders which provide custodial services for securities and the CPF Board, to appoint more than two proxies to attend, speak and vote at general meetings. In particular:

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- (i) a member who is a relevant intermediary (as defined in the Companies Act) may appoint more than two proxies to attend, speak and vote at the same general meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member, and where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed must be specified in the form of proxy. This is in line with new section 181(1C) of the Companies Act;
 - (ii) in the case of a member who is a relevant intermediary (as defined in the Companies Act) and who is represented at a general meeting by two or more proxies, each proxy shall be entitled to vote on a show of hands. This is in line with new section 181(1D) of the Companies Act;
 - (iii) the Company will be entitled and bound to reject an instrument of proxy lodged by a Depositor if he is not shown to have any shares entered against his name in the Depository Register as at 72 (previously 48) hours before the time of the relevant general meeting. Consequential changes have also been made to make it clear that the number of votes which a Depositor or his proxy can cast on a poll is the number of shares entered against his name in the Depository Register as at 72 hours before the time of the relevant general meeting. This is in line with new section 81SJ(4) of the Securities and Futures Act;
 - (iv) the Company shall be entitled and bound, in determining rights to vote and other matters in respect of a completed instrument of proxy, to have regard to the instructions (if any) given by and the notes (if any) set out in the instrument of proxy; and
 - (v) the cut-off time for the deposit of proxies has been extended from 48 to 72 hours before the time appointed for holding the general meeting. This is in line with section 178(1)(c) of the Companies Act, as amended pursuant to the Amendment Act.
- (i) **Regulation 94 (Article 90(1) of the Existing Constitution)**
- Regulation 94, which relates to the power of Directors to hold an office of profit and to contract with the Company, has been expanded to extend the obligation of a Director to disclose interests in transactions or proposed transactions with the Company, or any office or property held which might create duties or interests in conflict with those as Director, to also apply to a Managing Director (or person(s) holding an equivalent position). This is in line with section 156 of the Companies Act, as amended pursuant to the Amendment Act.
- (j) **Regulation 101 (Article 113 of the Existing Constitution)**
- Regulation 101, which relates to the general powers of the Directors to manage the Company's business, clarifies that the business and affairs of the Company is to be managed by, or under the direction of or, additionally, under the supervision of, the Directors. This is in line with section 157A of the Companies Act, as amended pursuant to the Amendment Act.
- (k) **Regulations 126, 132 and 133 (Articles 121, 143 and 144 of the Existing Constitution)**
- The references to the Company's "profit and loss account" or "accounts" have been updated in Regulations 126, 132 and 133 to substitute them with references to the "financial statements", as appropriate, for consistency with the updated terminology in the Companies Act.
- (l) **Regulations 153 and 157 (Articles 149 and 154 of the Existing Constitution)**
- Regulation 153, which relates to the service of notices to Shareholders, has new provisions to facilitate the electronic transmission of notices and documents following the introduction of simplified procedures for the sending of notices and documents electronically pursuant to the new section 387C of the Companies Act.

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Section 387C of the Companies Act further provides that a notice or document may be given, sent or served using electronic communications with the express, implied or deemed consent of member in accordance with the constitution of the company. Under the new section 387C, regulations may be made to exclude any notice or document or any class of notices or documents from the application of section 387C, provide for safeguards for the use of electronic communications under section 387C, and provide that a member who is deemed to have consented to receive notices or documents by way of electronic communications may make a fresh election to receive such notice or document as a physical copy and the manner in which the fresh election may be made. The Companies Act has provided the following definitions which we replicate below for ease of reference:

- (i) A member is taken to have given implied consent if the constitution (a) provides for the use of electronic communications; (b) specifies the manner in which electronic communications is to be used; and (c) provides that the member shall agree to receive such notice or document by way of such electronic communications and shall not have a right to elect to receive a physical copy of such notice or document;
- (ii) A member is deemed to have consented if the constitution (a) provides for the use of electronic communication; (b) specifies the manner in which electronic communications is to be used; and (c) specifies that the member will be given an opportunity to elect, within a specified period of time (the specified time) whether to receive such notice or document by way of electronic communications or as a physical copy.

Accordingly, a member may also express his or its consent to receive notices and documents by way of electronic communication by submitting such intention in writing to the company, subject to the constitution of the company.

In particular, Regulation 153 provides that:

- (i) notices and documents may be sent to members using electronic communications either to a member's current address (which may be an email address) or by making it available on a website prescribed by the Company from time to time; and
- (ii) for these purposes, a member is deemed to have agreed to receive such notice or document by way of electronic communications and will not have a right to elect to receive a physical copy of such notice or document. Notwithstanding the above, the Directors may, at their discretion, at any time give a member an opportunity to elect within a specified period of time whether to receive such notice or document by way of electronic communications or as a physical copy, and a member is deemed to have consented to receive such notice or document by way of electronic communications if he was given such an opportunity but failed to make an election within the specified time, and he shall not in such an event have a right to receive a physical copy of such notice or document.

It should be noted, however, that the introduction and use of the electronic transmission of notices and documents by the Company as provided for in Regulation 153 is subject to the listing rules of the SGX-ST and any requirement which might be prescribed under the listing rules.

Regulation 157 additionally provides for when service is effected in the case of notices or documents given, sent or served by electronic communications. In particular, where a notice or document is made available on a website, it is deemed given, sent or served on the date on which the notice or document is first made available on the website, unless otherwise provided under the Companies Act and/or other applicable regulations or procedures.

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Subject to Shareholders' approval being obtained at the EGM of the Company, the new Regulations 153 and 157 will adopt the Companies Act's definition of deemed consent as set out above. The Company wishes to highlight to the Shareholders that if any Shareholder does not agree to the proposed adoption of deemed consent in relation to the electronic transmission of notices and documents in accordance with the Constitution, Shareholders may vote against the resolution in relation to the proposed adoption of the New Constitution of the Company.

(m) ***Regulation 125 (Article 120 of the Existing Constitution)***

Regulation 125, which relates to the use of the common seal of the Company has been updated in the New Constitution to take into account the new Sections 41B and 41C of the Companies Act which removes the formal execution requirement for affixation of a common seal on a document to be executed as a deed by the Company. This is related to the elimination of the requirement of companies to have a common seal under Section 41A of the Companies Act. Section 41B provides that a company may execute a deed without affixation of a common seal but may do so by way of signature (a) on behalf of the company by a director of the company and a secretary of the company; (b) on behalf of the company by at least 2 directors of the company; or (c) on behalf of the company by a director of the company in the presence of a witness who attests the signature, and a document executed in accordance with this manner would have the same effect as a document executed under the common seal of the company. Section 41C extends the effect of Section 41B by providing inter alia, that where any written law or rule of law requires a document to be executed under the common seal of a company, that requirement of execution by way of common seal is satisfied if the document is signed in the manner as set out in Section 41B.

9.3.2. Amendments in view of the Catalist Rules

Rule 730 of the Catalist Rules provides that if an issuer amends its Constitution or other constituent documents, they must be made consistent with the Catalist Rules prevailing at the time of amendment.

The following Regulations have been updated for consistency with the prevailing Listing Rules, in accordance with Rule 730 of the Catalist Rules.

(a) ***Regulations 23 and 24 (Article 21(1) of the Existing Constitution)***

Regulations 23 and 24, which relates to the Directors' power to decline to register a transfer of shares, has been amended to be in line with Rule 733 of the Catalist Rules, which provides that if an issuer refuses to register a transfer of a security, it must give to the lodging party written notice of the refusal containing the precise reasons justifying the refusal within 10 market days after the date on which the transfer was lodged with the issuer. Consequential changes have been made to Regulation 24.

(b) ***Regulations 71, 72 and 75 (Articles 65, 66 and 69 of the Existing Constitution)***

Regulation 71, which relates to the method of voting at general meetings, has new provisions to make it clear that, if required by the listing rules of any stock exchange upon which shares in the Company may be listed, all resolutions at general meetings shall be voted by poll (unless such requirement is waived by the stock exchange). Consequential changes have been made to Regulations 72 and 75. These changes are in line with Rule 730A of the Catalist Rules.

Regulation 72 has also been amended to provide that at least one scrutineer will be appointed for each general meeting. This amendment is in line with Rule 730A(3) of the Catalist Rules.

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(c) ***Regulation 61 (Article 56 of the Existing Constitution)***

Regulation 61 has been amended to make it clear that unless prohibited by law, all general meetings shall be held in Singapore at such location as may be determined by the Board. This clarification is in line with Rule 730A(1) of the Catalyst Rules.

9.3.3. Objects Clause (New Regulation 4)

To be in line with section 23 of the Companies Act, the Company proposes to include a general regulation in the New Constitution to the effect that, subject to the provisions of the Companies Act and any other written law and the New Constitution, any branch or kind of business is expressly or by implication authorised to be undertaken by the Company and may be undertaken by the Directors at such time or times as they shall think fit, and further may be suffered by them to be in abeyance, whether such branch or kind of business may have been actually commenced or not, so long as the Directors may deem it expedient not to commence or proceed with such branch or kind of business.

9.3.4. Amendments in view of the Personal Data Protection Act 2012 (New Regulation 162)

In general, under the Personal Data Protection Act 2012, an organisation can only collect, use or disclose the personal data of an individual with the individual's consent, and for a reasonable purpose which the organisation has made known to the individual. The new Regulation 162 specifies, among other things, the purposes for which the Company and/or its agents and service providers would collect, use and disclose personal data of Shareholders and their appointed proxies or representatives.

9.3.5. General

(a) ***Regulations 2, 3, 4 and 5 (Existing Memorandum of Association)***

Regulations 2, 3, 4 and 5, which relates to the name, registered office, liability of members of the Company and business and activity of the Company, were previously set out in the Memorandum of the Existing Constitution, and retained as Regulations 2, 3, 4 and 5, in the New Constitution.

(b) ***Regulations 83 and 85 (Article 79 of the Existing Constitution)***

Regulation 83, which relates to the appointment of proxies, has new provisions to facilitate the appointment of a proxy through electronic means online. In particular, it provides that a Shareholder can elect to signify his approval for the appointment of a proxy via electronic communication, through such method and in such manner as may be approved by the Directors, in lieu of the present requirement of signing, or where applicable, the affixation of the corporate Shareholder's common seal.

For the purpose of accommodating the deposit by Shareholders, and receipt by the Company, of electronic proxy instructions by Shareholders who elect to use the electronic appointment process, Regulation 85, which relates to the deposit of proxies, has new provisions which authorise the Directors to prescribe and determine the manner of receipt by the Company of the instrument appointing a proxy through digital means.

(c) ***Regulation 123 (Article 96(1) of the Existing Constitution)***

Regulation 123 has been updated to substitute the references to insane persons and persons of unsound mind with references to persons who are mentally disordered and incapable of managing himself or his affairs, following the enactment of the Mental Health (Care and Treatment) Act, Chapter 178A of Singapore, which repealed and replaced the Mental Disorders and Treatment Act, Chapter 178 of Singapore.

(d) ***Regulation 152 (Article 136 of the Existing Constitution)***

Regulation 152, which relates to the Directors' power to issue free shares and/or capitalise reserves for share-based incentive plans, has been expanded to empower the Directors to

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do the same for the benefit of non-executive Directors as part of their Directors' remuneration. This will enable the Company, if it so desires, to remunerate its non-executive Directors by way of Directors' fees in the form of shares, or in a combination of cash and shares.

10. THE PROPOSED SHARE ISSUE MANDATE

10.1. Proposed New Share Issue Mandate

The Company is proposing to seek Shareholders' approval at the EGM for the grant of a new general mandate for the aggregate number of shares which may be issued, to be determined based on the total number of Consolidated Shares (excluding treasury shares) after the completion of the Proposed Share Consolidation, the Proposed Acquisition, and the Proposed Compliance Placement ("**Proposed Share Issue Mandate**"). This is in addition to the authorisation to be sought for the proposed share issue in relation to the allotment and issuance of the Consideration Shares, Introducer Shares and the Compliance Placement Shares as set out in Section 3, Section 3.4.7 and Section 4 respectively of this Circular respectively.

Specifically, approval from the Shareholders will be sought for, amongst others, authority to be granted pursuant to Article 7 of the Constitution and Rule 806 of the Catalist Rules to the New Board to allot and issue new shares in the capital of the Company (whether by way of rights issue, bonus issue or otherwise) and/or 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) options, warrants, debentures or other Instruments convertible into shares, at any time and upon such terms and conditions, and for such purposes and to such persons as the New Board shall in their absolute discretion deem fit, provided that the aggregate number of new shares to be issued pursuant to such authority shall not exceed 100.0% of the then-existing issued share capital of the Company, and that the aggregate number of shares to be issued other than on a pro-rata basis to the Shareholders as at Completion shall not exceed 100.0% of the then-existing issued share capital of the Company, and, unless revoked or varied by the Shareholders in general meeting, such authority shall continue in full force until the conclusion of the next annual general meeting or the date by which the next annual general meeting is required by law or the Catalist Rules to be held, whichever is earlier. For this purpose, the "then-existing issued share capital" shall mean the share capital of the Company immediately after Completion (including the Introducer Shares, and after the Proposed Share Consolidation and after the Proposed Compliance Placement).

The Proposed Share Issue Mandate falls within the limits set out in Rule 806(2)(b) of the Catalist Rules.

10.2. Validity of the Proposed New Share Issue Mandate

The Proposed New Share Issue Mandate, if approved by Shareholders at the EGM, shall take force and effect from the date of the EGM and shall continue in force until the earliest of the following:

- (a) the conclusion of the next annual general meeting; or
- (b) the expiration of the period within which the next annual general meeting is required to be held pursuant to the Constitution or any applicable laws of Singapore; or
- (c) it is carried out to the full extent mandated; or
- (d) it is revoked or varied by ordinary resolution of the Shareholders in a general meeting.

Subject to its continued relevance to the Company, the Proposed New Share Issue Mandate will be put to Shareholders for renewal at subsequent general meetings of the Company.

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11. THE PROPOSED SHARE CONSOLIDATION

11.1 Details of the Proposed Share Consolidation

Rule 429 of the Catalist Rules requires the issue price of shares offered for a subscription or sale, for which a listing is sought, to be at least S\$0.20 each.

In connection with the Proposed Acquisition, the Company proposes to undertake the Proposed Share Consolidation pursuant to which the Company will consolidate every one hundred (100) Shares into one (1) Consolidated Share.

Shareholders should note that the number of Consolidated Shares which they will be entitled to pursuant to the Proposed Share Consolidation, based on their shareholdings as at the Consolidation Books Closure Date, will be rounded down to the nearest whole Consolidated Share and any fractions of Consolidated Shares arising from the Proposed Share Consolidation will be disregarded. Fractions of a Consolidated Share arising from the Proposed Share Consolidation may be dealt with in such manner as the Board of Directors may, in their absolute discretion, deem fit in the interests of the Company including aggregating and selling the same and retaining the net proceeds for the benefit of the Company and/or purchasing of any or all of the fractional Consolidated Shares and retaining the net proceeds of the share purchase for the benefit of the Company.

For illustrative purposes, if a Shareholder holds 1099 Shares as at the Consolidation Books Closure Date, following the Proposed Share Consolidation and rounding down to the nearest whole Consolidated Share and disregarding any fractions of Consolidated Shares arising from the Proposed Share Consolidation, the Shareholder will be entitled to 10 Consolidated Shares. For further illustration, please refer to the illustration table below which reflects generally the changes to be made to a Shareholder's size of shareholding pursuant to the Proposed Share Consolidation.

Size of Shareholding	
Before Share Consolidation	After Share Consolidation
100 - 999	1 - 9 ⁽¹⁾
1,000 - 9,999	10 - 99 ⁽¹⁾
10,000 - 99,999	100 - 999
100,000 - 999,999	1,000 - 9,999
1,000,000 and above	10,000 and above

Note:

- (1) Shareholders whose shareholdings fall under this range can only trade their Shares on the SGX unit share market.

Shareholders are reminded to check their respective shareholdings in the Company after the Consolidation Books Closure Date before trading.

As at the Latest Practicable Date, the Company has a total issued share capital of S\$10,657,950 divided into 2,729,253,595 Shares. Following the Proposed Acquisition and introducer fees, the Company will have a total issued share capital of S\$54,107,850 divided into 14,587,833,172 Shares. Following the completion of the Proposed Share Consolidation, the Company will have a total issued share capital of S\$54,107,850 divided into approximately 145,878,327¹ Consolidated Shares.

¹ This is the theoretical number of Consolidated Shares for the purposes of reflecting the proposed consolidation ratio.

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The Proposed Share Consolidation will not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company, and has no effect on the equity of the Company. Shareholders are not required to make any payment to the Company in respect of the Proposed Share Consolidation. Subject to approval of Shareholders being obtained for the Proposed Share Consolidation at the EGM, the number of Consolidated Shares held by Shareholders arising from the Proposed Share Consolidation will be ascertained on the Consolidation Books Closure Date.

11.2. Rationale for the Proposed Share Consolidation

The Proposed Share Consolidation is to be undertaken in connection with the Proposed Acquisition and the Proposed Compliance Placement so as to ensure compliance with the Minimum Issue Price on the Completion Date. On 1 February 2008, the SGX-ST issued a guidance note to state that the Minimum Issue Price for initial public offerings should also apply to reverse takeovers. Rule 429 of the Catalist Rules also states that where the consideration for the acquisition of assets by the issuer is to be satisfied by the issue of shares, the price per share of the issuer after adjusting for any share consolidation must not be lower than S\$0.20.

The proposed consolidation ratio of 100-1 was derived having taken into consideration (i) the resultant number of odd lots; (ii) the required minimum issue price of S\$0.20 pursuant to Rule 1015 (3)(c) of the Catalist Rules; and (iii) the volatility in the Company's share price when trading resumes, by providing for a reasonable buffer.

Shareholders should note, however, that there is no assurance that the Proposed Share Consolidation will achieve the above desired results, nor is there assurance that such results (if achieved) can be sustained in the longer term.

11.3. Conditions

Shareholders should note that the implementation of the Proposed Share Consolidation at the proposed share consolidation ratio is subject to Shareholders' approval for the Proposed Share Consolidation, the Completion and the completion of the Proposed Compliance Placement. Shareholders should also note that under the SPA, Shareholders' approval for the Proposed Share Consolidation is a Condition Precedent to completion of the Proposed Acquisition and if Shareholders' approval of the Proposed Share Consolidation is not obtained, the Proposed Acquisition will not proceed to Completion. Shareholders should refer to Section 1 entitled "Introduction" of this Circular on the inter-conditionality/conditionality of the resolutions contained in this Circular.

11.4. Administrative procedures

(a) Updating of Register of Members and Depository Register

After Shareholders' approval has been obtained for the Proposed Share Consolidation at the EGM, Shareholders' entitlements of the Consolidated Shares will be determined on the Consolidation Books Closure Date, whereupon the Register of Members and the depository register will be updated to reflect the number of Consolidated Shares held by Shareholders (or depositors, as the case may be) based on their shareholdings in the Company as at the Consolidation Books Closure Date.

(b) Deposit of share certificates with CDP

Shareholders who hold old physical share certificates for the existing Shares ("**Old Share Certificates**") in their own names and who wish to deposit the same with CDP and have their Consolidated Shares credited to their Securities Accounts maintained with CDP must deposit their Old Share Certificates, together with the duly executed instruments of transfer in favour of CDP, no later than 12 Market Days before the Consolidation Books Closure Date.

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After the Consolidation Books Closure Date, CDP will only accept for deposit share certificates for Consolidated Shares (“**New Share Certificates**”). Shareholders who wish to deposit their New Share Certificates with CDP after the Consolidation Books Closure Date must first deliver their Old Share Certificates to the Company’s Share Registrar and Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, for cancellation and issue of New Share Certificates in replacement thereof as described below.

(c) Issue of New Share Certificates

Shareholders who have deposited their existing share certificates with CDP at least 12 Market Days prior to the Consolidation Books Closure Date need not take any action. The Company will arrange with CDP to facilitate the exchange of New Share Certificates pursuant to the Proposed Share Consolidation.

Shareholders who have not deposited their existing share certificates as aforesaid or who do not wish to deposit their existing share certificates with CDP are advised to forward all their existing share certificates to the Company’s Share Registrar and Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, as soon as possible after they have been notified of the Consolidation Books Closure Date and no later than five (5) Market Days after the Consolidation Books Closure Date for cancellation and exchange for New Share Certificates. New Share Certificates will be sent by ordinary mail to the registered addresses of the Shareholders at their own risk within 10 Market Days from the Consolidation Books Closure Date or the date of receipt of the existing share certificates, whichever is the later.

Shareholders are to deliver their respective existing share certificates to the Company’s Share Registrar and Share Transfer Agent or CDP only after the announcement of the Consolidation Books Closure Date by the Company.

No receipt will be issued by the Company’s Share Registrar and Share Transfer Agent for the receipt of the existing share certificates tendered. Shareholders should note that New Share Certificates will not be issued to Shareholders unless their existing share certificates have been tendered to the Company’s Share Registrar and Share Transfer Agent for cancellation.

Please notify the Company’s Share Registrar and Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, if you have lost any of your existing share certificates or if there is any change in your address from that reflected in the Register of Members of the Company.

(d) Share certificates not valid for settlement of trades on SGX-ST

Shareholders who hold physical share certificates are reminded that their existing share certificates will not be valid for settlement of trading in the new Consolidated Shares on the SGX-ST (as the Company is under a book-entry (scripless) settlement system) but will continue to be accepted for cancellation and issue of New Share Certificates in replacement thereof for an indefinite period by the Company’s Share Registrar and Share Transfer Agent. Notwithstanding the above, the New Share Certificates will not be valid for delivery for trades done on the SGX-ST although they will continue to be *prima facie* evidence of legal title.

(e) Trading arrangements for the Consolidated Shares and for odd lots

Subject to Shareholders' approval for the Proposed Share Consolidation being obtained at the EGM, with effect from 9.00 a.m. on the Effective Trading Date, trading in the Consolidated Shares will be in board lots of 100 Consolidated Shares. Accordingly, 100 existing Shares as at 5.00 p.m. on the Market Day immediately preceding the Effective Trading Date will represent one (1) Consolidated Share with effect from 9.00 a.m. on the Effective Trading Date. Trading in the existing Shares will cease after 5.00 p.m. on the Market Day immediately preceding the Effective Trading Date.

The Shares are currently traded in board lots of 100 Shares in the ready market. Following the Proposed Share Consolidation, the Securities Accounts of depositors may be credited with odd lots of Consolidated Shares (i.e. lots other than board lots of 100 Consolidated Shares). The market for trading of such odd lots of Consolidated Shares may be illiquid. Depositors who receive odd lots of Consolidated Shares pursuant to the Proposed Share Consolidation and who wish to trade such odd lots of Consolidated Shares on the SGX-ST should note that odd lots of Consolidated Shares can be traded on the unit share market which, following the Proposed Share Consolidation, would allow trading in odd lots with a minimum size of one (1) Consolidated Share.

11.5. Consolidation Books Closure Date and Effective Trading Date

The announcement on the Consolidation Books Closure Date and the Effective Trading Date in respect of the Proposed Share Consolidation will be made by the Company in due course, after consultation with the Sponsor for compliance with the relevant Catalyst Rules. Please refer to the section entitled "Indicative Timetable for the Proposed Transactions" of this Circular for further details.

12. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION AND THE PROPOSED DISPOSAL

12.1. Bases and Assumptions

For illustrative purposes only, the financial effects of the Proposed Acquisition and the Proposed Disposal on the Group are prepared based on the audited consolidated financial statements of the Group for FY2017 and the audited combined financial statements of the Target Group for FY2017, as well as the following bases and key assumptions:

- (a) The financial effects of the Proposed Acquisition and the Proposed Disposal on the Group's NTA per Share and gearing are computed based on the assumption that the Proposed Acquisition and the Proposed Disposal were completed on 31 December 2017;
- (b) The financial effects of the Proposed Acquisition and the Proposed Disposal on the Group's EPS (as defined below) are computed based on the assumption that the Proposed Acquisition and the Proposed Disposal were completed on 1 January 2017;
- (c) the analysis does not take into account the financial effects of the Proposed Share Consolidation and the Proposed Compliance Placement, and related transaction costs, as well as any dividends or distributions out of profits that may be declared by the Target Group in respect of the past financial periods; and
- (d) save as set out above, there have not been any adjustments for the impact of any other transactions or events other than the Proposed Acquisition and the Proposed Disposal.

The audited combined financial statements of the Target Group for the financial year ended 31 December 2017 has been prepared in accordance with the Singapore Financial Reporting Standards.

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12.2. Pro Forma Financial Effects

Shareholders should note that the pro forma financial effects of the Proposed Acquisition and the Proposed Disposal are for illustrative purposes only. The illustrative financial effects should not be construed to mean that the actual results, performance or achievements of the Group will be as expected, expressed or implied in such financial effects.

12.3. Share Capital

Assuming the Proposed Acquisition and the Proposed Disposal had been completed on 31 December 2017, the effect of the Proposed Acquisition and the Proposed Disposal on the share capital of the Company is as follows:

	Before the Proposed Acquisition and the Proposed Disposal	After the Proposed Acquisition and the Proposed Disposal
Share Capital as at 31 December 2017 (S\$'000)	10,658	—
Increase of Share Capital (S\$'000)	—	43,450 ⁽¹⁾
Enlarged Share Capital (S\$'000)	—	54,108
Number of Shares in issue as at 31 December 2017	2,729,253,595	—
Issuance of Consideration Shares	—	11,642,995,836
Issuance of Introducer Shares	—	215,583,741
Number of Shares in issue after the Proposed Acquisition and the Proposed Disposal	—	14,587,833,172

Note:

(1) Based on Purchase Consideration and the issuance of Consideration Shares and Introducer Shares.

12.4. NTA

Assuming the Proposed Acquisition and the Proposed Disposal had been completed on 31 December 2017, the effect of the Proposed Acquisition and the Proposed Disposal on the NTA of the Group is as follows:

	Before the Proposed Acquisition and the Proposed Disposal	After the Proposed Acquisition and the Proposed Disposal
Consolidated NTA attributable to the Shareholders (S\$'000)	(864)	(287)
Number of issued shares (excluding treasury shares) ('000)	2,729,254	14,587,833
Net tangible assets per share (Singapore cents)	(0.032)	(0.002)

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12.5. Effects on earnings per Share (“EPS”)

Assuming the Proposed Acquisition and the Proposed Disposal had been completed on 1 January 2017, the effect of the Proposed Acquisition and the Proposed Disposal on the Group’s EPS or loss per Share (“LPS”) for FY2017 is as follows:

	Before the Proposed Acquisition and the Proposed Disposal	After the Proposed Acquisition and the Proposed Disposal
Net profit after tax attributable to Shareholders (S\$’000)	100	(12,159) ⁽¹⁾
Weighted average number of issued shares (’000)	1,578,192	14,587,833
EPS/(LPS) (Singapore cents)	0.006	(0.083)

Note:

- (1) If the loss on reverse acquisition of approximately S\$11,376,000 and acquisition related costs of approximately S\$1,735,000 were not considered in FY2017 for the Enlarged Group’s pro forma combined statement of comprehensive income, the net profit after tax attributable to Shareholders of the Enlarged Group for FY2017 would be approximately S\$952,000.

12.6. Gearing

Assuming the Proposed Transactions had been completed on 31 December 2017, the effect of the Proposed Transactions on the gearing of the Group is as follows:

	Before the Proposed Acquisition and the Proposed Disposal	After the Proposed Acquisition and the Proposed Disposal
Total borrowings ⁽¹⁾ (S\$’000)	6 ⁽²⁾	799
Cash and cash equivalents (S\$’000)	34	284
Total equity (S\$’000)	(1,089)	(115)
Net gearing ratio ⁽³⁾ (times)	Not meaningful ⁽³⁾	Not meaningful ⁽⁴⁾

Notes:

- (1) “Total borrowings” comprises bank borrowings and finance leases.
- (2) “Net gearing ratio” is calculated based on net debt (total borrowings deduct cash and cash equivalent) divided by total equity.
- (3) Not meaningful because the Group is in net cash position and total equity is negative.
- (4) Not meaningful because total equity is negative.

Please note that the above financial figures are for illustrative purposes only and do not necessarily reflect the actual results and financial performance and position of the Enlarged Group after the Proposed Acquisition and the Proposed Disposal. No representation is made as to the actual financial position and/or results of the Company after completion of the Proposed Acquisition and the Proposed Disposal.

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13. FINANCIAL INFORMATION

13.1. Disclosure requirements

Under Rules 1015(1)(a)(ii) and 1015(4)(a) of the Catalist Rules, the Company is required to disclose the following:

- (a) last two (2) years of historical financial information (of the assets to be acquired) and one (1) year of pro forma financial information (of the enlarged group);
- (b) information required by Rules 407, 416, 1010, 1011, 1012, 1013 and Part XII of Chapter 4 of the Catalist Rules, where applicable.

Rule 407 of the Catalist Rules requires compliance with Parts II and XI of the Fifth Schedule. Under the Fifth Schedule, pro forma financial statements are required for the most recently completed financial year and the period covered by interim financial statements, if any, where the Company has, during such period:

- (a) acquired or disposed of any assets or any entity, business or business trust (other than a common control entity, common control business or common control business trust); or
- (b) entered into any agreement to acquire or dispose of any asset or any entity, business or business trust (whether or not that entity, business or business trust is a common control entity, common control business or common control business trust),

and the net book value or absolute amount of profit or loss before tax of such asset, entity, business or business trust exceeds the prescribed thresholds under the Fifth Schedule.

13.2. Financial Statements

The following selected financial information of the Enlarged Group should be read in conjunction with the full text of this Circular, including Appendix B “Unaudited Pro Forma Financial Information of Jason Holdings Limited and its Subsidiaries for the Financial Year ended 31 December 2017 and nine-month period ended 30 September 2018”, Appendix C “Interim Combined Financial Statements of the Target Group for the nine-month period ended 30 September 2018” and Appendix E “Combined Financial Statements of the Target Group for FY2015, FY2016 and FY2017”, to this Circular.

The unaudited pro forma financial information has been compiled:

- (i) in a manner consistent with the accounting policies adopted by the Enlarged Group, which are in accordance with Singapore Financial Reporting Standards (International);
- (ii) on the basis of the audited interim combined financial statements of Target Group for 9MFY2018 (which were prepared in accordance with Singapore Financial Reporting Standards (International) and audited by Moore Stephens LLP), in accordance with Singapore Standards of Auditing; and
- (iii) each material adjustment made to the information used in the preparation of the unaudited pro forma financial information is appropriate for the purpose of preparing such unaudited pro forma financial information.

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UNAUDITED PRO FORMA STATEMENTS OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018

	For the nine-month period ended 30 September 2018 S\$	For the year ended 31 December 2017 S\$
Revenue	4,397,110	2,611,889
Other income	273,524	1,339,232
Material costs and changes in inventories	(507,097)	(570,756)
Salaries and employees' benefits	(1,490,043)	(1,394,909)
Depreciation of property, plant and equipment and investment property	(98,575)	(75,962)
Loss on reverse acquisition	–	(11,375,834)
Acquisition-related costs	–	(1,734,900)
Other operating expenses	(548,869)	(853,312)
Finance costs	(25,281)	(15,538)
Profit/(loss) before income tax	2,000,769	(12,070,090)
Income tax expense	(368,789)	(5,920)
Profit/(loss) for the financial period/year	1,631,980	(12,076,010)
Other comprehensive income, net of income tax	–	–
Total comprehensive income/(loss) for the financial period/year	1,631,980	(12,076,010)
Profit/(loss) for the financial period/year attributable to:		
Owners of the Company	1,662,000	(12,159,176)
Non-controlling interests	(30,020)	83,166
	1,631,980	(12,076,010)
Total comprehensive income/(loss) for the financial period/year attributable to:		
Owners of the Company	1,662,000	(12,159,176)
Non-controlling interests	(30,020)	83,166
	1,631,980	(12,076,010)
Earnings/(loss) per share		
Basic and diluted (cents per share)	0.011	(0.083)

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UNAUDITED PRO FORMA STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2017 AND 30 SEPTEMBER 2018

	<u>30.9.2018</u> S\$	<u>31.12.2017</u> S\$
Non-current assets		
Property, plant and equipment	371,376	1,139,324
Investment property	710,738	–
Total non-current assets	1,082,114	1,139,324
Current assets		
Contract assets	1,676,624	26,202
Trade and other receivables	1,349,997	1,187,684
Cash and cash equivalents	754,836	283,849
Total current assets	3,781,457	1,497,735
Less:		
Current liabilities		
Trade and other payables	2,069,050	1,667,646
Contract liabilities	–	269,321
Dividend payable	1,650,000	–
Loans and borrowings	91,344	40,414
Current tax liabilities	384,247	15,458
Total current liabilities	4,194,641	1,992,839
Net current liabilities	(413,184)	(495,104)
Non-current liabilities		
Loans and borrowings	951,496	758,766
Total non-current liabilities	951,496	758,766
Net liabilities	(282,566)	(114,546)
Equity		
Share capital	11,579,803	11,579,803
Merger reserve	137,500	145,500
Accumulated losses	(12,149,823)	(12,011,823)
Equity attributable to equity owners of the Company	(432,520)	(286,520)
Non-controlling interests	149,954	171,974
Total equity	(282,566)	(114,546)

13.2.1 Disclaimer of Opinion

The auditor's report on the audited consolidated financial statements of the Company and its subsidiaries for the financial year ended 31 December 2017 contained a disclaimer of opinion, which was disclosed in the published annual report dated 10 August 2018, in respect of the following: -

Disclaimer of Opinion on the audited consolidated financial statements of the Company and its subsidiary for the financial year ended 31 December 2017 on the following matters:

- (i) the comparability of the current year's figures and the corresponding figures in respect of the winding up of Jason Parquet Specialist (Singapore) Pte Ltd and other scope limitations;
- (ii) significant limitation of staff resources, completeness and accuracy of accounting records and other scope limitations in respect of the Company's accuracy records, and
- (iii) going concern.

14. MORATORIUM

As the Company envisages the resumption of trading of the Shares on the Catalist after Completion, the Proposed Acquisition is subject to the moratorium requirements specified in the Catalist Rules. In particular, Rule 1015(3)(b) of the Catalist Rules provides that the moratorium requirements specified in Rules 420, 421 and 422 are applicable to the following persons:

- (a) persons who are existing controlling shareholders or who will become controlling shareholders of the issuer as a result of the asset acquisition; and
- (b) associates of any person in (a).

Such persons are required to provide an undertaking to maintain his effective interest in the securities under moratorium during the moratorium period of six (6) months from the date of resumption of trading of the Shares on the Catalist.

Upon Completion, the Vendors are entitled to receive Consideration Shares in accordance with the terms of the SPA.

Accordingly, in compliance with the moratorium requirements specified in Rules 420, 421 and 422 of the Catalist Rules, the following persons have provided undertakings in favour of the Company and the Sponsor as set out below:

Lim Chwee Kim, who is an existing controlling shareholder of the Company, has irrevocably and unconditionally undertaken not to directly or indirectly, offer, sell, contract to sell, realise, transfer, assign, pledge, grant any option or right to purchase, grant any security over, encumber or otherwise dispose of:

- (i) all or any part of his Shares (adjusted for any bonus issues or sub-division of Shares) for a period of six (6) months from the date of resumption of trading of the Shares on the Catalist; and
- (ii) more than 50.0% of his Shares (adjusted for any bonus issues or sub-division of Shares) for a period of six (6) months thereafter.

LETTER TO SHAREHOLDERS FROM THE BOARD OF DIRECTORS OF THE COMPANY

L3N Capital Pte. Ltd., who will become a controlling shareholder of the Company after Completion, the Proposed Share Consolidation and the Proposed Compliance Placement, has irrevocably and unconditionally undertaken not to directly or indirectly, offer, sell, contract to sell, realise, transfer, assign, pledge, grant any option or right to purchase, grant any security over, encumber or otherwise dispose of:

- (i) all or any part of its Shares (adjusted for any bonus issues or sub-division of Shares) for a period of six (6) months from the date of resumption of trading of the Shares on the Catalist; and
- (ii) more than 50.0% of its Shares (adjusted for any bonus issues or sub-division of Shares) for a period of six (6) months thereafter.

The Vendors, who will become controlling shareholders of the Company after Completion, the Proposed Share Consolidation and the Proposed Compliance Placement, have irrevocably and unconditionally undertaken not to directly or indirectly, offer, sell, contract to sell, realise, transfer, assign, pledge, grant any option or right to purchase, grant any security over, encumber or otherwise dispose of:

- (i) all or any part of their Shares (adjusted for any bonus issues or sub-division of Shares) for a period of six (6) months from the date of the resumption of trading of the Shares on the Catalist; and
- (ii) more than 50.0% of their Shares (adjusted for any bonus issues or sub-division of Shares) for a period of six (6) months thereafter.

In compliance with Rule 421 of the Catalist Rules, the Vendors have also irrevocably and unconditionally undertaken not to directly or indirectly, offer, sell, contract to sell, realise, transfer, assign, pledge, grant any option or right to purchase, grant any security over, encumber or otherwise dispose of all or any part of their shares in L3N Capital Pte. Ltd. for a period of twelve (12) months from the date of the resumption of trading of the Shares on the Catalist.

15. SHARE CAPITAL

As at the date of this Circular, there is only one (1) class of shares in the capital of the Company, being ordinary shares. There are no founder, management, deferred or unissued shares. The existing Shares (including, but not limited to the Shares held by the Directors and Substantial Shareholders) do not carry voting rights which are different from the Consideration Shares or the Placement Shares. The rights of and privileges attached to the Shares are stated in the Constitution.

As at the Latest Practicable Date:

- (a) save as disclosed in Appendix D of this Circular, the Company is not directly or indirectly owned or controlled, whether severally or jointly, by any person or government;
- (b) save for the Proposed Acquisition and the Proposed Compliance Placement, the Directors are not aware of any arrangement the operation of which will result in a change in control of the Company;
- (c) the Directors are not aware of any event which has occurred since the beginning of the most recent completed financial year and the Latest Practicable Date, which may have a material effect on the financial position and results of the Company; and
- (d) there has not been any public take-over offer, by a third party in respect of any of the Shares of the Company or by the Company in respect of the shares of another corporation or the units of a business trust, which has occurred between the beginning of the most recent completed financial year and the Latest Practicable Date.

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Save as disclosed below, there were no changes in the issued and paid-up share capital of the Company or any issue of Shares for a consideration other than cash within the three (3) years preceding the Latest Practicable Date:

Date	Number of Shares issued/ cancelled	Purpose of change in capital	Consideration per Share	Resultant number of Shares	Resultant issued and paid-up capital
9 June 2017	2,000,000,000	Placement exercise	S\$0.0005	2,216,000,000	S\$10,144,696
19 July 2017	513,253,595	Allotment and issue of Shares to participating creditors	S\$0.001 ¹	2,729,253,595	S\$10,657,950

The issued and paid-up share capital of the Company as at Latest Practicable Date was S\$10,657,950.

As at the Latest Practicable Date:

- (i) no person has, or has the right to be given, an option to subscribe for or purchase any Shares;
- (ii) there is no arrangement which involves the employees of the Company that involves the issue or grant of options or Shares or any other securities in the Company, and no option to subscribe for or purchase Shares has been granted to, or was exercised by, any Director or the chief executive officer of the Company; and
- (iii) none of the Shares are held by or on behalf of the Company.

16. MATERIAL LITIGATION

On 10 November 2016, the Australia and New Zealand Banking Group Limited (“**ANZ**”) filed a winding up application (the “**Application**”) against the Company. The Company had since undergone and completed a scheme of arrangement under Section 210 of the Companies Act (the “**Scheme**”). As announced by the Company on 19 October 2017, the Company had made payment to all participating creditors in accordance with the Scheme, thereby constituting a full and final settlement of all debts owed by the Company to its then existing creditors (including ANZ). The Application was since withdrawn on 14 November 2018.

On 31 May 2018, EQ Insurance Pte. Ltd. (“**EQ Insurance**”) filed a third party notice against the Company in relation to the claim by Hyundai-GS Joint Venture against EQ Insurance for the sum of S\$395,183.50 under a performance bond (the “**Third Party Claim**”). The Company was brought in as a third party to the action on the basis of the deed of indemnity entered into between the Company and EQ Insurance on 5 February 2016. On 16 October 2018, the application to strike out EQ Insurance’s claim against the Company was granted. On 14 January 2019, EQ Insurance’s appeal against the striking out of their claim against the Company was allowed, and the matter will proceed to trial. As announced by the Company on 15 January 2019, the Company is in the midst of seeking legal advice and will defend the Third Party Claim vigorously.

¹ There were no proceeds in cash from this allotment and issuance of shares as the Shares were issued in consideration of the repayment of outstanding debts of the Company.

LETTER TO SHAREHOLDERS FROM THE BOARD OF DIRECTORS OF THE COMPANY

The Company has been advised by its legal advisors that it has a good chance of successfully defending against the Third Party Claim. Accordingly, no provision for any liability has been made in the financial year/period ended 31 December 2017 and 30 September 2018. The existing evaluation of the likelihood of an outcome and estimate of this legal matter may differ from the evaluation at the completion of the Proposed Acquisition.

Notwithstanding the above, Lim Chwee Kim has on 16 January 2018 entered into a deed of indemnity with the Vendors, pursuant to which Lim Chwee Kim has agreed to indemnify the Vendors against the Third Party Claim.

Save as disclosed above, the Group is not engaged in any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have or have had in the 12 months immediately preceding the date of this Circular, a material effect on the Group's financial position or profitability. The Directors have no knowledge of any proceedings pending or threatened against the Group or any facts likely to give rise to any litigation, claims or proceedings which might materially affect the financial position or the business of the Group.

17. MATERIAL CONTRACTS

Save for the SPA and the Disposal Agreement, the Group has not entered into any contracts not in the ordinary course of business in the two (2) years preceding the Latest Practicable Date.

18. DIVIDEND POLICY OF THE ENLARGED GROUP

Shareholders and prospective investors should note that neither the Company nor the Target Group currently has a formal dividend policy. Save for the Dividend Payment to be made (details of which are set out under Section 3.4.8 of the Circular), the Target Group has not declared, approved and paid any dividend for FY2015, FY2016, FY2017 and 9MFY2018 and up till the Latest Practicable Date. There can be no assurance that dividends will be paid in the future or on the amount or timing of any dividends that may be paid in the future. The declaration and payment of dividends will be determined at the sole discretion of the Proposed New Directors, subject to the approval of the Shareholders.

The Company may, by ordinary resolution of its Shareholders at a general meeting, declare dividends but the amount of such dividends shall not exceed the amount recommended by the Proposed New Directors. The Proposed New Directors may also declare an interim dividend without seeking Shareholders' approval. The Company may only pay dividends out of its profits pursuant to the Companies Act.

In making their dividend recommendation, the Proposed New Directors will take into consideration, inter alia, the performance of the Enlarged Group and the following factors:

- (i) the level of cash and retained earnings;
- (ii) the actual and projected financial performance and financial condition
- (iii) projected working capital requirements;
- (iv) projected levels of capital expenditure and other investment plans;
- (v) restrictions on payment of dividends imposed on the Enlarged Group by its financing arrangements or other agreements, if any; and
- (vi) any other factors deemed relevant by the Proposed New Directors.

LETTER TO SHAREHOLDERS FROM THE BOARD OF DIRECTORS OF THE COMPANY

Shareholders and prospective investors should note that all the foregoing statements are statements of the intention of the proposed new board and shall not constitute legally binding statements in respect of future dividends which may be subject to the sole and absolute discretion of the Proposed New Directors. No inference should or can be made from any of the foregoing statements as to actual future profitability of the Enlarged Group or the ability of the Enlarged Group to pay dividends in the future.

Please refer to Section 3.7(b)(iv) of the Circular entitled “Additional funds raised through issuance of new shares or loans for the Enlarged Group’s future growth will dilute Shareholders’ equity interest or may limit their ability to pay dividends”.

19. **ADVICE OF THE INDEPENDENT FINANCIAL ADVISER IN RELATION TO THE PROPOSED WHITEWASH RESOLUTION**

ZICO Capital Pte. Ltd. has been appointed as the Independent Financial Adviser to the Independent Directors in respect of the Proposed Whitewash Resolution, and have advised as follows: -

In arriving at our opinion in respect of the Proposed Whitewash Resolution, we have taken into account the factors which we consider to be relevant and to have a significant bearing on our assessment of the Proposed Whitewash Resolution. We have carefully considered factors which we deem essential and balance them before reaching our opinion. Accordingly, it is important that this IFA Letter, in particular, all the considerations and information which we have taken into account, be read in its entirety.

Based on our analysis, and after having considered carefully the information available to us as at the Latest Practicable Date, we are of the opinion that, on balance, the terms of the Proposed Acquisition, being the subject of the Proposed Whitewash Resolution, are fair and reasonable, and are not prejudicial to the interests of the Independent Shareholders.

Accordingly, we advise the Independent Directors to recommend that Independent Shareholders vote in favour of the Proposed Whitewash Resolution.

A copy of the IFA Letter in relation to the above is reproduced in Appendix F of this Circular. Shareholders are advised to read the IFA Letter in its entirety.

20. **INTERESTS OF THE SPONSOR, INDEPENDENT BUSINESS VALUER AND INDEPENDENT FINANCIAL ADVISOR**

(a) Interests of the Independent Business Valuer

In the reasonable opinion of the Directors, the Independent Business Valuer does not have a material relationship with the Company or the Group save for BDO Advisory Pte. Ltd. being the Independent Business Valuer.

(b) Interests of the Sponsor

In the reasonable opinion of the Directors, the Sponsor does not have a material relationship with the Company or the Group save for the following:

- (i) Hong Leong Finance Limited is the Sponsor in respect of the Proposed Acquisition; and
- (ii) Hong Leong Finance Limited is currently the continuing sponsor of the Company.

(c) Interests of the IFA

In the reasonable opinion of the Directors, the IFA, ZICO Capital Pte. Ltd., does not have a material relationship with the Company or the Group, save for ZICO Capital Pte. Ltd. being the IFA in relation to the Proposed Whitewash Resolution and the Proposed Disposal.

LETTER TO SHAREHOLDERS FROM THE BOARD OF DIRECTORS OF THE COMPANY

21. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial shareholders of the Company or their associates has any interest, direct or indirect, in the Proposed Transactions, save for their respective shareholdings in the Company.

22. ABSTENTION FROM VOTING

As the Proposed Disposal is a Key Resolution, and the Key Resolutions are inter-conditional upon each other, Mr. Chia David, who holds 0.0004% of the Shares, will abstain and procure that their associates will abstain from voting at the EGM on the resolutions relating to the Proposed Transactions. The Purchasers will decline to accept appointment as proxies for voting at the EGM in respect of the resolutions relating to the Proposed Transactions unless specific instructions as to voting have been given.

In accordance with the conditions of the Whitewash Waiver, notwithstanding the lack of any voting rights in the Company, the Vendors and their concert parties will abstain from voting at the EGM on the ordinary resolution relating to the Proposed Whitewash Resolution.

The Vendors and their concert parties will also decline to accept appointment as proxies for voting at the EGM in respect of the resolution relating to the Proposed Whitewash Resolution unless the Independent Shareholders appointing them as proxies give specific instructions in their proxy forms as to the manner in which their votes are to be cast in respect of such resolution.

23. DIRECTORS' RECOMMENDATION

Having considered and reviewed, amongst other things, the terms of the SPA, the rationale for the Proposed Transactions, the risk factors and other investment considerations, and all other relevant facts set out in this Circular, the Directors are of the opinion that the Proposed Transactions are not prejudicial to the Shareholders and are in the interest of the Company, and accordingly, they recommend that Shareholders vote in favour of all of the resolutions in relation to the Proposed Transactions as set out in the Notice of EGM dated 29 March 2019 contained in this Circular.

24. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out in the section entitled "Notice of Extraordinary General Meeting", will be held at Koo Chye Bo Seng Hong Temple San Qing Gong, Level 2, 21 Bedok North Avenue 4, Singapore 489948 at 3.00 p.m. (or such time immediately following the conclusion or adjournment of the annual general meeting of the Company to be held at 2.00 p.m. on the same day and at the same place), for the purpose of considering, and if thought fit, passing with or without any modifications, the resolutions set out in the Notice of EGM.

25. ACTION TO BE TAKEN BY SHAREHOLDERS

25.1. Appointment of Proxies

Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend and vote at the EGM on their behalf should complete and sign the Proxy Form attached to this Circular in accordance with the instructions printed thereon. The completed and signed Proxy Form should then be returned as soon as possible and in any event so as to arrive at the Company's Share Registrar in Singapore not less than forty-eight (48) hours before the time fixed for the EGM. Shareholders who have completed and returned the Proxy Form may still attend and vote in person at the EGM, if they so wish, in place of their proxy. A proxy need not be a Shareholder.

25.2. When a Depositor is Regarded as a Shareholder

A depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the depository register, as certified by the CDP, at least seventy-two (72) hours before the EGM.

LETTER TO SHAREHOLDERS FROM THE BOARD OF DIRECTORS OF THE COMPANY

26. CONSENTS

- (a) Hong Leong Finance Limited, the Sponsor to the Company in respect of the Proposed Acquisition, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and all references thereto in the form and context in which they appear in this Circular and to act in such capacity in relation to this Circular.
- (b) ZICO Capital Pte. Ltd., the Independent Financial Adviser to the Independent Directors in respect of the Proposed Whitewash Resolution and the Proposed Disposal, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name, the IFA Letter and all references thereto in the form and context in which they appear in this Circular and to act in such capacity in relation to this Circular.
- (c) BDO Advisory Pte. Ltd., the Independent Business Valuer commissioned by the Company to conduct a valuation of the Target Group has given and has not withdrawn its written consent to the issue of this Circular with the inclusion herein of its name, the Valuation Letter, and all references thereto in the form and context in which they appear in this Circular and to act in such capacity in relation to this Circular.
- (d) Moore Stephens LLP, the auditors to the Company and the Target Group and the Reporting Accountants to the Enlarged Group, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, the “Unaudited Pro Forma Financial Information of Jason Holdings Limited and its Subsidiaries for the Financial Year Ended 31 December 2017 and nine-month period ended 30 September 2018” as set out in Appendix B, the “Interim Combined Financial Statements of the Target Group for the nine-month period ended 30 September 2018” as set out in Appendix C, the “Combined Financial Statements of the Target Group for FY2015, FY2016 and FY2017” as set out in Appendix E, and all references thereto in the form and context in which they appear in this Circular and to act in such capacity in relation to this Circular.

Moore Stephens LLP, the auditor to WCPL for Financial Years Ended 2017 and 2018, included a disclaimer of opinion on the financial statements for WCPL in relation to its financial statements for FY2017 and FY2018, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, the “Extracts of Audited Financial Statements of White Cubic Pte. Ltd. for FY2016, FY2017 and FY2018” as set out in Appendix J, and all references thereto in the form and context in which they appear in this Circular and to act in such capacity in relation to this Circular.

- (e) Morgan Lewis Stamford LLC, the legal adviser on Singapore law in relation to the Proposed Transactions, has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name and references thereto in the form and context in which they appear in this Circular and to act in such capacity in relation to this Circular.
- (f) BDO LLP, the auditor to WCPL for FY2016, included a disclaimer of opinion on the financial statements of WCPL for FY2016 has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, the “Extracts of Audited Financial Statements of White Cubic Pte. Ltd. for FY2016, FY2017 and FY2018” as set out in Appendix J, and all references thereto in the form and context in which they appear in this Circular and to act in such capacity in relation to this Circular.

27. DIRECTORS’ RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular about the Proposed Transactions, and the Company and its subsidiaries (save in respect of information pertaining to the Vendors and the Target Group) 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 Transactions, and the Company and its subsidiaries (save in respect of information pertaining to the Vendors, the Target Group), and the Directors are not aware of any facts the omission of which would make

LETTER TO SHAREHOLDERS FROM THE BOARD OF DIRECTORS OF THE COMPANY

any statement in this Circular misleading. Where information in this Circular (save for information in respect of the Vendors, the Target Group) 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.

28. PROPOSED NEW DIRECTORS' RESPONSIBILITY STATEMENT

The Proposed New Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular relating to the Vendors and the Target Group in connection with the Proposed Transactions (insofar as they relate to the Target Group) 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 Vendors and the Target Group in connection with the Proposed Transactions (insofar as they relate to the Target Group) and the Proposed New Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where the information in this Circular relating to the Vendors and the Target Group in connection with the Proposed Transactions (insofar as they relate to the Target Group), has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Proposed New 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.

29. SPONSOR'S RESPONSIBILITY STATEMENT

To the best of the Sponsor's knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Transactions, the Company and its subsidiaries, the Target Group, and the Enlarged Group, and the Sponsor is not aware of any facts the omission of which would make any statement in this Circular misleading.

30. MISCELLANEOUS

There has been no public take-over by third parties in respect of the Shares or shares of the Target Group, or by the Company or the Target Group in respect of other companies' shares or units of a business trust which has occurred from the beginning of the most recently completed financial year to the Latest Practicable Date.

Trading suspension of the Company had occurred on 13 January 2016.

Save as disclosed in this Circular, the Directors are not aware of any event which has occurred since the end of the most recently concluded financial year to the Latest Practicable Date, which may have a material effect on the financial position and results of the Company.

31. DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company during normal business hours for a period of six (6) months from the date of this Circular:

- (a) the SPA;
- (b) the Disposal Agreement;
- (c) Unaudited Pro Forma Financial Information of Jason Holdings Limited and its Subsidiaries for the Financial Year Ended 31 December 2017 and nine-month period ended 30 September 2018;
- (d) Interim Combined Financial Statements of the Target Group for the nine-month period ended 30 September 2018;

LETTER TO SHAREHOLDERS FROM THE BOARD OF DIRECTORS OF THE COMPANY

- (e) Combined Financial Statements of the Target Group for the Financial Years Ended 31 December 2015, 2016 and 2017;
- (f) the IFA Letter;
- (g) the Business Valuation Report;
- (h) the Service Agreements;
- (i) Audited Financial Statements of WCPL for the Financial Years Ended 31 December 2016, 2017 and 2018;
- (j) the letters of consent referred to in Section 26 of this Circular;
- (k) the Existing Constitution of the Company; and
- (l) the proposed New Constitution of the Company.

32. ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the Target Letter and the other Appendices to this Circular.

Yours faithfully

For and on behalf of
The Board of Directors of

JASON HOLDINGS LIMITED

APPENDIX A – LETTER TO SHAREHOLDERS FROM THE PROPOSED NEW DIRECTORS

REVEZ GROUP PTE. LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 201828524C)

Proposed New Directors:

Neo Wee Han Victor (*Proposed Executive Director, Chief Executive Officer and Deputy Board Chairman*)
Lim Kian Sing (*Proposed Executive Director and Chief Operating Officer*)
Lee Han Chong (*Proposed Executive Director and Chief Creative Technology Officer*)
Lim Chwee Kim (*Proposed Non-Executive Director*)
Lim Choon Noi (*Proposed Independent Director and Chairman of Audit and Risk Committee*)
Koh Choon Hui (*Proposed Independent Director, Board Chairman and Chairman of Remuneration Committee and Nominating Committee*)

Registered Office:

25 Kallang Avenue
#02-02,
Singapore 339416

29 March 2019

To: The Shareholders of Jason Holdings Limited

Dear Sir/Madam

THE PROPOSED ACQUISITION OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF REVEZ GROUP PTE. LTD. FOR AN AGGREGATE CONSIDERATION OF S\$42.66 MILLION BY WAY OF THE ALLOTMENT AND ISSUANCE OF 11,642,995,836 CONSIDERATION SHARES IN THE CAPITAL OF JASON HOLDINGS LIMITED

1. INTRODUCTION

This letter (the “**Target Letter**”) has been prepared by the Proposed New Directors, on behalf of the Target Group, for inclusion in this Circular.

Unless the context otherwise requires, all the terms as defined in this Circular shall bear the same meaning when used in this letter. For the purposes of this Target Letter, any references to “we”, “us”, and “our” is a reference to the Target Group or any member of the Target Group, as the context requires.

2. BACKGROUND AND HISTORY OF THE TARGET GROUP

2.1. Background

Tapping on a multi-disciplinary blend of technology and creative media, we are an established provider of creative information technology (“IT”) solutions in Singapore, specialising in the provision of application solutions for businesses and MICE. Leveraging on a unique base of digital skill sets and constant Research & Development (“R&D”) in innovations, the Target Group delivers solutions to achieve impactful and immersive end-user experiences.

Incorporated in 2010, the Target Group has a long list of accomplishments to be proud of, ranging from being awarded the ‘Singapore Outstanding Enterprise Award 2014’ by Singapore Resource Association to being recognised as the “Largest Provider of Customised Multimedia Solutions for Galleries and Museums” by the Singapore Book of Records in 2018, among other accolades. The Target Group has also completed projects in several countries across Asia. With a view to expanding its geographical presence and further exploring opportunities in the region, it has recently established a representative office in Jakarta.

APPENDIX A – LETTER TO SHAREHOLDERS FROM THE PROPOSED NEW DIRECTORS

Pursuant to the terms of the SPA, the Vendors and the Target will be carrying out the Restructuring of the Target Group. Details of the Restructuring are set out in Section 2.3 of this letter entitled “Restructuring”.

The Target Group conducts its business operations predominantly in Singapore, serving customers on a global scale. From simple applications and websites to comprehensive tailor-made integrated solutions, the Target Group delivers immersive and interactive virtual and multimedia experiences, and cutting-edge software solutions. The Target Group specialises in the design and development of integrated suite of solutions by tapping on new technology, immersive multimedia, Artificial Intelligence (“AI”), Internet of Things (“IOT”), Information and Communications Technology (“ICT”), Software-as-a-Service (“SAAS”), and Creative & Content Service. The design and implementation of an integrated suite of solutions significantly transforms brand experience, communication and engagement, together with its add-on solutions that enhance the productivity and operations of the organisation. The Target Group aims at offering tailor-made solutions to customers, that are scalable, flexible, by tapping on its own IP modules. In this way, the Target Group is able to provide services to suit the changing needs and demands of customers in this digitalised era.

Our current portfolio comprises, *inter alia*, the following: designing digital library solutions for National Library Board, the ‘Singapore Mobility Gallery’ project under the Land Transport Authority, the ‘CPIB Heritage Gallery’ project under Corrupt Practices Investigation Bureau, delivering creative IT solutions such as interactive animations and multimedia displays at the National Institute of Education Visitors Learning Centre, working on various permanent multimedia installations for National Gallery Singapore and implementing IT solutions for the Singapore Visitor Centres (Singapore Tourism Board).

Some of the key projects that the Target Group is presently working on are projects that involve developing mobile solutions for National Parks Board, designing IT solutions for National Library Board and Institute of Technical Education (“ITE”) College East, ICT solutions for Ministry of Culture, Community and Youth, and designing interactive multimedia solutions for Jurong Town Corporation. The Target Group has also been presented with opportunities to work on a number of cross-border projects that involve providing IT solutions to PT. Dwi Tunggal Putra (“DTP”) Jarkata, which is a telecommunications company, having successfully completed numerous government projects, as well as digital consulting services to Zayed National Museum in Abu Dhabi. The Proposed New Directors believe that the global IOT market is projected to grow significantly in the near future.

Today, we have grown into a full service company providing a multi-disciplinary blend of technology and creative media with a proven track record in handling government projects (Please see further details on the list of projects handled by the Target Group as set out under Section 4.2 of this letter). We specialise in transforming customer operating processes, productivity improvement and brand experiences, and are always looking to develop strategic partnerships that let us seize new bigger opportunities.

2.2. History

“Revez” was birthed to signify the culmination of future-thinking technology, ingenuity and media. As an entrepreneurial technology company, we started our journey with a particular focus on interactive technologies dealing with events across Asia since 2010. Some of these events include the ‘Jet Black Party’ in 2011 and ‘Join the Pact’ in 2012, organised by Johnnie Walker, a brand of premium blended Scotch whiskey. The Target Group had the opportunity to craft interactive digital installations for the series of events which were held across Singapore and Malaysia. The Target Group had also worked on a MICE-related project with Hewlett Packard spanning countries across Asia, such as Malaysia, South Korea and India.

Within 2 years of our inception, we purchased our first fully-own B1 property. We rapidly expanded our services, with a wide clientele base ranging from multinational corporations to various government agencies in Singapore, covering permanent installations in local galleries and

APPENDIX A – LETTER TO SHAREHOLDERS FROM THE PROPOSED NEW DIRECTORS

museums as well as application solutions. Developing a digital ecosystem for Fitness First Asia that adds value to its core service of keeping people fit and healthy, was one of the key projects we have worked on since our incorporation. We have successfully delivered our services across its Asia Pacific branches for Fitness First Asia such as Singapore, Thailand, Philippines, Indonesia, Malaysia and Hong Kong Special Administrative Region (SAR).

This is where the Target Group had begun its journey to transform customer touch points into holistic brand experiences, setting a standard in the multimedia IT industry. As we continue to spearhead the creative IT industry, we have ventured into exciting new challenges that require research and prototyping, including projects for Singapore government agencies and Asia-wide large organisations. Recognised by various government bodies, the Target Group has received various IT innovative grants to widen its areas of competency and opportunities.

In a bid to provide an integrated suite of IT solutions, the Target Group had incorporated / acquired various entities, in the course of its development. Across the years, since the incorporation of Revez Motion LLP, the Target Group has seen a growth in terms of its clientele and the scale of projects it has worked on. In 2012, Revez Motion LLP was reclassified to Revez Motion Pte. Ltd. as part of an internal restructuring in a bid to pursue larger projects. Moving forward, in 2013, the acquisition of Newood Design Pte. Ltd. was targeted at MICE support as Newood Design Pte. Ltd. specialises in industrial design activities, and this allows for a faster turnaround time for turnkey projects. In light of overseas expansion efforts, Revez Pte. Ltd. was subsequently incorporated in 2014 to expand IT services and support for a growing number of projects. The Target Group proceeded to embark on a realignment strategy to focus more on longer duration government related IT projects and higher margin projects during the period 2015-2016. In 2018, as a value add to the provision of an integrated suite of solutions, IOIO Lab Pte. Ltd. was incorporated to specialise in the development of IOT and AI solutions, before the Restructuring of the Target Group took place for the purposes of listing on the Catalist Board of the SGX-ST. Please refer to Section 2.3 of this letter for more details on the Restructuring.

A summary of the key development milestones of the Target Group is as follows:

Year	Milestones
2010	<ul style="list-style-type: none">• Incorporation of Revez Motion LLP
2012	<ul style="list-style-type: none">• Reclassification of legal entity Revez Motion LLP to Revez Motion Pte. Ltd.
2012	<ul style="list-style-type: none">• Acquisition of first fully owned B1 property
2013	<ul style="list-style-type: none">• Expansion of services into local government agencies in Singapore and multinational corporations across the Asian region
2013	<ul style="list-style-type: none">• Acquisition of Newood Design Pte. Ltd.
2014	<ul style="list-style-type: none">• Incorporation of Revez Pte. Ltd. in a bid to expand IT services and IT support
2014	<ul style="list-style-type: none">• Awarded the Singapore Outstanding Enterprise Award
2015	<ul style="list-style-type: none">• Adoption of an IP-centric strategy to strengthen competitive edge supported by 'Intellectual Property & Franchising' under the Capability Development Grant provided by Spring Singapore (now known as Enterprise Singapore)
2015	<ul style="list-style-type: none">• Completed notable projects under MICE for clients such as Stylus Gurus Pte. Ltd. and Newcast Communication.

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- | | |
|-----------|--|
| 2016 | • Awarded the ‘Largest Touchscreen’ award by Singapore Book of Records |
| 2015-2016 | • Registration of trademark – ‘Revez’ – across Singapore and Hong Kong |
| 2016 | • Completed notable projects under MICE for clients such as ED&C and IDA (now known as Info-Communications Media Development Authority) |
| 2017 | • Successfully granted the first patent – ‘Guide Information Method and System’ (10201510006Q) |
| 2017 | • Completed notable projects under MICE for clients such as Ministry of Education, Nestle |
| 2018 | • Successfully granted the second patent – ‘Method and System for determining Route’ (10201600661W) |
| 2018 | • Incorporation of IOIO Lab Pte. Ltd. to expand IT services and support |
| 2018 | • Awarded ‘Singapore’s Largest Provider of Customised Multimedia Solutions for Galleries and Museums’ by Singapore Book of Records |
| 2018 | • Established a representative office in Indonesia to expand geographical presence |
| 2018 | • Establishment of Revez Group Pte. Ltd. for investment holding purposes and as part of the Restructuring |
| 2018 | • Completed notable projects under MICE for clients such as ED&C and Fitness First (Singapore) |
| 2019 | • Application of trademark “Engineered Experience” in Singapore |
| 2019 | • Filing of priority claim (PCT/SG2019/050005), based on earlier application filed (Method and System for determining Route’ (10201600661W)) |
| 2019 | • Incorporation of L3N Capital Pte. Ltd., an investment holding company, to own shares in Revez Group Pte. Ltd. as part of an internal restructuring |

Further, the Target Group’s team of skilled staff has been invited to conduct various institutional talks and participate in interviews with renowned organisations such as The Straits Times, Money FM 89.3, and SPRING Singapore (now known as ‘Enterprise Singapore’), in order to impart industry knowledge. In 2017, the Target Group had the honour of delivering a presentation on future Smart Nation solutions to Dr Yaacob Ibrahim who was then Singapore’s Minister for Communications and Information. The Target Group is an established brand in the Singapore market, as evidenced by the numerous awards it has won. Further details of the awards are set out under Section 9 of this letter entitled “Awards, Accreditation and Recognitions”.

2.3. Restructuring

As a condition of the SPA, the Vendors and the Target had carried out the Restructuring to streamline the corporate structure of the Target Group. The following steps were taken:

- (a) transfer of 53,500 shares from each of the vendors of Revez Motion Pte. Ltd. to Revez Group Pte. Ltd.;

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- (b) transfer of 5,000 shares from each of the vendors of Revez Pte. Ltd. to Revez Group Pte. Ltd.;
- (c) transfer of 30,600 shares from the vendor of Newood Design Pte. Ltd. (Lim Kian Sing) to Revez Group Pte. Ltd.; and
- (d) transfer of 32,000 shares from the vendor of IOIO Lab (Neo Wee Han Victor) to Revez Group Pte. Ltd.

Please refer to Section 5.1 of this Target Letter for further details on the share transfer.

Prior to the Restructuring, Neo Wee Han Victor held 80% of the shares on trust, on behalf of Revez Motion Pte. Ltd. in IOIO Lab Pte. Ltd. and Lim Kian Sing initially held 50%, and subsequently an additional 1% of the shares on trust, on behalf of Revez Motion Pte. Ltd. in Newood Design Pte. Ltd. As part of the Restructuring, these shares held on trust, were subsequently transferred to Revez Group Pte. Ltd. There are currently no trust arrangements.

Further, the Vendors have, on 31 January 2019, incorporated an investment holding company ("L3N Capital Pte. Ltd."). As at the Latest Practicable Date, Neo Wee Han Victor, Lim Kian Sing and Lee Han Chong own shares equally in L3N Capital Pte. Ltd. Upon the issuance of the Consideration Shares, the shareholding shall be as follows:

- L3N Capital Pte. Ltd. will own (i) 9,010,880,523 shares (61.77% shareholding in the Company) after Completion and before the Proposed Share Consolidation and the Proposed Compliance Placement; and (ii) 90,108,805 shares (53.80% shareholding in Jason Holdings Limited) after Completion, the Proposed Share Consolidation and the Proposed Compliance Placement;
- Neo Wee Han Victor shall hold (i) 954,991,743 shares in the Company (representing 6.55% of shareholding in the Company) after Completion and before the Proposed Share Consolidation and the Proposed Compliance Placement; and (ii) 9,549,917 shares in the Company (representing 5.70% of shareholding in the Company) after Completion, the Proposed Share Consolidation and the Proposed Compliance Placement;
- Lim Kian Sing shall hold (i) 838,561,785 shares (representing 5.75% of shareholding in the Company) after Completion and before the Proposed Share Consolidation and the Proposed Compliance Placement; and (ii) 8,385,617 shares in the Company (representing 5.01% of shareholding in the Company) after Completion, the Proposed Share Consolidation and the Proposed Compliance Placement; and
- Lee Han Chong shall hold 838,561,785 shares (representing 5.75% of shareholding in the Company) after Completion and before the Proposed Share Consolidation and the Proposed Compliance Placement; and (ii) 8,385,617 shares in the Company (representing 5.01% of shareholding in the Company) after Completion, the Proposed Share Consolidation and the Proposed Compliance Placement.

Based on the reports provided by Morgan Lewis Stamford LLC, the legal adviser on Singapore law on the Proposed Transactions, the Proposed New Directors are of the view that the steps in relation to the Restructuring above have not been carried out in breach of applicable rules and regulations.

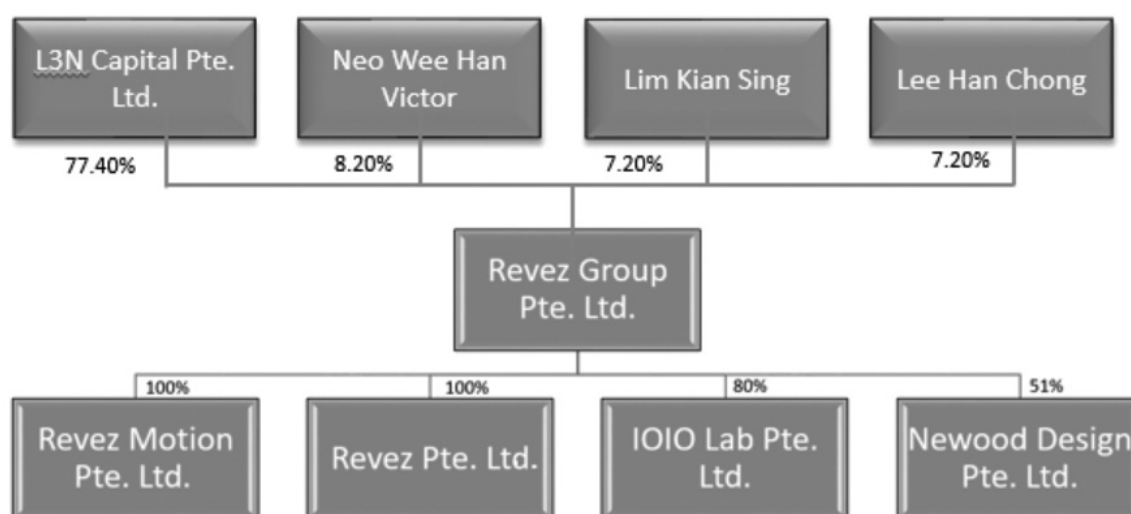
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3. GROUP STRUCTURE OF TARGET GROUP

As a result of the Restructuring, the Target shall hold the issued and paid up share capital of the following companies:

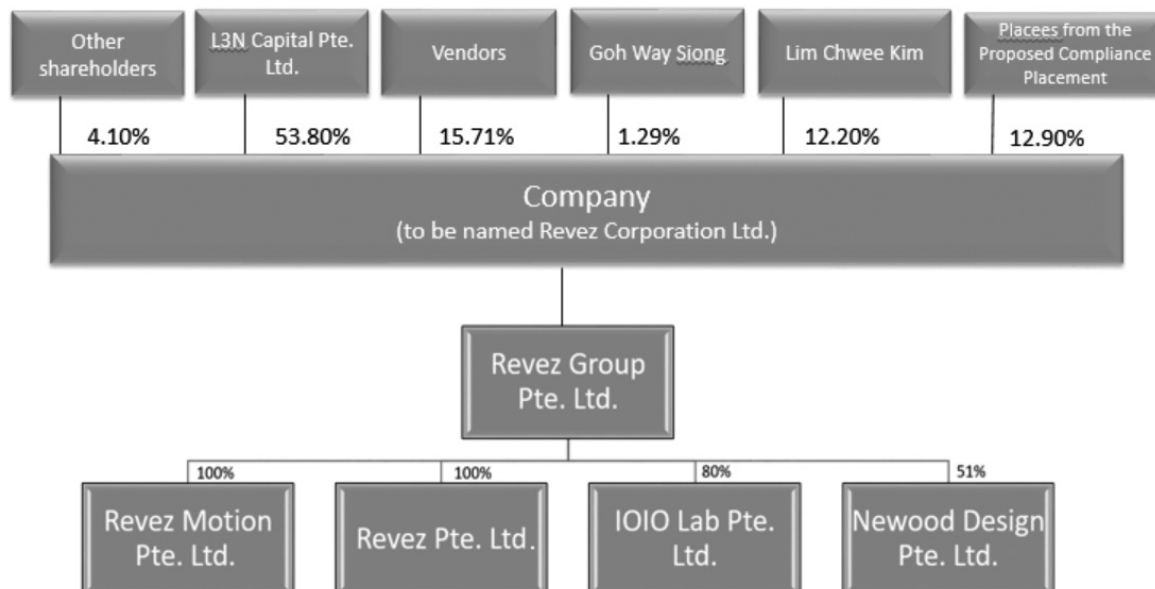
- (a) Revez Motion Pte. Ltd. (100%);
- (b) Revez Pte. Ltd. (100%);
- (c) IOIO Lab Pte. Ltd. (80%); and
- (d) Newwood Design Pte. Ltd. (51%),

FIGURE 1: GROUP STRUCTURE OF TARGET GROUP AS AT LPD



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For illustration purposes, (i) the Proposed Issuance of Consideration Shares, (ii) the Proposed Share Consolidation (details of which are set out under Section 11 of the Circular); and (iii) the Proposed Compliance Placement (details of which are set out under Section 4 of the Circular), the Enlarged Group structure shall be as follows:



Details of the Target Group

Revez Group Pte. Ltd. was incorporated in Singapore on 20 August 2018, and is a holding company with an issued and paid-up share capital of S\$1,000.

Details of the subsidiaries of Revez Group Pte. Ltd. are as follows:

Name of entity	Date and Country of incorporation	Principal place of business	Principal activities	Issued and paid-up capital	Percentage of effective ownership (%)
Newwood Design Pte. Ltd.	22 July 2005, Singapore	Singapore	Industrial design activities; Building construction	S\$60,000	51.0 (The remaining 49.0% is held by Tan Jit Kam, a director of Newwood Design Pte. Ltd.)
Revez Motion Pte. Ltd.	8 March 2012, Singapore	Singapore	Development of software for interactive digital media (except games); Other information technology and computer service activities (e.g. disaster recovery services)	S\$160,500	100.0

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Name of entity	Date and Country of incorporation	Principal place of business	Principal activities	Issued and paid-up capital	Percentage of effective ownership (%)
Revez Pte. Ltd.	24 June 2014, Singapore	Singapore	Advertising activities; Information technology consultancy (except cybersecurity)	S\$15,000	100.0
IOIO Lab Pte. Ltd. ¹ (“IOIO Lab”)	1 January 2018, Singapore	Singapore	Information technology consultancy (except cybersecurity); Research and Experimental Development on IT	S\$40,000	80.0 (The remaining 20.0% is held by Loy Yoke How (Li Xuehao), a director of IOIO Lab)

For the avoidance of doubt, the remaining shareholder(s) of IOIO Lab and Newood Design Pte. Ltd. are not related to the Company, directors, controlling / substantial shareholders of the Company and Target Group, and their respective associates.

4. BUSINESS OF THE TARGET GROUP

4.1. Principal Activities

The Target Group is primarily involved in delivering creative IT solutions in Singapore, specialising in the provision of application solutions for businesses and MICE. Within the MICE sector, Newood Design Pte. Ltd. holds a strategic role to support special fabrication and installation of IT systems.

We have grown into a full service company providing a multi-disciplinary blend of technology and creative media, with a particular focus in transforming customer operating processes, productivity improvement and brand experiences. We are always looking to develop strategic partnerships that allow us to seize new feasible business opportunities. Please refer to Section 4.2 in this letter entitled “Projects” for information on the details of projects undertaken by the Target Group.

¹ The shareholding of IOIO Lab is subject to change. As announced on 5 November 2018, pursuant to the SPA, the Parties agree that after completion, in relation to IOIO Lab, where the revenue for IOIO Lab in a financial year amounts to or exceeds S\$3 million, the minority shareholder of IOIO Lab is entitled to purchase up to 25% of the issued and paid-up capital of IOIO Lab from the Target Group for a consideration of S\$75,000.

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4.2. Projects

For the Period Under Review, details of the notable projects completed by the Target Group in relation to the provision of application solutions are as follows:

A. Provision of Application Solutions

(i) Completed Projects²

Description of Project	End Client	Completion Date
HDB Portal (Design, development and content management)	Housing and Development Board (“HDB”)	2015
SAAS	Fitness First Asia	2015
Interactive solutions for Milo discovery tour	Nestlé Singapore (Pte) Ltd (“Nestlé”)	2015
Concept solutions for Smart Nation	IDA (now known as Info-Communications Media Development Authority)	2016
Development of application solutions	Registry of Marriages (“ROM”)	2016
Permanent touchscreen installation (Social Table) Displayed as one of the many interactive art exhibits in the gallery, our Social Table serves as one of the featured centrepiece for National Gallery Singapore	National Gallery Singapore (“NGS”)	2016
Designing digital library solutions for National Library Board including designing and developing ‘NewspaperSG’ - the national portal for the public to access past issues of various newspaper titles	National Library Board (“NLB”)	2017
‘CPIB Heritage Gallery’ project which involved conceptualising, designing, and developing a series of multimedia touchpoints in a unique digital interactive gallery environment	Corrupt Practices Investigation Bureau (“CPIB”)	2017
Interactive solutions for STB Visitor Centre	Singapore Tourism Board (“STB”)	2018
Development of application solutions	Singapore Telecommunications Limited (“Singtel”)	2018

² Some of these projects are subject to ongoing maintenance post-completion.

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B. MICE

(i) Completed Projects

For the Period Under Review, details of the notable projects completed by the Target Group under MICE are as follows:

Description of Project	End Client	Completion Date
SEA Games 2015 Singapore	Style Gurus Pte. Ltd.	2015
NAFA Graduation Show	Newcast Communication	2015
Calvin Klein Event	Style Gurus Pte. Ltd.	2015
Brands Roadshow	ED&C	2016
Exhibits installation	IDA (now known as Info-Communications Media Development Authority)	2016
MICE support for a series of events	Nestlé Singapore (Pte) Ltd (“ Nestlé ”)	2017
Event launch	Ministry of Education	2017
Vitagen roadshow @ Suntec	ED&C	2018
Lexus event	ED&C	2018
SG Mobility Gallery	Land Transport Authority (“ LTA ”)	2018
Nescafe events	ED&C	2018

Note: Some of the above-mentioned projects under Paragraph 4.2 are successfully handled through collaboration with or engagement by project partners.

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Some of the projects undertaken by the Target Group



Largest Touchscreen



E-Book Solution



Hololens Mixed Reality



Multi-Touch Video Wall



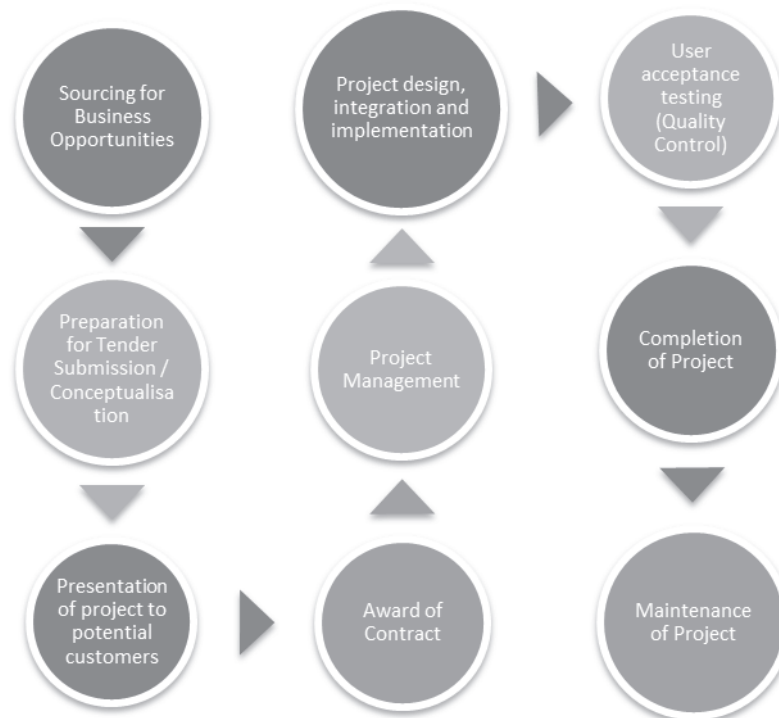
Virtual Reality Simulation

4.3. Business Process

We have developed a comprehensive set of business procedures through years of experience in executing and delivering IT projects. The successful completion of each project, however, takes into account unique considerations pertaining to each specific project and its execution is specifically designed to cater to its stakeholders. The process of executing and delivering a project can be summarised into the following diagram:

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4.3.1 Provision of application solutions



Our workflow allows for seamless transitions from conceptualisation to project design, integration and implementation, empowering us to develop interactive tailor-made solutions to suit the needs of our customers.

A. Sourcing for Business Opportunities

The Target Group sources for business opportunities primarily through participating in open tenders as well as through referrals from existing customers. The Target Group recognises the significance of maintaining strong business relationships with existing customers, as they play a crucial role in influencing the revenue and profits of the Target Group by bringing in profitable new customers via referrals and recommendations. By understanding the fundamental aspects of creating an exceptional customer experience along each interaction point every customer has with the organisation, the Target Group has been able to obtain referrals from existing customers along the course of its development. Further, the Target Group also seeks opportunities through digital marketing tools and by forming a network of strong partnerships through strategic collaboration.

B. Preparation for Tender Submission / Conceptualisation

Managing the submission of a tender involves managing resources, and a clear understanding of the roles within the working group which involves various departments. Team meetings are organised to facilitate the planning process and for the purposes of brainstorming the solution and approaches to be adopted to execute the project smoothly.

Led by the Chief Creative Technology Officer, the meetings will involve:

- a clear allocation of roles and responsibilities to each member of the working group;

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- the creation of a proposal schedule including deliverables and milestones;
- concept discussions between the creative, technology and sales departments;
- hardware sourcing preparation and implementing IT solutions plans;
- documentation of all the strategy points for execution of the project; and
- preparation of all relevant documentations for the purposes of the tender submission.

Bearing in mind the specific needs and requirements of the potential customer, the tender management team carefully analyses the total cost of the procurement, taking into account, *inter alia*, the concept plan and costs in relation to manpower, sourcing, hardware and suppliers in order to provide a realistic estimate of the cost of the structure with a breakdown of significant cost items.

C. Presentation of Project to Potential Customers

Where shortlisted, the Target Group may be requested by the respective tender panel to conduct a formal presentation on its proposal – addressing various aspects such as the underlying creative concepts and the technical merit of the Target Group's proposal, the capability of the Target Group to fulfil the specific requirements of the said project, including technical and management competence, financial viability, relevant skills and experience of key personnel, potential risks associated and quality assurance.

D. Award of Contract

Subject to a pre-determined set of criteria by the customers which varies from project to project, the respective tenderer is awarded the contract based on fulfilment of those criteria.

E. Project Management

Once awarded the contract, the Target Group focuses on effectively gathering user requirements, by determining, documenting, and managing stakeholder needs and requirements to meet project objectives. For smooth execution of the project, it is vital for the Target Group to be able to build the project on well-formed and verifiable user requirements.

By identifying the deliverables, the working group is then able to ensure that project scheduling is managed efficiently in the following ways:

- to properly communicate the work that needs to be performed across the working group;
- to effectively delegate tasks across the various departments; and
- to set timelines in order to clearly communicate the key milestones and tasks.

The working group has to ensure that the project schedule reflects all of the tasks associated with delivering the project on time. Finalising technical and project specifications at this stage is also imperative in ensuring the smooth delivery and execution of the project, in order to meet client requirements.

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F. Project Design, Integration and Implementation

Project integration and implementation involves the various departments involved in the project collaborating with one another, to coordinate all aspects of the project to create deliverables. This also comprises project monitoring – the process of keeping track of all project-related metrics including team performance and task duration, identifying potential problems and taking corrective actions necessary to ensure that the project is within scope, on budget and meets the specified deadlines. As part of the implementation process, there will be offsite internal testing processes to effectively test the IT applications and solutions created by the Target Group and ensuring quality performance, before they are delivered to the end customer.

G. User Acceptance Testing

Being the last stage of the software development life cycle, user acceptance testing is conducted on the system designed by the Target Group, by end customers for approval for production release. Through the user acceptance testing, the team is able to discover certain aspects in the system that might need to be fine-tuned to better suit user requirements and meet security standards. Thus, this process entails a significant level of collaboration amongst various stakeholders - project sponsors, business owners, business analysts, development and testing team.

H. Completion of Project

Upon successful conclusion of the user acceptance testing, the management will ensure that all deliverables and project management processes have been duly executed, before the completion of the project in line with the end customer's requirements.

I. Maintenance of Project

Subject to the terms and conditions of the specific contract with the end customer, the Target Group conducts ongoing maintenance, to ensure optimal performance of the IT system designed by the working group.

4.3.2 MICE Support

A. Sourcing for Business Opportunities

The Target Group sources for business opportunities primarily through participating in open tenders as well as through referrals from existing customers. The Target Group recognises the significance of maintaining strong business relationships with existing customers, as they play a crucial role in influencing the revenue and profits of the Target Group by bringing in profitable new customers via referrals and recommendations. By understanding the fundamental aspects of creating an exceptional customer experience along each interaction point every customer has with the organisation, the Target Group has been able to obtain referrals from existing customers along the course of its development. Further, the Target Group also seeks opportunities by forming a network of strong partnerships through strategic collaboration.

B. Project Quotation

Preparing the quotation involves managing resources, and a clear understanding of the roles within the working group which involves various departments. Team meetings are organised to facilitate the planning process and for the purposes of brainstorming the solution and approaches to be adopted to execute the project smoothly.

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Led by the sales manager, the meetings will involve:

- a clear allocation of roles and responsibilities to each member of the working group;
- the creation of a proposal schedule including deliverables and milestones; and
- documentation of all the strategy points for execution of the project.

Bearing in mind the specific needs and requirements of the potential customer, the team carefully analyses the total cost of the procurement, taking into account, *inter alia*, the concept plan and costs in relation to manpower, sourcing, hardware and suppliers in order to provide a realistic estimate of the cost of the structure with a breakdown of significant cost items.

C. Award of Contract

Subject to acceptance of the project quotation, the Target Group is then awarded the contract.

D. Project Management

Once awarded the contract, the Target Group focuses on effectively gathering user requirements, by determining, documenting, and managing stakeholder needs and requirements to meet project objectives. For smooth execution of the project, it is vital for the Target Group to be able to build the project on well-formed and verifiable user requirements.

By identifying the deliverables, the working group is then able to ensure that project scheduling is managed efficiently in the following ways:

- to properly communicate the work that needs to be performed across the working group;
- to effectively delegate tasks across the various departments; and
- to set timelines in order to clearly communicate the key milestones and tasks.

The working group has to ensure that the project schedule reflects all of the tasks associated with delivering the project on time. Finalising technical and project specifications at this stage is also imperative in ensuring the smooth delivery and execution of the project, in order to meet client requirements.

E. Completion of Project

To conclude, the management will ensure that all deliverables and project management processes have been duly executed, before the completion of the project in line with the end customer's requirements.

4.4. Seasonality

On the whole, the Target Group did not experience significant seasonal trends during the Period Under Review as the business of the Target Group is generally project based and not dependent on seasonal patterns. The Target Group is therefore required to adhere to its clients' project work plan. Notwithstanding this, a seasonal trend may be observed for projects under MICE, albeit not significant.

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5. SHARE CAPITAL AND PRINCIPAL SHAREHOLDERS

The issued and paid-up share capital of the Target after the Restructuring is S\$1,000 comprising 1,000 ordinary shares. Please refer to Section 2.3 of this letter entitled “Restructuring” for more information on the Restructuring.

As at the Latest Practicable Date, the direct and indirect shareholdings in the Target Group of the directors and substantial shareholders of the Target are as follows:

	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
Directors				
Neo Wee Han Victor	82	8.2	774 ⁽¹⁾	77.4
Lee Han Chong	72	7.2	774 ⁽²⁾	77.4
Lim Kian Sing	72	7.2	774 ⁽³⁾	77.4
Substantial Shareholder				
L3N Capital Pte. Ltd.	774	77.4	—	—

Notes:

- (1) Neo Wee Han Victor is deemed interested in the shares directly held by L3N Capital Pte. Ltd., by virtue of Section 7 of the Companies Act
- (2) Lee Han Chong is deemed interested in the shares directly held by L3N Capital Pte. Ltd., by virtue of Section 7 of the Companies Act
- (3) Lim Kian Sing is deemed interested in the shares directly held by L3N Capital Pte. Ltd., by virtue of Section 7 of the Companies Act

Save as set out below, there were no changes in the share capital nor significant changes in the ownership of the equity interest of the Target or any of the Target Subsidiaries for the period of three (3) years before the Latest Practicable Date.

5.1. Target

Date	Description	Consideration (\$)	Number of Shares issued or transferred	Before transaction		After transaction	
				Number of Shares	Share Capital (\$)	Number of Shares	Share Capital (\$)
20 August 2018	Allotment and issuance of shares to Lim Kian Sing	1	1				
20 August 2018	Allotment and issuance of shares to Neo Wee Han Victor	1	1	0	0	3	3
20 August 2018	Allotment and issuance of shares to Lee Han Chong	1	1				
1 February 2019	Allotment and issuance of shares to L3N Capital Pte. Ltd.	774	774				

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Date	Description	Consideration (S\$)	Number of Shares issued or transferred	Before transaction		After transaction	
				Number of Shares	Share Capital (S\$)	Number of Shares	Share Capital (S\$)
1 February 2019	Allotment and issuance of shares to Lim Kian Sing	71	71	3	3	1,000	1,000
1 February 2019	Allotment and issuance of shares to Neo Wee Han Victor	81	81				
1 February 2019	Allotment and issuance of shares to Lee Han Chong	71	71				

5.2. Revez Motion Pte. Ltd.

Date	Description	Consideration (S\$) ³	Number of Shares issued or transferred	Before transaction		After transaction	
				Number of Shares	Share Capital (S\$)	Number of Shares	Share Capital (S\$)
25 October 2018	Transfer of shares from Neo Wee Han Victor to the Target	208,976.67	53,500	160,500	160,500	160,500	160,500
25 October 2018	Transfer of shares from Lim Kian Sing to the Target	208,976.67	53,500				
25 October 2018	Transfer of shares from Lee Han Chong to the Target	208,976.67	53,500				

5.3. Revez Pte. Ltd.

Date	Description	Consideration (S\$)	Number of Shares issued or transferred	Before transaction		After transaction	
				Number of Shares	Share Capital (S\$)	Number of Shares	Share Capital (S\$)
25 October 2018	Transfer of shares from Neo Wee Han Victor to the Target	94,201.67 ⁴	5,000				

³ The consideration set out herein was calculated based on the net tangible assets of Revez Motion Pte. Ltd. This was satisfied by way of issuance of new ordinary shares in the issued and paid-up capital of the Target.

⁴ The consideration set out herein was calculated based on the net tangible assets of Revez Pte. Ltd. This was satisfied by way of issuance of new ordinary shares in the issued and paid-up capital of the Target.

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Date	Description	Consideration (S\$)	Number of Shares issued or transferred	Before transaction		After transaction	
				Number of Shares	Share Capital (S\$)	Number of Shares	Share Capital (S\$)
25 October 2018	Transfer of shares from Lim Kian Sing to the Target	94,201.67 ⁵	5,000	15,000	15,000	15,000	15,000
25 October 2018	Transfer of shares from Lee Han Chong to the Target	94,201.67 ⁶	5,000				

5.4. Newood Design Pte. Ltd.

Date	Description	Consideration (S\$) ⁷	Number of Shares issued or transferred	Before transaction		After transaction	
				Number of Shares	Share Capital (S\$)	Number of Shares	Share Capital (S\$)
20 August 2018	Transfer of shares from Tan Jit Kam to Lim Kian Sing	3,502	600	60,000	60,000	60,000	60,000
30 October 2018	Transfer of shares from Lim Kian Sing to the Target	175,137	30,600	60,000	60,000	60,000	60,000

5.5. IOIO Lab Pte. Ltd.

Date	Description	Consideration (S\$)	Number of Shares issued or transferred	Before transaction		After transaction	
				Number of Shares	Share Capital (S\$)	Number of Shares	Share Capital (S\$)
1 January 2018	Allotment and issuance of shares to Loy Yoke How	8,000	8,000				
1 January 2018	Allotment and issuance of shares to Neo Wee Han Victor	32,000	32,000	0	0	40,000	40,000
25 October 2018	Transfer of shares from Neo Wee Han Victor to the Target	32,000 ⁸	32,000	40,000	40,000	40,000	40,000

⁵ The consideration set out herein was calculated based on the net tangible assets of Revez Pte. Ltd. This was satisfied by way of issuance of new ordinary shares in the issued and paid-up capital of the Target.

⁶ The consideration set out herein was calculated based on the net tangible assets of Revez Pte. Ltd. This was satisfied by way of issuance of new ordinary shares in the issued and paid-up capital of the Target.

⁷ The consideration set out herein was calculated based on the net tangible assets of Newood Design Pte. Ltd. This was satisfied by way of issuance of new ordinary shares in the issued and paid-up capital of the Target.

⁸ The consideration set out herein was calculated based on the net tangible assets of IOIO Lab. This was satisfied by way of issuance of new ordinary shares in the issued and paid-up capital of the Target.

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As at the Latest Practicable Date, the Target Group is not directly or indirectly owned or controlled, whether severally or jointly, by any government.

There has not been any public take-over offer by a third party in respect of any of the shares of the Target or of any of the Target Subsidiaries or by the Vendors and/or the Target Group in respect of the shares of another corporation or the units of a business trust, which has occurred between the beginning of the most recently completed financial year and the Latest Practicable Date. As at the Latest Practicable Date, there is no known arrangement where the operation of which may, at a subsequent date, result in a change of control of the Target Group.

6. MAJOR CUSTOMERS AND SUPPLIERS

6.1. Major Customers

The customer of the Target Group who accounts for five percent (5.0%) or more of the Target Group's total revenue in any of FY2015, FY2016, FY2017 and 9MFY2018 is set out in the table below.

FY2015

Name of Customer	As a percentage of the Target Group's total revenue (%)
Pico Art International Pte. Ltd.	35.1
Building and Construction Authority	9.5
Fitness First Asia	8.3
National Library Board	7.0

FY2016

Name of Customer	As a percentage of the Target Group's total revenue (%)
Pico Art International Pte. Ltd.	25.4
Housing and Development Board	7.4
BBDO Singapore Pte. Ltd.	5.5

FY2017

Name of Customer	As a percentage of the Target Group's total revenue (%)
Pico Art International Pte. Ltd.	19.2
Corrupt Practices Investigation Bureau	9.0
National Library Board	8.3
I1snapshot Pte. Ltd.	7.7

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9MFY2018

Name of Customer	As a percentage of the Target Group's total revenue (%)
Kingsmen Exhibits Pte. Ltd.	36.6
Pico Art International Pte. Ltd.	11.3
National Institute of Education	8.5
ED&C	5.9
Gallagher & Associates Asia Pte. Ltd.	5.6
Spacelogic Pte. Ltd.	5.1

As illustrated above, the Target Group has a wide-ranging clientele in the Period Under Review as the Target Group adopts a project-based business model. The Target Group enters into contracts with its customers on a non-exclusive basis for the larger projects which may run between months to years. The level of engagement of customers and complexity of the project largely depends on the needs of customers for that specific project, and the types of technology which the Target Group would need to tap on in implementing the IT solutions for the respective project. In 9MFY2018, Kingsmen, a communication design and production group, was a significant customer primarily due to the Target Group's growing ability to provide integrated IT solutions in a rapidly evolving industry. For the Period Under Review, the Target Group has seen a trend in repeat customers who may not necessarily be major customers, adding to the Target Group's track record. The value of the revenue contributed by Pico Art International Pte. Ltd. is relatively constant, with a rather slight decrease. The significant decrease in terms of percentage is attributable to the general growth of the Target Group's revenue for the Period under Review. In addition, the Target Group had planned to diversify its customers' base to be less reliant on a single customer.

Save as disclosed above, none of the customers accounted for five percent (5.0%) or more of the Target Group's total revenue for the Period Under Review. For the Period Under Review, the business or profitability of the Target Group is not materially dependent on any single customer.

Neo Wee Han Victor, Lim Kian Sing and Lee Han Chong each hold an equal equity interest in the share capital of I1snapshot Pte. Ltd. Save as disclosed, none of the Proposed New Directors and the Proposed New Executive Officer of the Target Group or their respective associates have any interest, direct or indirect, in any of the customers.

6.2. Major Suppliers

The supplier of the Target Group who accounts for five percent (5.0%) or more of the Target Group's total purchases in any of FY2015, FY2016, FY2017 and 9MFY2018 is set out in the table below.

FY2015

Name of Supplier	As a percentage of the Target Group's total purchases (%)
I1snapshot Pte. Ltd.	35.2
Pringo Pte. Ltd.	13.9
Dzire Media Pte. Ltd.	11.2

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FY2016

Name of Supplier	As a percentage of the Target Group's total purchases (%)
I1snapshot Pte. Ltd.	13.9
Summer Productions Pte. Ltd	10.9
Tomen (Singapore) Electronics Pte. Ltd.	9.8
Allied Intuit Pte. Ltd.	9.0
3 Square Media Solutions Pte. Ltd.	5.3

FY2017

Name of Supplier	As a percentage of the Target Group's total purchases (%)
AIO Interactive Pte. Ltd.	39.1
Sitecore Singapore Pte. Ltd.	23.8
Multitouch Asia Pte. Ltd.	22.3
Bona Technologies Systems Pte. Ltd.	17.5

9MFY2018

Name of Supplier	As a percentage of the Target Group's total purchases (%)
Media Mart Computer Pte. Ltd.	18.8
Multitouch Asia Pte. Ltd.	15.1
Mapletree Facilities Services Pte. Ltd.	11.0
Visual Plus Pte. Ltd.	10.5
Ingram Micro Asia Ltd	9.2
PQ Labs, Inc.	8.8
CDL Trading Pte. Ltd.	8.6
Ban Leong Technologies Limited	8.6
TWO3 Pte. Ltd.	7.5
Vision 1 Pte. Ltd.	7.4
Pave System Pte. Ltd.	6.8

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As the Target Group is heavily skill-driven, there is generally less reliance on engaging external suppliers for materials such as hardware. Nevertheless, where required, the Target Group appoints its suppliers on a project basis, and does not enter into long term contracts with suppliers. The Target Group selects the suppliers primarily based on factors such as licensed qualifications, financial status, reliability, pricing, track record, ability to commit to project timelines, and quality of workmanship. Depending on their strengths, different suppliers may be appointed by the Target Group for each of its projects since the requirements and specifications of each project may differ.

The Target Group's purchases vary from year to year due to the nature of its project-based business. The Target Group would purchase and/or engage the services of sub-contractors and/or suppliers who consistently provide favourable terms with regard to price, quality and the ability to meet its delivery schedules for that particular project based on competitive quotes. This approach has accounted for the changes in the percentage of purchases reflected in the table above. For the avoidance of doubt, the Target Group has not entered into any transactions with I1snapshot Pte. Ltd. from FY2017 onwards.

Save as disclosed above, there is no other sub-contractor or supplier whose sales to the Target Group accounted for more than 5% of the Target Group's purchases in the Period Under Review. As at the Latest Practicable Date, our business or profitability is not materially dependent on any single supplier.

Neo Wee Han Victor, Lim Kian Sing and Lee Han Chong each hold an equal equity interest in the share capital of I1snapshot Pte. Ltd., Lim Kian Sing is a shareholder of Pringo Pte. Ltd. Further details on transactions which fall under the scope of "Interested Person Transactions" or "Related Party Transactions" are covered under Section 24 of this Target Letter. Save as disclosed, none of the Proposed New Directors, Proposed New Executive Officer, or their respective associates has any interest, direct or indirect, in the above supplier.

7. CREDIT AND INVENTORY MANAGEMENT

7.1. Credit Policy and Management

The Target Group usually grants on average 30 days credit terms. The Target Group closely monitors all the outstanding trade receivables and regularly reviews the collectability of the trade receivables to determine whether any follow-up action is required. Such actions may include taking appropriate steps to recover the amounts owed.

The Target Group's trade receivables turnover days for the Period Under Review were as follows:

	9MFY2018	FY2017	FY2016	FY2015
Trade receivables turnover days	76.4	116.9	146.6	109.2

Trade receivables turnover days are calculated with the following formula:

$$\frac{\text{Average of opening and closing trade receivables balances for the financial period}}{\text{Revenue}} \times 365 \text{ days (270 days for 9MFY2018)}$$

Typically, most of the Target Group's customers repaid their invoices about 3 months after the due dates. Trade receivables turnover days increase from 109 days in FY2015 to 147 days in FY2016 due mainly to delay in payment by a major customer of the Target Group as a result of delay in internal approving processes of that customer. The trade receivables turnover days improved in FY2017 to 117 days as the Target Group's improved its processes in credit management. For 9MFY2018, the trade receivables turnover days improved further to 76 days due mainly to higher revenue being recognised towards the end of 9MFY2018.

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Aging of Trade Receivables

Financial Period	Current	Over due <30 days	Over due less than 60 days but more than 30 days	Over due less than 90 days but more than 60 days	Over due more than 90 days	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
9MFY2018	315	389	227	127	345	1,403
FY2017	910	57	24	74	20	1,085
FY2016	187	27	40	133	202	589
FY2015	392	104	4	185	395	1,080

The above shows the trade receivables aging for each of the financial periods. Most of the slow-moving trade receivables for the Period under Review were due to delays in user acceptance stage by end customers or delay in receipts from customers who were main contractors of projects.

Out of the total trade receivables of S\$1,403,000 as at 30 September 2018, S\$984,000 has been collected as at LPD.

For 9MFY2018, trade receivables over due more than 90 days amounting to approximately S\$345,000 was due mainly to a project delay from end customer in People's Republic of China. For 9MFY2018's trade receivables' balance, a credit loss allowance of approximately S\$142,000 was made as part of the adoption of SFRS(I) 9.

Though a significant portion of the Target Group's trade receivables is past due, this is mainly attributable to the nature of the business of the Target Group whereby regardless of completion of the work, payment to the Target Group is subject to the ability of the Target Group's customers to conclude their internal processes and their ability to collect payments from their end customers. Based on past history, collectability of most trade receivables is not a major concern and the overdue trade receivables have not posed a significant risk to its cash flows.

From FY2018 onwards, the Target Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables and contract assets.

In measuring the expected credit losses, trade receivables and contract assets are grouped based on similar credit risk characteristics and days past due. The contract assets relate to the Target Group's right to consideration for work on service contracts completed but not billed, which have substantially the same risk characteristics as the trade receivables for the same type of contracts. The Target Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the expected loss rates for the contract assets.

In calculating the expected credit loss rates, the Target Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables. The Target Group has identified the gross domestic product (GDP) and the unemployment rate of Singapore, which is the country in which it sells goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

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For 9MFY2018, upon adoption of the SFRS(I) 9, the Target Group has provided the following credit loss allowance:

	Trade receivables S\$	Contract Assets S\$	Total S\$
Application of SFRS(I) 9	141,575	8,425	150,000

Write-off policy

Trade receivables and contract assets are written off when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Where receivables are written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

Following an application for the de-registration of Revez Hongkong Pte Limited that was filed on 16 January 2019, Revez Hongkong Pte Limited (which is owned by the directors of the Target Group) is in the midst of winding up in the calendar year 2019 as it has remained dormant since 2016. As at 30 September 2018, the amount owing by Revez Hongkong Pte Limited to the Target Group was S\$35,609.84 (which was not considered to be material). A total amount of S\$9,154.37 in Revez Hongkong Pte Limited was remitted to the Target Group in January 2019. The remaining amount of S\$26,455.47 is being provided and expensed off in the profit and loss section of the Target Group's FY2018 accounts. For the avoidance of doubt, the Company had been informed of the amount owing by Revez Hongkong Pte Limited to the Target Group, prior to entry into the SPA. As the amount is not significant, it does not affect the purchase consideration in relation to the Proposed Acquisition.

Revez Hongkong Pte Limited was incorporated with a view to expanding the Target Group's presence in Hong Kong and the People's Republic of China. However, as the business carried out by Revez Hongkong Pte Limited did not yield much results, it had been left dormant since 2016. Based on the foregoing, the Target Group did not include Revez Hongkong Pte Limited as it is in the midst of winding up Revez Hongkong Pte Limited going forward. The Target Group considers the investment in the company as part of business operations and expansion plan, which should ultimately be borne by the Target Group and the amount owing by Revez Hongkong Pte Limited which has been provided and expensed in FY2018 financial accounts.

Saved as disclosed above, for the Period Under Review, no debts were written-off for the Target Group.

7.2. Credit Terms from the Target Group's Suppliers

Payment terms granted to the Target Group by its suppliers vary from supplier to supplier and are also dependent on, amongst others, its relationship with the suppliers and the respective contractual terms. As the Target Group's type of purchases may vary from project to project, most of the Target Group's suppliers grant payment terms up to 30 days. In some cases, suppliers may require the Target Group to provide cash deposits prior to delivery. As at the Latest Practicable Date, none of the trade creditors have issued any letters of demand.

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The Target Group's trade payables turnover days for the Period Under Review were as follows:

	9MFY2018	FY2017	FY2016	FY2015
Trade payables turnover days	15.9	19.1	79.2	50.4

Trade payables turnover days are calculated with the following formula:

$$\frac{\text{Average of opening and closing trade payables balances for the financial period}}{\text{Material costs and change in inventories}} \times 365 \text{ days (270 days for 9MFY2018)}$$

Trade payables turnover days increased from 50.4 days in FY2015 to 79.2 days in FY2016 due mainly to delays in receiving receipts from customers leading to delays in repaying trade creditors. With increase in revenue and cash receipts from customers in FY2017 and 9MFY2018, trade payables turnover days had improved to 19.1 days in FY2017 and 15.9 days in 9MFY2018.

7.3. Inventory Management

The Target Group purchases materials based on projects' requirements which may vary from project to project. The Target Group does not store materials in advance for sales. In some projects, customers would pay for the materials required in advance as part of the project's costs. There was no inventory for the Period under Review.

8. COMPETITION AND COMPETITIVE STRENGTHS

8.1. Competition

The IT industry in Singapore is highly competitive, with various small to medium sized service providers and a few large established players. The barrier to entry into the IT industry is relatively high as the market is highly fragmented and many of the software vendors are in the Asia-Pacific region. There are a limited number of global software vendors who have a combination of key technical expertise and supply network to serve global customers who require integrated solutions.

To the best of the Proposed New Directors' knowledge and belief, there are no published statistics or official sources of information with respect to the market share of the Target Group.

While there are no directly comparable competitors to the Target Group, we have nevertheless identified the following companies that are in certain segments of our business: -

Business Segment	Company
Experiential Media	<ul style="list-style-type: none"> TeamLab (Japan) Moment Factory (Canada)
Information and Communications Technology	<ul style="list-style-type: none"> Adelphia Digital Consulting Group Xtremax Pte. Ltd.
Information System	<ul style="list-style-type: none"> Hangzhou Lianluo Interactive Information Technology Co., Ltd. Tyler Technologies, Inc.

To the best of the Proposed New Directors' knowledge and belief, none of the Proposed New Directors, Proposed New Executive Officer, or their respective associates have any interest, direct or indirect, in any of the above companies.

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8.2. Competitive Strengths

Notwithstanding the competitive environment, the Proposed New Directors have identified several key competitive strengths that have and will continue to enable them to compete effectively in the technology market:

8.2.1. Established track record and reputation

We have an established track record in providing tailor-made in-house IT solutions to achieve a fully integrated experience, from front-end engagement best practices to back-end infrastructure integration. With the experience and capability to undertake a diversified range of projects in the public and private sectors, and through continually developing robust Intellectual Property (“IP”) modules which we fully own, we have successfully completed a wide range of projects within this sector. We are constantly building on our portfolio of successfully completed projects, and exploring potential mergers and acquisitions (i.e. increasing market share within this industry) in a bid to expand our presence and market position within the Asia Pacific region.

We anticipate demand and trends within the technology industry so as to develop projects which meet our customers’ needs. Our established track record and reputation is evident by our numerous accreditations and awards from government bodies and industry authorities. This has enabled us to maintain long-standing relationships with customers, thereby resulting in repeat business contracts, recommendations and referrals.

Moreover, we have steadily grown our portfolio of projects in terms of diversity and magnitude, nurturing the confidence of our clients in our knowledge, ideas, and solutions. To reach greater heights, we continue to strategise and develop new solutions to feed the growing appetite for fresh technologies in the digital market. Our IP-centric business approach protects our ideas and products, creating value for our clients.

Revez has worked on a host of successful projects in Singapore, such as the ‘CPIB Heritage Gallery’ project which involved conceptualising, designing, and developing a series of multimedia touchpoints in a unique digital interactive gallery environment. One of their significant projects is the Social Table, a permanent touchscreen installation at National Gallery Singapore. The installation was a huge success with immense commendation, awarding Revez an award from the Singapore Book of Records for “Largest Touchscreen”. Further details on the notable projects completed by the Target Group are under Section 4 of this letter.

8.2.2. Established business relationships

We have throughout the years, developed strong and lasting professional relationships with an extensive network of professionals such as suppliers, financiers and consultants, whose professional advice and participation are pivotal to the success of the execution and delivery of IT projects. With these established business relationships, our project teams are able to manage the projects effectively and produce quality products/services in a timely and efficient manner.

We also maintain close business relationships with local and international business partners (MICE partners, IT partners) to form a network that taps on specific expertise and competencies to undertake larger projects.

8.2.3. Our ability to develop innovative IT solutions that meet the changing needs and desires of our customers

With our multi-disciplinary blend of technology and creative media, we are able to tailor our IT solutions to each customer so as to meet the changing needs and desires of our customers. We believe that we are one of the first few IT solution providers who have responded to such a growing trend in the market. By staying constantly at the forefront of

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innovation and focusing on producing avant-garde software solutions, we have successfully developed as an IT solutions provider. The Target Group has successfully created many innovative IT solutions, and amongst other accolades, the Target Group has been awarded the ‘Largest Touchscreen’ award by Singapore Book of Records in 2016 and the “Largest Provider of Customised Multimedia Solutions for Galleries and Museums” by the Singapore Book of Records in 2018.

We are confident that this business model will continue to remain relevant in delivering new and innovative concepts and remaining competitive and viable in the market. Further, by placing a great deal of emphasis on R&D efforts, we are able to innovate new solutions to meet the rising demand of experiential digital technology and the eventual widespread adoption of smart technology, in line with the government’s efforts in transforming Singapore into a smart nation.

The Target Group focuses greatly on protecting its IP rights. Having a good and constantly reviewed IP strategy and IP portfolio is important in ensuring that the business strategy of the Target Group has been carried out with reduced encumbrance and better certainty. An IP strategy dictates how innovations are treated, leading to capturing, managing and protecting of critical inventions. This prevents wasting of resources spent on technology, product and service development as the lack of IP rights over the critical inventions also means lack of legal recourse options, leading to reduced competitive advantage and hindering an organisation’s growth. Further, implementing an IP strategy can be seen to enhance the brand identity and increase the brand value of the company as it identifies the company as the origin of the technology. This brand visibility positions the organisation as a potential growth partner to current and future customers, suppliers and investors.

An IP strategy will also improve the risk management capability of the organisation. By having a sound pipeline for assessing critical inventions, potential infringement risks, which may hinder the provision of products and services, and in turn affect the growth of the organisation, can be promptly identified and managed. Further, having a IP portfolio managed alongside a sound IP strategy allows the Target Group to tap on other commercialisation options beyond just offering products and services. An IP portfolio can potentially offer the Target Group other revenue growth options through throughout-licensing, spin-offs, joint ventures, mergers, acquisition and other forms of strategic partnerships with other high value companies that will aid in escalating the growth of the organisation.

Please refer to Section 16 of this letter, on “Intellectual Property” for further details.

8.2.4. Experienced and dedicated management team

Led by the Target Group’s co-founders Neo Wee Han Victor, Lim Kian Sing and Lee Han Chong, who have considerable experience in the IT industry, the Target Group has established good business relationships with the strength of its delivery track record and high quality standards for its projects.

The Target Group is also supported by a dedicated management team that on average, has more than 10 years of experience in the industry. With their experience, the Target Group’s management team is able to source for viable business opportunities. Further, the Target Group has ventured into a wide array of projects covering events across Asia such as China, Indonesia and Malaysia, supported by its highly competent in-house team. The team comprises of software engineers, back-end and front-end developer team, the user experience creatives team and IT projects team working together to provide high quality, and unique tailor-made IT solutions to a wide range of customers.

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9. AWARDS, ACCREDITATION AND RECOGNITIONS

As an endorsement of the quality of the products and services of the Target Group, the Target Group has received a number of awards and recognition as follows:

	Awards and Accolades	Awarded By	Year
1.	Singapore Outstanding Enterprise Award 2014	Singapore Resource Association	2014
2.	Largest Touchscreen	Singapore Book of Records	2016
3.	Singapore's Largest Provider of Customised Multimedia solutions for Museum and Galleries	Singapore Book of Records	2018

	Accreditations	Accredited By	Year
1.	Bizsafe 3	Workplace Safety and Health Council	2013
2.	Sitecore Partnership Programme	Sitecore Singapore Pte. Ltd.	2017

10. RESEARCH AND DEVELOPMENT

Due to the nature of the business of the Target Group which involves a specialisation in the provision of application solutions for businesses and MICE, all of the subsidiaries in the Target Group (except Newood Design Pte. Ltd.) invest in Research & Development (“R&D”) to deliver solutions to achieve impactful and immersive end-user experiences. During the Period Under Review, the Target Group has incurred periodic research and development expenditure which was expensed off under “Material costs and changes in inventories” and/or “Other operating expenses” depending on the nature of expenditure. The amount spent on R&D activities and the percentage of the net sales or revenue for the 3 most recent completed financial years are as follows: -

	FY2015	FY2016	FY2017	9MFY2018
Total R&D costs excluding inhouse manpower time spent - S\$	11,350	30,100	225,600	4,100
Revenue - S\$	2,545,001	2,077,617	2,611,889	4,397,110
R&D costs as part of Revenue	0.4%	1.4%	8.6%	0.1%

The increase in R&D expenditure from S\$30,100 in FY2016 to S\$225,600 in FY2017 is attributable to the amount spent in FY2016 for the preparation of intellectual property filings and related fees involved which were expensed off under “Other operating expenses” while the amount spent in FY2017 was mainly due to R&D development fees paid to a third party for development work that was outsourced, and which were expensed off under “Material costs and changes in inventories”.

The Target Group invests in in-house R&D in innovative solutions to bring its best ideas to life and gives significant regard to developing legally protected intellectual assets, including IP, as it is imperative to its business success. As part of its efforts, the Target Group has successfully filed for two (2) patents, with another two (2) patents that are currently pending. Within the R&D arena, the Target Group engages an IP strategy to achieve continued growth and expansion by exploring the possibilities of adopting new media and technology, and continuously working on new innovative

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solutions and building an intellectual property portfolio. Please refer to Section 16 of this letter, on “Intellectual Property” for further details.

The Target Group also conducts periodic market research to assess consumer trends and needs. This allows for the IT solutions designed and developed by the Target Group, to be at the forefront of innovation and to meet the needs and requirements of consumers. The Target Group’s in-house R&D team constantly experiments venturing into new ideas or features that are related to the project in hand. Additionally, the Target Group also maintains good relations with overseas counterparts as it recognises that such collaboration allows for it to stay abreast of cutting-edge developments in technology and the latest technological trends that affect its business.

11. QUALITY ASSURANCE

We place strong emphasis on quality control to ensure that the quality of our projects comply with the relevant regulations and to maintain our reputation and market standing.

We adopt internal controls, standards and procedures to regulate major processes in the course of executing our projects. They include:

(a) System robust testing

Robustness is the ability of a system to prevent, detect, adapt to and recover from operational problems. Robustness testing can take place at any point during system development, and is performed mainly to assess the quality of a software system / solution and to ensure that the system meets contract requirements.

(b) Security testing

This procedure allows the Target Group to confirm that the specific IT system / solution(s) that it has developed, can restrict access to authorised personnel and that the authorised personnel can access the functions available to their security level.

(c) Internal user stress test

This procedure deliberately stresses a system by pushing it beyond its specified limits, allowing for an assessment to be made on the quality and standards of the system being developed.

(d) User Acceptance Testing

During this procedure, end customers will test the software to ensure that it is of a certain standard and able to handle the required tasks, according to contract specifications and requirements, and to meet security standards.

Our project management team is responsible for the overall management and supervision with regards to the smooth progression and execution of the projects that we handle.

12. SALES AND MARKETING

Besides sourcing clients based on referrals and recommendation, the Target Group, as part of its branding strategy, relies on digital marketing. In this way, the Target Group is able to have an increased presence and visibility throughout a much wider audience. The Target Group also utilises various forms of social media to increase market presence. Further, the Target Group’s Chief Executive Officer, Neo Wee Han Victor, is invited to radio shows, magazine interviews and various talks and conferences. Other forms of marketing which the Target Group taps on include text messages, e-mail and exclusive invites (for the purposes of demonstration of IT solutions) for existing customers. Upon completion of projects, the Target Group’s management team recognises the importance of engaging its customers and provides customer service via ongoing maintenance.

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The Target Group has staff with relevant sales and marketing expertise to network and market its services to potential customers and partners, both locally and overseas. In formulating its pricing strategy, the Target Group takes into consideration factors such as complexity of solutions, risk, manpower and material requirements.

13. EMPLOYEES AND STAFF TRAINING

13.1. Employees

As at the Latest Practicable Date, the Target Group has 41 employees, all of whom are located in Singapore. From time to time, we may also employ temporary staff where required. We believe that the relationship between our employees and the management has been good and is expected to continue to be so in the future. None of our employees are unionised and we have not experienced any labour strikes or work stoppages. The number of full-time employees is not subject to any material fluctuation.

The table below sets out the breakdown of the Target Group's full-time employees by activity as at the end of each Period Under Review and as at the Latest Practicable Date:

	FY2015	FY2016	FY2017	9MFY2018	As at LPD
Administration and Finance	2	2	2	2	3
Operations	20	19	22	30	26
Management	4	4	4	6	6
Sales & Marketing	4	2	3	4	6
Total	30	27	31	42	41

The staff turnover of the Target Group is minimal and does not affect the general operations of the Target Group.

13.2. Staff Training

We recognise that our employees represent a vital resource to the Target Group. Therefore, we periodically send our employees for training and development programmes to upgrade their skills and knowledge. These include but are not limited to: -

- Participating in P-Max (a programme under the Adapt and Grow initiative organised by Workforce Singapore)
- Providing financial assistance (part-sponsorship) for employees' higher education
- Enrichment courses for employees to enhance technical skills
- Registering employees for digital/IT conferences
- Participating in the Google I/O developer conference held in the United States of America
- Ad hoc training sessions provided by established partners

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13.3. Related Employees

The son of Mr Lim Chwee Kim, namely Edwin Lim Teng Hwee, has been employed as ‘Project Executive’ in Revez Pte. Ltd. with effect from 17 December 2018 whilst the nephew of Mr Lim Chwee Kim, namely Eddie Lim Ting Han, has been employed as ‘Interactive Developer’ under IOIO Lab Pte. Ltd. with effect from 1 August 2018. The remuneration of each of Edwin Lim Teng Hwee and Eddie Lim Ting Han for FY2018 and as forecasted for FY2019 does not exceed S\$100,000 per annum individually. The New Remuneration Committee, having reviewed the terms of their employment, confirms that their remuneration is in line with the Company’s staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities.

As at the Latest Practicable Date, save as disclosed above, there are no other employees of the Target Group that are related to the Proposed New Directors or Proposed New Executive Officers.

Any new employment of related employees and the proposed terms of their employment will be subject to the review and approval of the New Nominating Committee. The remuneration of such related employees will be determined on the same basis as those of unrelated employees. The remuneration of such related employees will be reviewed annually by the New Remuneration Committee to ensure that their remuneration packages are in line with the Company’s staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. Any bonuses, pay increases and/or promotions for these related employees will also be subject to the review and approval of the New Remuneration Committee. In the event that a member of the New Remuneration Committee or New Nominating Committee is related to the employee under review, he will abstain from the review.

14. PROPERTIES AND FIXED ASSETS

As at the Latest Practicable Date, the list of material properties leased or otherwise occupied by the Target Group is set out below:

Property and location	Use	Area (m ²)	Lease term	Rental Fee	Landlord/ Owner
25 Kallang Avenue #02-02	Head office, operations	304	3 years on a renewable basis	S\$5,727.36 per month	Mapletree Facilities Services Pte. Ltd.
8 Kaki Bukit Avenue 4 #04-54 Premier @ Kaki Bukit	Factory for Newood	286	24 months on renewable basis	S\$3,400.00 per month	Meizhuan Builders Pte. Ltd.

Under the terms of the lease over 25 Kallang Avenue #02-02, in the event that the landlord intends to redevelop, retrofit or upgrade the building, or sell the building with vacant possession, it has the right to unilaterally determine the lease by giving Revez Motion Pte. Ltd. six (6) months’ notice in writing. In the event that the landlord intends to unilaterally determine the lease, the duration of the six (6) months’ notice period would give the Target Group sufficient time to source for other suitable premises from which the Target Group may operate. In view of the foregoing, we are of the view that the aforementioned does not materially impact the business and financial performance of the Target Group.

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As at the Latest Practicable Date, the list of material properties and fixed assets owned by the Target Group is set out below:

Owner	Property and location	Use	Area (m ²)	Tenure	Encumbrances
Revez Motion Pte. Ltd.	18 Howard Road, Novelty BizCentre #09-05 (currently being leased out)	Office	101	Freehold	Charged to United Overseas Bank Limited

The property at 18 Howard Road, Novelty BizCentre #09-05 is currently being leased out to Left Profile Holdings Pte. Ltd. at a rental value of S\$37,236 per annum and for business purposes.

As the property at 18 Howard Road, Novelty BizCentre #09-05 is currently being charged to United Overseas Bank Limited as security for a commercial property loan taken out with the bank, the Target Group currently does not have legal title to the property. While the Target Group has to inform the bank of any change in use of the property, we are of the view that the terms of the mortgage do not unduly restrict our use of the property, and in this regard, the encumbrance over the property does not pose a material impact on the Target Group's operations. The Target Group has been making regular repayments towards the loan, and full repayment is expected to be made in the year ending 31 December 2038. Legal title to the property will be re-conveyed to Revez Motion Pte. Ltd. once the loan has been fully repaid.

Other fixed assets include computers, motor vehicles, office equipment, furniture and fittings and renovation. Please refer to "Capital Expenditure and Divestment" under Section 20 of this Target Letter for further details.

To the best of the knowledge and belief of the Proposed New Directors, there are no regulatory requirements that may materially affect the Target Group's utilisation of tangible fixed assets.

15. INSURANCE

As at the Latest Practicable Date, the Target Group maintains insurance policies to cover potential risks that may arise as follows:

Newood Design Pte. Ltd.	Revez Motion Pte. Ltd.
<ul style="list-style-type: none"> • Fire Insurance • Burglary Insurance • Fidelity Guarantee • Foreign Worker Medical Insurance • Public Liability insurance • Insurance covering Work Injury Compensation • Foreign Workers Security Bond • Money Insurance 	<ul style="list-style-type: none"> • Contractor's All Risk insurance • Performance Bond • Public Liability insurance • Insurance covering Work Injury Compensation • Foreign Workers Medical Policy • Certificate of Insurance in accordance with the Work Injury Compensation Act and Work Injury Compensation Insurance Regulations 1975 • Fire Insurance • Burglary Insurance

As at the Latest Practicable Date, the Target Group maintains insurance policies to cover its risks that may arise from its projects. The Proposed New Directors are of the view that the insurance policies are adequate for the Target Group's existing operations. The Proposed New Directors will continue to evaluate the existing insurance policies of the Target Group from time to time to determine whether such policies, including the amounts insured are adequate.

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16. INTELLECTUAL PROPERTY



The Target Group recognises that having an effective IP strategy coupled with an IP portfolio is key in ensuring that the business strategy of a technology company can be carried out with reduced encumbrance and better certainty. Through the adoption of IP, the Target Group's business model has become more crystallised. The Target Group's active participation in the IP project with SPRING Singapore (now known as 'Enterprise Singapore') has played a vital role in allowing the Target Group to uncover and better understand the strengths and intrinsic weaknesses of the business it conducts. The Target Group has since been actively securing its intellectual property rights, in a manner that sharpens its competitive edge in the market.

A robust IP strategy will also improve the risk management capability of the organisation. By having a sound pipeline for assessing critical inventions and potential infringement risks which may hinder the provision of products and services, which in turn hinders the growth of the organisation, can be potentially identified and managed.

As such, the Target Group places great emphasis on enhancing its IP portfolio in a bid to sharpen its competitive edge. The Target Group uses the following trademarks / patents which we believe are material to the business of the Target Group:

Name of Applicant	Trademark / Patent / Registered Design	Country	Class(es) (For Trademarks)	Application Number	Status
Revez Motion Pte. Ltd.	REVEZ	Singapore	Class 35 ⁽¹⁾	40201515603Y	Registered
Revez Motion Pte. Ltd.	REVEZ	Singapore	Class 42 ⁽²⁾	40201515604W	Registered
Revez Motion Pte. Ltd.	REVEZ	Hong Kong	Class 35 ⁽³⁾ and Class 42 ⁽⁴⁾	303820770	Registered
Revez Motion Pte. Ltd.	Guide Information Method and System	Singapore	–	10201510006Q	Patent Granted
Revez Motion Pte. Ltd.	Method and System for Determining Route Value	Singapore	–	10201600661W	Patent Granted
Revez Motion Pte. Ltd.	Method and System for Determining Campaign Value	Singapore	–	10201605168R	Application Filed (No Search & Exam)
Revez Motion Pte. Ltd.	Method and System for Determining Campaign Value	Singapore	–	10201800832W	Search & Exam Requested
Revez Motion Pte. Ltd.	ENGINEERED EXPERIENCE	Singapore	Class 35 ⁽⁵⁾ and Class 42 ⁽⁶⁾	40201900455T	Application Filed
Revez Motion Pte. Ltd.		Singapore	Class/ Sub-Class No.: 20 – 99	30201500790T	Registered

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Name of Applicant	Trademark / Patent / Registered Design	Country	Class(es) (For Trademarks)	Application Number	Status
Revez Pte. Ltd.		Singapore	Class/ Sub-Class No.: 16 – 99	30201500786U	Registered
Newood Design Pte. Ltd.		Singapore	Class/ Sub-Class No.: 06 – 06	30201500784P	Registered

Notes:

- (1) Advertising; public relations services; marketing; marketing studies; opinion research; marketing research involving opinion polling; sales promotion for others; advertising agency services relating to development of names, trademarks and other commercial identifiers (included in this class); business management; business management and organization consultancy; business investigations; business research; business enquiries; services of a business information agency; business administration; organisation of exhibitions for commercial or advertising purposes; organisation of events for commercial and/or advertising purposes; publication of advertising texts; advertising agency services relating to drafting and designing web sites for others; office functions; computerised file management; database management, namely, data handling, processing and management.
- (2) Design services; design of web sites; hosting of web sites; design of products, logos and packaging; computer programming; rental of computer software; maintenance of websites for third parties; technical consultancy in connection with the design of multimedia products; and technical services, namely design and development of platforms for e-commerce (included in this class).
- (3) Advertising; Public relations services; Marketing; Marketing studies; Opinion research; Opinion polling; Sales promotion for others; Advertising, especially development of names, trademarks and other commercial identifiers. (included in this class); Business management; Business management and organization consultancy; Business investigations; Business research; Business enquiries; Services of a business information agency; Business administration; Organisation of exhibitions for commercial or advertising purposes; Organisation of events for commercial and/or advertising purposes; Publication of advertising texts; Services of an advertising agency, in particular drafting and designing web sites for others; Office functions; Computerised file management; Services of a database, namely collecting, storing and updating of data and other information; All included in Class 35.
- (4) Services of a designer; Design of web sites; Hosting of web sites; Design of products, logos and packaging; Computer programming; Processing of data for third parties; Leasing of access time to a data base; Rental of computer software; Maintenance of websites for third parties; Technical consultancy in connection with the design of multimedia products; Technical services, namely design and development of platforms for e-commerce (included in this class); All included in Class 42.
- (5) Advertising; public relations services; marketing; marketing studies; opinion polling; sales promotion for others; business management; business management and organization consultancy; business investigations; business research; business enquiries; business administration; organisation of exhibitions for commercial or advertising purposes; publication of advertising texts; office functions; computerised file management; Database management; Computerised database management; Advertising services provided via a database; Compilation of information into computer databases; Systemization of information into computer databases; Updating and maintenance of data in computer databases; Commercial information services provided by access to a computer database.
- (6) Design of web sites; hosting of web sites; computer programming; rental of computer software; Computer technology consultancy; Research relating to technology; Information technology IT consultancy; Telecommunications technology consultancy; Research in the field of telecommunications technology; Information services relating to information technology; Provision of information relating to information technology; Outsource service providers in the field of information technology; Providing information on computer technology and programming via a web site; Creating and designing website-based indexes of information for others; information technology services; Technical research; Technical data analysis services; Scientific and technical analysis; Conducting technical project studies; Technical diagnostic testing services; Preparation of reports relating to technical research; Preparation of technical projects, technical research and consultancy services in the field of carbon offsetting; Packaging design; Database design; Hosting of databases; Computer database design consultancy services; Data mining; Decoding of data; Data encryption services; Data security consultancy; Rental of data processing systems; Development of systems for the processing of data.

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With a view to strategic disclosure, the Target Group does not wish to disclose the details of the above-mentioned patents until a business plan is established. This prevents attracting unnecessary business competition that might hinder competitive patenting, thereby bringing about disadvantages to the Target Group. On 4 January 2019, Revez Motion Pte. Ltd. had filed for a priority claim (PCT/SG2019/050005), claiming priority from its previous Singapore application (10201600661W). Where the patent application is first filed in Singapore, it can be used to claim priority in a corresponding application filed in a country that is a party to the Patent Cooperation Treaty, provided that the corresponding application is filed within 12 months from the date of the first-filed Singapore application. The Patent Cooperation Treaty is a unified international procedure to protect an invention in contracting states, giving latent rights in these contracting states through the meeting of procedural milestones.

The Target Group does not foresee any material adverse impact on the Target Group arising from an unsuccessful priority claim as the Target Group has not relied on this patent for any business dealings till date.

Barring any unforeseen circumstances and depending on the results of the relevant examination processes conducted by the intellectual property office, and to the best of the Proposed New Directors' knowledge and belief, there are no impediments which may affect the registration of the patents and trademarks that are currently pending. Save as disclosed above, the Target Group does not have any patents, trademarks or other intellectual property rights which are material to its business or profitability.

17. LICENCES, PERMITS AND GOVERNMENT REGULATIONS

As at the Latest Practicable Date, based on the knowledge of the Proposed New Directors, the Target Group is in compliance with all applicable laws and regulations which are material to its business operations and all relevant material licences and permits necessary for its business operations have been obtained.

As at the Latest Practicable Date, the Target Group holds the following licences and permits:

Revez Motion Pte. Ltd.

Financial Grade (Tendering Capacity): S7 (\$S\$5,000,000)

License	Expiry Date	Description / Nature	Issuing Authority
EPU/AVP/10	November 2019	Audio Visual, Photographic & Optical Products	Government of the Republic of Singapore
EPU/CMP/10	November 2019	Computer Related Hardware, Software and Service	Government of the Republic of Singapore
EPU/SER/17	November 2019	Service (Exhibition / Event Management)	Government of the Republic of Singapore
EPU/SER/18	November 2019	Service (Advertising, Graphics)	Government of the Republic of Singapore
EPU/SER/34	November 2019	Service (Consultant)	Government of the Republic of Singapore

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Revez Pte. Ltd.

Financial Grade (Tendering Capacity): S6 (S\$3,000,000)

License	Expiry Date	Description / Nature	Issuing Authority
EPU/AVP/10	September 2019	Audio Visual, Photographic & Optical Products	Government of the Republic of Singapore
EPU/CMP/10	September 2019	Computer Related Hardware, Software and Service	Government of the Republic of Singapore
EPU/SER/17	September 2019	Service (Exhibition / Event Management)	Government of the Republic of Singapore
EPU/SER/18	September 2019	Service (Advertising, Graphics)	Government of the Republic of Singapore
EPU/SER/34	September 2019	Service (Consultant)	Government of the Republic of Singapore

Newood Pte. Ltd.

Financial Grade (Tendering Capacity): S4 (S\$500,000)

License	Expiry Date	Description / Nature	Issuing Authority
EPU/FUR/10	September 2019	Furniture, Racking, Upholstery, Painting	Government of the Republic of Singapore
EPU/SER/17	September 2019	Service (Exhibition / Event Management)	Government of the Republic of Singapore

Other License(s)	Expiry Date	Description / Nature	Issuing Authority
CR06 Existing Grade: L1 Applied Grade: L1 Approved Grade: L1	January 2022	Interior Decoration & Finishing Works	Building and Construction Authority

Business entities wishing to tender for the supply of goods and/or services to the public sector may be required to have a valid Government Supplier registration. Where a Government Supplier registration is required for any particular tender, this will be stated in the tender notice and documentation. With effect from 28 October 2011, CrimsonLogic Pte. Ltd. has been appointed by the government to take over the Government Supplier registration services. As such, the Target Group is required to have the requisite licenses as set out above. These licenses are granted by, amongst others, the government and Building and Construction Authority.

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18. CORPORATE SOCIAL RESPONSIBILITY

The Target Group makes donations to charitable organisations on a periodic basis. These include non-profit institutions such as religious organisations, as well as voluntary welfare organisations.

19. SELECTED FINANCIAL INFORMATION

19.1. Operating Results of the Target Group

The combined statements of comprehensive income of the Target Group for FY2015, FY2016, FY2017, 9MFY2017 and 9MFY2018 are set out below:

	9MFY2018 S\$ (Audited)	9MFY2017 S\$ (Unaudited)	FY2017 S\$ (Audited)	FY2016 S\$ (Audited)	FY2015 S\$ (Audited)
Revenue	4,397,110	1,373,779	2,611,889	2,077,617	2,545,001
Other income	273,524	161,167	202,894	200,361	169,518
Material costs and changes in inventories	(507,097)	(333,032)	(570,756)	(400,846)	(629,528)
Salaries and employees' benefits	(1,418,793)	(634,502)	(1,299,909)	(1,325,517)	(1,191,602)
Depreciation and amortisation	(98,575)	(50,927)	(75,962)	(51,752)	(49,581)
Other operating expenses	(299,562)	(191,093)	(265,900)	(371,172)	(568,132)
Finance costs	(25,281)	(12,618)	(15,538)	(22,442)	(20,081)
Profit/(loss) before taxation	2,321,326	312,774	586,718	106,249	255,595
Taxation	(368,789)	(2,159)	(2,878)	(1,889)	(1,407)
Profit/(loss) after taxation	1,952,537	310,615	583,840	104,360	254,188
Other comprehensive income	—	—	—	—	—
Comprehensive income for the year/period	1,952,537	310,615	583,840	104,360	254,188
Profit/(loss) for the financial year/period attributable to:					
Equity attributable to equity holders	1,982,557	276,239	500,674	220,337	212,710
Non-controlling interests	(30,020)	34,376	83,166	(115,977)	41,478
	1,952,537	310,615	583,840	104,360	254,188

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19.2. Financial Position of the Target Group

The combined balance sheets of the Target Group as at 31 December 2015, 2016, 2017 and 30 September 2018 are set out below:

	Adoption of SFRS(I)s		Adoption of FRS		
	30/9/2018	31/12/2017	31/12/2017	31/12/2016	31/12/2015
	S\$	S\$	S\$	S\$	S\$
	(Audited)	(Audited)	(Audited)	(Audited)	(Audited)
Non-current assets					
Property, plant and equipment	371,376	1,139,324	1,139,324	872,112	915,857
Investment property	710,738	–	–	–	–
	1,082,114	1,139,324	1,139,324	872,112	915,857
Current assets					
Work-in-progress	–	–	26,202	–	–
Contract assets ⁽¹⁾	1,676,624	26,202	–	–	–
Trade and other receivables	1,322,903	1,153,768	1,153,768	638,626	1,110,842
Cash and cash equivalent	754,836	283,849	283,849	268,543	143,823
	3,754,363	1,463,819	1,463,819	907,169	1,254,665
Total assets	4,836,477	2,603,143	2,603,143	1,779,281	2,170,522
Current liabilities					
Trade and other payables	220,053	132,384	401,705	117,333	575,315
Contract liabilities ⁽²⁾	–	269,321	–	–	–
Dividend payable	1,650,000	–	–	–	–
Loans and borrowings	91,344	40,414	40,414	47,227	39,506
Income tax liabilities	374,659	5,870	5,870	2,992	1,103
	2,336,056	447,989	447,989	167,552	615,924
Net current assets	1,418,307	1,015,830	1,015,830	739,617	638,741
Non-current liabilities					
Loans and borrowings	951,496	758,766	758,766	799,181	846,410
Total liabilities	3,287,552	1,206,755	1,206,755	966,733	1,462,334
Net assets	1,548,925	1,396,388	1,396,388	812,548	708,188

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	Adoption of SFRS(I)s 30/9/2018 S\$ (Audited)	31/12/2017 S\$ (Audited)	← 31/12/2017 S\$ (Audited)	Adoption of FRS 31/12/2016 S\$ (Audited)	→ 31/12/2015 S\$ (Audited)
Equity					
Share capital	3	3	3	3	3
Merger reserves ⁽³⁾	137,500	145,500	145,500	145,500	145,500
Retained earnings	1,261,468	1,078,911	1,078,911	578,237	357,900
Equity attributable to equity owners of the Company	1,398,971	1,224,414	1,224,414	723,740	503,403
Non-controlling interests	149,954	171,974	171,974	88,808	204,785
Total equity	1,548,925	1,396,388	1,396,388	812,548	708,188

Notes:

- (1) A contract asset is the Target Group's right to consideration for work on service contracts completed but not billed at the reporting date. The Target Group assessed the contract asset for impairment in accordance with SFRS(I) 9. Impairment of a contract asset shall be measured, presented and disclosed on the same basis as a financial asset that is within the scope of SFRS(I) 9.
- (2) A contract liability is the Target Group's obligation to transfer goods or services to customers for which the Target Group has yet to transfer to the customers the goods or services promised in the service contracts but billed.
- (3) Merger reserve is the resulting difference between the consideration paid and the share capital of the Target Group's combined subsidiaries.

20. MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION

The following discussion of the results of operations and financial condition of the Target Group should be read in conjunction with the Audited Combined Financial Statements of the Target Group for the Financial Years Ended 31 December 2015, 2016 and 2017 and the Audited Interim Combined Financial Statements of the Target Group for the Nine-Month Period Ended 30 September 2018 as set out in Appendices C and E of this Circular.

The following discussion contains forward-looking statements that involve risks and uncertainties. The actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed below and elsewhere in this Circular, particularly in the Section 3.7 entitled "Risk Factors" of this Circular. Under no circumstances should the inclusion of such forward looking statements herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumption by the Company, the Target Group, or their respective advisers or any other person. Shareholders are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof. Please refer to the section entitled "Cautionary Note Regarding Forward-Looking Statements" of this Circular.

Basis of preparation

The financial statements are prepared on a pro forma basis that the subsidiaries of the Target Group were combined since 1st January 2015. As the restructuring exercise of the Target Group had been completed in October 2018, the companies now comprise the Target Group under common control of the controlling shareholders before and after the restructuring exercise.

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Accordingly, the combined financial statements of the Target Group have been prepared by using the principles of merger accounting as follows:

- i. The combined statements of financial position of the Target Group as at 31 December 2015, 2016 and 2017 and 30 September 2018, the combined statements of comprehensive income, the combined statements of changes in equity and the combined statements of cash flows of the Target Group for the financial years ended 31 December 2015, 2016 and 2017 and the nine-month period ended 30 September 2018 have been prepared as if the Target Group's holding company had been the holding company of the Target Group throughout the financial years ended 31 December 2015, 2016 and 2017 and the nine-month period ended 30 September 2018 rather than from the date on which the restructuring exercise was completed;
- ii. The assets and liabilities of the combined entities are consolidated using the existing book values from the controlling parties' perspective. No adjustments are made to the net assets and net profit or loss of the combined entities to reflect fair values and the financial statements of the combined entities have been prepared using the Target Group's accounting policies;
- iii. The share capital of the Target Group as at 31 December 2015, 2016 and 2017 would reflect the share capital of the Target for the purpose of the business combination under common control. The retained earnings of the Target Group would be the retained earnings of the combined entities. The resulting difference between the consideration paid and the share capital of the combined entities is reflected within equity as merger reserve;
- iv. The share capital of the Target Group as at 30 September 2018 would reflect the share capital of the combined entities on the date which the restructuring exercise was completed and was measured based on the deemed cost of acquiring the combined entities, being the existing book values of the net assets acquired. The resulting difference between the consideration paid and the share capital of the combined entities is reflected within equity as merger reserve; and
- v. The effect of all transactions and balances between the combining entities, whether occurring before or after the combination, are eliminated in preparing the combined financial statements of the Target Group.

The combined statements of financial position of the Target Group as at 31 December 2015, 2016 and 2017, the combined statements of comprehensive income, the combined statements of changes in equity and the combined statements of cash flows of the Target Group for the financial years ended 31 December 2015, 2016 and 2017 did not include the financial results of IOIO Lab Pte. Ltd. as it was incorporated on 1 January 2018. The combined financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("**FRSs**") under the historical cost convention, except as disclosed in the accounting policies as disclosed in the combined financial statements for the financial years ended 31 December 2015, 2016 and 2017. The combined financial statements for the financial years ended 31 December 2015, 2016 and 2017 are prepared in accordance with FRSs.

The interim combined financial statements for the nine-month period ended 31 September 2018 have been prepared in accordance with the Singapore Financial Reporting Standards (International) ("**SFRS(I)s**"). With effect from 1 January 2018, the Target Group has applied SFRS(I)s, a new reporting financial reporting framework identical to International Financial Reporting Standards. The interim combined financial statements have been prepared under historical cost convention, except as disclosed in the accounting policies as disclosed in the interim combined financial statements for the nine-month period ended 30 September 2018. The interim combined financial statements are presented in Singapore dollars, which is the functional currency of the Target.

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OPERATING RESULTS OF THE TARGET GROUP

Revenue

	9MFY2018 S\$'000	9MFY2017 S\$'000	FY2017 S\$'000	FY2016 S\$'000	FY2015 S\$'000
Segment					
IT solutions	4,037	1,040	2,107	1,739	2,039
MICE support	360	334	505	339	506
	4,397	1,374	2,612	2,078	2,545
Geographical					
Singapore	4,371	1,357	2,592	2,022	2,336
Others*	26	17	20	56	209
	4,397	1,374	2,612	2,078	2,545

* Others refer to Malaysia, Indonesia, Thailand, Philippines and Hong Kong SAR.

Overview

IT solutions

The Target Group provides from simple applications and websites to comprehensive tailor-made integrated solutions. The Target Group delivers immersive and interactive virtual and multimedia experiences, and cutting-edge software solutions. The Target Group specialises in the design and development of integrated suite of solutions by tapping on new technology, immersive multimedia, Artificial Intelligence (“AI”), Internet of Things (“IoT”), Information and Communications Technology (“ICT”), Software-as-a-Service (“SAAS”), and Creative & Content Service. The design and implementation of an integrated suite of solutions significantly transforms brand experience, communication and engagement, together with its add-on solutions that enhance the productivity and operations of customers. For the Period Under Review, revenue from IT solutions as a percentage of the total revenue for FY2015, FY2016, FY2017, 9MFY2017 and 9MFY2018 were 80.1%, 83.7%, 80.7%, 75.7% and 91.8% respectively.

MICE support

The Target Group provides design and installation support to its IT solutions when these IT solutions are required to be installed in showrooms, exhibition halls, product launches and customer service centres. The Target Group also provides design and installation support to other customers who do not require Target Group’s IT solutions. The Target Group, through its design and installation, aims to enhance human experiences through sight, sound and touch, giving an unique experience to its users. For the Period Under Review, revenue from MICE support as a percentage of the total revenue for FY2015, FY2016, FY2017, 9MFY2017 and 9MFY2018 were 19.9%, 16.3%, 19.3%, 24.3% and 8.2% respectively.

FY2015 v FY2016

Revenue

Revenue decreased by approximately S\$467,000 or 18.4% for FY2016 from approximately S\$2,545,000 in FY2015 to approximately S\$2,078,000 in FY2016 due mainly to drop in revenue from a major customer as a result of lesser demand for both IT solutions and MICE support. Revenue for IT solutions decreased by approximately S\$300,000 or 14.7% for FY2016 from approximately S\$2,039,000 in FY2015 to approximately S\$1,739,000 in FY2016. Revenue for MICE support decreased by approximately S\$167,000 or 33.0% for FY2016 from approximately S\$506,000 in FY2015 to approximately S\$339,000 in FY2016. As a result of these, the Target Group embarked on a realignment strategy to focus more on longer duration government related IT projects and higher margin projects in FY2016 with results showing in subsequent years.

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Geographical regions

The Target Group derived its revenue mainly from Singapore. Revenue from Singapore decreased by approximately S\$314,000 or 13.4% for FY2016 from approximately S\$2,336,000 in FY2015 to approximately S\$2,022,000 in FY2016. However, revenue contribution from Singapore by percentage increased from 91.8% in FY2015 to 97.3% in FY2016. Revenue from overseas were derived from Malaysia, Indonesia, Thailand, Philippines and Hong Kong SAR.

Other income

Other income increased by approximately S\$31,000 or 18.2% for FY2016 from approximately S\$170,000 in FY2015 to approximately S\$200,000 in FY2016 mainly from Target Group's increase in government grants.

Costs and profitability

Material costs and change in inventories

The decrease in material costs and change in inventories by approximately S\$229,000 or 36.3% for FY2016, from approximately S\$630,000 in FY2015 to approximately S\$401,000 in FY2016, corresponded to the decrease in revenue of Target Group and implementation of Target Group's restructuring and realignment strategy.

Salaries and employees' benefits

Salaries and employees' benefits increased by approximately S\$134,000 or 11.2% for FY2016 from approximately S\$1,192,000 in FY2015 to approximately S\$1,326,000 in FY2016 due mainly to increase in salaries, bonuses and directors' remuneration.

Depreciation and amortisation

Depreciation and amortisation increased by approximately S\$2,000 or 4.4% for FY2016 from approximately S\$50,000 in FY2015 to approximately S\$52,000 in FY2016 due mainly to the Target Group's purchase of computers with better functionalities to support some of its staff and the purchase of motor vehicles to replace old motor vehicles for delivery.

Other operating expenses

Other operating expenses decreased by approximately S\$197,000 or 34.7% for FY2016 from approximately S\$568,000 in FY2015 to approximately S\$371,000 in FY2016 due mainly to decrease in entertainment and refreshment of approximately S\$65,000, professional fees of approximately S\$50,000, decrease in travelling expenses of approximately S\$40,000, decrease in training expenses of approximately S\$28,000 and office rental of approximately S\$12,000, and approximately S\$1,000 of other miscellaneous expenses.

Finance costs

Finance costs increased by approximately S\$2,000 or 11.8% for FY2016 from approximately S\$20,000 in FY2015 to approximately S\$22,000 in FY2016 due mainly to increase in interest rate of mortgage term loan of Target Group's mortgaged property at 18 Howard Road, Novelty BizCentre, #09-05.

Profit/(loss) before taxation

Profit before taxation decreased by approximately S\$150,000 for FY2016 from approximately S\$256,000 in FY2015 to approximately S\$106,000 in FY2016 due mainly to decrease in revenue of approximately S\$467,000, increase in salaries and other employees' benefits of approximately S\$134,000, increase in depreciation and amortisation of approximately S\$2,000 and increase in finance costs of approximately S\$2,000 partially mitigated by decrease in material costs and change in inventories of approximately S\$229,000, decrease in other operating expenses of approximately S\$197,000 and increase in other income of approximately S\$31,000.

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Profit before taxation margin decreased from 10.0% in FY2015 to 5.1% in FY2016 due mainly to a decrease in revenue by 18.4% and increase in salaries and other employees' benefits of 11.2% partially mitigated by decrease in material costs and change in inventories of 36.3% and decrease in other operating expenses of 34.7% and increase in other income of 18.2%.

Despite the decrease in profit before taxation margin in FY2016, the Target Group did not retrench its staff. Instead, the Target Group realign itself to tender for better margin projects as explained earlier.

Taxation

Taxation increased by S\$482 for FY2016 due mainly to lesser tax-deductible expenses and allowances available in FY2016 for the Target Group to deduct taxable income.

FY2016 v FY2017

Revenue

Revenue increased by approximately S\$534,000 or 25.7% for FY2017 from approximately S\$2,078,000 in FY2016 to approximately S\$2,612,000 in FY2017 due mainly to the Target Group's completion of its restructuring and realignment strategy of its customers and increase in revenue from government related IT projects. Revenue for IT solutions increased by approximately S\$368,000 or 21.2% for FY2017 from approximately S\$1,739,000 in FY2016 to approximately S\$2,107,000 in FY2017 as longer duration government related IT projects had begun to show results. Revenue for MICE support increased by approximately S\$166,000 or 49.0% for FY2017 from approximately S\$339,000 in FY2016 to approximately S\$505,000 in FY2017 due mainly to Target Group's increase in sales activities for customers' product launches and exhibitions.

Geographical regions

Revenue from Singapore increased by approximately S\$570,000 or 28.2% for FY2017 from approximately S\$2,022,000 in FY2016 to approximately S\$2,592,000 in FY2017. Revenue contribution from Singapore by percentage increased from 97.3% in FY2016 to 99.2% in FY2017. Revenue from overseas were derived from Malaysia, Indonesia, Thailand, Philippines and Hong Kong.

Other income

Other income increased by approximately S\$3,000 or 1.3% for FY2017 from approximately S\$200,000 in FY2016 to approximately S\$203,000 in FY2017 due mainly to slight increase in government grants.

Costs and profitability

Material costs and change in inventories

Material costs and change in inventories increased by approximately S\$170,000 or 42.4% for FY2017 from approximately S\$401,000 in FY2016 to approximately S\$571,000 in FY2017 corresponded to the increase in revenue of Target Group.

Salaries and employees' benefits

Salaries and employees' benefits decreased by approximately S\$26,000 or 2.0% for FY2017 from approximately S\$1,326,000 in FY2016 to approximately S\$1,300,000 in FY2017, due mainly to reduction of bonuses and decrease in directors' remuneration.

Depreciation and amortisation

Depreciation and amortisation increased by approximately S\$24,000 or 46.8% for FY2017 from approximately S\$52,000 in FY2016 to approximately S\$76,000 in FY2017 due mainly to Target Group's purchase of computers and office equipment as a result of increase in headcounts of the Target Group and purchase of office equipment to support IT solutions business segment.

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Other operating expenses

Other operating expenses decreased by approximately S\$105,000 or 28.4% for FY2017 from approximately S\$371,000 in FY2016 to approximately S\$266,000 in FY2017 due mainly to decrease in professional fees of approximately S\$58,000, travelling expenses of approximately S\$44,000, and approximately S\$3,000 of other miscellaneous expenses.

Finance costs

Finance costs decreased by approximately S\$7,000 or 30.8% for FY2017 from approximately S\$22,000 in FY2016 to approximately S\$15,000 in FY2017 due mainly to decrease in interest rate of the mortgage term loan of Target Group's mortgaged property at 18 Howard Road, Novelty BizCentre, #09-05, as a result of refinancing activity with another bank.

Profit/(loss) before taxation

Profit before taxation increased by approximately S\$480,000 for FY2017 or 452.2% from approximately S\$106,000 in FY2016 to approximately S\$586,000 in FY2017 due mainly to increase in revenue of approximately S\$534,000, increase in other income of approximately S\$3,000, decrease in other operating expenses of approximately S\$105,000, decrease in salaries and employees' benefits of approximately S\$26,000, and decrease in finance costs of approximately S\$7,000, partially offset by increase in material costs and change in inventories approximately S\$170,000, and depreciation and amortisation of approximately S\$24,000 as explained above.

Profit before taxation margin increased from 5.1% in FY2016 to 22.5% in FY2017 due mainly to an increase in revenue by 25.7% while total expenses increased by only 2.6% in FY2017. As explained earlier, the Target Group's restructuring and realignment strategy of tendering and obtaining better margin projects begun to bear results in FY2017.

Taxation

Taxation increased by approximately S\$1,000 or 52.4% for FY2017 from approximately S\$2,000 in FY2016 to approximately S\$3,000 in FY2017 due mainly to more tax-deductible expenses and allowances available for the Target Group to deduct taxable income with the purchases of computers and office equipment.

9MFY2017 v 9MFY2018

Revenue

Revenue increased by approximately S\$3,023,000 or 220.1% for 9MFY2018 from S\$1,374,000 in 9MFY2017 to S\$4,397,000 in 9MFY2018 due mainly to the Target Group's increase in revenue from government related IT projects. Revenue for IT solutions increased by approximately S\$2,997,000 or 288.2% for 9MFY2018 from approximately S\$1,040,000 in 9MFY2017 to approximately S\$4,037,000 in 9MFY2018. Revenue for MICE support increased by approximately S\$26,000 or 7.8% for 9MFY2018 from approximately S\$334,000 in 9MFY2017 to approximately S\$360,000 in 9MFY2018.

Geographical regions

Revenue from Singapore increased by approximately S\$3,014,000 or 222.1% for 9MFY2018 from approximately S\$1,357,000 in 9MFY2017 to approximately S\$4,371,000 in 9MFY2018. Revenue contribution from Singapore by percentage increased from 98.8% in 9MFY2017 to 99.4% in 9MFY2018. Revenue from overseas were derived from Malaysia, Indonesia, Thailand, Philippines, Hong Kong and China.

Other income

Other income increased by approximately S\$112,000 or 69.7% for 9MFY2018 from approximately S\$161,000 in 9MFY2017 to approximately S\$273,000 in 9MFY2018 due mainly to increase in approximately S\$83,000 arising from gain on disposal of office equipment that supported IT

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solutions which were sold to a customer in a project, approximately S\$9,000 of rental income arising from leasing of the commercial property at 18 Howard Road, Novelty BizCentre, #09-05, to a tenant (please refer to page A-48 on Non-current assets as at 30 September 2018 for more details), and approximately S\$20,000 from various government grants.

Costs and profitability

Material costs and change in inventories

Material costs and change in inventories increased by approximately S\$174,000 or 52.3% for 9MFY2018 from approximately S\$333,000 in 9MFY2017 to approximately S\$507,000 in 9MFY2018 corresponded to the increase in revenue of Target Group.

Salaries and employees' benefits

Salaries and employees' benefits increased by approximately S\$784,000 or 123.6% for 9MFY2018 from approximately S\$635,000 in 9MFY2017 to approximately S\$1,419,000 in 9MFY2018 due mainly to increase in employees' salaries and benefits of the Target Group as a result of increase of 17 employees from 25 employees as at 30 September 2017 to 42 employees as at 30 September 2018 mainly to support both IT solutions and MICE support business segments, and reversal of contract assets of approximately S\$299,000 in 9MFY2017 relating to capitalised labour costs due to certain uncompleted projects as at 30 September 2017.

Depreciation and amortisation

Depreciation and amortisation increased by approximately S\$48,000 or 93.6% for 9MFY2018 from approximately S\$51,000 in 9MFY2017 to approximately S\$99,000 in 9MFY2018 due mainly to Target Group's purchase of computers, office equipment, furniture and fittings, and renovation of new office at 25 Kallang Way, #02-02.

Other operating expenses

Other operating expenses increased by approximately S\$108,000 or 56.8% for 9MFY2018 from approximately S\$191,000 in 9MFY2017 to approximately S\$300,000 in 9MFY2018 due mainly to increase in office rental of approximately S\$51,000, travelling expenses of approximately S\$29,000, advertising expenses of approximately S\$23,000, and transport and delivery expenses of approximately S\$7,000.

Finance costs

Finance costs increased by approximately S\$13,000 or 100.4% for 9MFY2018 from approximately S\$12,000 in 9MFY2017 to approximately S\$25,000 in 9MFY2018 due mainly to the Target Group obtaining an unsecured facility loan of S\$300,000 from Oversea-Chinese Banking Corporation Limited ("OCBC") in 9MFY2018. OCBC has confirmed that the facility loan has been fully repaid as at the Latest Practicable Date.

Profit/(loss) before taxation

Profit before taxation increased by approximately S\$2,009,000 or 642.2% from approximately S\$313,000 for 9MFY2017 to approximately S\$2,321,000 for 9MFY2018 due mainly to increase in revenue of approximately S\$3,023,000 and increase in other income of approximately S\$112,000, partially offset by increase in material costs and change in inventories of approximately S\$174,000, increase in salaries and employees' benefits of approximately S\$784,000, increase in depreciation and amortisation of approximately S\$48,000, increase in other operating expenses of approximately S\$108,000 and increase in finance costs of approximately S\$13,000 as explained above.

Profit before taxation margin increased from 22.8% in 9MFY2017 to 52.8% in 9MFY2018 due mainly to an increase in revenue by 220.1% while total expenses increased by 92.2% in 9MFY2018.

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Taxation

Taxation increased by approximately S\$367,000 for 9MFY2018 from approximately S\$2,000 in 9MFY2017 to approximately S\$369,000 in 9MFY2018 corresponded to the increase in revenue for 9MFY2018.

FINANCIAL POSITION OF THE TARGET GROUP

As at 31 December 2015

Non-current assets

Non-current assets as at 31 December 2015 comprised of Target Group's net asset value of property, plant and equipment of approximately S\$916,000. The property, plant and equipment consisted commercial property at 18 Howard Road, Novelty BizCentre, #09-05 at cost approximately S\$879,000, computers at cost approximately S\$50,000 and delivery vehicles at cost approximately S\$93,000 offset by accumulated depreciation of commercial property, computers, and delivery vehicles of approximately S\$88,000, S\$9,000 and S\$9,000 respectively.

Current assets

Current assets as at 31 December 2015 comprised of trade and other receivables of approximately S\$1,111,000 and cash and cash equivalent of approximately S\$144,000. Trade and other receivables were mainly Target Group's net trade receivables amounting to approximately S\$1,080,000, amount due from a related party, Revez Hongkong Pte Limited (which is owned by the directors of the Target Group) amounting to approximately S\$16,000, rental deposits for office amounting to approximately S\$7,000, other miscellaneous receivables and deposits to approximately S\$8,000.

Current liabilities

Current liabilities as at 31 December 2015 comprised of trade and other payables of approximately S\$575,000, current portion of loans and borrowings of approximately S\$40,000 and income tax liabilities of approximately S\$1,000. Trade and other payables were mainly unearned revenue of approximately S\$359,000 that were billed but projects have yet to meet the percentages of revenue recognition principle of the Target Group, trade payables of approximately S\$174,000 and GST payable of approximately S\$42,000.

Non-current liabilities

Non-current liabilities as at 31 December 2015 comprised of non-current portion of loans and borrowings of approximately S\$846,000. The non-current portion of loans and borrowings consisted of non-current portion of the mortgage term loan of the commercial property at 18 Howard Road, Novelty BizCentre, #09-05 of approximately S\$806,000 and the non-current portion of the hire purchase loan for the delivery vehicle of approximately S\$40,000.

Total Equity

Total equity as at 31 December 2015 comprised of combined share capital of S\$3, combined retained earnings of S\$358,000, non-controlling interests of approximately S\$205,000 and merger reserve arising from merging of entities of the Target Group of S\$145,500.

As at 31 December 2016

Non-current assets

Non-current assets as at 31 December 2016 comprised of Target group's net asset value of property, plant and equipment of approximately S\$872,000. The property, plant and equipment consisted commercial property at 18 Howard Road, Novelty BizCentre, #09-05 at cost approximately S\$879,000, computers at cost approximately S\$58,000 and delivery vehicles at cost approximately S\$93,000 offset by accumulated depreciation of commercial property, computers, and delivery vehicles of approximately S\$117,000, S\$20,000 and S\$20,000 respectively.

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Current assets

Current assets as at 31 December 2016 comprised of trade and other receivables of approximately S\$639,000 and cash and cash equivalent of approximately S\$269,000. Trade and other receivables were mainly Target Group's net trade receivables amounting to approximately S\$589,000, amount due from a related party, Revez Hongkong Pte Limited (which is owned by the directors of the Target Group) amounting to approximately S\$36,000, rental deposits for office amounting to approximately S\$7,000, other miscellaneous receivables and deposits to approximately S\$7,000.

Current liabilities

Current liabilities as at 31 December 2016 comprised of trade and other payables of approximately S\$117,000, current portion of loans and borrowings of approximately S\$47,000 and income tax liabilities of approximately S\$3,000. Trade and other payables were mainly deferred revenue of approximately S\$53,000, GST payable of approximately S\$1,000 and other miscellaneous payables of approximately S\$63,000.

Non-current liabilities

Non-current liabilities as at 31 December 2016 comprised of non-current portion of loans and borrowings of approximately S\$799,000. The non-current portion of loans and borrowings consisted of non-current portion of the mortgage term loan of the commercial property at 18 Howard Road, Novelty BizCentre, #09-05 of approximately S\$771,000 and the non-current portion of the hire purchase loan for the delivery vehicle of approximately S\$28,000.

Total Equity

Total equity as at 31 December 2016 comprised of combined share capital of S\$3, combined retained earnings of S\$578,000, non-controlling interests of approximately S\$89,000 and merger reserve arising from merging of entities of the Target Group of S\$145,500.

As at 31 December 2017

Non-current assets

Non-current assets as at 31 December 2017 comprised of Target group's net asset value of property, plant and equipment of approximately S\$1,139,000. The property, plant and equipment consisted commercial property at 18 Howard Road, Novelty BizCentre, #09-05 at cost approximately S\$879,000, computers at cost approximately S\$179,000, office equipment at cost approximately S\$146,000, delivery vehicles at cost approximately S\$93,000, renovation at cost approximately S\$69,000, furniture and fittings at cost approximately S\$8,000, offset by accumulated depreciation of commercial property, computers, office equipment, delivery vehicles, renovation and furniture and fittings of approximately S\$147,000, S\$45,000, S\$10,000, S\$32,000, S\$200 and S\$200 respectively.

Current assets

Current assets as at 31 December 2017 comprised of trade and other receivables of approximately S\$1,154,000, work-in-progress of approximately S\$26,000 and cash and cash equivalent of approximately S\$284,000. Trade and other receivables were mainly Target Group's net trade receivables amounting to approximately S\$1,085,000, amount due from a related party, Revez Hongkong Pte Limited (which is owned by the directors of the Target Group) amounting to approximately S\$36,000, rental deposits for offices amounting to approximately S\$22,000, other miscellaneous receivables and deposits of approximately S\$12,000.

With the adoption of SFRS(I) 9, work-in-progress of approximately S\$26,000 was reclassified as contract assets.

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Current liabilities

Current liabilities as at 31 December 2017 comprised of trade and other payables of approximately S\$402,000, current portion of loans and borrowings of approximately S\$40,000 and income tax liabilities of approximately S\$6,000. Trade and other payables were mainly unearned revenue of approximately S\$269,000 that were billed but projects have yet to meet the percentages of revenue recognition principle of the Target Group, GST payable of approximately S\$67,000 of the Target Group, trade payables of approximately S\$60,000 and other miscellaneous payables of approximately S\$6,000.

With the adoption of SFRS(I) 9, Trade and other payables of approximately S\$269,000 was reclassified as contract liabilities which were Target Group's obligations to transfer goods or services to customers for which the Target Group has yet to transfer to the customers the goods or services promised in the service contracts but already billed to customers.

Non-current liabilities

Non-current liabilities as at 31 December 2017 comprised of non-current portion of loans and borrowings of approximately S\$759,000. The non-current portion of loans and borrowings consisted of non-current portion of the mortgage term loan of the commercial property at 18 Howard Road, Novelty BizCentre, #09-05 of approximately S\$743,000 and the non-current portion of the hire purchase loan for the delivery vehicle of approximately S\$16,000.

Total Equity

Total equity as at 31 December 2017 comprised of combined share capital of S\$3, combined retained earnings of S\$1,079,000, non-controlling interests of approximately S\$172,000 and merger reserve arising from merging of entities of the Target Group of S\$145,500.

As at 30 September 2018

Non-current assets

Non-current assets as at 30 September 2018 comprised of Target Group's net asset value of property, plant and equipment of approximately S\$371,000, and investment property of approximately S\$711,000. The property, plant and equipment consisted computers at cost of approximately S\$220,000, office equipment at cost of approximately S\$95,000, delivery vehicles at cost of approximately S\$93,000, renovation at cost of approximately S\$72,000 and furniture and fittings at cost of approximately S\$32,000 offset by accumulated depreciation of computers, office equipment, delivery vehicles, renovation and furniture and fittings of approximately S\$77,000, S\$8,000, S\$40,000, S\$11,000 and S\$4,000 respectively.

The commercial property which was previously classified as property, plant and equipment as at 31 December 2017, was subsequently reclassified as investment property on 1 January 2018 as the Target Group has shifted its operation from 18 Howard Road Novelty Bizcentre, #09-05 to its current premise at 25 Kallang Avenue 2, #02-02 in December 2017. The investment property was transferred at net book value of approximately S\$733,000 offset by accumulated amortisation of approximately S\$22,000. This property was rented out to a third-party tenant in FY2018.

Current assets

Current assets as at 30 September 2018 comprised of trade and other receivables of approximately S\$1,323,000, cash and cash equivalent of approximately S\$755,000, and contract assets of approximately S\$1,677,000 which were mainly recognised in revenue but yet to be billed. Trade and other receivables were mainly Target Group's net trade receivables amounting to approximately S\$1,262,000 including credit loss allowance of approximately S\$142,000 arising from adopting SFRS(I) 9 (please refer to Section 7 "Credit Policy and Management" of this Target Letter for more details at page A-22), amount due from a related party, Revez Hongkong Pte Limited (which is owned by the directors of the Target Group) amounting to approximately S\$36,000, rental deposits for offices amounting to approximately S\$22,000, and other miscellaneous receivables and deposits of approximately S\$3,000.

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Current liabilities

Current liabilities as at 30 September 2018 comprised of trade and other payables of approximately S\$220,000 dividend payable of S\$1,650,000, current portion of loans and borrowings of approximately S\$91,000 and income tax liabilities of approximately S\$375,000. Trade and other payables were mainly amount owing to one of the executive directors of S\$136,000, GST payable of approximately S\$75,000 of the Target Group and other miscellaneous payables of approximately S\$9,000.

Non-current liabilities

Non-current liabilities as at 30 September 2018 comprised of non-current portion of loans and borrowings of approximately S\$951,000 of the Target Group. The non-current portion of loans and borrowings consisted of non-current portion of the mortgage term loan of the commercial property at 18 Howard Road, Novelty BizCentre, #09-05 of approximately S\$725,000, the non-current portion of the facility unsecured term loan of S\$220,000, and the non-current portion of the hire purchase loan for the delivery vehicle of approximately S\$6,000.

Total Equity

Total equity as at 30 September 2018 comprised of combined share capital of approximately S\$3, combined retained earnings of S\$1,261,000, non-controlling interests of approximately S\$150,000 and merger reserve arising from merging of entities of the Target Group of approximately S\$138,000.

Liquidity and capital resources

As at 30 September 2018, the Target Group had cash and cash equivalents of approximately S\$755,000 and net current assets of approximately S\$1,418,000. The Target Group's Equity attributable to equity owners of the Company amounted to approximately S\$1,399,000, and total liabilities amounted to approximately S\$3,288,000 which consisted mainly loans and borrowings of approximately S\$1,043,000, and dividend payables of S\$1,650,000.

In assessing whether the Target Group has sufficient working capital (taking into consideration of the declaration and repayment of the final dividends), the Proposed New Directors have considered the following:

- (i) based on the audited proforma combined statement of financial position as at 30 September 2018, the Target Group had cash and cash equivalents of approximately S\$755,000. As at the Latest Practicable Date, the Target Group had cash and cash equivalents of approximately S\$1,325,000 and total loans and borrowings of approximately S\$750,000;
- (ii) the Target Group had generated positive operating cash flows in FY2016, FY2017 and 9MFY2018 amounting to approximately S\$195,000, S\$421,000 and S\$75,000 respectively;
- (iii) the Target Group's trade receivables and trade payables turnover days;
- (iv) the Target Group presently does not rely on banking facilities for working capital requirements except for banking facilities taken during the Period Under Review which comprise of mortgaged term loan to finance an investment property, unsecured facility loan for working capital requirements and delivery vehicle hire purchase loan. As at the end of FY2015, FY2016, FY2017 and 9MFY2018, the Target Group's total loans and borrowings amounted to approximately S\$886,000, S\$846,000, S\$799,000 and S\$1,043,000 respectively, and the gearing ratios (defined as net debt divided by total equity plus net debt) were 0.51, 0.42, 0.27 and 0.16 at each of the respective dates. As at the Latest Practicable Date, the unsecured facility loan has been fully repaid and the loan account with OCBC has been closed.;

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- (v) going forward, in considering the level of dividend payments, the Target Group will take into account various factors, such as the Target Group's expected working capital requirements to support its growth, financial position, cash flows and investment plans. Please refer to the "Dividend Policy" section of this Circular for further details; and
- (vi) future plans of the Target Group as set out in the "Business Strategies and Future Plans" section of this Target Letter will be partially funded by net proceeds from the Compliance Placement and the extent and timing of the future plans may be managed and based on the amount raised from the Compliance Placement.

The Proposed New Directors are of the reasonable opinion that, after having made due and careful enquiry, and having considered the present cash position, cash generated from operations and dividend payable to the executive directors, the working capital available to the Enlarged Group as at the Latest Practicable Date is sufficient for present requirements and for at least 12 months after Completion.

The Sponsor is of the reasonable opinion that, after having made due and careful enquiry, and having considered the present cash position, cash generated from operations and the Dividend Payment to the executive directors, the working capital available to the Enlarged Group as at the Latest Practicable Date is sufficient for present requirements and for at least 12 months after Completion.

The Proposed New Directors and Sponsor are of the view that the working capital is sufficient for the Enlarged Group after consideration of the Dividend Payment and the quantum claimed by EQ Insurance (details of the EQ Insurance matter are set out under Section 16 of the Circular). Mr Lim Chwee Kim has provided an undertaking to underwrite any successful claims (up to S\$395,183.50) by EQ Insurance.

Below is a summary of the Target Group's combined statements of cash flows for the Period Under Review. The following net cash flow summary should be read in conjunction with the full text of this Circular, including the "Audited Combined Financial Statements of the Target Group for the Financial Periods Ended 31 December 2015, 2016, 2017 and 30 September 2018 as set out in Appendices C and E of this Circular.

	9MFY2018 S\$ (Audited)	9MFY2017 S\$ (Unaudited)	FY2017 S\$ (Audited)	FY2016 S\$ (Audited)	FY2015 S\$ (Audited)
Net cash generated from/(used in) operating activities	74,845	128,915	421,246	194,677	(131,334)
Net cash generated from/(used in) investing activities	41,763	(243,943)	(343,174)	(8,007)	(8,436)
Net cash generated from/(used in) financing activities	354,379	(46,854)	(62,766)	(61,950)	(50,873)
Net increase/(decrease) in cash and cash equivalents	470,987	(161,882)	15,306	124,720	(190,643)
Cash and cash equivalents at beginning of the financial period/year	283,849	268,543	268,543	143,823	334,466
Cash and cash equivalents at the end of the financial period/year	754,836	106,661	283,849	268,543	143,823

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FY2015

The Target Group had net cash used in operating activities of approximately S\$131,000 for FY2015. This was due mainly to operating cash flows before working capital changes of approximately S\$308,000 offset by a net movement in working capital of approximately S\$439,000.

The net movement in working capital of approximately S\$439,000 was due mainly to increase in trade and other receivables of approximately S\$652,000 partially net off by increase in trade and other payables of approximately S\$213,000. The increase in both trade and other receivables and trade and other payables was attributable to the increase in sales activities for the Target Group compared to FY2014.

The Target Group had net cash used in investing activities of approximately S\$8,000 for FY2015. This was due to the purchase of computers of approximately S\$16,000 and delivery vehicle of approximately S\$93,000 partly financed by hire purchase loan of S\$62,000 partially mitigated by disposal of property, plant and equipment delivery vehicles of approximately S\$38,000. Please refer to “Capital Expenditures and Divestment” for more details.

The Target Group had net cash used in financing activities of approximately S\$51,000 for FY2015. This was due mainly to repayments of finance lease creditor and bank borrowings of approximately S\$9,000 and S\$22,000 respectively, and interest payment of approximately S\$20,000.

FY2016

The Target Group had net cash generated from operating activities of approximately S\$195,000 for FY2016. This was due mainly to operating cash flows before working capital changes of approximately S\$180,000 and a net increase in the movement in working capital of approximately S\$15,000.

The net movement in working capital of approximately S\$15,000 was due mainly to decrease in trade and other receivables of approximately S\$472,000 partially net off by decrease in trade and other payables of approximately S\$457,000. The decrease in both trade and other receivables and trade and other payables was attributable to the decrease in sales activities for the Target Group compared to FY2015.

FY2017

The Target Group had net cash generated from operating activities of approximately S\$421,000 for FY2017. This was due mainly to operating cash flows before working capital changes of approximately S\$678,000 offset by a net movement in working capital of approximately S\$257,000.

The net movement in working capital of approximately S\$257,000 was due mainly to increase in trade and other receivables of approximately S\$515,000 and recognition of work-in-progress of approximately S\$26,000 partially net off by increase in trade and other payables of approximately S\$284,000. The increase in both trade and other receivables and trade and other payables was attributable to the increase in sales activities for the Target Group compared to FY2016.

The Target Group had net cash used in investing activities of approximately S\$343,000 for FY2017. This was due to the purchase of office equipment of approximately S\$146,000, computers of approximately S\$120,000, renovation of approximately S\$69,000 and furniture and fittings of approximately S\$8,000. Please refer to “Capital Expenditures and Divestment” for more details.

The Target Group had net cash used in financing activities of approximately S\$63,000 for FY2017. This was due mainly to repayments of finance lease creditor and bank borrowings of approximately S\$12,000 and S\$35,000 respectively, and interest payment of approximately S\$16,000.

9MFY2017

The Target Group had net cash generated from operating activities of approximately S\$129,000 for 9MFY2017. This was due mainly to operating cash flows before working capital changes of approximately S\$376,000 offset by a net movement in working capital of approximately S\$247,000.

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The Target Group had net cash used in investing activities of approximately S\$244,000 for 9MFY2017. This was due to the purchase of office equipment of approximately S\$136,000 and computers of approximately S\$108,000.

The Target Group had net cash used in financing activities of approximately S\$47,000 for 9MFY2017. This was due mainly to repayments of finance lease creditor and bank borrowings of approximately S\$9,000 and S\$25,000 respectively, and interest payment of approximately S\$13,000.

9MFY2018

The Target Group had net cash generated from operating activities of approximately S\$75,000 for 9MFY2018. This was due mainly to operating cash flows before working capital changes of approximately S\$2,362,000 offset by a net movement in working capital of approximately S\$2,287,000.

The net movement in working capital of approximately S\$2,287,000 was due mainly to increase in contract assets which were unbilled revenue amounting to approximately S\$1,651,000, increase in trade and other receivables of approximately S\$319,000, decrease in contract liabilities which were unearned revenue of approximately S\$269,000 and decrease in trade and other payables of approximately S\$48,000. The increase in both contract assets and trade and other receivables was attributable to the increase in sales activities for the Target Group compared to FY2017.

The Target Group had net cash generated from investing activities of approximately S\$42,000 for 9MFY2018. This was due mainly to proceeds received from the disposal of property, plant and equipment of office equipment of approximately S\$187,000 sold to customers as part of projects partially offset by the purchase of property, plant and equipment of approximately S\$145,000 of office equipment of approximately S\$77,000, computers of approximately S\$41,000, furniture and fittings of approximately S\$24,000 and renovation of approximately S\$3,000. Please refer to “Capital Expenditures and Divestment” for more details.

The Target Group had net cash provided by financing activities of approximately S\$354,000 for 9MFY2018. This was due mainly to proceeds received from an unsecured facility loan of S\$300,000 and advances from a controlling shareholder to the Target Group partially offset by repayments of finance lease creditor and bank borrowings of approximately S\$9,000 and S\$47,000 respectively, and interest payment of approximately S\$25,000.

Capital expenditures, divestment, commitments and contingent liabilities

Capital Expenditures and Divestment

Capital expenditures and divestments made by the Target Group during the Period Under Review and for the period from 1 October 2018 to the Latest Practicable Date were as follows:

	1 October 2018 to the Latest Practicable Date S\$'000	9MFY2018 S\$'000	FY2017 S\$'000	FY2016 S\$'000	FY2015 S\$'000
Acquisitions					
Computers	33	41	120	8	16
Motor vehicle	—	—	—	—	93
Office equipment	—	77	146	—	—
Furniture and fittings	—	24	8	—	—
Renovation	—	3	69	—	—
Total	33	145	343	8	109
Divestments					
Computers	(7)	—	—	—	38
Motor vehicle	—	—	—	—	—
Office equipment	—	187	—	—	—
Total	—	187	—	—	38

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The above capital expenditures were financed by the Target Group's internally generated funds except for motor vehicle which was financed by hire purchase loan.

Computers were bought in FY2016 despite a fall in overall headcount due mainly to purchase of computers with better functionalities to support some of its staff.

Computers bought in FY2017 were mainly due to implementation of an ERP system in one of the Target Group's subsidiaries amounting to S\$100,000. The balance of approximately S\$20,000 was mainly used to purchase new computers to cater to increase headcount of the Target Group in FY2017 and new staff joining the Target Group in the beginning of 9MFY2018.

Computers bought in 9MFY2018 of approximately S\$41,000 were meant to cater to increase headcount of the Target Group in 9MFY2018.

The above divestments were due to disposal of old computers, the sale of old delivery vehicles and sale of office equipment to customers which were deployed in customers' projects.

Commitments

Capital Commitments

As at the Latest Practicable Date, the Target has no commitments for capital expenditures.

Operating Lease Commitments

As at the Latest Practicable Date, the Target Group has non-cancellable operating lease commitments, as lessee, as follows:

Not later than one year (S\$'000)	100
Later than one year but not more than five years (S\$'000)	54
	154

The operating lease commitments comprise rent payable for the Target Group's offices in Singapore.

The Target Group finances the above operating lease commitments through internally generated funds.

As at the Latest Practicable Date, the Target Group has non-cancellable operating lease commitments, as lessor, as follows:

Not later than one year (S\$'000)	37
Later than one year but not more than five years (S\$'000)	49
	86

The Target Group leases out its freehold property to a third party under non-cancellable operating lease agreement with a lease term of 3 years. The lessee does not have an option to purchase the freehold property at the expiry of the lease period.

Finance Lease Commitments

As at the Latest Practicable Date, the Target Group has finance lease commitments, as follows:

Not later than one year (S\$'000)	14
More than one year and not later than five years	0
	14

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The Target Group's finance lease commitments comprise motor vehicle acquired under hire purchase arrangements.

The Target Group finances the above finance lease commitments through internally generated funds.

Contingent Liabilities

As at the Latest Practicable Date, to the best of the Proposed New Directors' knowledge and belief, they are not aware of any contingent liabilities which may have a material effect on the financial position and the profitability of the Target Group.

Foreign exchange management

Accounting Treatment of Foreign Currencies

The accounting records for the companies in the Target Group are maintained in Singapore dollars which is the functional currency of each of the companies.

Transactions in foreign currencies during the year are recorded in Singapore dollars using exchange rates at the transaction dates. Foreign currency monetary assets and liabilities at the end of the reporting period are translated into Singapore dollars at exchange rates at that date. All resultant exchange differences are dealt with through the income statements.

As the Target Group has no investment in foreign countries, no companies of the Target Group maintained different functional foreign currencies that are required to be translated to Singapore dollars for the consolidation of the financial statements of the Target Group.

Foreign Exchange Exposure

The Target Group's reporting currency is in Singapore dollars and its operations are primarily carried out in Singapore. The Target Group transacts mainly in Singapore dollars and denomination of other currencies such as, US dollars, is not material.

The Target Group's revenue is denominated mainly in Singapore dollars and, to an insignificant extent, US dollars. The Target Group's purchases and expenses are denominated mainly in Singapore dollars and denomination of other currencies such as, US dollars, is not material.

The Target Group's net foreign exchange gain/loss for the Period Under Review were not material and not meaningful to be expressed as percentages of revenue and profit/(loss) before tax.

At present, the Target Group does not have any formal policy for hedging against foreign exchange exposure. The Target Group will continue to monitor its foreign exchange exposure and may employ hedging instruments to manage the Target Group's foreign exchange exposure should the need arises. Prior to implementing any formal hedging policies, the Target Group will seek the approval of the Enlarged Group's Board on the policy and put in place adequate procedures which shall be reviewed and approved by its Audit Committee. Thereafter, all hedging transactions entered into by the Target Group will be in accordance with the set policies and procedures.

Changes in accounting policies

Please refer to the "Combined Financial Statements of the Target Group for FY2015, FY2016 and FY2017" and the "Interim Combined Financial Statements of the Target Group for the Nine-Month Period Ended 30 September 2018" as set out in Appendices E and C of this Circular respectively for details on the Target Group's accounting policies.

The Target Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2018. Except for SFRS(I) 9 *Financial Instruments*, the adoption of SFRS(I) and all the new and revised standards did not have any material effect on the interim combined financial statements.

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Adoption of SFRS(I) 9 *Financial Instruments*

SFRS(I) 9 *Financial Instruments* sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. It also introduces a new “expected credit loss” (ECL) model. The Group adopted SFRS(I) 9 from 1 January 2018.

The Group has elected to apply the short-term exemption to adopt SFRS(I) 9 on 1 January 2018. Accordingly, requirements of Financial Reporting Standards in Singapore (“SFRS”) 39 *Financial Instruments: Recognition and Measurement* will continue to apply to financial instruments up to the financial year ended 31 December 2017 as disclosed in Note 3.15. Additionally, the Group is exempted from complying with SFRS(I) 7 for the comparative period to the extent that the disclosures required by the SFRS(I) 7 relate to the items within scope of SFRS(I) 9. As a result, the requirements under SFRS are applied in place of the requirements under SFRS(I) 7 and SFRS(I) 9 to comparative information about items within the scope of the SFRS(I) 9.

Changes in accounting policies resulting from the adoption of SFRS(I) 9 have been generally applied by the Group retrospectively, except the following assessments were made on the basis of facts and circumstances that existed at 1 January 2018.

- The determination of the business model within which a financial asset is held; and
- The determination of whether the contractual terms of a financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The adoption of SFRS(I) 9 has not had a significant effect on the Group’s accounting policies for financial liabilities.

Details of their impact on the interim combined financial statements as well as the new requirements are described below.

(a) Classification of financial assets and financial liabilities

The following are the qualitative information regarding the reclassification between categories of financial instruments at the date of initial application of SFRS(I) 9.

Under SFRS(I) 9, financial assets are classified in the following categories: measured at amortised cost, FVOCI (debt instrument), FVOCI (equity instrument); or FVPL. The classification of financial assets under SFRS(I) 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. SFRS(I) 9 eliminates the previous SFRS 39 categories of held-to-maturity, loans and receivables and available-for-sale. Under SFRS(I) 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

The adoption of SFRS(I) 9 has not had a significant effect on the Group’s accounting policies for financial assets (trade and other receivables, and cash and cash equivalents) and financial liabilities (trade and other payables, loans and borrowings) as the original measurement under SFRS 39 and the new measurement under SFRS(I) 9 for the Group’s financial assets and financial liabilities are both classified at amortised cost.

(b) Impairment of financial assets

SFRS(I) 9 replaces the “incurred loss” model in SFRS 39 with an “expected credit loss” (ECL) model. The new impairment model applies to financial assets measured at amortised cost and contract assets. Upon adoption of SFRS(I) 9, the Group presented impairment loss related to trade receivables and contract assets, separately in the statement of profit or loss. No impairment loss was recognised under SFRS 39 during the financial year ended 31 December 2017 as there was no objective evidence indicating that the financial assets were impaired.

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Capitalisation and indebtedness

The following information should be read in conjunction with the full text of this Circular, including the “Interim Combined Financial Statements of the Target Group for the Nine-Month Period ended 30 September 2018” and the “Combined Financial Statements of the Target Group for FY2015, FY2016 and FY2017” as set out in Appendices C and E respectively of this Circular.

The following table shows the Target Group’s cash and cash equivalents and capitalisation and indebtedness:

	As at 30 September 2018	As at 28 February 2019	Adjusted for net proceeds from the Proposed Compliance Placement ⁽¹⁾
	(S\$’000)	(S\$’000)	(S\$’000)
Cash and cash equivalents	755	1,075	1,075
Indebtedness			
<u>Current</u>			
Secured and non-guaranteed	13	14	14
Secured and guaranteed	24	33	33
Unsecured and non-guaranteed	54	–	–
Unsecured and guaranteed	–	–	–
<u>Non-current</u>			
Secured and non-guaranteed	6	–	–
Secured and guaranteed	725	703	703
Unsecured and non-guaranteed	221	–	–
Unsecured and guaranteed			
Total indebtedness	1,043	750	750
Total equity	1,549	2,528	9,310
Total capitalisation and indebtedness	2,592	3,278	10,060

Note:

(1) Assuming full allotment and issuance of the Compliance Placement Shares.

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As at the Latest Practicable Date, details of the Target Group's facilities are as follows:

Type of facility	Lender	Amount of facilities granted (S\$'000)	Amount utilised (S\$'000)	Outstanding balance as at Latest Practicable Date (S\$'000)	Amount unutilised (S\$'000)	Interest rates	Maturity profile
Line of Credit including:	United Overseas Bank Limited	1,349 ⁽¹⁾			–		
Property mortgaged loan			749	736	–	1.52% per annum for property loan	4 September 2038
Overdraft			–		200	1.25% per annum above bank's prime lending rate (current rate is 5.0% per annum) for overdraft	Not applicable
Letter of credit/Trust receipts financing			–		400	0.125% per month as commission for letter of credit; 4% per annum above Bank's cost of funds for SGD and USD, 5.50% per annum above Bank's cost of funds for other currencies for Trust receipts financing	Not applicable
Hire purchase	Abwin Pte. Ltd.	62	62	14	–	2.28% per annum (Effective interest rate: 4.485%)	9 March 2020

Note:

- (1) Please refer to the "Present and Ongoing Interested Person Transactions" section of this Target Letter for more details on the personal guarantees given by Neo Wee Han Victor, Lim Kian Sing and Lee Han Chong.

The property mortgage loan is secured on the investment property at 18 Howard Road, Novelty BizCentre, #09-05, while the hire purchase loan is secured on the delivery vehicle.

Save as disclosed above, as at the Latest Practicable Date, the Target Group had no other borrowings or indebtedness in the nature of borrowings.

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To the best of the Proposed New Directors' knowledge, the Target Group is not in breach of any terms and conditions or covenants associated with any credit arrangement which could materially affect the Target Group's financial position and results and business operations.

Save as disclosed above, there has been no material change in the Target Group's capitalisation and indebtedness from 30 September 2018 up to the Latest Practicable Date, save for changes in the Target Group's working capital and retained earnings arising from the day-to-day operations in the ordinary course of its business.

Inflation

During the Period Under Review, inflation did not have a material impact on the financial results of the Target Group.

21. PROSPECTS, TRENDS AND FUTURE PLANS

The following discussion on the Target Group's prospects, trends and strategy includes forward looking statements that involve risks and uncertainties. Actual results could differ materially from those that may be projected in these forward looking statements. Please see the section entitled "Cautionary Note on Forward Looking Statements" of the Circular.

All the information presented in this section are extracted, where relevant, from sources believed by the Target Group Directors to be accurate and relevant. Information from external sources, including various government publications and industry reports, have not been independently verified by the Directors, the Target Group Directors, the Proposed New Directors, the Sponsor, or any other party, and their and the Target Group's respective officers, agents and employees.

21.1. Prospects

The Proposed New Directors are positive on the prospects of the Target Group for the following reasons:

21.1.1. Economic growth

The Singapore economy grew between 2.2% and 5.1% year-on-year from 2012 to 2018, and is expected to grow at an average rate of 2.7% between 2019 and 2023, according to the annual change in Singapore's gross domestic product forecasted by the International Monetary Fund ("IMF")⁽¹⁾. The steady growth is likely to provide support to our business operations and future plans.

21.1.2. Outlook of the Singapore information technology services sector

Based on the Economic Survey of Singapore for the third quarter of 2018 by the Ministry of Trade and Industry ("MTI"), the Singapore information and communications sector grew at a stable rate between 2015 and 2017. In the third quarter of 2018, the sector grew at a rate of 4.7% year-on-year⁽²⁾. The paradigm shift into the digital era created and is expected to create numerous growth opportunities for the information technology ("IT") sector. Coupled with our expertise and established track record, this will potentially lead to a corresponding increase in demand for the solutions that the Target Group provides.

21.1.3. Outlook of the augmented reality and virtual reality sector

Along with the development of the global IT sector, augmented reality and virtual reality ("AR/VR") are becoming increasingly prominent. Driven by the growth in demand for software applications for three-dimensional visualisation, the Target Group Directors anticipate that the global AR/VR market will continue to grow and in connection therewith create opportunities and increase the demand for the Target Group's services.

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21.1.4. Outlook of the Meetings, Incentives, Conventions and Exhibitions (“MICE”) industry

The Target Group Directors believe that Asia-Pacific will be one of the fastest growing markets in the global MICE industry, owing to the region’s high market growth, intellectual development and high penetration of internet and technology. The Target Group Directors anticipate that Asia’s robust economic growth, coupled with Singapore’s continued popularity as a regional hub, will lead to growth in attendance and exhibition space and a corresponding increase in demand for the solutions that the Target Group provides.

Notes:

- (1) Source: World Economic Outlook Database, October 2018. Information was extracted from the website of IMF at <https://www.imf.org/external/pubs/ft/weo/2018/02/weodata/weorept.aspx>
- (2) Source: Economic Survey of Singapore, Third Quarter of 2018, MTI. Information was extracted from the website of MTI at <https://www.mti.gov.sg/Resources/Economic-Survey-of-Singapore/2018/Economic-Survey-of-Singapore-Third-Quarter-2018>

The IMF and MTI have not consented to the inclusion of the relevant information in this Circular for the purposes of Section 249 of the SFA and are therefore not liable for the relevant information under Sections 253 and 254 of the SFA. While we have taken reasonable action to ensure that the relevant information have been included in its proper form and context in this Circular, and that the information is extracted fairly and accurately, we have not independently verified the accuracy of the relevant information.

21.2. Trend Information

As at the Latest Practicable Date and barring any unforeseen circumstances, in relation to FY2019, the Proposed New Directors observe the following trends based on the operations of the Target Group which will affect the profitability of the Enlarged Group:

- (a) The demand for IT solutions that the Target Group provides is likely to increase with the increased demand for smart devices applying smart technology as Singapore rapidly progresses into a digital economy.
- (b) The demand for IT solutions that the Target Group provides is likely to increase due to a combination of (i) an increase in expectations of end-users for experiential IT solutions and (ii) the Target Group’s niche expertise and competitive strengths in providing experiential IT solutions.
- (c) The demand for IT solutions that the Target Group provides is likely to increase with the increase in scale and complexity of projects resulting in an increased demand for fully-integrated, one-stop service providers.
- (d) We expect to incur corporate expenses as a listed company. Our staff cost is also expected to increase due to an increased number of employees. Such increase is due to the corporatisation of the Target Group and incurring fees which include the listing expenses, directors’ and professionals’ fees, compliance expenses and investor relation expenses.

Please refer to Section 4 of this Target Letter entitled “Business of the Target Group” for information on the Target Group’s projects.

Save as discussed above and under Section 3.7 of this Circular entitled “Risk Factors”, and barring any unforeseen circumstances, the Proposed New Directors are not aware of any significant recent trends or any other known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the Target Group’s revenue, profitability, liquidity or capital resources, or that would cause the financial information disclosed in this letter to be not necessarily indicative of our future operating results or financial condition.

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21.3. Business Strategies and Future Plans

The business strategies and future plans for the growth and expansion of the business of the Target Group are set out below. We intend to utilise approximately S\$4.0 million of the net proceeds from the Proposed Compliance Placement to partially fund such business strategies and future plans.

21.3.1. Continued focus on experiential IT solutions and smart technology

We will continue our focus on enhancing end-user experience and developing immersive technology solutions by amongst others continuing to invest in and conduct research and development to increase productivity and efficiency while also achieving cost rationalisation. This will allow us to compete effectively in the MICE and IT sectors.

21.3.2. Productising software solutions

We seek to strengthen our market position by continuing to productise our suite of software solutions to be scalable and flexible so as to cater to the increasing demand for comprehensive tailor-made integrated solutions in the digitalised era. We intend to place continued emphasis on delivering impactful and immersive end-user experiences so as to create a unique brand experience and increase our presence and visibility in and out of Singapore.

21.3.3. Expansion into the region

In addition to growing our existing business in Singapore, we may also leverage on our network to explore opportunities to expand into various Asian markets. To date, we have set up a representative office in Jakarta. We are also deepening our presence in China and establishing our presence in Abu Dhabi.

Furthermore, we believe that with our multi-disciplinary blend of technology and creative media, the Target Group can tap on the increasing demand of smart technology in the Asian markets.

21.3.4. Explore opportunities to expand through mergers and acquisitions, joint ventures and/or strategic alliances

We may consider expanding our business through mergers and acquisitions, joint ventures and/or strategic alliances with parties that create synergistic values with our current business. Through such mergers and acquisitions, joint ventures and/or strategic alliances, we will look to strengthen our market position and/or expand into new business areas that are complementary to our existing business. We are constantly exploring potential mergers and acquisitions (i.e. increasing market share within this industry) in a bid to expand our presence and market position within the Asia Pacific region. Should such opportunities arise, we will seek approval, where necessary, from shareholders and the relevant authorities in accordance with the requirements of the applicable rules and regulations.

21.3.5. Attract, retain, motivate and develop a talented and result-oriented cadre of professionals

We recognise the importance of attracting, retaining, motivating and developing a talented and result-oriented cadre of professionals to manage the growth and expansion of the Target Group. We therefore believe in investing in our employees through a long-term human resources development plan which offers long-term talent development and performance-linked incentive schemes.

Our human resources policies emphasise the long-term development of our cadre of professionals through training and development, as well as the promotion of a result-oriented corporate culture through performance-linked staff evaluation and incentive schemes. We believe that such human resources policies will attract, retain, motivate and develop our employees and provide us with an appropriate depth of talents to address and manage challenges arising from the growth and expansion of the Target Group.

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22. ORDER BOOK

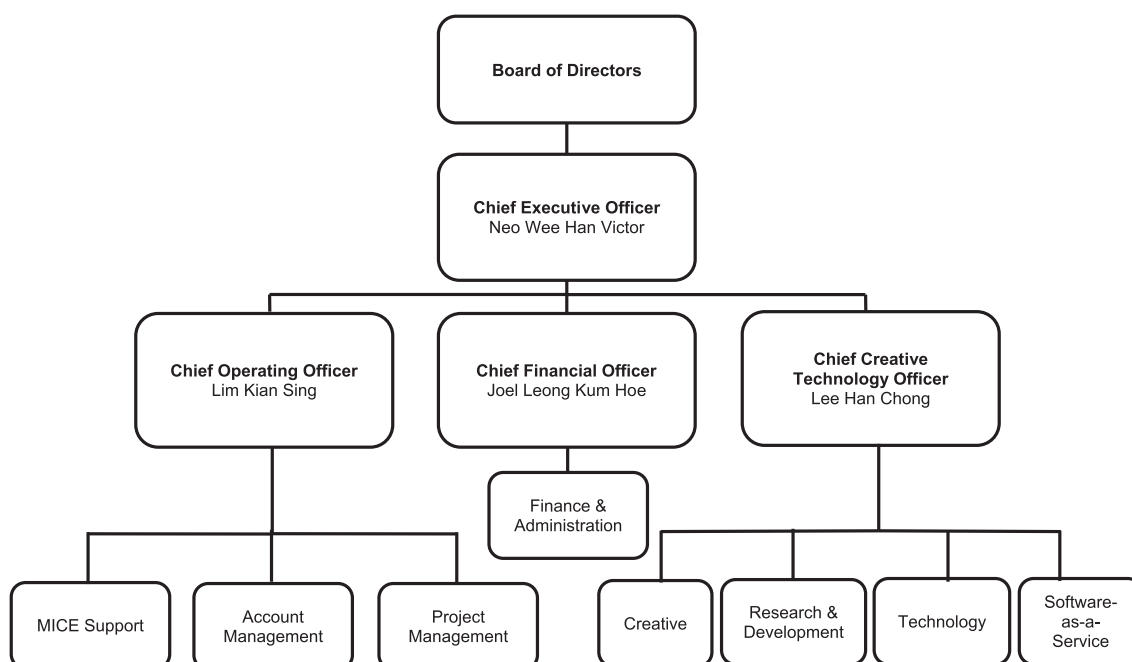
As at the Latest Practicable Date, our order books in aggregate amount to approximately S\$4.1 million in outstanding orders that have not been recognised in revenue.

Out of the outstanding orders of approximately S\$4.1 million as at 30 September 2018, approximately S\$1.3 million of these orders have been recognised to revenue from 1 October 2018 to 28 February 2019.

23. DIRECTORS AND EXECUTIVE OFFICERS

23.1. Management Reporting Structure

The Company proposes to constitute a new board of directors and appoint a new senior management team following Completion. Accordingly, following Completion, the proposed management reporting structure of the Company will be as follows: -



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23.2. Proposed New Directors and Proposed New Key Executive Officer

As at the Latest Practicable Date, the particulars of the Proposed New Directors and the Proposed New Key Executive Officer following Completion are as follows:

Name	Age	Address	Proposed Position in the Enlarged Group
Proposed New Directors			
Neo Wee Han Victor	37	c/o 25 Kallang Avenue #02-02 Singapore 339416	Executive Director, Chief Executive Officer and Deputy Board Chairman
Lim Kian Sing	41	c/o 25 Kallang Avenue #02-02 Singapore 339416	Executive Director and Chief Operating Officer
Lee Han Chong	37	c/o 25 Kallang Avenue #02-02 Singapore 339416	Executive Director and Chief Creative Technology Officer
Lim Chwee Kim	61	c/o 25 Kallang Avenue #02-02 Singapore 339416	Non-Executive Director
Lim Choon Noi	58	c/o 25 Kallang Avenue #02-02 Singapore 339416	Independent Director and Chairman of Audit and Risk Committee
Koh Choon Hui	78	c/o 25 Kallang Avenue #02-02 Singapore 339416	Independent Director, Board Chairman and Chairman of Remuneration Committee and Nominating Committee
Proposed New Key Executive Officer			
Joel Leong Kum Hoe	49	c/o 25 Kallang Avenue #02-02 Singapore 339416	Group Chief Financial Officer (“CFO”)

Upon Completion, Mr. Lim Chwee Kim will step down as Executive Chairman of the Company and will be re-designated as a Non-Executive Director of the Enlarged Group.

None of the Proposed Independent Directors are on the board of directors of the Target Group as at LPD.

Their present and past working experiences, areas of responsibility, qualifications and directorships held for the past five (5) years are set out below:

23.2.1. Proposed New Directors

(a) *Neo Wee Han Victor*

Neo Wee Han Victor (“**Mr Neo**”), the co-founder of the Target Group, is a Proposed Executive Director, Chief Executive Officer and Deputy Board Chairman of the Enlarged Group. He is responsible for the day-to-day decision making process, overseeing administrative needs while implementing new programs. At the macro level he makes major corporate decisions while managing overall operations, developing new strategies and putting the Company’s long and short term expansion plans into motion both on the local and global stage.

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Administered by the Workplace Safety and Health Council (WSHC), Mr Neo has attained bizSAFE Level 1 certification crafted for CEO in 2014 to encourage a safe and healthy work environment.

Armed with knowledge in Information System, Electronics & Telecommunication Engineering and project management, he has also played a pivotal Directorial role to ensure all large-scale projects launched across Asia have been executed with precision and professionalism by his project team.

Mr Neo was one of the founders of D'zire Media Pte. Ltd. back in 2008 when he first began his journey into the Media Industry. He came onboard as senior management in D'zire Media Pte. Ltd., helping it rise in the ranks to become an accredited company in the competitive world of advertising over the years.

Mr Neo graduated from the University of London with a Bachelor of Science in Information Systems (Hons.) in 2007 and a Diploma in Electronic & Telecommunication Engineering from Ngee Ann Polytechnic in 2002. He has also attained Digital Marketing Certification by the Association of Accredited Advertising Agents Singapore in 2015.

(b) Lim Kian Sing

Lim Kian Sing (**"Mr Lim"**), the co-founder of the Target Group, is a Proposed Executive Director and the Chief Operating Officer of the Enlarged Group. He is responsible for the overall management and operation, business growth and development. He oversees a wide-range of project management responsibilities. His passion and vision in establishing long-term strategic goals have been instrumental in achieving unique business propositions in the provision of industry specific solutions for building management operations.

With a wealth of knowledge pertaining to rich media content development and having gained strong experience in relevant operations, Mr Lim has successfully delivered numerous complex, long-term projects and IT Solutions across Asia which includes Singapore, Kuala Lumpur, Penang, Mumbai, South Korea, Hong Kong, Shanghai, Beijing, Jakarta and Bangkok.

Mr Lim graduated from the Swinburne University of Technology, Melbourne with a Bachelor of Multimedia Technology in 2003 and a Diploma in Multimedia Art from LaSalle College of the Arts in 1999.

(c) Lee Han Chong

Lee Han Chong (**"Mr Lee"**), the co-founder of the Target Group, is a Proposed Executive Director and Chief Creative Technology Officer of the Enlarged Group. He is responsible for overall Technology Creation & Development, Creative Design and Strategy.

Mr Lee leads both the technical and creative teams to design and develop new IT and multimedia solutions, generating new user interface (**"UI"**) / user experience (**"UX"**) to enhance user satisfaction and is constantly involved in the construction of technological and feature roadmap. Mr Lee is also responsible for strategic business planning and is actively involved in the R&D arena of the business.

Mr Lee is also an IT inventor who has more than 15 years of technical and creative expertise. His previous involvements as a product development engineer in Creative Technology from 2004 to 2005, senior software development engineer in Philips Electronics from 2006 to 2008, and researcher in A*STAR - Institute of Infocomm from 2008 to 2010, have equipped him with extensive knowledge in Technology

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Research, Computer vision, System/Product Development and UI/UX development. In the course of his experience, he has also been involved in various innovative product developments in the technology market.

Attaining a 1st Class Honours, Mr Lee graduated from the Singapore University of Social Science (formerly SIM University) as top student of the cohort in 2008, with a Bachelor of Engineering in Electronics. He had also won the ST Electronic Gold Award.

(d) *Lim Chwee Kim*

Lim Chwee Kim (“**Mr Lim**”) is a Proposed Non-Executive Director. He currently serves as the Executive Chairman of the Company. He joined the Board as Non-Executive Chairman on 10 December 2015 and was re-elected and re-designated as Executive Chairman on 28 May 2018.

Mr Lim was previously the founder and CEO of RichLand Group Limited (“**RGL**”) where his primary responsibility was to formulate business strategies to chart the future growth of the group. Mr Lim started the business of providing cargo transportation services, container haulage and project cargo movement in 1992 under a sole proprietorship known as RichLand Cargo Trucking & Labour Service Agency (“**RichLand Agency**”) and spearheaded the group’s expansion into related businesses such as airport cargo terminal handling in 1994 and warehousing, storage and micro distribution in 1996. In 2008, Mr Lim sold his controlling stake in RGL and subsequently acquired from RGL the China investment holding company, RLG Holdings Pte. Ltd. (“**RLG Holdings**”) and its subsidiaries in China, as he decided to continue to develop the land development investment project in Chengdu, China. RLG Holdings was renamed as BroyLand Holdings Pte. Ltd. in 2009. The core businesses of BroyLand Holdings Pte. Ltd. are logistics, freight forwarding and cargo service agency, as well as commercial properties and sale of sand and granite.

Mr Lim was also an executive director of Fuyuan Resources Pte. Ltd., a company engaged in the sale of sand, granite and building materials, since its incorporation in 1999 until 2012. Mr Lim is currently an independent director of Union Gas Holdings Limited (listed on Catalist) and the vice chairman of the Citizen Consultative Committee of Hougang Single Member Constituency (SMC).

(e) *Lim Choon Noi*

Lim Choon Noi (“**Ms Lim**”) is a Proposed Independent Director. She is a qualified accountant with more than 30 years of professional work experience. She currently serves as a board member and audit committee chairman of Singapore Cruise Centre Pte. Ltd., and has stepped down as a board member and audit committee chairman of SingEx Holdings Pte. Ltd with effect from 31 December 2018. She is also presently serving as a board and audit and risk committee member of IVY Group (a BVI company). Ms Lim also provides advisory and consultancy services to small enterprises and start-up companies in the area of corporate governance and internal controls. She has also volunteered in the Singapore Red Cross as a member of the finance committee and audit committee from 2011 to 2016.

Having previously spent 24 years at Texas Instruments (S) Pte Limited, a subsidiary of TI Incorporated, as a finance director from 1998 to 2006, and a short stint at Singbridge International Pte. Ltd. as a chief financial officer from 2012 to 2013, Ms Lim has amassed invaluable experience in finance, internal controls, corporate governance, compliance and risk management. Ms Lim officially resigned from her role at SingEx Holdings Pte. Ltd. with effect from 31 December 2018.

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Ms Lim graduated with a Bachelor of Accountancy from the National University of Singapore in 1983, and has completed the Master of Education in Nanyang Technological University in 2014. She is a Fellow Chartered Accountant of Singapore.

(f) *Koh Choon Hui*

Mr. Koh Choon Hui (“**Mr Koh**”) established Roche Singapore and Roche Malaysia in 1973 as subsidiaries of the leading Swiss Pharmaceutical and Life Sciences group Roche Holdings Ltd. He led Roche Singapore from 1 January 1973 until his retirement from the Company on 31 December 2012 as Chairman and Managing Director. He stepped down as Managing Director of Roche Malaysia in 1988. Mr Koh served as the President of the Singapore Association of Pharmaceutical Industries for a total of 8 years and Council Member of the International Federation of Pharmaceutical Manufacturers’ Association from 1980 – 1982. He was also elected and has been a Fellow of the Institute of Directors (UK) since 1975. Koh Choon Hui also served as Board Member of the Singapore Totalisator Board (Tote Board) from 2004 to 2009. From 2006 to 2009, he was the Audit Chairman of Tote Board group which comprises Singapore Pools and Singapore Turf Club. Currently he is the Chairman of Singapore Pools Pte Ltd, Chubb Insurance Singapore Ltd and Founding Chairman of i-Shine Cloud Ltd.

In addition, Mr Koh nurtured several social service agencies beginning with the Singapore Children’s Society, where he remains as the Chairman till this day. His contributions have nation-wide and long term impact on the lives of many Singaporeans.

For his many contributions to the community, Mr Koh received many awards and accolades from the many Ministries and organizations that he served. The most notable ones were the National Day Awards of PBM, BBM, BBM (L) and the Meritorious Service Medal (PJG) that were conferred on him in 1984, 1991, 2001 and 2011 respectively. In 2014, he received the Outstanding Volunteer Award from the Ministry of Social and Family Development. In 2017 he was awarded the top government award for volunteerism, the Outstanding Lifetime Volunteer Award.

He was appointed a Justice of the Peace in 1998, and in 2010, a Representative of the Government of Singapore’s ASEAN Commission on the Promotion and Protection of the Rights of Women and Children. In 2013, he was appointed a member of the SG50 Steering Committee and Co-Chairman of the Partnership Committee to organize Singapore’s Golden Anniversary Celebrations in 2015.

23.2.2. Proposed New Key Executive Officer

(a) *Joel Leong Kum Hoe*

Joel Leong joined the Target Group as a Chief Financial Officer in July 2018. Prior to this, he was a business consultant specialising in corporate restructuring, mergers and acquisitions, and business management. He has vast experience in various industries like food, precision engineering, semiconductor, ordnance and electronics. Since April 2018, he has been appointed as BRC Asia Limited’s Independent Director and Audit Committee Chairman.

Prior to the above, he was the General Manager of North East Community Development Council under People’s Association from 2011 to 2014, a statutory board of Singapore. He supported the ex-Mayor and ex-Minister of State Teo Ser Luck, in formulation and implementation of community development and local social assistance strategies in North East District of Singapore covering over 800,000 residents. Prior to joining the Government of Singapore, he took on various

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Directorships and Chief Financial Officer positions in several SGX-ST listed companies from 2002 to 2011, namely: Juken Technology Limited, Rowsley Limited and Changjiang Fertilizers Holdings Limited, where he led the deal and listing processes in Initial Public Offering and Reverse Takeovers. As the Chief Financial Officer of these listed companies, he was primarily responsible for the formulation and implementation of the listed companies' risk management strategies, financial policies and budgeting, taxation coordination and maintenance of the companies' accounting and internal control systems, cash flow management, project financing and compliance with audit and statutory requirements.

From 1997 to 2002, Mr Leong was with Infineon Technologies (Asia Pacific) Pte. Ltd as the Department Head of Internal Audit covering the Asia Pacific region. Prior to that, he was an internal auditor with the Singapore Technologies Group and an auditor with KPMG Peat Marwick (now KPMG).

Joel Leong graduated from Singapore's Nanyang Technological University's Accountancy with Second Class Honours in 1994.

23.2.3. Present and Past Directorships

The present and past directorships of each Proposed New Director and Proposed New Key Executive Officer of the Enlarged Group held in the five (5) years preceding the Latest Practicable Date are set out below:

Name	Present Directorships	Past Directorships
<u>Proposed New Directors</u>		
Neo Wee Han Victor	Companies within the Enlarged Group Revez Group Pte. Ltd. Revez Motion Pte. Ltd. Revez Pte. Ltd. IOIO Lab Pte. Ltd. Other companies Revez Hongkong Pte Limited L3N Capital Pte. Ltd.	TE Gold Bar Pte. Ltd. (struck off)
Lim Kian Sing	Companies within the Enlarged Group Revez Group Pte. Ltd. Newood Design Pte. Ltd. Revez Motion Pte. Ltd. Other companies i1snapshot Pte. Ltd. Pringo Pte. Ltd. L3N Capital Pte. Ltd.	Providence Management Pte. Ltd.
Lee Han Chong	Companies within the Enlarged Group Revez Group Pte. Ltd. Revez Motion Pte. Ltd. Other companies L3N Capital Pte. Ltd.	–

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Name	Present Directorships	Past Directorships
Lim Chwee Kim	Companies within the Enlarged Group Jason Holdings Limited Other companies Broyland Logistics Services Pte. Ltd. Union Gas Holdings Limited KKD Logistics Pte. Ltd.	Sai Ho Realty Pte. Ltd. RLG Development Pte. Ltd. (dissolved) Broyland Holdings Pte. Ltd. Broyland Properties Pte. Ltd. (struck off) Broyland Trading Pte. Ltd. Broyland China Investment Pte. Ltd. Crownshine Season Fruits Private Limited Chengdu Broyland Logistics Investment Management Co., Ltd Chengdu Broyland Logistics Services Co., Ltd
Lim Choon Noi	Companies within the Enlarged Group — Other companies Singapore Cruise Centre Pte. Ltd. Vanguard Consultancy Pte. Ltd. Multiple Intelligences Institute Pte. Ltd. The IVY Group Incorporated	Pristine Home Services Pte. Ltd. SingEx Holdings Pte. Ltd.
Koh Choon Hui	Companies within the Enlarged Group — Other companies Singapore Pools Pte. Ltd. Chubb Insurance Singapore Ltd. iShine Cloud Ltd.	—
<u>Proposed New Key Executive Officer</u>		
Joel Leong Kum Hoe	Companies within the Enlarged Group — Other companies Ally Global Pte. Ltd. Trifam Pte. Ltd. Aarts Pte. Ltd. BRC Asia Ltd.	Hengxin Holdings Pte. Ltd. (struck off)

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Of the Proposed New Directors, Lim Chwee Kim has had relevant experience as directors of SGX-ST listed companies, and is familiar with the roles and responsibilities of a director of a public listed company in Singapore. Neo Wee Han Victor, Lim Kian Sing, Lee Han Chong, and Lim Choon Noi have accordingly undertaken to complete the relevant training in Singapore to familiarise themselves with the roles and responsibilities of a public listed company in Singapore.

Notwithstanding that Koh Choon Hui has not had experience as a director of a public listed company in Singapore, the New Nominating Committee is of the view that based on his business and working experience as set out above, noted that Koh Choon Hui is not a first time director. Koh Choon Hui is currently the Chairman of Singapore Pools Pte. Ltd., Chubb Insurance Singapore Ltd., and Founding Chairman of iShine Cloud Ltd. He was the Managing Director of Roche Singapore Pte. Ltd. from 1997 to 2012. From 1999 to 2012, he was also Chairman of Roche Singapore Pte. Ltd. Koh Choon Hui also served as Board Member of the Singapore Totalisator Board (Tote Board) from 2004 to 2009. From 2006 to 2009, he was the Audit Chairman of Tote Board group which comprises Singapore Pools and Singapore Turf Club. In addition, the Nominating Committee also noted that Koh Choon Hui was admitted as a Fellow of the Institute of Directors (UK) in 1975. Taking into account Koh Choon Hui's experience as a director in established companies, the New Nominating Committee is of the view that Koh Choon Hui is equipped with the knowledge of his role, responsibilities and fiduciary duties as a director and the respective roles on the specific board committees. He will be able to establish effective controls, provide strategic insights, and oversight to management and ensure that obligations to shareholders are met without having to undergo the mandatory training sessions at Singapore Institute of Directors in accordance to Rule 406 3(a) of the Catalist Rules. Koh Choon Hui has abstained from making any recommendation and/or participating in any deliberations of the New Nominating Committee in respect of the assessment of his suitability to be a Proposed Independent Director and Chairman of the New Nominating Committee and New Remuneration Committee.

Save that Neo Wee Han Victor is a relative of Lee Han Chong's spouse, as at the Latest Practicable Date, none of the Proposed New Directors, Proposed New Key Executive Officer or substantial shareholders of the Enlarged Group has any family relationship with one another.

Save as disclosed in this Circular, to the best of the knowledge and belief of the Proposed New Directors and Proposed New Key Executive Officer, there are no arrangements or understandings with any of the substantial shareholders of the Enlarged Group, customers, suppliers or other persons, pursuant to which any of the Proposed New Directors or Proposed New Key Executive Officer is to be appointed.

None of the Proposed Independent Directors of the Enlarged Group sits on the board of its principal subsidiaries that are based in jurisdictions other than Singapore.

As evidenced by their business and working experiences set out above, the Proposed New Directors possess the appropriate expertise to act as directors of the Company following Completion.

23.3. Material background information on the Proposed New Directors and Proposed New Key Executive Officer

Save as disclosed below, none of the Proposed New Directors or Proposed New Key Executive Officer:

- (a) had at any time during the last ten (10) years, an application or a petition under any bankruptcy laws of any jurisdiction filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within two (2) years from the date he ceased to be a partner;

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- (b) had at any time during the last ten (10) years, an application or a petition under any law of any jurisdiction filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within two (2) years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency;
- (c) has any unsatisfied judgment against him;
- (d) has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty, which is punishable by imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose;
- (e) has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach;
- (f) had at any time during the last ten (10) years, judgment entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part;
- (g) has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust;
- (h) has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust;
- (i) has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity;
- (j) has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:
 - (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere;
 - (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere;
 - (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or
 - (iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,in connection with any matter occurring or arising during the period when he was so concerned with the entity or business trust; or
- (k) has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the MAS or any other regulatory authority, exchange, professional body or governmental agency, whether in Singapore or elsewhere.

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Disclosure in relation to Mr. Lim Chwee Kim

Mr. Lim Chwee Kim was involved in the following incidents:

- (a) Sometime between 1997 and 1998, Mr. Lim Chwee Kim had assisted in an investigation by the CPIB in his capacity as the managing director of Richland Logistics Services Pte. Ltd. (“**Richland Logistics Services**”). To the best of Mr. Lim’s knowledge, the investigation involved alleged activities of a manager of a freight forwarder customer of Richland Logistics Services receiving bribes. Mr. Lim was queried by the CPIB on whether he had extended bribes to this manager, to which he had confirmed that he had not. The CPIB did not approach him following the said investigation and as at the Latest Practicable Date, to the best of Mr. Lim’s knowledge and belief, there has been no further contact or request for assistance from the CPIB in relation to this matter thereafter.
- (b) Between September and October 2001, Mr. Lim Chwee Kim had assisted in an investigation by the CPIB in his capacity as the managing director of Richland Logistics Services. To the best of Mr. Lim’s knowledge, the investigation concerned whether Richland Logistics Services had extended bribes in order to obtain business. Mr. Lim was queried by the CPIB on whether Richland Logistics Services had extended bribes to certain clients in question, to which he had confirmed that Richland Logistics Services had not. The CPIB did not approach him following the said investigation and as at the Latest Practicable Date, to the best of Mr. Lim’s knowledge and belief, there has been no further contact or request for assistance from the CPIB in relation to this matter thereafter.
- (c) Between 2004 and 2008, Mr. Lim Chwee Kim, as the Director and Chief Executive Officer of Richland Group Limited (“**RGL**”), assisted in two investigations by CPIB for unspecified occasions on whether RGL had extended bribes to certain clients in question to obtain business. Mr. Lim Chee Kim cooperated fully with CPIB and confirmed that RGL was not involved in any such activity. Similarly, there was no further action by CPIB was noted.
- (d) Sometime in 2009, Mr. Lim Chwee Kim had assisted in an investigation by the CPIB in his capacity as a personal friend of the subject of the investigation. Mr. Lim was not the subject of the investigation. To the best of Mr. Lim’s knowledge, the investigation involved corruption charges against his personal friend. Mr. Lim was queried by the CPIB on whether he had extended a loan to his friend, to which he had confirmed that he had extended a loan of S\$5,000 in his capacity as a personal friend. The CPIB did not approach him following the said investigation and to the best of Mr. Lim’s knowledge and belief, there has been no further contact or request for assistance from the CPIB in relation to this matter thereafter.
- (e) Mr. Lim Chwee Kim was appointed as Executive Chairman of the Company on 28 May 2018. He became a shareholder of the Company from a purchase of shares from Jason Sim in October 2015. As at the Latest Practicable Date, Mr. Lim Chwee Kim has a direct interest of 74.85% in the Company.

From 10 December 2015 to the Latest Practicable Date, the Group was involved in the following incidents, which includes, amongst others, (i) in relation to the Company, a charge by the Ministry of Manpower (“**MOM**”) under the Workplace Safety and Health Act (the “**WSHA**”) and a winding up application by a creditor and subsequently a scheme of arrangement that was approved by its creditors; (ii) in relation to JPSS, a litigation claim by a sub-contractor, receipt of letters of demand from various creditors, winding up application against JPSS, charges and conviction under the WSHA and investigation by the CAD; and (iii) in relation to the directors and employees of the Group, bankruptcy applications against the executive directors of the Company and sole directors of JPSS, suspension of key executives from their various roles, investigations on various employees and key executives of the Company by the CAD and charges under the Employment Act. The aforementioned disclosure in relation to Mr. Lim Chwee Kim falls under Section 23.3(b) and 23.3(j)(i).

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Please refer to the announcement released by the Company on SGXNET for further details in relation to the above.

In relation to the above, Mr. Lim Chwee Kim is not the subject of any investigations with CAD or any other regulatory authority, exchange, professional body or governmental agency, whether in Singapore or otherwise.

Since early 2016, he has been involved in resolving the outstanding issues of the Group as stated in its announcements on SGXNET.

23.4. Remuneration

The amount of compensation paid or payable to the Proposed New Directors and the Proposed New Key Executive Officer for services rendered to the Enlarged Group during FY2017 and FY2018 (being the two (2) most recently completed financial years) and as estimated for FY2019 (excluding any bonus or profit-sharing plan or any other profit-linked arrangement, but which has not yet been paid), in bands of S\$250,000 per annum (including any benefits in kind and any deferred compensation accrued for the financial year in question and payable at a later date) are set out as follows:

	FY2017	FY2018	FY2019 ⁽¹⁾
<u>Proposed New Directors</u>			
Neo Wee Han Victor	Band A	Band A	Band A
Lim Kian Sing	Band A	Band A	Band A
Lee Han Chong	Band A	Band A	Band A
Lim Chwee Kim ⁽²⁾	—	—	Band A
Lim Choon Noi	— ⁽³⁾	— ⁽³⁾	Band A
Koh Choon Hui	— ⁽³⁾	— ⁽³⁾	Band A
<u>Proposed New Key Executive Officer</u>			
Joel Leong Kum Hoe	— ⁽³⁾	Band A	Band A

Legend:

Band A	:	Compensation of between S\$1 to S\$250,000 per annum
Band B	:	Compensation of between S\$250,001 to S\$500,000 per annum
Band C	:	Compensation of between S\$500,001 to S\$750,000 per annum
Band D	:	Compensation of between S\$750,001 to S\$1,000,000 per annum
Band E	:	Compensation of between S\$1,000,001 to S\$1,250,000 per annum

Notes:

- (1) The disclosed remuneration excludes any discretionary and/or performance bonuses.
- (2) Lim Chwee Kim was not paid remuneration for FY2017 and FY2018.
- (3) Not appointed or employed by the Enlarged Group during the relevant period.

Other than in respect of contributions which are mandated by the relevant laws, no amounts have been set aside or accrued to provide for pension, retirement or similar benefits to the Proposed New Directors or the Proposed New Key Executive Officer of the Enlarged Group.

Save as disclosed in Section 23.5 of this letter entitled “Service Agreements” below, no bonus or profit-sharing plan or any other profit-linked agreement or arrangement is in place for any of the Proposed New Directors or Proposed New Key Executive Officer of the Enlarged Group as at the Latest Practicable Date.

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23.5. Service Agreements

Upon Completion, the Company will enter into separate service agreements (the “**Service Agreements**”) with Neo Wee Han Victor, Lim Kian Sing, Lee Han Chong and Joel Leong Kum Hoe (the “**Appointees**”) for an initial term of one (1) year commencing from the Completion Date, and thereafter automatically renewed for subsequent periods of one (1) year each unless otherwise terminated by either party giving not less than six (6) months’ notice in writing to the other (the “**Employment**”). The Service Agreements do not provide for benefits upon termination of employment.

The Company may terminate the appointment of each Appointee under the following circumstances:-

- (a) the Appointee is, in the opinion of the Board, guilty of dishonesty or serious or persistent misconduct which, in the opinion of the Board, is likely to bring any Enlarged Group Company or any of its officers or employees into disrepute, in all cases whether or not in connection with or referable to his employment with the Enlarged Group;
- (b) the Appointee becomes of unsound mind or becomes a patient within the meaning of the Mental Health (Care and Treatment) Act 2008 (No. 21 of 2008), or becomes permanently incapacitated by accident or ill-health and is unable to perform his duties under the Service Agreement or is otherwise prevented by any illness or disability which, in the opinion of the Board, prevents him from properly performing his duties hereunder for a continuous period of six (6) months or more;
- (c) the Appointee becomes bankrupt or has a receiving order made against him or makes any general composition with his creditors;
- (d) the Appointee neglects or refuses, without reasonable cause, to attend to the business of the Company or any other Enlarged Group Company;
- (e) the Appointee fails to observe and perform any of the duties and responsibilities imposed by the Service Agreement or which are imposed by law;
- (f) the Appointee is convicted of any criminal offence and/or other offences which, in the opinion of the Board, would affect his position or performance as an executive director of the Company;
- (g) the Appointee becomes prohibited by law or any order from any regulatory body or governmental body from being an employee or director of the Company;
- (h) the Appointee is found to have made any illegal monetary profit or received any gratuities or other rewards (whether in cash or kind) out of any of the Company’s affairs;
- (i) the Company is required or requested by any authority (whether governmental or statutory) to terminate the services of the Appointee; or
- (j) if the Appointee otherwise acts in breach of the Service Agreement so as materially to prejudice the business of the Company and/or any other Enlarged Group Company,

and the determination of whether any of the aforementioned events has occurred shall be at the sole direction of the Board. Upon termination of the Service Agreement pursuant to any of the aforementioned basis, the Appointee shall not be entitled to claim any compensation or damages for or in respect of or by reason of such termination nor to payment of any benefits, unutilised leave, whether or not accrued.

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The Appointees shall be entitled to an annual fixed bonus of one (1) month's salary and an annual variable performance bonus at the discretion of the Board and the Remuneration Committee, the amount of which shall be dependent on, amongst others, the performance of the Appointee and the Enlarged Group for that financial year, provided always that if the employment is for less than a full financial year of the Company, such performance bonus shall be apportioned in respect of the actual number of days of employment of the Appointee on the basis of a 365-day financial year.

The remuneration of the Proposed Executive Directors, including changes to annual salary and/or bonus, may be adjusted as our Remuneration Committee may, subject to compliance with the provisions of the Constitution and applicable laws and regulations, determine from time to time in its absolute discretion.

The Appointees shall be entitled to all travelling and travel-related expenses, entertainment expenses and other out-of-pocket expenses reasonably incurred by the Appointees in the course of discharging their duties on behalf of the Enlarged Group in line with the staff policy applicable to the Target Group.

Pursuant to their respective Service Agreements, each Appointee has covenanted and undertaken that he shall not at any time during the period of his Employment and within one (1) year after the expiry or termination of his Employment, either alone, jointly or in association with or as manager or agent or adviser or consultant (save for temporary employment e.g. as locum) for any organisation, person, firm or company, directly or indirectly and whether or not for gain, amongst others, be engaged or interested in any business in Singapore or any other country in which the Enlarged Group conducts its business which is in competition with the business of the Enlarged Group, provided that nothing therein shall prevent the Appointee from holding equity interest in such company the share capital of which is quoted and dealt in upon any recognised stock exchange to the extent that the aggregate of his such holding and the holding of such shares by his Associates does not exceed 5.0% of the total issued share capital (excluding the Company) and neither him nor any of his Associates participate in or are involved in the management of such company.

Save as disclosed above, there are no existing or proposed service contracts entered into or to be entered into by the Enlarged Group with any of the Proposed New Directors or Proposed Key Executive Officer which provide for compensation in the form of stock options, or pension, retirement or other similar benefits, or other benefits, upon the termination of employment.

The New Remuneration Committee, having reviewed the terms of the Service Agreements, are of the opinion that the terms of the Service Agreements are in line with the staff guidelines of the Target Group and are commensurate with the respective job scope and level of responsibilities of the Appointees.

23.6. Corporate Governance

The Proposed New Directors recognise the importance of corporate governance to Shareholders, and will use their best efforts to implement the good practices recommended in the Code of Corporate Governance.

Following the appointment of the Proposed New Directors, the Company will have six (6) Directors, of which two (2) will be Independent Directors.

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None of the Proposed Independent Directors have any existing business or professional relationship of a material nature with the Enlarged Group, the current Directors of the Company, the Proposed Executive Directors and/or substantial shareholders of the Enlarged Group. None of the Proposed Independent Directors are related to any of the current Directors, the other Proposed New Directors and/or substantial shareholders of the Enlarged Group.

Provision 2.3 of the Code of Corporate Governance 2018 recommends that non-executive Directors make up a majority of a board of directors. While the new Board currently does not consist of a majority of non-executive Directors, the Company has undertaken to appoint a non-executive Director within six (6) months from the date of resumption of trading of the shares on the Catalist to comply with the Code of Corporate Governance 2018. This is in view of the fact that the extension of time afforded to the Company to submit its resumption proposal will lapse on 30 April 2019, and the Company requires additional time to look for a suitable candidate who possesses the requisite knowledge, experience and synergy with the new Board. The details on the extension of time to submit a Resumption Proposal has been announced by the Company on 24 December 2018.

23.6.1. New Audit and Risk Committee

The New Audit and Risk Committee will comprise Lim Choon Noi, Lim Chwee Kim and Koh Choon Hui. The chairman of the New Audit and Risk Committee will be Lim Choon Noi.

The Audit and Risk Committee will assist the board of Directors in discharging their responsibilities to safeguard the assets, maintain adequate accounting records, and develop and maintain effective systems of internal controls, with the overall objective of ensuring that the management creates and maintains an effective control environment in the Company following Completion. The Audit and Risk Committee will provide a channel of communication between the board of Directors, the management and the external auditors of the Company on matters relating to audit following Completion.

In particular, the Audit and Risk Committee will meet at least biannually (at the minimum), following Completion, to do the following:

- (a) review the scope of the audit plans of the external auditors, the results of the external and internal auditors' examination and their evaluation of internal accounting control systems, their letter to management and the management's response to ensure that appropriate follow-up measures are taken to satisfactorily address internal control weaknesses, if any;
- (b) review the half-yearly and annual financial statements before submission to the board of Directors for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the Listing Manual and any other relevant statutory or regulatory requirements;
- (c) review the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the Company and any announcements relating to the Company's financial performance;
- (d) review the risk profile of the Company, its internal control and risk management procedures, including financial, operation, compliance and information technology controls and the appropriate steps to be taken to mitigate and manage risks at acceptable levels determined by the board of Directors;

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- (e) ensure co-ordination between the external and internal auditors and the management and review the assistance given by the management to the auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of the management, where necessary);
- (f) commission and review the findings of investigations by internal or external auditors into matters where there is any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Enlarged Group's operating results or financial position, and the management's response;
- (g) consider the appointment, remuneration, terms of engagement or re-appointment of the external and internal auditors and matters relating to the resignation or dismissal of the auditors;
- (h) make recommendations to the board of Directors on the proposals to the shareholders on the appointment, re-appointment and removal of the external auditors, and approve the remuneration and terms of engagement of the external auditors;
- (i) review and recommend to the board of Directors any interested person transactions falling within the scope of Chapter 9 of the Listing Manual;
- (j) review any potential conflict of interests that may arise in respect of any Director(s) of the Company for the time being;
- (k) review the scope and results of the external audit, and the independence and objectivity of the external auditors;
- (l) review the adequacy and effectiveness of the Enlarged Group's risk management and internal audit function and ensure that a clear reporting structure is in place between the Audit and Risk Committee and the internal auditors;
- (m) review arrangements by which staff of the Enlarged Group may, in confidence, raise concerns about possible impropriety in matters of financial reporting and other matters and the adequacy of procedures for independent investigation and appropriate follow-up action in response to such complaints;
- (n) undertake such other reviews and projects as may be requested by the new Board of Directors, and report to the board of Directors its findings from time to time on matters arising and requiring the attention of the Audit and Risk Committee;
- (o) generally undertake such other functions and duties as may be required by statute or the Listing Manual, or by such amendments as may be made thereto from time to time;
- (p) assess the performance of the Group CFO and/or the financial controller (as the case may be), for the relevant period, on an annual basis to determine his or her suitability for the position;
- (q) on an annual basis or any other period that the Audit and Risk Committee deems fit, ensure that trade receivables are stated at fair value, accurately recorded in the financial statements and that credit policies are adhered to;

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- (r) monitor the cash flows of the Enlarged Group;
- (s) monitor the use of proceeds to be raised from the Proposed Compliance Placement and ensure that any change in the use of proceeds will be subject to Shareholders' approval; and
- (t) review and establish procedures for receipt, retention and treatment of complaints received in relation to the Enlarged Group, including criminal offences involving the Enlarged Group or its employees, questionable accounting, auditing, business, safety or other matters that may impact negatively on the Enlarged Group and to ensure that arrangements are in place for the independent investigations of such matter and for appropriate follow-up.

The Target Group has commissioned Yang Lee & Associates, to conduct an internal controls review of key business processes for identifying gaps within the internal controls framework and recommending controls improvement plans to the Target Group.

Based on the internal controls review conducted by Yang Lee & Associates and the implementation of recommendations contained in such internal controls review, the Proposed New Directors, with the concurrence of the New Audit and Risk Committee, is of the opinion that the risk management and internal controls of the Enlarged Group are adequate to address the financial, operational and compliance and information technology risks.

In considering the suitability of Joel Leong Kum Hoe as the Group CFO of the Enlarged Group, the New Audit and Risk Committee has reviewed Joel Leong Kum Hoe's curriculum vitae, conducted interviews and has considered:

- (a) the education, professional qualifications and past working experiences of Joel Leong Kum Hoe;
- (b) Joel Leong Kum Hoe's demonstration of the requisite competency in finance-related matters in connection with the preparation of the listing of the Target Group through the Proposed Acquisition;
- (c) noted the absence of negative feedback on Joel Leong Kum Hoe from Moore Stephens LLP, the Independent Auditors and Reporting Accountants; and
- (d) noted the absence of internal control weaknesses attributable to Joel Leong Kum Hoe identified during the internal control review conducted by Yang Lee & Associates.

The New Audit and Risk Committee and the Sponsor have made reasonable enquiries into Joel Leong Kum Hoe's past working experience, education and professional qualifications (as set out in Section 23.2 entitled "Proposed New Directors and Proposed New Key Executive Officer" of this letter), and to the best of their knowledge and belief, nothing has come to their attention to cause them to believe that Joel Leong Kum Hoe does not have the competence, experience, character and integrity expected of a Group CFO of a listed issuer.

Accordingly, the New Audit and Risk Committee and the Sponsor are of the opinion that Joel Leong Kum Hoe is suitable as the Group CFO of the Enlarged Group, and will be able to discharge his duties satisfactorily.

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In the event that a member of the Audit and Risk Committee is interested in any matter being considered by the Audit and Risk Committee, he will abstain from reviewing and deliberating on that particular transaction or voting on that particular resolution.

Apart from the duties listed above, the Audit and Risk Committee shall commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls, or infringement of any relevant law, rule or regulation which has or is likely to have a material impact on the Enlarged Group's operating results and/or financial position.

Internal audit function

Upon Completion, the Enlarged Group will outsource the internal audit function. The Enlarged Group will appoint a suitable accounting firm, approved by the New Audit and Risk Committee, as the internal auditors to review and assess the adequacy and effectiveness of the Enlarged Group's risk management and internal control systems addressing financial, operational and compliance and information technology risks of the Enlarged Group on an annual basis. The internal auditors will report directly to the Audit and Risk Committee.

Before each annual internal audit, the internal auditors will propose an internal audit plan to the Audit and Risk Committee and obtain the approval of the Audit and Risk Committee before the internal auditors can proceed with the internal audit plan. The findings of such internal audit will be submitted by the appointed internal auditors to the Audit and Risk Committee for their review.

23.6.2. New Nominating Committee

The New Nominating Committee will comprise Lim Chwee Kim, Lim Choon Noi and Koh Choon Hui. The chairman of the New Nominating Committee will be Koh Choon Hui.

The Nominating Committee will be responsible for the following:

- (a) reviewing and making recommendations to the board of Directors on all appointments, board re-nominations, re-elections and removal of all Directors of the Company, having regard to the relevant Director's contribution and performance and taking into account their respective commitments outside the Enlarged Group;
- (b) reviewing and determining a suitable size, structure and composition of the board of Directors which facilitates effective decision-making, after taking into consideration the scope and nature of the operations of the Enlarged Group;
- (c) in deciding the composition of the board of Directors, to take into account the future requirements of the Enlarged Group, the appropriate balance and diversity of skills, experience, gender and core competencies, such as accounting or finance, business or management experience, industry knowledge, strategic planning experience and customer-based experience or knowledge, and knowledge of the Enlarged Group that the new Board of Directors requires to function competently and efficiently;
- (d) ensuring that all members of the board of Directors submit themselves for re-nomination and re-election at regular intervals and at least once in every three (3) years;
- (e) determining on an annual basis whether a Director is independent;
- (f) determining and recommending to our board of Directors the maximum number of listed company board representations which any Director may hold;

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- (g) reviewing the training and professional development programmes for the board of Directors;
- (h) developing a process for evaluation of the performance of the new Board of Directors and assessing the performance of the board of Directors and contribution of each Director to the effectiveness of the board of Directors; and
- (i) reviewing and approving any new employment of related persons and the proposed terms of their employment.

The Nominating Committee will decide on how the performance of the board of Directors is to be evaluated and propose objective performance criteria, subject to the approval of the board of Directors, which addresses how the new Board of Directors has enhanced long-term shareholder value. The board of Directors will implement a process to be carried out by the Nominating Committee for the assessing of the effectiveness of the board of Directors as a whole and for assessing the contribution of each individual Director to the effectiveness of the board of Directors.

Each member of the Nominating Committee shall abstain from voting on any resolutions, making any recommendations and/or participating in any deliberations of the Nominating Committee in respect of the assessment of his performance or re-nomination as a Director.

Each of the Proposed New Directors confirms that he is able to devote sufficient time to discharge his duties as a director of the Enlarged Group following Completion.

The New Nominating Committee, after having considered the following:

- (a) the principal occupation and commitments of the Proposed Independent Directors, including the number of listed company board representations that each of them has;
- (b) the confirmation by the Proposed Independent Directors that they are able to devote sufficient time and attention to the matters of the Enlarged Group;
- (c) the professional experience and expertise of the Proposed Independent Directors; and
- (d) the composition of the new board of Directors,

is of the view that Koh Choon Hui and Lim Choon Noi are able to commit sufficient time, attention and resources to discharge their respective duties, and are suitable and possess the relevant experience to serve as Proposed Independent Directors of the Enlarged Group.

23.6.3. New Remuneration Committee

The New Remuneration Committee will comprise Koh Choon Hui, Lim Choon Noi and Lim Chwee Kim. The chairman of the New Remuneration Committee will be Koh Choon Hui.

The Remuneration Committee will be responsible for recommending to the board of Directors a framework of remuneration for the Directors and key executive officers, and determine specific remuneration packages for each executive Director and key executive officer of the Enlarged Group.

The recommendations of the Remuneration Committee will be submitted for endorsement by the entire board of Directors. All aspects of remuneration, including but not limited to director's fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits-in-kind of shall be covered by the Remuneration Committee.

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In addition, the Remuneration Committee will (a) perform an annual review of the remuneration of the employees who are immediate family members of a Director, the Chief Executive Officer or a substantial shareholder of the Company to ensure transparency on their remuneration packages; (b) review and approve any bonuses, pay increases and/or promotions for these employees; and (c) review the Company's obligations arising in the event of termination of the executive Directors' and key executive officers' contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

Each member of the Remuneration Committee shall abstain from voting on any resolutions, making recommendations and/or participating in any deliberations of the Remuneration Committee in respect of his remuneration package or that of employees related to him (if any).

23.6.4. Information Disclosure

Following Completion, the Enlarged Group will continue to implement a policy of providing full disclosure of material corporate information as commercially appropriate and in line with the Catalist Rules and Code of Corporate Governance, through press announcements, press releases and shareholders' circulars as well as through the statutory interim and annual financial results announcements.

23.6.5. Internal Controls

The Proposed New Directors, with the concurrence of the New Audit and Risk Committee, are of the opinion that the internal controls of the Target Group are adequate to address operational, financial and compliance and information technology risks. In arriving at such opinion, the Proposed New Directors have given regard to the internal audit report by Yang Lee & Associates.

The Company will put in place a whistle-blowing framework endorsed by the Audit and Risk Committee where employees of the Company may, without fear of reprisals or victimisation and in confidence, raise concerns about possible corporate improprieties in matters of financial reporting or other matters and to ensure that arrangements are in place for the independent investigations of such matters. The details of the whistle-blowing policies and arrangements will be made available to all employees. The Audit and Risk Committee is obliged to review all reports received and take or approve the appropriate actions. The objective for such arrangement is to ensure independent investigation of such matters and appropriate follow-up action.

In the event that a member of the Audit and Risk Committee is interested in any matter being considered by the Audit and Risk Committee, he will abstain from reviewing that particular transaction or voting on that particular transaction.

The Proposed New Directors will also periodically review the internal controls and risk management systems of the Company regularly to ensure that there are sufficient guidelines and procedures in place to monitor its operations.

24. INTERESTED PERSON TRANSACTIONS

Under Chapter 9 of the Catalist Rules, transactions between an entity at risk and an interested person are known as interested person transactions.

For the purposes of the Catalist Rules, an "entity at risk" refers to:

- (a) the Company;
- (b) a subsidiary of the Company that is not listed on the SGX-ST or an approved exchange; or

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- (c) an associated company of the Company that is not listed on the SGX-ST or an approved exchange, provided that the listing group or the listed group and its interested person(s) has control over the associated company, upon Completion.

Upon Completion, the Target Group will become subsidiaries of the Company. Accordingly, transactions between any of the Enlarged Group Company and any of its interested persons (namely, the Proposed New Directors, CEO or Controlling Shareholders of the Company upon Completion and/or their respective associates) constitute interested person transactions under Chapter 9 of the Catalist Rules.

The Proposed New Directors have represented to the Directors and the Company that, save as disclosed in this section, and to the best of their knowledge and belief, none of the Proposed New Directors, the proposed CEO or the Controlling Shareholders of the Company upon Completion and/or their respective associates was or is interested, whether directly or indirectly, in any material transaction undertaken by the Target Group for the Period Under Review and for the period from 1 January 2019 up to the Latest Practicable Date.

24.1. Interested Persons

The following is a list of certain of the interested persons, who had transacted with the Target Group during the Period Under Review and for the period from 1 January 2019 up to the Latest Practicable Date:

- (a) Neo Wee Han Victor, a director of the Target Group. Upon Completion, he will be a Controlling Shareholder and Proposed New Director of the Company. Accordingly, he is an interested person;
- (b) Lim Kian Sing, a director of the Target Group. Upon Completion, he will be a Controlling Shareholder and Proposed New Director of the Company. Accordingly, he is an interested person;
- (c) Lee Han Chong, a director of the Target Group. Upon Completion, he will be a Controlling Shareholder and Proposed New Director of the Company. Accordingly, he is an interested person;
- (d) i1snapshot Pte. Ltd.⁽¹⁾, a company wholly-owned equally by each of Neo Wee Han Victor, Lim Kian Sing and Lee Han Chong. Accordingly, i1snapshot Pte. Ltd. is an associate of each of Neo Wee Han Victor, Lim Kian Sing and Lee Han Chong and correspondingly, an interested person;
- (e) Pringo Pte. Ltd., a company 100% owned by Lim Kian Sing. Accordingly, Pringo Pte. Ltd. is an associate of Lim Kian Sing and correspondingly, an interested person;
- (f) Revez Hongkong Pte Limited⁽²⁾, a company wholly-owned equally by each of Neo Wee Han Victor, Lim Kian Sing and Lee Han Chong. Accordingly, Revez Hongkong Pte Limited is an associate of each of Neo Wee Han Victor, Lim Kian Sing and Lee Han Chong and correspondingly, an interested person.

Notes:

- (1) As at the Latest Practicable Date, i1snapshot Pte. Ltd. is in the process of being struck off and will cease to be an interested person upon being struck off.
- (2) As at the Latest Practicable Date, Revez Hongkong Pte Limited is in the process of de-registration, which will take approximately 7 to 9 months, and will cease to be an interested person upon de-registration.

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24.2. Past Interested Person Transactions

24.2.1. Advances to Neo Wee Han Victor

During the Period Under Review, Revez Motion Pte. Ltd. had provided certain interest-free advances to Neo Wee Han Victor. In FY2017, Revez Motion Pte. Ltd. extended a personal loan of S\$20,000 to Neo Wee Han Victor (the “**Personal Loan**”). In FY2018, Revez Motion Pte. Ltd. extended a loan of S\$40,000 to Neo Wee Han Victor for investment in IOIO Labs Pte. Ltd.

As the above advances were provided interest-free, unsecured and had no fixed terms of repayment, they were not provided on an arm’s length basis and not on normal commercial terms but were not prejudicial to the Target Group as they were utilised for the operational and business needs of the Target Group. As at the Latest Practicable Date, the Personal Loan has been fully repaid.

Moving forward, the Enlarged Group does not intend to provide any such advances to its directors.

24.2.2. Advance from Neo Wee Han Victor

During the Period Under Review, the Target Group has also received an advance of S\$136,000 from Neo Wee Han Victor for working capital purposes.

As at the Latest Practicable Date, the advance from Neo Wee Han Victor has been fully repaid by the Target Group. As the advance was provided to the Target Group interest-free, unsecured and had no fixed terms of repayment, it was not provided on an arm’s length basis and not on normal commercial terms but were not prejudicial to the Target Group. The advance to the Target Group was beneficial to the Target Group. Moving forward, the Enlarged Group does not intend to obtain such advances from interested persons.

24.2.3. Advance from Lim Kian Sing

During the Period Under Review, the Target Group has also received an advance of S\$16,000 from Lim Kian Sing for working capital purposes in FY2017.

The advance from Lim Kian Sing has been repaid by the Target Group. As the advance was provided to the Target Group interest-free, unsecured and had no fixed terms of repayment, it was not provided on an arm’s length basis and not on normal commercial terms but were not prejudicial to the Target Group. The advance to the Target Group was beneficial to the Target Group. Moving forward, the Enlarged Group does not intend to obtain such advances from interested persons.

24.2.4. Purchase of hampers and flowers from Pringo Pte. Ltd.

During the Period Under Review, the Target Group purchased hampers and flowers from Pringo during festive seasons. The aggregate value of purchases from Pringo for the Period Under Review is as follows: -

	FY2016	FY2017	FY2018	1 January 2019 up to the Latest Practicable Date
Purchases of hampers and flowers from Pringo (S\$)	634	684	728	—

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The above purchases were made on normal commercial terms but were not made on an arm's length basis. The Target Group Directors are however of the view that the purchases were not prejudicial to the interests of the Target Group as they were made on similar market prices for similar products and services, and were for the business needs of the Target Group. The Enlarged Group intends to continue with similar transactions with Pringo Pte. Ltd. in future. Such transactions will be made on normal commercial terms and Chapter 9 of the Catalist Rules will apply to such transactions accordingly.

24.2.5. Transactions with i1snapshot Pte. Ltd.

Provision of project management services to the Target Group

During the Period Under Review, i1snapshot Pte. Ltd. has provided project management IT services to the Target Group. The aggregate amount paid to i1snapshot Pte. Ltd. for such services for the Period Under Review is as follows: -

	FY2016	FY2017	FY2018	1 January 2019 up to the Latest Practicable Date
Provision of project management services by i1snapshot Pte. Ltd. (S\$)	55,800	–	–	–

The above provisions were made on normal commercial terms but were not made on an arm's length basis. The Target Group Directors are however of the view that the transactions were not prejudicial to the interests of the Target Group.

Provision of project management services to i1snapshot Pte. Ltd.

During the Period Under Review, the Target Group has provided project management IT services to i1snapshot Pte. Ltd. The aggregate amount paid to the Target Group for such services for the Period Under Review is as follows: -

	FY2016	FY2017	FY2018	1 January 2019 up to the Latest Practicable Date
Provision of project management services to i1snapshot Pte. Ltd. (S\$)	–	200,000	–	–

The above provisions were made on normal commercial terms but were not made on an arm's length basis. The Target Group Directors are however of the view that the transactions were not prejudicial to the interests of the Target Group.

There will be no future transactions between the Enlarged Group and i1snapshot Pte. Ltd. A striking off application has been made on 16 January 2019 and i1snapshot Pte. Ltd. is expected to be struck off from the register of companies in Singapore sometime in 2019.

24.2.6. Advance to Revez Hongkong Pte Limited

From FY2016 to FY2018, the Target Group had provided certain interest-free advances to Revez Hongkong Pte Limited amounting to S\$19,348.37 in FY2016 for working capital purposes.

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As the above advances were provided interest-free, unsecured and had no fixed terms of repayment, they were not provided on an arm's length basis and not on normal commercial terms, but were not prejudicial to the Target Group. The advances were meant for business expansion of the Target Group which did not achieve the intended results of the management and Revez Hongkong Pte Limited has been dormant since 2016. Following an application for the de-registration of Revez Hongkong Pte Limited that was filed on 16 January 2019, the management of the Target Group is in the process of winding up Revez Hongkong Pte Limited, which is expected to complete in approximately 7 to 9 months. A total amount of S\$9,154.37 in Revez Hongkong Pte Limited was remitted to the Target Group in January 2019 out of the aggregate sum of S\$35,609.84 owing to the Target Group from Revez Hongkong Pte Limited as at 30 September 2018 (which was not considered to be material). The remaining amount of S\$26,455.47 is being provided and expensed off in the profit and loss section of the Target Group's FY2018 accounts, subsequent to the audited 9MFY2018 accounts.

24.3. Present and Ongoing Interested Person Transactions

Personal guarantees given by Interested Persons to the Target Group

During the period under review and up until the Latest Practicable Date, Neo Wee Han Victor, Lim Kian Sing and Lee Han Chong had provided guarantees for loans granted to the Target Group, details of which are set out below:-

Entity	Guarantor(s)	Largest amount guaranteed (S\$'000) during the Period Under Review and up until the Latest Practicable Date	Loans for use by	Purpose of the loan
United Overseas Bank Limited	Neo Wee Han Victor Lim Kian Sing Lee Han Chong	1,380	Revez Motion Pte. Ltd.	Commercial property Loan; Bank overdraft; Letters of credit

Separately, Lim Kian Sing had provided a guarantee for a tenancy agreement granted to the Target Group, details of which are set out below:-

Entity	Guarantor(s)	Largest amount guaranteed (S\$'000) during the Period Under Review and up until the Latest Practicable Date	Tenant under the Tenancy Agreement	Use of premises
Meizhuan Builders Pte Ltd	Lim Kian Sing	81.6	Newood Design Pte. Ltd.	B2 factory space in connection with and for the purpose of the business of Newood Design Pte. Ltd.

As no fee was paid to Neo Wee Han Victor, Lim Kian Sing and/or Lee Han Chong for the provision of the above guarantees, such arrangements were not carried out on an arm's length basis and were not on normal commercial terms but were not prejudicial to the Target Group. The guarantees

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provided were beneficial to the Target Group. Moving forward, the Target Group does not intend to enter into similar transactions.

As at the Latest Practicable Date, the above guarantees have not been discharged by Neo Wee Han Victor, Lim Kian Sing and/or Lee Han Chong.

Following Completion, the Target Group intends to request for the release and discharge of all guarantees provided by Neo Wee Han Victor, Lim Kian Sing and Lee Han Chong and to replace them with corporate guarantees provided by the Enlarged Group which may be acceptable to the respective financial institutions, subject to their consent. The Target Group does not expect any material changes to other terms and conditions of the facilities granted by the respective financial institutions. In the event that the financial institutions do not accept the substitution of the guarantees and the Enlarged Group is unable to secure alternative facilities, Neo Wee Han Victor, Lim Kian Sing and Lee Han Chong have agreed to continue, and to procure their associates to continue, providing such guarantees until such time when the Enlarged Group is able to secure alternative facilities.

As at the LPD, the Target Group has not provided any form of corporate guarantees.

24.4. Other Interested Person Transactions

Pursuant to the SPA, following Completion, the Neo Wee Han Victor, Lim Kian Sing and Lee Han Chong shall be entitled to dividends amounting to S\$1,650,000 from the retained earnings of the Target Group as at 30 September 2018, in connection with the Proposed Acquisition, provided always that the Enlarged Group after Completion has sufficient working capital to meet its present requirements.

To ensure that the working capital is sufficient for the next twelve (12) months, the Enlarged Group has undertaken as follows: -

- (i) The Enlarged Group cannot draw down on bank loans to make the Dividend Payment;
- (ii) The Enlarged Group's working capital requirements should be met before making the payment (whether in full or partial payments); and
- (iii) The placement proceeds from the Proposed Compliance Placement will not be used to make the Dividend Payment.

The New Audit and Risk Committee will monitor the undertakings by the Vendors pertaining to the Dividend Payment.

24.5. Opinion of the New Audit and Risk Committee

The New Audit and Risk Committee has reviewed the above present and ongoing interested person transactions and having considered, among other things, the bases provided by the Target Group, is satisfied that although the present and ongoing interested person transactions are not carried out on an arm's length basis and not on normal commercial terms, such transactions are not prejudicial to the interests of the Enlarged Group and its minority Shareholders.

24.6. Future Interested Person Transactions in relation to Interested Persons

From time to time, the Enlarged Group may enter into interested person transactions with any one or more of the Interested Persons. Shareholders should note that upon Completion, any material transaction entered into between any Entity at Risk and any Interested Persons would be an interested person transaction. For the avoidance of doubt, such Interested Persons would include such persons who may, become Interested Persons where previously they were not so. Transactions with Interested Persons shall be subject to the relevant provisions of Chapter 9 of the Listing Manual.

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In particular, in addition to the present and ongoing Interested Person Transactions, we anticipate that the following Interested Person Transactions will be entered into:

24.6.1. Royalty fee for patents

Neo Wee Han Victor, Lim Kian Sing and Lee Han Chong, as inventors of the patents listed in Section 16 above, will be entitled to a royalty fee of up to 15% for revenue generated by Enlarged Group from the said patents. The Company will comply with the relevant Catalist Rules in relation to announcements and/or seeking of specific shareholders' approval in the event that the royalty fees payable exceeds the 3% or 5% threshold.

The New Audit and Risk Committee will review all future interested person transactions and consider, among other things, the bases provided by the Target Group, to be satisfied that where applicable, all future interested person transactions are carried out on an arm's length basis, on normal commercial terms consistent with the Enlarged Group's usual business practices and on terms which are generally not more favourable than those extended to unrelated third parties and will not be prejudicial to the interests of the Enlarged Group and its minority Shareholders. Where such future interested person transactions are not carried out on an arm's length basis, not on normal commercial terms, such transactions shall not be prejudicial to the Enlarged Group.

24.7. Guidelines and Review Procedures for Future Interested Person Transactions

24.7.1. The New Audit and Risk Committee will review all Interested Person Transactions, if any, on a quarterly basis to ensure that they are carried out on normal commercial terms, on arm's length basis and are not prejudicial to the interests of the Enlarged Group or its minority Shareholders and in accordance with the procedures outlined above. It will take into account all relevant non-quantitative factors. The Enlarged Group will keep a register to record all Interested Persons Transactions to assist the New Audit and Risk Committee in its review. The register shall also record the basis for entry into the transactions, including the quotations and other evidence obtained to support such basis and the procedures used to determine the terms of the transactions and whether the terms are on normal commercial terms and not prejudicial to the interests of the minority Shareholders.

24.7.2. The New Audit and Risk Committee will also include the review of Interested Person Transactions as part of its standard procedures while examining the adequacy of the Enlarged Group's internal controls. The new board will also ensure that all disclosures, approvals and other requirements on Interested Person Transactions, including those required by prevailing legislation, the Catalist Rules and relevant accounting standards, are complied with. In addition, such Interested Person Transactions will also be subject to Shareholders' approval where required under Chapter 9 of the Catalist Rules.

24.7.3. To ensure that all future Interested Person Transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Enlarged Group or its minority Shareholders, the following procedures will be implemented by the Enlarged Group:

(a) **Register of interested persons and interested person transactions**

The Company will maintain a register of interested persons and interested person transactions. The register of interested persons will be updated regularly and disclosed to the relevant personnel to enable identification of interested persons. The register of interested persons will be reviewed by the New Audit and Risk Committee at least on a quarterly basis. The register of interested person transactions would record the basis on which interested person transactions are entered into, including the quotations and other evidence obtained to support such basis, and the approval or review by New Audit and Risk Committee, the Group CFO or any duly appointed director as the case may be. This register of interested person transactions shall be

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reviewed by the New Audit and Risk Committee at least on a quarterly basis, if any, to ensure that they are carried out on an arm's length basis and in accordance with the procedures outlined above. It will take into account all relevant non-quantitative factors.

(b) Review by the New Audit and Risk Committee

During its periodic review or such other review deemed necessary by it, the New Audit and Risk Committee will carry out a review of records of all interested person transactions to ensure that they are carried out in accordance with the following internal control procedures:

- (i) in relation to any purchase or procurement of any services from an Interested Person, at least two (2) other quotations from unrelated third parties in respect of the same or substantially the same type of transactions will be obtained for comparison wherever possible. The purchase price or fee for services shall not be higher than the most competitive price or fee of the two (2) other quotations from unrelated third parties. In determining the most competitive price or fee, all pertinent factors, including but not limited to quality, requirements, specifications, delivery time and track record will be taken into consideration;
- (ii) in relation to the supply of products or services to an Interested Person, the price or fee and terms of two (2) other completed transactions of the same or substantially the same type of transactions with unrelated third parties shall be used as comparison wherever possible. The price or fee for the supply of products or services shall not be lower than the lowest price or fee of the two (2) other completed transactions with unrelated parties;
- (iii) where it is not possible to compare against the terms of other transactions with unrelated third parties and given that the products and/or services may be purchased only from an Interested Person, the Interested Person Transaction will be referred to the New Audit and Risk Committee which will determine whether the relevant price and terms are fair and reasonable and consistent with the Enlarged Group's usual business practice. In determining the transaction price payable to the Interested Person for such products and/or service, factors such as, but not limited to, quantity, requirements and specifications will be taken into account; and

(c) Approval matrix

In addition, the Enlarged Group shall monitor all "Interested Person Transactions" entered into by the Enlarged Group and categorise these transactions as follows: -

- (i) a Category 1 Interested Person Transaction is one where the value thereof is in excess of or equal to 3.0% of the NTA of the Enlarged Group; and
- (ii) a Category 2 Interested Person Transaction is one where the value thereof is below 3.0% of the NTA of the Enlarged Group.

All "Category 1 Interested Person Transactions" must be approved by the New Audit and Risk Committee prior to entry into such transactions. In the event that a member of the New Audit and Risk Committee is interested in any Category 1 Interested Person Transaction, he/she will abstain from the deliberation of and voting on that particular transaction. Approval of that Interested Person Transaction will accordingly be undertaken by the remaining members of the New Audit and Risk Committee.

All "Category 2 Interested Person Transactions" shall be reviewed and approved by the independent management of the Company, comprising the Proposed New

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Directors and the Group CFO who do not fall within the definition of “interested person” under Chapter 9 of the Catalyst Rules, designated by the New Audit and Risk Committee from time to time for such purpose prior to entry into the transaction. If all such officers within the management of the Company are interested in the Category 2 Interested Person Transaction, such transactions shall be reviewed and approved by the New Audit and Risk Committee.

Save for the aforesaid instance, a Category 2 Interested Person Transaction does not require the prior review and approval of the New Audit and Risk Committee before entry but shall be reviewed on a quarterly basis by the New Audit and Risk Committee to ensure that they are carried out on normal commercial terms, in accordance with the procedures outlined above.

Before any agreement or arrangement with an Interested Person that is not in the ordinary course of business of the Enlarged Group is transacted, prior approval must be obtained from the New Audit and Risk Committee. In the event that a member of the New Audit and Risk Committee is interested in any Interested Person Transaction, he will abstain from the deliberation of and voting on that particular transaction. Approval of that Interested Person Transaction will accordingly be undertaken by the remaining members of the New Audit and Risk Committee.

25. POTENTIAL CONFLICTS OF INTERESTS

Save as disclosed below, none of the Proposed New Directors, CEO or Controlling Shareholder of the Company and/or their respective associates is carrying on or has any interest in any other corporation carrying on the same business or dealing in similar products as the Enlarged Group through their directorship and/or shareholdings in the relevant corporations.

Neo Wee Han Victor and Lee Han Chong are shareholders, and Lim Kian Sing is a shareholder and director, of i1snapshot Pte. Ltd., an interested person and a major supplier of the Target Group. As at the Latest Practicable Date, i1snapshot Pte. Ltd. is dormant and is in the process of being struck off. The Proposed New Directors do not foresee any potential conflict of interest arising between the Target Group Directors and the Enlarged Group in relation to i1snapshot Pte. Ltd. Each of the Target Group and i1snapshot Pte. Ltd. have provided a written confirmation to the Group, undertaking that no business will be transacted between the Target Group or the Enlarged Group with i1snapshot Pte. Ltd. prior to i1snapshot Pte. Ltd. being struck off the register of companies in Singapore. i1snapshot Pte. Ltd. has further undertaken that no further business will be carried out by it prior to it being struck off the register of companies in Singapore. A striking off application has been made on 16 January 2019 and i1snapshot Pte. Ltd. is expected to be struck off from the register of companies in Singapore sometime in 2019.

Neo Wee Han Victor was a shareholder of D’Zire Media Pte. Ltd., a major supplier of the Target Group. As at the Latest Practicable Date, Neo Wee Han Victor is no longer a shareholder of D’Zire Media Pte. Ltd. Furthermore, the current shareholders of D’Zire Media Pte. Ltd. are not related to Neo Wee Han Victor. As such, the Proposed New Directors do not foresee any potential conflict of interest arising between the Target Group Directors and the Enlarged Group in relation to D’Zire Media Pte. Ltd.

Neo Wee Han Victor, Lim Kian Sing and Lee Han Chong are shareholders of Revez Hongkong Pte Limited, an interested person of the Target Group. As at the Latest Practicable Date, Revez Hongkong Pte Limited is dormant and following an application that was filed on 16 January 2019 for the de-registration of Revez Hongkong Pte Limited, it is in the process of de-registration which process will take approximately 7 to 9 months. However, the Proposed New Directors do not foresee any potential conflict of interest arising between the Target Group Directors and the Enlarged Group in relation to Revez Hongkong Pte Limited. Each of the Target Group and Revez Hongkong Pte Limited has provided a written confirmation to the Group, undertaking that no business will be transacted between the Target Group or the Enlarged Group with Revez Hongkong

APPENDIX A – LETTER TO SHAREHOLDERS FROM THE PROPOSED NEW DIRECTORS

Pte Limited prior to Revez Hongkong Pte Limited being struck off the register of companies in Hong Kong. Revez Hongkong Pte Limited has further undertaken that no further business will be carried out by it prior to it being struck off the register of companies in Hong Kong. The amount owing by Revez Hongkong Pte Limited of S\$26,455.47 is being provided and expensed off in FY2018 financial accounts.

Pursuant to their respective Service Agreements, each of Neo Wee Han Victor, Lim Kian Sing and Lee Han Chong has covenanted and undertaken that he shall not at any time during the period of his Employment and within one (1) year after the expiry or termination of his Employment, either alone, jointly or in association with or as manager or agent or adviser or consultant (save for temporary employment e.g. as locum) for any organisation, person, firm or company, directly or indirectly and whether or not for gain, amongst others, be engaged or interested in any business in Singapore or any other country in which the Enlarged Group conducts its business which is in competition with the business of the Enlarged Group, provided that nothing therein shall prevent him from holding equity interest in such company the share capital of which is quoted and dealt in upon any recognised stock exchange to the extent that the aggregate of his such holding and the holding of such shares by his Associates does not exceed 5.0% of the total issued share capital (excluding the Company) and neither him nor any of his Associates participate in or are involved in the management of such company.

26. GENERAL AND STATUTORY INFORMATION

26.1. Material Contracts

The following contracts, not being contracts entered into in the ordinary course of business, have been entered into by the Target Group within the two (2) years preceding the date of lodgment of this Circular and is or may be material: -

- (a) Sale and purchase agreement dated 2 November 2018 entered into between the Company, the Target and the Vendors in relation to the acquisition of the entire issued and paid-up capital of the Target, as supplemented by the supplemental deed dated 28 March 2019 entered into between the Company, the Target and the Vendors;
- (b) Patent Exclusivity Agreement between the Target Group and Neo Wee Han Victor, Lee Han Chong, and Lim Kian Sing as inventors, in relation to their entitlement to a royalty fee of up to 15% for revenue generated by Enlarged Group from the aforementioned patents;
- (c) Facility letter between Revez Motion Pte. Ltd. and United Overseas Bank Limited dated 19 March 2018 (and as revised by the supplemental facility letter dated 28 September 2018) for a loan facility of S\$749,000, payable over 240 equal monthly instalments; and
- (d) Facility letter between Revez Motion Pte. Ltd. and Oversea-Chinese Banking Corporation Limited dated 22 March 2018 for a loan facility of S\$300,000, payable over 60 equal monthly instalments.

26.2 Material Litigation

Revez Motion Pte. Ltd. had also been the subject of allegations on social media in relation to claims made to works that were not ours. This issue has since been resolved and no legal proceedings were commenced against the Target Group.

Save as disclosed above, as at the Latest Practicable Date, none of the Target Group Companies are engaged in any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have or which have had in the twelve (12) months immediately preceding the date of lodgement of this Circular, a material effect on the financial position or profitability of the Target Group as a whole.

APPENDIX A – LETTER TO SHAREHOLDERS FROM THE PROPOSED NEW DIRECTORS

26.3 Miscellaneous

The Proposed New Directors are not aware of any relevant event which has occurred since 1 October 2018 up to the Latest Practicable Date which may have a material effect on the financial position and results of the Target Group or the financial information provided in this Circular.

No expert named in this Circular (i) is employed on a contingent basis; (ii) has a material interest, whether direct or indirect, in the shares of any of the Enlarged Group Companies; or (iii) has a material economic interest, whether direct or indirect, in any of the Enlarged Group Companies, including an interest in the success of the Proposed Acquisition.

The contact details of the Target are set out below:

Address of registered office : 25 Kallang Avenue, #02-02, Singapore 339416

Telephone number : (65) 6291 2691

APPENDIX B – UNAUDITED PRO FORMA FINANCIAL INFORMATION OF JASON HOLDINGS LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND NINE MONTH PERIOD ENDED 30 SEPTEMBER 2018

Company Registration No: 201119167Z

**JASON HOLDINGS LIMITED
(Incorporated in Singapore)
AND ITS SUBSIDIARIES
UNAUDITED PRO FORMA FINANCIAL INFORMATION
31 DECEMBER 2017 AND
THE NINE-MONTH PERIOD ENDED
30 SEPTEMBER 2018**

APPENDIX B – UNAUDITED PRO FORMA FINANCIAL INFORMATION OF JASON HOLDINGS LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND NINE MONTH PERIOD ENDED 30 SEPTEMBER 2018

**JASON HOLDINGS LIMITED
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31 DECEMBER 2017 AND 30 SEPTEMBER 2018

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APPENDIX B – UNAUDITED PRO FORMA FINANCIAL INFORMATION OF JASON HOLDINGS LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND NINE MONTH PERIOD ENDED 30 SEPTEMBER 2018

**INDEPENDENT AUDITOR’S ASSURANCE REPORT ON THE COMPILATION OF
UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND
THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018**

The Board of Directors

Jason Holdings Limited
11 Tampines Street 92
#03-05 Tampines Biz-Hub
Singapore 528872

Report on the Compilation of Unaudited Pro forma Financial Information Included in the Circular to Shareholders of Jason Holdings Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Jason Holdings Limited (the “Company”) and Revez Group Pte. Ltd. and its subsidiaries (the “Target Group” and collectively, the “Enlarged Group”) by management. The unaudited pro forma financial information consists of the unaudited pro forma statements of financial position as at 31 December 2017 and 30 September 2018, the unaudited pro forma statements of comprehensive income for the financial year ended 31 December 2017 and the nine-month period ended 30 September 2018, the unaudited pro forma statements of cash flows for the financial year ended 31 December 2017 and the nine-month period ended 30 September 2018 and related notes. The applicable criteria on the basis of which management has compiled the unaudited pro forma financial information are described in Note 4.

The unaudited pro forma financial information has been compiled by management to illustrate the impact of the Proposed Transactions set out in Note 3 on:

- (a) the Enlarged Group’s unaudited pro forma financial position as at 31 December 2017 and 30 September 2018 as if the Proposed Transactions had taken place on 31 December 2017 and 30 September 2018 respectively;
- (b) the Enlarged Group’s unaudited pro forma financial performance for the financial year ended 31 December 2017 and the nine-month period ended 30 September 2018 as if the Proposed Transactions had taken place on 1 January 2017; and
- (c) the Enlarged Group’s unaudited pro forma cash flows for the financial year ended 31 December 2017 and the nine-month period ended 30 September 2018 as if the Proposed Transactions had taken place on 1 January 2017.

APPENDIX B – UNAUDITED PRO FORMA FINANCIAL INFORMATION OF JASON HOLDINGS LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND NINE MONTH PERIOD ENDED 30 SEPTEMBER 2018

INDEPENDENT AUDITOR'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018

(cont'd)

Report on the Compilation of Unaudited Pro forma Financial Information Included in the Circular to Shareholders of Jason Holdings Limited (cont'd)

As part of this process, information about the Enlarged Group's unaudited pro forma financial position, unaudited pro forma financial performance and unaudited pro forma cash flows has been extracted by management from:

- (a) the audited consolidated financial statements of the Company for the financial year ended 31 December 2017, on which the published audit report contained a disclaimer of opinion as disclosed in Note 4.4;
- (b) the unaudited management accounts of the Company for the nine-month period ended 30 September 2018;
- (c) the audited combined financial statements of the Target Group for the financial years ended 31 December 2015, 2016 and 2017, on which an audit report has been published and included in the Circular; and
- (d) the audited interim combined financial statements of the Target Group for the nine-month period ended 30 September 2018, on which an audit report has been published and included in the Circular.

Management's Responsibility for the Unaudited Pro forma Financial Information

Management is responsible for compiling the unaudited pro forma financial information on the basis as described in Note 4 of the unaudited pro forma financial information.

Our Independence and Quality Control

We have complied with the independence and other ethical requirement of the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities*, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

We apply Singapore Standard on Quality Control (SSQC) 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements* and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

APPENDIX B – UNAUDITED PRO FORMA FINANCIAL INFORMATION OF JASON HOLDINGS LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND NINE MONTH PERIOD ENDED 30 SEPTEMBER 2018

**INDEPENDENT AUDITOR’S ASSURANCE REPORT ON THE COMPILATION OF
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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND
THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018**

(cont’d)

Auditor’s Responsibilities

Our responsibility is to express an opinion about whether the unaudited pro forma financial information has been compiled, in all material respects, by management on the basis as described in Note 4 of the unaudited pro forma financial information.

We conducted our engagement in accordance with Singapore Standard on Assurance Engagements (SSAE) 3420, *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus*, issued by the Institute of Singapore Chartered Accountants. This standard requires that the auditor plan and perform procedures to obtain reasonable assurance about whether management has compiled, in all material respects, the unaudited pro forma financial information on the basis as described in Note 4 of the unaudited pro forma financial information.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in the Circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Enlarged Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2017 and 30 September 2018 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by management in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- (a) The related pro forma adjustments give appropriate effect to those criteria; and
- (b) The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

APPENDIX B – UNAUDITED PRO FORMA FINANCIAL INFORMATION OF JASON HOLDINGS LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND NINE MONTH PERIOD ENDED 30 SEPTEMBER 2018

**INDEPENDENT AUDITOR’S ASSURANCE REPORT ON THE COMPILATION OF
UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND
THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018**

(cont’d)

Auditor’s Responsibilities (cont’d)

The procedures selected depend on the auditor’s judgment, having regard to the auditor’s understanding of the nature of the Enlarged Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) The unaudited pro forma financial information has been compiled:
 - (i) in a manner consistent with the accounting policies adopted by the Enlarged Group, which are in accordance with Singapore Financial Reporting Standards (International);
 - (ii) on the basis of the applicable criteria stated in Note 4 of the unaudited pro forma financial information; and
- (b) each material adjustment made to the information used in the preparation of the unaudited pro forma financial information is appropriate for the purpose of preparing such unaudited pro forma financial information.

APPENDIX B – UNAUDITED PRO FORMA FINANCIAL INFORMATION OF JASON HOLDINGS LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND NINE MONTH PERIOD ENDED 30 SEPTEMBER 2018

**INDEPENDENT AUDITOR’S ASSURANCE REPORT ON THE COMPILATION OF
UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND
THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018**

(cont’d)

Restriction on Distribution and Use

This report is made solely for the inclusion in the Circular to the shareholders of the Company to be issued in relation to the proposed acquisition of the entire issued and paid up share capital of Revez Group Pte. Ltd. and for no other purpose.

Moore Stephens LLP

Public Accountants and

Chartered Accountants

Singapore

Partner in charge: Neo Keng Jin

29 March 2019

APPENDIX B – UNAUDITED PRO FORMA FINANCIAL INFORMATION OF JASON HOLDINGS LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND NINE MONTH PERIOD ENDED 30 SEPTEMBER 2018

JASON HOLDINGS LIMITED
(Incorporated in Singapore)

AND ITS SUBSIDIARIES

UNAUDITED PRO FORMA STATEMENTS OF COMPREHENSIVE INCOME

**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND
THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018**

		For the nine- month period ended 30 September <u>2018</u> S\$	For the year ended 31 December <u>2017</u> S\$
Revenue		4,397,110	2,611,889
Other income	7	273,524	1,339,232
Material costs and changes in inventories		(507,097)	(570,756)
Salaries and employees' benefits		(1,490,043)	(1,394,909)
Depreciation of property, plant and equipment and investment property		(98,575)	(75,962)
Loss on reverse acquisition	8	-	(11,375,834)
Acquisition-related costs	4.6(c)	-	(1,734,900)
Other operating expenses	9	(548,869)	(853,312)
Finance costs		(25,281)	(15,538)
Profit/(loss) before income tax		2,000,769	(12,070,090)
Income tax expense		(368,789)	(5,920)
Profit/(loss) for the financial period/year		<u>1,631,980</u>	<u>(12,076,010)</u>
Other comprehensive income, net of income tax		-	-
Total comprehensive income/(loss) for the financial period/year		<u>1,631,980</u>	<u>(12,076,010)</u>

APPENDIX B – UNAUDITED PRO FORMA FINANCIAL INFORMATION OF JASON HOLDINGS LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND NINE MONTH PERIOD ENDED 30 SEPTEMBER 2018

JASON HOLDINGS LIMITED
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UNAUDITED PRO FORMA STATEMENTS OF COMPREHENSIVE INCOME

**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND
THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018**

(cont'd)

	<u>Note</u>	For the nine- month period ended 30 September <u>2018</u> S\$	For the year ended 31 December <u>2017</u> S\$
Profit/(loss) for the financial period/year attributable to:			
Owners of the Company		1,662,000	(12,159,176)
Non-controlling interests		(30,020)	83,166
		<u>1,631,980</u>	<u>(12,076,010)</u>
Total comprehensive income/(loss) for the financial period/ year attributable to:			
Owners of the Company		1,662,000	(12,159,176)
Non-controlling interests		(30,020)	83,166
		<u>1,631,980</u>	<u>(12,076,010)</u>
Earnings/(loss) per share			
Basic and diluted (cents per share)	10	<u>0.011</u>	<u>(0.083)</u>

APPENDIX B – UNAUDITED PRO FORMA FINANCIAL INFORMATION OF JASON HOLDINGS LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND NINE MONTH PERIOD ENDED 30 SEPTEMBER 2018

JASON HOLDINGS LIMITED
(Incorporated in Singapore)

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UNAUDITED PRO FORMA STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017 AND 30 SEPTEMBER 2018

	<u>30.9.2018</u>	<u>31.12.2017</u>
	S\$	S\$
Non-current assets		
Property, plant and equipment	371,376	1,139,324
Investment property	710,738	-
Total non-current assets	<u>1,082,114</u>	<u>1,139,324</u>
Current assets		
Contract assets	1,676,624	26,202
Trade and other receivables	1,349,997	1,187,684
Cash and cash equivalents	754,836	283,849
Total current assets	<u>3,781,457</u>	<u>1,497,735</u>
Less:		
Current liabilities		
Trade and other payables	2,069,050	1,667,646
Contract liabilities	-	269,321
Dividend payable	1,650,000	-
Loans and borrowings	91,344	40,414
Current tax liabilities	384,247	15,458
Total current liabilities	<u>4,194,641</u>	<u>1,992,839</u>
Net current liabilities	<u>(413,184)</u>	<u>(495,104)</u>
Non-current liabilities		
Loans and borrowings	951,496	758,766
Total non-current liabilities	<u>951,496</u>	<u>758,766</u>
Net liabilities	<u>(282,566)</u>	<u>(114,546)</u>
Equity		
Share capital	11,579,803	11,579,803
Merger reserve	137,500	145,500
Accumulated losses	(12,149,823)	(12,011,823)
Equity attributable to equity owners of the Company	<u>(432,520)</u>	<u>(286,520)</u>
Non-controlling interests	149,954	171,974
Total equity	<u>(282,566)</u>	<u>(114,546)</u>

APPENDIX B – UNAUDITED PRO FORMA FINANCIAL INFORMATION OF JASON HOLDINGS LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND NINE MONTH PERIOD ENDED 30 SEPTEMBER 2018

JASON HOLDINGS LIMITED
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UNAUDITED PRO FORMA STATEMENTS OF CASH FLOWS

**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND
THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018**

	For the period ended 30 September <u>2018</u> S\$	For the year ended 31 December <u>2017</u> S\$
Cash Flows from Operating Activities		
Profit/(loss) before income tax	2,000,769	(12,070,090)
Adjustments for:		
Loss on reverse acquisition	-	11,375,834
Acquisition-related costs	-	789,900
Write off of other payables and accruals	-	(1,116,338)
Depreciation of property, plant and equipment and investment property	98,575	75,962
Gain on disposal of property, plant and equipment	(83,128)	-
Gain on disposal of subsidiary	-	(20,000)
Interest expense	25,281	15,538
Interest income	(5)	(6)
Operating cash flows before working capital changes	2,041,492	(949,200)
Movement in working capital changes:		
Contract assets	(1,650,422)	(26,202)
Trade and other receivables	(312,313)	(529,058)
Prepayments	-	900
Contract liabilities	(269,321)	216,101
Trade and other payables	265,404	708,699
Cash generated from/(used in) operations	74,840	(578,760)
Interest received	5	6
Net cash generated from/(used in) operating activities	74,845	(578,754)
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(144,737)	(343,174)
Proceeds from disposal of property, plant and equipment	186,500	-
Net cash generated from/(used in) investing activities	41,763	(343,174)

APPENDIX B – UNAUDITED PRO FORMA FINANCIAL INFORMATION OF JASON HOLDINGS LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND NINE MONTH PERIOD ENDED 30 SEPTEMBER 2018

JASON HOLDINGS LIMITED
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UNAUDITED PRO FORMA STATEMENTS OF CASH FLOWS

**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND
THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018**

(cont'd)

	For the period ended 30 September 2018 S\$	For the year ended 31 December 2017 S\$
Cash Flows from Financing Activities		
Advances from a controlling shareholder	136,000	-
Proceeds from issue of ordinary shares	-	1,000,000
Proceeds from bank borrowings	300,000	-
Repayment of finance lease liability	(9,308)	(12,411)
Repayment of bank borrowings	(47,032)	(34,817)
Interest paid	(25,281)	(15,538)
Net cash generated from financing activities	354,379	937,234
Net increase in cash and cash equivalents	470,987	15,306
Cash and cash equivalents at beginning of the financial period/year	283,849	268,543
Cash and cash equivalents at end of the financial period/year	754,836	283,849

The reconciliation of movements of the liabilities to cash flows arising from financing activities is presented below:

	1 January 2018 S\$	Cash flows	30 September 2018 S\$
		Proceeds S\$	Repayments S\$
Advances from a controlling shareholder	-	136,000	-
Finance lease liability	27,871	-	(9,308)
Bank borrowings	771,309	300,000	(47,032)
			1,024,277
	1 January 2017 S\$	Cash flows	31 December 2017 S\$
		Proceeds S\$	Repayments S\$
Finance lease liability	40,282	-	(12,411)
Bank borrowings	806,126	-	(34,817)
			771,309

APPENDIX B – UNAUDITED PRO FORMA FINANCIAL INFORMATION OF JASON HOLDINGS LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND NINE MONTH PERIOD ENDED 30 SEPTEMBER 2018

JASON HOLDINGS LIMITED (Incorporated in Singapore)

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NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018

These notes form an integral part of and should be read in conjunction with the accompanying unaudited pro forma financial information.

1 General Information

The unaudited pro forma financial information has been prepared for the inclusion in the Circular to the shareholders of Jason Holdings Limited (the “Company”) (the “Circular”) in relation to the proposed acquisition by the Company of the entire issued and paid up share capital of Revez Group Pte. Ltd. (the “Target”).

As part of the proposed acquisition, the Company will acquire the issued and paid-up share capital of the Target. The enlarged group of companies comprising the Company and the Target and its subsidiaries (the “Target Group”), following completion of the proposed acquisition, are collectively known as the “Enlarged Group”.

2 Corporate Information

The Company is a limited liability company incorporated and domiciled in Singapore and was listed on the Catalist Board of the Singapore Exchange Securities Trading Limited on 25 September 2012.

The registered office and principal place of business is located at 11 Tampines Street 92, #03-05 Tampines Bizhub, Singapore 528872.

The principal activity of the Company is that of investment holding.

The principal activities of its subsidiaries in the Enlarged Group are disclosed in Note 3.4.

3 Proposed Transactions / Significant Events

3.1 The Proposed Acquisition

On 2 November 2018, the Company entered into a sale and purchase agreement (the “SPA”) with Neo Wee Han Victor, Lim Kian Sing and Lee Han Chong (collectively, the “Controlling Shareholders”) and the Target, pursuant to which the Company will acquire the entire issued and paid up share capital of the Target from the Controlling Shareholders, upon the terms and conditions of the SPA (the “Proposed Acquisition”).

APPENDIX B – UNAUDITED PRO FORMA FINANCIAL INFORMATION OF JASON HOLDINGS LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND NINE MONTH PERIOD ENDED 30 SEPTEMBER 2018

JASON HOLDINGS LIMITED
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NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND
THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018**

3 Proposed Transactions / Significant Events (cont'd)

3.1 The Proposed Acquisition (cont'd)

The consideration for the Proposed Acquisition as determined by mutual agreement between the parties to the SPA (collectively, the “Parties”) is S\$42,660,000 (the “Purchase Consideration”), and shall be satisfied in full by the allotment and issuance of 11,642,995,836 new shares in the share capital of the Company (the “Consideration Shares”) at an issue price of approximately S\$0.003664 per Consideration Share. The Consideration Shares shall be issued as fully-paid shares and rank *pari passu* in all respects with and carry all rights similar to the shares in issue then, except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls on or before the date of issue of the Consideration Shares.

On or before Completion of the Proposed Acquisition, the Controlling Shareholders and the Target agrees with and undertakes to the Company that they will ensure the completion of the Restructuring Exercise that will result in the Target holding the entire issued and paid up share capital of the Target’s subsidiaries.

3.2 The Proposed Disposal of subsidiary

On 2 November 2018, the Company entered into a disposal agreement with Mr. Chia David (the “Purchaser”) and White Cubic Pte. Ltd. (“WCPL”). In connection with the Proposed Acquisition, the Company proposes to sell and the Purchaser agrees to buy 60% of the total issued and fully paid-up ordinary shares in the capital of WCPL owned by the Company for an aggregate cash consideration of S\$20,000. The completion of disposal of subsidiary and the Proposed Acquisition shall occur on the same day.

3.3 Upon completion of the disposal of WCPL and compulsory winding up of Jason Parquet Specialist (Singapore) Pte Ltd (“JPS”), the Company ceased to have any operating business. However, the Company is not deemed a cash company under Rule 1017, Chapter 10 of the Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited as the Company does not have a bank account but has significant current liabilities as at 31 December 2017 and 30 September 2018.

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3 Proposed Transactions / Significant Events (cont'd)

- 3.4 Upon completion of the Proposed Acquisition and Proposed Disposal of WCPL, the Company will hold the following subsidiaries:

<u>Name of subsidiaries</u>	<u>Country of incorporation and principal place of business</u>	<u>Principal activities</u>	<u>Effective equity interest held by the Company</u>
Revez Group Pte. Ltd. ⁽¹⁾	Singapore	Investment holding	100%
<u>Subsidiaries held by Revez Group Pte. Ltd.</u>			
Revez Motion Pte. Ltd. ⁽¹⁾	Singapore	Design and develop immersive and interactive multimedia solutions	100%
Revez Pte. Ltd. ⁽¹⁾	Singapore	Design and develop immersive digital interactive multimedia technology and top-notch Software as a Service (SaaS) solutions	100%
Newood Design Pte. Ltd. ⁽¹⁾	Singapore	Provision of marketing and communication solutions	51%
IOIO Lab Pte. Ltd. ^{(1) (2)}	Singapore	Design and develop IT, Software as a Service (SaaS), and immersive and interactive multimedia on-ground solutions	80%

⁽¹⁾ Audited by Moore Stephens LLP, Singapore, for the purpose of reporting on the compilation of unaudited pro forma financial information

⁽²⁾ Incorporated on 1 January 2018

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4 Basis of Compilation of the Unaudited Pro forma Financial Information

- 4.1 The unaudited pro forma financial information refers to the combined financial information of the Enlarged Group which is presented in Singapore dollars (“SGD” or “S\$”). The unaudited pro forma financial information has been prepared for illustrative purposes only. It has been prepared based on certain assumptions and after making certain adjustments to show what:
- (a) the unaudited pro forma financial position of the Enlarged Group as at 31 December 2017 and 30 September 2018 would have been if the Proposed Transactions as disclosed in Note 3 of the unaudited pro forma financial information had occurred on 31 December 2017 and 30 September 2018 respectively;
 - (b) the unaudited pro forma financial performance of the Enlarged Group for the financial year ended 31 December 2017 and the nine-month period ended 30 September 2018 would have been if the Proposed Transactions as disclosed in Note 3 of the unaudited pro forma financial information had occurred on 1 January 2017; and
 - (c) the unaudited pro forma cash flows of the Enlarged Group for the financial year ended 31 December 2017 and the nine-month period ended 30 September 2018 would have been if the Proposed Transactions as disclosed in Note 3 of the unaudited pro forma financial information had occurred on 1 January 2017.
- 4.2 However, the unaudited pro forma financial information of the Enlarged Group because of its nature may not give a true picture of the Enlarged Group’s actual financial position, financial performance and cash flows, and is not necessarily indicative of the results of the operations and cash flows or the related effects on the financial position that would have been attained had the Enlarged Group actually existed earlier.
- 4.3 The unaudited pro forma financial information of the Enlarged Group has been compiled based on the following:
- (a) the audited consolidated financial statements of the Company for the financial year ended 31 December 2017, which were prepared in accordance with Singapore Financial Reporting Standards and audited by Moore Stephens LLP, Public Accountants and Chartered Accountants Singapore, in accordance with Singapore Standards of Auditing;
 - (b) the unaudited management accounts of the Company for the nine-month period ended 30 September 2018;
 - (c) the audited combined financial statements of Revez Group Pte. Ltd. and its subsidiaries for the financial years ended 31 December 2015, 2016 and 2017, which were prepared in accordance with Singapore Financial Reporting Standards and audited by Moore Stephens LLP, Public Accountants and Chartered Accountants Singapore, in accordance with Singapore Standards of Auditing; and

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4 Basis of Compilation of the Unaudited Pro forma Financial Information (cont'd)

4.3 The unaudited pro forma financial information of the Enlarged Group has been compiled based on the following: (cont'd)

(d) the audited interim combined financial statements of Revez Group Pte. Ltd. and its subsidiaries for the nine-month period ended 30 September 2018, which were prepared in accordance with Singapore Financial Reporting Standards (International) and audited by Moore Stephens LLP, Public Accountants and Chartered Accountants Singapore, in accordance with Singapore Standards of Auditing.

4.4 The auditor's report on the audited consolidated financial statements of the Company and its subsidiaries for the financial year ended 31 December 2017 contained a disclaimer of opinion, which was disclosed in the published annual report dated 10 August 2018, in respect of the following:

Disclaimer of Opinion on the audited consolidated financial statements of the Company and its subsidiary for the financial year ended 31 December 2017 on the following matters:

- (i) the comparability of the current year's figures and the corresponding figures in respect of the winding up of JPS and other scope limitations, and significant limitation of staff resources, completeness and accuracy of accounting records and other scope limitations in respect of the Company's accuracy records, and
- (ii) going concern.

To the best of the knowledge and belief of the Company's Directors, the effects of the above matters, if any, on the unaudited pro forma financial information, is not expected to be material as explained below:

(i) Winding up of JPS and other scope limitations

The financial statements of JPS have been excluded from the unaudited pro forma financial information as the winding up of JPS was completed as at 31 December 2016. On 10 June 2016, a winding up order was made against the Company's subsidiary, JPS, by the High Court of Singapore. Liquidators were appointed on the same day and consequently, the Company lost control of JPS on that date.

(ii) Going concern

Going concern is also considered to be resolved upon completion of the Proposed Acquisition as disclosed in Note 3.1.

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4 Basis of Compilation of the Unaudited Pro forma Financial Information (cont'd)

- 4.5 The acquisition of the Target is accounted for in the unaudited pro forma financial information as a reverse acquisition where the Target is deemed as the accounting acquirer while the Company is deemed as the accounting acquiree. The Proposed Acquisition will result in the Controlling Shareholders of the Target obtaining the majority of the voting rights in the Enlarged Group.

The unaudited pro forma financial information of the Enlarged Group presented for the financial year ended 31 December 2017 have been prepared using reverse acquisition accounting as set out in FRS 103 *Business Combinations* (“FRS 103”) and the nine-month period ended 30 September 2018 have been prepared using reverse acquisition accounting as set out in SFRS(I) 3 *Business Combinations* (“SFRS(I) 3”), but it does not result in the recognition of goodwill as the Company ceased to have any operating business as disclosed in Note 3.4 and its activities are unable to generate cash to meet its obligations. Accordingly, the Company does not constitute a business as set out in FRS 103 or SFRS(I) 3. Instead, such transactions fall within the scope of FRS 102 Share-based Payment (“FRS 102”) for the financial years ended 31 December 2015, 2016 and 2017 or SFRS(I) 2 Share-based Payment for the nine-month period ended 30 September 2018, which requires the deemed shares issued by the Target to be recognised at fair value. Any difference in the fair value of the shares issued by the Target and the fair value of the Company’s identifiable net liabilities represents the value in exchange for the listing status which is recognised as an expense in profit or loss.

Under reverse acquisition accounting:

- (a) the accounting acquirer (legal subsidiary) will be the Target and the accounting acquiree (legal parent) will be the Company;
- (b) the assets and liabilities of the Target (legal subsidiary) are recognised and measured at their pre-combination carrying amounts;
- (c) the assets and liabilities of the Company (legal parent) are recognised and measured at acquisition-date fair values;
- (d) the retained earnings and other equity balances recognised in the unaudited pro forma financial information are the retained earnings and other equity balances of the Target (legal subsidiary) and its Subsidiaries immediately before the Proposed Acquisition;
- (e) the amount recognised as issued equity interests in the unaudited pro forma financial information is determined by adding the issued equity interests of the Target (legal subsidiary) outstanding immediately before the Proposed Acquisition to the cost of the reverse acquisition of the Company (legal parent) determined in accordance with FRS 103 or SFRS(I) 3. However, the equity structure (i.e. the number and type of equity interests issued) presented reflects the equity structure of the Company (legal parent), including the equity interests issued by the Company to effect the Proposed Acquisition;

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4 Basis of Compilation of the Unaudited Pro forma Financial Information (cont'd)

4.5 Under reverse acquisition accounting: (cont'd)

- (a) the cost of the reverse acquisition deemed to be incurred by the Target (legal subsidiary) for its interests in the Company (legal parent) is based on the number of equity interests that the Target would have to issue to the shareholders of the Company to give the shareholders of the Company the same percentage equity interest in the Enlarged Group that results from the Proposed Acquisition and will be determined using the fair value of the issued equity of the Target immediately before the Proposed Acquisition; and
- (b) the non-controlling interest's proportionate share of the Target Group's pre-combination carrying amounts of retained earnings and other equity interests.

4.6 In arriving at the unaudited pro forma financial information of the Enlarged Group, the following key adjustments and assumptions have been made:

- (a) the cost of reverse acquisition deemed to be incurred by the Target (the legal subsidiary) in the form of equity interests that the Target issued to the shareholders of the Company (legal parent) measured at fair value is assumed to be S\$10,789,900 for the purpose of this transaction. The fair value of the equity interest issued is derived based on the fair value of each ordinary share of the Target. The fair value of each ordinary share of the Target is assumed to be equivalent to the Purchase Consideration divided by the total number of ordinary shares of the Target as at the acquisition date. The difference between the cost of the reverse acquisition and the fair values of the identifiable net assets/liabilities acquired is recognised as an expense in profit or loss. The fair value of the identifiable net liabilities acquired are assumed to be S\$585,934 which is equivalent to the carrying amounts of the net liabilities of the Company as at 31 December 2017. This may differ from the fair values of the identifiable net liabilities of the Company as at the actual date of completion of the Proposed Acquisition. The eventual amounts of any excess/shortfall of the shares issued by the Target over the fair value of the identifiable net liabilities of the Company to be recognised in profit or loss could be materially different from the amount derived based on the assumption used;
- (b) the introducer fee related to the Proposed Acquisition is assumed to be S\$789,900 as stated in the conditional SPA signed between the Company, the Controlling Shareholders and the Target as described in Note 3.1 for the purpose of this transaction. The introducer fee shall be fully satisfied on completion of the Proposed Acquisition, by allotment and issuance of 215,583,741 new shares in the Enlarged Group. This may differ from the actual introducer fee as the actual cost of the introducer fee will depend on the share price of the Company at the date of the actual transfer of shares at the completion of the Proposed Acquisition;
- (c) the acquisition-related costs (including introducer fee as described in Note 4.6(b)) relating to the Proposed Acquisition are assumed to be incurred during the financial year ended 31 December 2017 amounting to S\$1,734,900. Other than the introducer fee (Note 4.6(b)), the remaining amount of S\$945,000 is deemed to remain outstanding as at 30 September 2018. This may differ from the actual cost at the completion of the Proposed Acquisition;

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4 Basis of Compilation of the Unaudited Pro forma Financial Information (cont'd)

4.6 In arriving at the unaudited pro forma financial information of the Enlarged Group, the following key adjustments and assumptions have been made: (cont'd)

- (d) the consideration for the disposal of the Company's subsidiary as described in Note 3.2 of S\$20,000 is deemed to remain outstanding as at 30 September 2018; and
- (e) the expenses recognised in profit or loss are presented using a classification based on their nature within the Enlarged Group.

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5 Statement of Adjustments

The following adjustments have been made in arriving at the unaudited pro forma financial information:

- (i) Unaudited Pro Forma Statement of Comprehensive Income for the financial year ended 31 December 2017

	Per Audited Consolidated Statement of Comprehensive Income of the Company and its Subsidiary	Per Audited Combined Statement of Comprehensive Income of the Target Group	Summation of Financial Information of the Enlarged Group before Adjustment		Pro Forma Adjustments for the Enlarged Group	Unaudited Pro Forma Statement of Comprehensive Income
	S\$	S\$	S\$		S\$	S\$
Revenue	1,209,592	2,611,889	3,821,481	(a)	(1,209,592)	2,611,889
Cost of sales	(757,255)	-	(757,255)	(a)	757,255	-
Gross profit	452,337	2,611,889	3,064,226			2,611,889
Other income	1,154,314	202,894	1,357,208	(a)	(17,976)	1,339,232
Expenses by function						
Selling and distribution expenses	(5,903)	-	(5,903)	(a)+(b)	5,903	-
Administrative expenses	(770,016)	-	(770,016)	(a)+(b)	770,016	-
Other expenses	(948,282)	-	(948,282)	(a)+(b)	948,282	-
Finance cost	(609)	-	(609)	(a)	609	-
Expenses by nature						
Material costs and changes in inventories	-	(570,756)	(570,756)			(570,756)
Salaries and employees' benefits	-	(1,299,909)	(1,299,909)	(b)	(95,000)	(1,394,909)
Depreciation of property, plant and equipment and investment property	-	(75,962)	(75,962)			(75,962)
Loss on reverse acquisition	-	-	-	(c)	(11,375,834)	(11,375,834)
Acquisition-related costs	-	-	-	(d)+(c)	(1,734,900)	(1,734,900)
Other operating expenses	-	(265,900)	(265,900)	(b)	(587,412)	(853,312)
Finance costs	-	(15,538)	(15,538)			(15,538)
(Loss)/profit before income tax	(118,159)	586,718	468,559			(12,070,090)
Income tax expense	(3,042)	(2,878)	(5,920)			(5,920)
(Loss)/profit for the financial year	(121,201)	583,840	462,639			(12,076,010)
Other comprehensive income, net of income tax	-	-	-			-
Total comprehensive (loss)/income for the financial year	(121,201)	583,840	462,639			(12,076,010)

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5 Statement of Adjustments (cont'd)

- (i) Unaudited Pro Forma Statement of Comprehensive Income for the financial year ended 31 December 2017 (cont'd)

	Per Audited Consolidated Statement of Comprehensive Income of the Company and its Subsidiary	Per Audited Combined Statement of Comprehensive Income of the Target Group	Summation of Financial Information of the Enlarged Group before Adjustment		Pro Forma Adjustments for the Enlarged Group	Unaudited Pro Forma Statement of Comprehensive Income
	S\$	S\$	S\$		S\$	S\$
(Loss)/profit for the financial year attributable to:						
Owners of the Company	99,633	500,674	600,307	(a)+(c)+(d)+ (e)	(12,759,483)	(12,159,176)
Non-controlling interests	(220,834)	83,166	(137,668)	(a)	220,834	83,166
	<u>(121,201)</u>	<u>583,840</u>	<u>462,639</u>			<u>(12,076,010)</u>
Total comprehensive (loss)/income for the financial year attributable to:						
Owners of the Company	99,633	500,674	600,307	(a)+(c)+(d)+ (e)	(12,759,483)	(12,159,176)
Non-controlling interests	(220,834)	83,166	(137,668)	(a)	220,834	83,166
	<u>(121,201)</u>	<u>583,840</u>	<u>462,639</u>			<u>(12,076,010)</u>

Notes to the Pro Forma Adjustments for the Enlarged Group

- (a) Being adjustment to reflect the effects of the disposal of subsidiary as described in Note 4.6(d).
- (b) Being adjustment to reflect the consistency of the presentation of expenses using a classification based on their nature as described in Note 4.6(c).
- (c) Being adjustment to reflect the effects of the reverse acquisition as described in Note 4.6(a).
- (d) Being adjustment to reflect the introducer fee as described in Note 4.6(b).
- (e) Being adjustment to reflect the acquisition-related costs relating to the Proposed Acquisition as described in Note 4.6(c).

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5 Statement of Adjustments (cont'd)

(ii) Unaudited Pro Forma Statement of Comprehensive Income for the nine-month period ended 30 September 2018

	Per Unaudited Statement of Comprehensive Income of the Company S\$	Per Audited Combined Statement of Comprehensive Income of the Target Group S\$	Summation of Financial Information of the Enlarged Group before Adjustment S\$		Pro Forma Adjustments for the Enlarged Group S\$	Unaudited Pro Forma Statement of Comprehensive Income S\$
Revenue	-	4,397,110	4,397,110			4,397,110
Other income	-	273,524	273,524			273,524
<u>Expenses by function</u>						
Administrative expenses	(71,250)	-	(71,250)	(a)	71,250	-
Other expenses	(249,307)	-	(249,307)	(a)	249,307	-
<u>Expenses by nature</u>						
Material costs and changes in inventories	-	(507,097)	(507,097)			(507,097)
Salaries and employees' benefits	-	(1,418,793)	(1,418,793)	(a)	(71,250)	(1,490,043)
Depreciation of property, plant and equipment and investment property	-	(98,575)	(98,575)			(98,575)
Other operating expenses	-	(299,562)	(299,562)	(a)	(249,307)	(548,869)
Finance costs	-	(25,281)	(25,281)			(25,281)
(Loss)/profit before income tax	(320,557)	2,321,326	2,000,769			2,000,769
Income tax expense	-	(368,789)	(368,789)			(368,789)
(Loss)/profit for the financial period	(320,557)	1,952,537	1,631,980			1,631,980
Other comprehensive income, net of income tax	-	-	-			-
Total comprehensive (loss)/income for the financial period	(320,557)	1,952,537	1,631,980			1,631,980

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5 Statement of Adjustments (cont'd)

(ii) Unaudited Pro Forma Statement of Comprehensive Income for the nine-month period ended 30 September 2018 (cont'd)

	Per Unaudited Statement of Comprehensive Income of the Company S\$	Per Audited Combined Statement of Comprehensive Income of the Target Group S\$	Summation of Financial Information of the Enlarged Group before Adjustment S\$	Pro Forma Adjustments for the Enlarged Group S\$	Unaudited Pro Forma Statement of Comprehensive Income S\$
(Loss)/profit for the financial period attributable to:					
Owners of the Company	(320,557)	1,982,557	1,662,000		1,662,000
Non-controlling interests	-	(30,020)	(30,020)		(30,020)
	<u>(320,557)</u>	<u>1,952,537</u>	<u>1,631,980</u>		<u>1,631,980</u>
Total comprehensive (loss)/income for the financial period attributable to:					
Owners of the Company	(320,557)	1,982,557	1,662,000		1,662,000
Non-controlling interests	-	(30,020)	(30,020)		(30,020)
	<u>(320,557)</u>	<u>1,952,537</u>	<u>1,631,980</u>		<u>1,631,980</u>

Note to the Pro Forma Adjustments for the Enlarged Group

- (a) Being adjustment to reflect the consistency of the presentation of expenses using a classification based on their nature as described in Note 4.6(c).

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5 Statement of Adjustments (cont'd)

(iii) Unaudited Pro Forma Statement of Financial Position as at 31 December 2017

	Per Audited Consolidated Statement of Financial Position of the Company and its Subsidiary	Per Audited Combined Statement of Financial Position of the Target Group	Summation of Financial Information of the Enlarged Group before Adjustment		Pro Forma Adjustments for the Enlarged Group	Unaudited Pro Forma Statement of Financial Position
	S\$	S\$	S\$		S\$	S\$
Non-current asset						
Property, plant and equipment	-	1,139,324	1,139,324			1,139,324
Total non-current asset	-	1,139,324	1,139,324			1,139,324
Current assets						
Contract assets	-	26,202	26,202			26,202
Trade and other receivables	608,110	1,153,768	1,761,878	(a)	(574,194)	1,187,684
Prepayments	5,309	-	5,309	(a)	(5,309)	-
Cash and cash equivalents	33,866	283,849	317,715	(a)	(33,866)	283,849
Tax recoverable	16,182	-	16,182	(a)	(16,182)	-
Total current assets	663,467	1,463,819	2,127,286			1,497,735
Less:						
Current liabilities						
Trade and other payables	1,736,694	132,384	1,869,078	(a)+(d)	(201,432)	1,667,646
Contract liabilities	-	269,321	269,321			269,321
Finance lease liability	6,026	-	6,026	(a)	(6,026)	-
Loans and borrowings	-	40,414	40,414			40,414
Current tax liabilities	9,588	5,870	15,458			15,458
Total current liabilities	1,752,308	447,989	2,200,297			1,992,839
Net current (liabilities)/assets	(1,088,841)	1,015,830	(73,011)			(495,104)
Non-current liability						
Loans and borrowings	-	758,766	758,766			758,766
Total non-current liability	-	758,766	758,766			758,766
Net (liabilities)/assets	(1,088,841)	1,396,388	307,547			(114,546)
Equity						
Share capital	10,657,950	3	10,657,953	(b)+(c)	921,850	11,579,803
Merger reserve	-	145,500	145,500			145,500
(Accumulated losses)/retained earnings	(11,521,581)	1,078,911	(10,442,670)	(a)+(b)+(c)+(d)	(1,569,153)	(12,011,823)
Equity attributable to equity owners of the Company	(863,631)	1,224,414	360,783			(286,520)
Non-controlling interests	(225,210)	171,974	(53,236)	(a)	225,210	171,974
Total equity	(1,088,841)	1,396,388	307,547			(114,546)

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**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND
THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018**

5 Statement of Adjustments (cont'd)

(vi) Unaudited Pro Forma Statement of Financial Position as at 31 December 2017 (cont'd)

Notes to the Pro Forma Adjustments for the Enlarged Group

- (a) Being adjustment to reflect the effects of the disposal of subsidiary as described in Note 4.6(d).
- (b) Being adjustment to reflect the effects of the reverse acquisition as described in Note 4.6(a).
- (c) Being adjustment to reflect the introducer fee as described in Note 4.6(b).
- (d) Being adjustment to reflect the acquisition-related costs relating to the Proposed Acquisition as described in Note 4.6(c).

APPENDIX B – UNAUDITED PRO FORMA FINANCIAL INFORMATION OF JASON HOLDINGS LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND NINE MONTH PERIOD ENDED 30 SEPTEMBER 2018

JASON HOLDINGS LIMITED
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NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND
THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018**

5 Statement of Adjustments (cont'd)

(vii) Unaudited Pro Forma Statement of Financial Position as at 30 September 2018

	Per Unaudited Statement of Financial Position of the Company	Per Audited Combined Statement of Financial Position of the Target Group	Summation of Financial Information of the Enlarged Group before Adjustment		Pro Forma Adjustments for the Enlarged Group	Unaudited Pro Forma Statement of Financial Position
	S\$	S\$	S\$		S\$	S\$
Non-current assets						
Property, plant and equipment	-	371,376	371,376			371,376
Investment property	-	710,738	710,738			710,738
Total non-current assets	-	1,082,114	1,082,114			1,082,114
Current assets						
Contract assets	-	1,676,624	1,676,624			1,676,624
Trade and other receivables	7,094	1,322,903	1,329,997	(a)	20,000	1,349,997
Cash and cash equivalents	-	754,836	754,836			754,836
Total current assets	7,094	3,754,363	3,761,457			3,781,457
Less:						
Current liabilities						
Trade and other payables	903,997	220,053	1,124,050	(d)	945,000	2,069,050
Dividend payable	-	1,650,000	1,650,000			1,650,000
Loans and borrowings	-	91,344	91,344			91,344
Current tax liabilities	9,588	374,659	384,247			384,247
Total current liabilities	913,585	2,336,056	3,249,641			4,194,641
Net current (liabilities)/assets	(906,491)	1,418,307	511,816			(413,184)
Non-current liability						
Loans and borrowings	-	951,496	951,496			951,496
Total non-current liability	-	951,496	951,496			951,496
Net (liabilities)/assets	(906,491)	1,548,925	642,434			(282,566)
Equity						
Share capital	10,657,950	3	10,657,953	(b)+(c)	921,850	11,579,803
Merger reserve	-	137,500	137,500			137,500
(Accumulated losses)/retained earnings	(11,564,441)	1,261,468	(10,302,973)	(a)+(b)+(c)+(d)	(1,846,850)	(12,149,823)
Equity attributable to equity owners of the Company	(906,491)	1,398,971	492,480			(432,520)
Non-controlling interests	-	149,954	149,954			149,954
Total equity	(906,491)	1,548,925	642,434			(282,566)

APPENDIX B – UNAUDITED PRO FORMA FINANCIAL INFORMATION OF JASON HOLDINGS LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND NINE MONTH PERIOD ENDED 30 SEPTEMBER 2018

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NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND
THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018**

5 Statement of Adjustments (cont'd)

(vii) Unaudited Pro Forma Statement of Financial Position as at 30 September 2018 (cont'd)

Notes to the Pro Forma Adjustments for the Enlarged Group

- (a) Being adjustment to reflect the effects of the disposal of subsidiary as described in Note 4.6(d).
- (b) Being adjustment to reflect the effects of the reverse acquisition as described in Note 4.6(a).
- (c) Being adjustment to reflect the introducer fee as described in Note 4.6(b).
- (d) Being adjustment to reflect the acquisition-related costs relating to the Proposed Acquisition as described in Note 4.6(c).

APPENDIX B – UNAUDITED PRO FORMA FINANCIAL INFORMATION OF JASON HOLDINGS LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND NINE MONTH PERIOD ENDED 30 SEPTEMBER 2018

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NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND
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5 Statement of Adjustments (cont'd)

(viii) Unaudited Pro Forma Statement of Cash Flows for the financial year ended 31 December 2017

	Per Audited Consolidated Statement of Cash Flows of the Company and its Subsidiary	Per Audited Combined Statement of Cash Flows of the Target Group	Summation of Financial Information of the Enlarged Group before Adjustment		Pro Forma Adjustments for the Enlarged Group	Unaudited Pro Forma Statement of Cash Flows
	S\$	S\$	S\$		S\$	S\$
Cash Flows from Operating Activities						
(Loss)/profit before income tax	(118,159)	586,718	468,559	(a)+(b)+(c)+ (d)+(e)	(12,538,649)	(12,070,090)
Adjustments for:						
Loss on reverse acquisition	-	-	-	(b)	11,375,834	11,375,834
Acquisition-related costs	-	-	-	(c)	789,900	789,900
Allowance for impairment of trade and other receivables	15,894	-	15,894	(a)	(15,894)	-
Write back of allowance for impairment of trade and other receivables	(600)	-	(600)	(a)	600	-
Write off of other payables and accruals	(1,116,338)	-	(1,116,338)			(1,116,338)
Depreciation of property, plant and equipment and investment property	64,959	75,962	140,921	(a)	(64,959)	75,962
Loss on disposal of property, plant and equipment	20,584	-	20,584	(a)	(20,584)	-
Impairment of property, plant and equipment	101,315	-	101,315	(a)	(101,315)	-
Inventories written off	15,998	-	15,998	(a)	(15,998)	-
Reversal of provision for slow moving inventories	(373)	-	(373)	(a)	373	-
Unrealised exchange difference	(1,504)	-	(1,504)	(a)	1,504	-
Gain on disposal of subsidiary	-	-	-	(e)	(20,000)	(20,000)
Interest expense	609	15,538	16,147	(a)	(609)	15,538
Interest income	-	(6)	(6)			(6)
Operating cash flows before working capital changes	(1,017,615)	678,212	(339,403)			(949,200)
Movement in working capital changes:						
Inventories	(8,838)	-	(8,838)	(a)	8,838	-
Contract assets	-	(26,202)	(26,202)			(26,202)
Trade and other receivables	411,592	(515,142)	(103,550)	(a)	(425,508)	(529,058)
Prepayments	27,413	-	27,413	(a)	(26,513)	900
Contract liabilities	-	216,101	216,101			216,101
Trade and other payables	(443,980)	68,271	(375,709)	(a)+(d)	1,084,408	708,699
Cash (used in)/generated from operations	(1,031,428)	421,240	(610,188)			(578,760)
Interest received	-	6	6			6
Income taxes paid	(16,182)	-	(16,182)	(a)	16,182	-
Net cash (used in)/generated from operating activities	(1,047,610)	421,246	(626,364)			(578,754)

APPENDIX B – UNAUDITED PRO FORMA FINANCIAL INFORMATION OF JASON HOLDINGS LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND NINE MONTH PERIOD ENDED 30 SEPTEMBER 2018

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**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND
THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018**

5 Statement of Adjustments (cont'd)

(viii) Unaudited Pro Forma Statement of Cash Flows for the financial year ended 31 December 2017 (cont'd)

	Per Audited Consolidated Statement of Cash Flows of the Company and its Subsidiary	Per Audited Combined Statement of Cash Flows of the Target Group	Summation of Financial Information of the Enlarged Group before Adjustment		Pro Forma Adjustments for the Enlarged Group	Unaudited Pro Forma Statement of Cash Flows
	S\$	S\$	S\$		S\$	S\$
Cash Flows from Investing Activities						
Purchase of property, plant and equipment	(20,900)	(343,174)	(364,074)	(a)	20,900	(343,174)
Proceeds from disposal of property, plant and equipment	8,500	-	8,500	(a)	(8,500)	-
Net cash used in investing activities	(12,400)	(343,174)	(355,574)			(343,174)
Cash Flows from Financing Activities						
Proceeds from issue of ordinary shares	1,000,000	-	1,000,000			1,000,000
Repayment of finance lease liability	(5,703)	(12,411)	(18,114)	(a)	5,703	(12,411)
Repayment of bank borrowings	-	(34,817)	(34,817)			(34,817)
Interest paid	(609)	(15,538)	(16,147)	(a)	609	(15,538)
Net cash generated from/(used in) financing activities	993,688	(62,766)	930,922			937,234
Net (decrease)/increase in cash and cash equivalents	(66,322)	15,306	(51,016)	(a)	66,322	15,306
Cash and cash equivalents at beginning of the financial year	100,188	268,543	368,731	(a)	(100,188)	268,543
Cash and cash equivalents at end of the financial year	33,866	283,849	317,715			283,849

Notes to the Pro Forma Adjustments for the Enlarged Group

- (a) Being adjustment to reflect the effects of the disposal of subsidiary as described in Note 4.6(d).
- (b) Being adjustment to reflect the effects of the reverse acquisition as described in Note 4.6(a).
- (c) Being adjustment to reflect the introducer fee as described in Note 4.6(b).
- (d) Being adjustment to reflect the acquisition-related costs relating to the Proposed Acquisition as described in Note 4.6(c).
- (e) Being adjustment to reflect the effects of the disposal of subsidiary as described in Note 4.6(d).

APPENDIX B – UNAUDITED PRO FORMA FINANCIAL INFORMATION OF JASON HOLDINGS LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND NINE MONTH PERIOD ENDED 30 SEPTEMBER 2018

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NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND
THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018**

5 Statement of Adjustments (cont'd)

(ix) Unaudited Pro Forma Statement of Cash Flows for the nine-month period ended 30 September 2018

	Per Unaudited Statement of Cash Flows of the Company	Per Audited Combined Statement of Cash Flows of the Target Group	Summation of Financial Information of the Enlarged Group before Adjustment	Pro Forma Adjustments for the Enlarged Group	Unaudited Pro Forma Statement of Cash Flows
	S\$	S\$	S\$	S\$	S\$
Cash Flows from Operating Activities					
(Loss)/profit before income tax	(320,557)	2,321,326	2,000,769		2,000,769
Adjustments for:					
Depreciation of property, plant and equipment and investment property	-	98,575	98,575		98,575
Gain on disposal of property, plant and equipment	-	(83,128)	(83,128)		(83,128)
Interest expense	-	25,281	25,281		25,281
Interest income	-	(5)	(5)		(5)
Operating cash flows before working capital changes	(320,557)	2,362,049	2,041,492		2,041,492
Movement in working capital changes:					
Contract assets	-	(1,650,422)	(1,650,422)		(1,650,422)
Trade and other receivables	6,822	(319,135)	(312,313)		(312,313)
Contract liabilities	-	(269,321)	(269,321)		(269,321)
Trade and other payables	313,735	(48,331)	265,404		265,404
Cash generated from operations	-	74,840	74,840		74,840
Interest received	-	5	5		5
Net cash generated from operating activities	-	74,845	74,845		74,845
Cash Flows from Investing Activities					
Purchase of property, plant and equipment	-	(144,737)	(144,737)		(144,737)
Proceeds from disposal of property, plant and equipment	-	186,500	186,500		186,500
Net cash generated from investing activities	-	41,763	41,763		41,763

APPENDIX B – UNAUDITED PRO FORMA FINANCIAL INFORMATION OF JASON HOLDINGS LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND NINE MONTH PERIOD ENDED 30 SEPTEMBER 2018

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**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND
THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018**

5 Statement of Adjustments (cont'd)

(ix) Unaudited Pro Forma Statement of Cash Flows for the nine-month period ended 30 September 2018 (cont'd)

	Per Unaudited Statement of Cash Flows of the Company	Per Audited Combined Statement of Cash Flows of the Target Group	Summation of Financial Information of the Enlarged Group before Adjustment	Pro Forma Adjustments for the Enlarged Group	Unaudited Pro Forma Statement of Cash Flows
	S\$	S\$	S\$	S\$	S\$
Cash Flows from Financing Activities					
Advances from a controlling shareholder	-	136,000	136,000		136,000
Proceeds from bank borrowings	-	300,000	300,000		300,000
Repayment of finance lease liability	-	(9,308)	(9,308)		(9,308)
Repayment of bank borrowings	-	(47,032)	(47,032)		(47,032)
Interest paid	-	(25,281)	(25,281)		(25,281)
Net cash generated from financing activities	-	354,379	354,379		354,379
Net increase in cash and cash equivalents	-	470,987	470,987		470,987
Cash and cash equivalents at beginning of the financial period	-	283,849	283,849		283,849
Cash and cash equivalents at end of the financial period	-	754,836	754,836		754,836

APPENDIX B – UNAUDITED PRO FORMA FINANCIAL INFORMATION OF JASON HOLDINGS LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND NINE MONTH PERIOD ENDED 30 SEPTEMBER 2018

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NOTES TO THE UNAUDITED PRO FORMA FINANCIAL INFORMATION

**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND
THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018**

6 Summary of Significant Accounting Policies

The unaudited pro forma financial information of the Enlarged Group is prepared using the same accounting policies as the audited interim combined financial statements of the Target Group for the nine-month period ended 30 September 2018 as disclosed in Note 3 to the audited interim combined financial statements of the Target Group for the nine-month period ended 30 September 2018 as included in Appendix C of the circular.

7 Other Income

	For the nine-month period ended 30 September 2018 S\$	For the year ended 31 December 2017 S\$
Write off of other payables and accruals pursuant to the Scheme of Arrangement	-	1,116,338
Interest income	5	6
Government grants	181,691	202,888
Gain on disposal of property, plant and equipment	83,128	-
Rental income	8,700	-
Gain on disposal of a subsidiary	-	20,000
	<u>273,524</u>	<u>1,339,232</u>

8 Loss on Reverse Acquisition

	For the nine-month period ended 30 September 2018 S\$	For the year ended 31 December 2017 S\$
Cost of reverse acquisition (Note 4.6(a))	-	10,789,900
Net liabilities acquired (Note 4.6(a))	-	585,934
Loss on reverse acquisition	<u>-</u>	<u>11,375,834</u>

APPENDIX B – UNAUDITED PRO FORMA FINANCIAL INFORMATION OF JASON HOLDINGS LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND NINE MONTH PERIOD ENDED 30 SEPTEMBER 2018

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**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND
THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018**

9 Other Operating Expenses

	For the nine- month period ended 30 September <u>2018</u> S\$	For the year ended 31 December <u>2017</u> S\$
Professional fees	251,595	587,887
Travelling expenses	38,520	11,369
Office rental	81,641	50,415
Entertainment and refreshment	20,096	72,236
Transport and delivery	34,853	39,602
Training	938	7,000
Advertisement	27,049	11,084
Subscription fee	8,560	9,568
Others	85,617	64,151
	<u>548,869</u>	<u>853,312</u>

10 Earnings/(Loss) per Share

Basic earnings/(loss) per share are calculated by dividing the net profit/(loss) attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial period/year.

The number of ordinary shares outstanding is based on the number of shares of the Company as at 30 September 2018 assuming the Proposed Acquisition occurred on 1 January 2017.

	<u>Number of shares issued</u>
Share capital of the Company as at 30 September 2018 before the Proposed Acquisition	2,729,253,595
Issuance of shares pursuant to the Proposed Acquisition	11,642,995,836
Issuance of shares pursuant to the Introducer fee	<u>215,583,741</u>
Share capital of the Company as at 30 September 2018 after the Proposed Acquisition	<u>14,587,833,172</u>

APPENDIX B – UNAUDITED PRO FORMA FINANCIAL INFORMATION OF JASON HOLDINGS LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND NINE MONTH PERIOD ENDED 30 SEPTEMBER 2018

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**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND
THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018**

10 Earnings/(Loss) per Share (cont'd)

	For the nine- month period ended 30 September <u>2018</u>	For the year ended 31 December <u>2017</u>
Net profit/(loss) attributable to equity holders of the Company (S\$'000)	1,662	(12,159)
Weighted average number of ordinary shares outstanding for the purposes of basic earnings/(loss) per share ('000)	14,587,833	14,587,833
Basic and diluted earnings/(loss) per share (cents)	0.011	(0.083)

The diluted earnings/(loss) per share are the same as basic earnings/(loss) per share as there are no dilutive potential ordinary shares.

11 Contingent Liabilities

In 2016, a customer (the "Customer") engaged the Company's former wholly-owned subsidiary, JPS for the supply, installation and maintenance of timber flooring and decking works for a project pursuant to a sub-contract agreement dated 15 February 2016. On or about 28 March 2016, an insurance company (the "Insurer") issued a performance bond in favour of the Customer for the sum of S\$395,184 (the "Sum"), which represented 10% of the sub-contract sum. On 25 January 2017, the Customer demanded payment of the Sum from the Insurer, who took the position that the performance bond had not taken effect at all as it was cancelled before it could be delivered to the Customer.

On 31 May 2018, the Insurer issued a third party notice against the Company ("Third Party Proceedings"). The Insurer has, through the Third Party Proceedings, brought in the Company as the third party on the basis that the Company is liable to indemnify the Insurer against the Customer's claim and the costs of such action as the court may deem fit on the grounds that the Company had agreed under a deed of indemnity dated 5 February 2016 to indemnify the Insurer against, inter alia, all demands, actions, losses and expenses arising out of the performance bond.

On 28 August 2018, the Insurer filed and served its Statement of Claim against the Company, which is based entirely on the deed of indemnity dated 5 February 2016. The Company has, on 3 September 2018, filed a summons to strike out the Insurer's third party claim in its entirety (the "Striking Out Application"). This Striking Out Application is predicated on the argument that the Insurer's claims based on the deed of indemnity dated 5 February 2016 have been extinguished by operation of the Scheme of Arrangement dated 12 January 2017 as sanctioned by an Order of the High Court made on 15 March 2017.

APPENDIX B – UNAUDITED PRO FORMA FINANCIAL INFORMATION OF JASON HOLDINGS LIMITED AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 AND NINE MONTH PERIOD ENDED 30 SEPTEMBER 2018

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11 Contingent Liabilities (cont'd)

On 24 September 2018, the High Court Registry allowed the filing of the Company's Defence to the Insurer's third party claims to be deferred to a date after the outcome of the Striking Out Application.

On 16 October 2018, the Striking Out Application was granted by the High Court and the Insurer's third party claim against the Company was struck out in its entirety on the basis that the Insurer's claim based on the deed of indemnity dated 5 February 2016 was held to be a claim which was extinguished by the Company's Scheme of Arrangement dated 12 January 2017.

On 19 October 2018, the Insurer filed its Notice of Appeal against the High Court's decision to strike out the Insurer's third party claim against the Company.

On 14 January 2019, the Striking Out Appeal was allowed and the Insurer's claim against the Company based on the deed of indemnity dated 5 February 2016 by way of the third-party action in Suit No. 370/2017 was allowed to proceed.

The Company has been advised by its lawyer that it has a good chance of successfully defending against this legal claim. Accordingly, no provision for any liability has been made in the financial year/period ended 31 December 2017 and 30 September 2018. The existing evaluation of the likelihood of an outcome and an estimate of this legal matter may differ from the evaluation at the completion of the Proposed Acquisition.

As at the date of these unaudited pro forma financial information, there is no further development in this legal matter.

**APPENDIX C – INTERIM COMBINED FINANCIAL STATEMENTS OF THE TARGET
GROUP FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018**

Company Registration No: 201828524C

**REVEZ GROUP PTE. LTD.
(Incorporated in Singapore)
AND ITS SUBSIDIARIES**

INTERIM COMBINED FINANCIAL STATEMENTS

**THE NINE-MONTH PERIOD ENDED
30 SEPTEMBER 2018**

**APPENDIX C – INTERIM COMBINED FINANCIAL STATEMENTS OF THE TARGET
GROUP FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018**

**REVEZ GROUP PTE. LTD.
(Incorporated in Singapore)**

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30 SEPTEMBER 2018

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**APPENDIX C – INTERIM COMBINED FINANCIAL STATEMENTS OF THE TARGET
GROUP FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018**

**REVEZ GROUP PTE. LTD.
(Incorporated in Singapore)**

AND ITS SUBSIDIARIES

DIRECTORS' STATEMENT

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018

In the opinion of the directors:

- (a) the accompanying interim combined financial statements of the Group are drawn up so as to give a true and fair view of the financial position of the Group as at 30 September 2018 and the financial performance, changes in equity and cash flows of the Group for the nine-month period ended 30 September 2018; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors,

.....
Victor Neo Wee Han
Director

.....
Lim Kian Sing
Director

Singapore

29 March 2019

APPENDIX C – INTERIM COMBINED FINANCIAL STATEMENTS OF THE TARGET GROUP FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018

INDEPENDENT AUDITOR'S REPORT ON THE INTERIM COMBINED FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018

The Board of Directors

Revez Group Pte. Ltd.
25 Kallang Avenue #02-02
Singapore 339416

Report on the Audit of the Interim Combined Financial Statements

Opinion

We have audited the accompanying interim combined financial statements of Revez Group Pte. Ltd. (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the combined statement of financial position as at 30 September 2018, and the combined statement of comprehensive income, combined statement of changes in equity and combined statement of cash flows for the nine-month period ended 30 September 2018, and notes to the interim combined financial statements, including a summary of significant accounting policies, as set out on pages C-7 and C-70.

In our opinion, the accompanying interim combined financial statements of the Group are properly drawn up in accordance with the Singapore Financial Reporting Standards (International) ("SFRS(Is)") so as to give a true and fair view of the combined financial position of the Group as at 30 September 2018, and of the combined financial performance, combined changes in equity and combined cash flows of the Group for the nine-month period ended 30 September 2018.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Interim Combined Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the interim combined financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

APPENDIX C – INTERIM COMBINED FINANCIAL STATEMENTS OF THE TARGET GROUP FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018

INDEPENDENT AUDITOR'S REPORT ON THE INTERIM COMBINED FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018

(cont'd)

Responsibilities of Management and Directors for the Interim Combined Financial Statements

Management is responsible for the preparation of interim combined financial statements that give a true and fair view in accordance with SFRS(I)s and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair interim combined financial statements and to maintain accountability of assets.

In preparing the interim combined financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Interim Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the interim combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these interim combined financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the interim combined financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

APPENDIX C – INTERIM COMBINED FINANCIAL STATEMENTS OF THE TARGET GROUP FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018

INDEPENDENT AUDITOR'S REPORT ON THE INTERIM COMBINED FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018

(cont'd)

Auditor's Responsibilities for the Audit of the Interim Combined Financial Statements (cont'd)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the interim combined financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the interim combined financial statements, including the disclosures, and whether the interim combined financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the interim combined financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Restriction on Distribution and Use

This report is made solely to you as a body and for inclusion in the circular to the shareholders of Jason Holdings Limited to be issued in relation to the proposed acquisition of the entire issued and paid up share capital of the Company and for no other purpose.

Moore Stephens LLP
Public Accountants and
Chartered Accountants
Singapore

Partner in charge: Neo Keng Jin

29 March 2019

APPENDIX C – INTERIM COMBINED FINANCIAL STATEMENTS OF THE TARGET GROUP FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018

**REVEZ GROUP PTE. LTD.
(Incorporated in Singapore)**

AND ITS SUBSIDIARIES

**COMBINED STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018**

	<u>Note</u>	For the nine-month period ended 30 September <u>2018</u> S\$	<u>2017</u> S\$ (Unaudited)
Revenue	5(a)	4,397,110	1,373,779
Other income	6	273,524	161,167
Material costs and changes in inventories		(507,097)	(333,032)
Salaries and employees' benefits	7	(1,418,793)	(634,502)
Depreciation of property, plant and equipment and investment property		(98,575)	(50,927)
Other operating expenses	8	(299,562)	(191,093)
Finance costs	9	(25,281)	(12,618)
Profit before income tax		2,321,326	312,774
Income tax expense	10	(368,789)	(2,159)
Profit for the financial period		<u>1,952,537</u>	<u>310,615</u>
Other comprehensive income, net of income tax		-	-
Total comprehensive income for the financial period		<u><u>1,952,537</u></u>	<u><u>310,615</u></u>

The accompanying notes form an integral part of the financial statements

APPENDIX C – INTERIM COMBINED FINANCIAL STATEMENTS OF THE TARGET GROUP FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018

**REVEZ GROUP PTE. LTD.
(Incorporated in Singapore)**

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COMBINED STATEMENT OF COMPREHENSIVE INCOME

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018

(cont'd)

		For the nine-month period ended 30 September	
	<u>Note</u>	<u>2018</u>	<u>2017</u>
		S\$	S\$
		(Unaudited)	
Profit for the financial period attributable to:			
Owners of the Company		1,982,557	276,239
Non-controlling interests		(30,020)	34,376
		<u>1,952,537</u>	<u>310,615</u>
Total comprehensive income for the financial period attributable to:			
Owners of the Company		1,982,557	276,239
Non-controlling interests		(30,020)	34,376
		<u>1,952,537</u>	<u>310,615</u>
Earnings per share			
Basic and diluted (cents per share)	11	<u>*</u>	<u>*</u>

* - Not meaningful

The accompanying notes form an integral part of the financial statements

APPENDIX C – INTERIM COMBINED FINANCIAL STATEMENTS OF THE TARGET GROUP FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018

**REVEZ GROUP PTE. LTD.
(Incorporated in Singapore)**

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COMBINED STATEMENT OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2018

	<u>Note</u>	<u>30.9.2018</u> S\$	<u>31.12.2017</u> S\$	<u>1.1.2017</u> S\$
Non-current assets				
Property, plant and equipment	12	371,376	1,139,324	872,112
Investment property	13	710,738	-	-
Total non-current assets		<u>1,082,114</u>	<u>1,139,324</u>	<u>872,112</u>
Current assets				
Contract assets	5(b)	1,676,624	26,202	94,042
Trade and other receivables	14	1,322,903	1,153,768	544,584
Cash and cash equivalents	15	754,836	283,849	268,543
Total current assets		<u>3,754,363</u>	<u>1,463,819</u>	<u>907,169</u>
Less:				
Current liabilities				
Trade and other payables	16	220,053	132,384	64,113
Contract liabilities	5(b)	-	269,321	53,220
Dividend payable	20	1,650,000	-	-
Loans and borrowings	17	91,344	40,414	47,227
Current tax liabilities		374,659	5,870	2,992
Total current liabilities		<u>2,336,056</u>	<u>447,989</u>	<u>167,552</u>
Net current assets		<u>1,418,307</u>	<u>1,015,830</u>	<u>739,617</u>
Non-current liability				
Loans and borrowings	17	951,496	758,766	799,181
Total non-current liability		<u>951,496</u>	<u>758,766</u>	<u>799,181</u>
Net assets		<u>1,548,925</u>	<u>1,396,388</u>	<u>812,548</u>
Equity				
Share capital	18	3	3	3
Merger reserve	3.1	137,500	145,500	145,500
Retained earnings		1,261,468	1,078,911	578,237
Equity attributable to equity owners of the Company		<u>1,398,971</u>	<u>1,224,414</u>	<u>723,740</u>
Non-controlling interests	19	149,954	171,974	88,808
Total equity		<u>1,548,925</u>	<u>1,396,388</u>	<u>812,548</u>

The accompanying notes form an integral part of the financial statements

APPENDIX C – INTERIM COMBINED FINANCIAL STATEMENTS OF THE TARGET GROUP FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018

**REVEZ GROUP PTE. LTD.
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**COMBINED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018**

	← Attributable to equity owners of the Company →				
	Share capital S\$	Merger reserve S\$	Retained earnings S\$	Attributable to equity owners of the Company S\$	Non- controlling interests S\$
Balance at 1 January 2018	3	145,500	928,911	1,074,414	171,974
Profit for the financial period	-	-	1,982,557	1,982,557	(30,020)
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the financial period	-	-	1,982,557	1,982,557	(30,020)
Incorporation of a subsidiary (Note 19)	-	-	-	-	8,000
Business combination under common control	-	(8,000)	-	(8,000)	-
Dividend declared (Note 20)	-	-	(1,650,000)	(1,650,000)	-
Balance at 30 September 2018	3	137,500	1,261,468	1,398,971	149,954
					1,548,925

The accompanying notes form an integral part of the financial statements

APPENDIX C – INTERIM COMBINED FINANCIAL STATEMENTS OF THE TARGET GROUP FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018

**REVEZ GROUP PTE. LTD.
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**COMBINED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018**

(cont'd)

	Attributable to equity owners of the Company					
	Share capital S\$	Merger reserve S\$	Retained earnings S\$	Attributable to equity owners of the Company S\$	Non-controlling interests S\$	Total equity S\$
Balance at 1 January 2017	3	145,500	578,237	723,740	88,808	812,548
Profit for the financial period	-	-	276,239	276,239	34,376	310,615
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the financial period	-	-	276,239	276,239	34,376	310,615
Balance at 30 September 2017 (Unaudited)	3	145,500	854,476	999,979	123,184	1,123,163

The accompanying notes form an integral part of the financial statements

APPENDIX C – INTERIM COMBINED FINANCIAL STATEMENTS OF THE TARGET GROUP FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018

**REVEZ GROUP PTE. LTD.
(Incorporated in Singapore)**

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COMBINED STATEMENT OF CASH FLOWS

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018

	For the nine-month period ended 30 September	
	<u>2018</u>	<u>2017</u>
	S\$	S\$
	(Unaudited)	
Cash Flows from Operating Activities		
Profit before income tax	2,321,326	312,774
Adjustments for:		
Depreciation of property, plant and equipment and investment property	98,575	50,927
Gain on disposal of property, plant and equipment	(83,128)	-
Interest expense	25,281	12,618
Interest income	(5)	(4)
Operating cash flows before working capital changes	<u>2,362,049</u>	<u>376,315</u>
Movement in working capital:		
Contract assets	(1,650,422)	(298,556)
Trade and other receivables	(319,135)	154,609
Contract liabilities	(269,321)	-
Trade and other payables	(48,331)	(103,457)
Cash generated from operations	<u>74,840</u>	<u>128,911</u>
Interest received	5	4
Net cash generated from operating activities	<u>74,845</u>	<u>128,915</u>
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(144,737)	(243,943)
Proceeds from disposal of property, plant and equipment	186,500	-
Net cash generated from/(used in) investing activities	<u>41,763</u>	<u>(243,943)</u>
Cash Flows from Financing Activities		
Advances from a controlling shareholder	136,000	-
Proceeds from bank borrowings	300,000	-
Repayment of finance lease liability	(9,308)	(9,308)
Repayment of bank borrowings	(47,032)	(24,928)
Interest paid	(25,281)	(12,618)
Net cash generated from/(used in) financing activities	<u>354,379</u>	<u>(46,854)</u>
Net increase/(decrease) in cash and cash equivalents	470,987	(161,882)
Cash and cash equivalents at beginning of the financial period	<u>283,849</u>	<u>268,543</u>
Cash and cash equivalents at end of the financial period (Note 15)	<u>754,836</u>	<u>106,661</u>

The accompanying notes form an integral part of the financial statements

APPENDIX C – INTERIM COMBINED FINANCIAL STATEMENTS OF THE TARGET GROUP FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018

REVEZ GROUP PTE. LTD.
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COMBINED STATEMENT OF CASH FLOWS

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018

(cont'd)

The reconciliation of movements of the liabilities to cash flows arising from financing activities is presented below:

	1 January 2018	Cash flows		30 September 2018
	S\$	Proceeds S\$	Repayments S\$	S\$
Amount due to a controlling shareholder (Note 16)	-	136,000	-	136,000
Finance lease liability (Note 17)	27,871	-	(9,308)	18,563
Bank borrowings (Note 17)	771,309	300,000	(47,032)	1,024,277
	1 January 2017	Cash flows		30 September 2017
	S\$	Proceeds S\$	Repayments S\$	S\$ (Unaudited)
Finance lease liability	40,282	-	(9,308)	30,974
Bank borrowings	806,126	-	(24,928)	781,198

The accompanying notes form an integral part of the financial statements

APPENDIX C – INTERIM COMBINED FINANCIAL STATEMENTS OF THE TARGET GROUP FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018

REVEZ GROUP PTE. LTD.
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NOTES TO THE INTERIM COMBINED FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018

These notes form an integral part of and should be read in conjunction with the accompanying interim combined financial statements.

1 Corporate Information

Revez Group Pte. Ltd. (the “Company”) is a private limited liability company incorporated in Singapore on 20 August 2018 with an issued and paid up share capital of S\$3 comprising one share held by each of Victor Neo Wee Han, Lee Han Chong and Lim Kian Sing (the “controlling shareholders”).

The registered office and principal place of business is located at 25 Kallang Avenue, #02-02, Singapore 339416.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are disclosed in Note 2 to the interim combined financial statements.

2 Restructuring Exercise

The Company and the combined entities did not have a parent entity and were all under common control of the same group of individuals. In October 2018, the Company and the combined entities (as set out below) carried out a Restructuring Exercise where the Company becomes the holding company of the combined entities. The following steps were taken:

- (a) transfer of 53,500 shares from each of the controlling shareholders of Revez Motion Pte. Ltd. to the Company;
- (b) transfer of 5,000 shares from each of the controlling shareholders of Revez Pte. Ltd. to the Company;
- (c) transfer of 30,600 shares from one of the controlling shareholders (Lim Kian Sing) of Newood Design Pte. Ltd. to the Company; and
- (d) transfer of 32,000 shares from one of the controlling shareholders (Neo Wee Han Victor) of IOIO Lab Pte. Ltd. to the Company.

Prior to the Restructuring, Neo Wee Han Victor held 80% of the shares on trust, on behalf of Revez Motion Pte. Ltd. in IOIO Lab Pte. Ltd. and Lim Kian Sing initially held 50%, and subsequently an additional 1% of the shares on trust, on behalf of Revez Motion Pte. Ltd. in Newood Design Pte. Ltd. As part of the Restructuring, these shares held on trust, were subsequently transferred to the Company.

APPENDIX C – INTERIM COMBINED FINANCIAL STATEMENTS OF THE TARGET GROUP FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018

**REVEZ GROUP PTE. LTD.
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NOTES TO THE INTERIM COMBINED FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018

2 Restructuring Exercise (cont'd)

Upon completion of the Restructuring Exercise, the Company will have direct interests in the combined entities. As a result, the combined entities become the subsidiaries of the Company (the “Subsidiaries”, and collectively, the “Group”) and the Group represents the continuation of the risks and benefits to the controlling shareholders that existed prior to the business combination. The subsidiaries are private limited liability companies and their details are as follows:

<u>Company name</u>	<u>Country of incorporation and principal place of business</u>	<u>Principal activities</u>	<u>Proportion of ownership interest held by the controlling shareholders</u>	
			<u>30 September 2018</u>	<u>31 December 2017</u>
Revez Motion Pte. Ltd.	Singapore	Design and develop immersive and interactive multimedia solutions	100%	100%
Revez Pte. Ltd.	Singapore	Design and develop immersive digital interactive multimedia technology and top-notch Software as a Service (SaaS) solutions	100%	100%
Newood Design Pte. Ltd.	Singapore	Provision of marketing and communication solutions	51%	50%
IOIO Lab Pte. Ltd. ⁽¹⁾	Singapore	Design and develop Information Technology, Software as a Service (SaaS), and immersive and interactive multimedia on-ground solutions	80%	-

⁽¹⁾ Incorporated on 1 January 2018

APPENDIX C – INTERIM COMBINED FINANCIAL STATEMENTS OF THE TARGET GROUP FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018

REVEZ GROUP PTE. LTD.
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NOTES TO THE INTERIM COMBINED FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018

2 Summary of Significant Accounting Policies

3.1 Basis of preparation

As the Restructuring Exercise has been completed in October 2018, the companies now comprise the Group under common control of the controlling shareholders before and after the Restructuring Exercise. Accordingly, the interim combined financial statements of the Group have been prepared by using the principles of merger accounting as follows:

- i The combined statement of financial position of the Group as at 30 September 2018, the combined statement of comprehensive income, the combined statement of changes in equity and the combined statement of cash flows of the Group for the nine-month period ended 30 September 2018 have been prepared as if the Company had been the holding company of the Group throughout the nine-month period ended 30 September 2018 rather than from the date on which the Restructuring Exercise was completed;
- ii The assets and liabilities of the combined entities are consolidated using the existing book values from the controlling parties' perspective. No adjustments are made to the net assets and net profit or loss of the combined entities to reflect fair values and the financial statements of the combined entities have been prepared using the Group's accounting policies;
- iii The share capital of the Group as at 30 September 2018 would reflect the share capital of the Company for the purpose of the business combination under common control. The retained earnings of the Group would be the retained earnings of the combined entities. The resulting difference between the consideration paid and the share capital of the combined entities is reflected within equity as merger reserve; and
- iv The effect of all transactions and balances between the combining entities, whether occurring before or after the combination, are eliminated in preparing the interim combined financial statements of the Group.

APPENDIX C – INTERIM COMBINED FINANCIAL STATEMENTS OF THE TARGET GROUP FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018

REVEZ GROUP PTE. LTD.
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NOTES TO THE INTERIM COMBINED FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018

3 Summary of Significant Accounting Policies (cont'd)

3.1 Basis of preparation (cont'd)

These interim combined financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (International) (“SFRS(I)s”). With effect from 1 January 2018, the Group has applied SFRS(I)s, a new financial reporting framework identical to International Financial Reporting Standards.

These interim combined financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

These interim combined financial statements are presented in Singapore dollars (“SGD” or “S\$”), which is the functional currency of the Company.

3.2 Changes in accounting policies

The Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2018. Except for SFRS(I) 9 *Financial Instruments*, the adoption of SFRS(I) and all the new and revised standards did not have any material effect on the interim combined financial statements.

Adoption of SFRS(I) 9 *Financial Instruments*

SFRS(I) 9 *Financial Instruments* sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. It also introduces a new “expected credit loss” (ECL) model. The Group adopted SFRS(I) 9 from 1 January 2018.

The Group has elected to apply the short-term exemption to adopt SFRS(I) 9 on 1 January 2018. Accordingly, requirements of Financial Reporting Standards in Singapore (“SFRS”) 39 *Financial Instruments: Recognition and Measurement* will continue to apply to financial instruments up to the financial year ended 31 December 2017 as disclosed in Note 3.15. Additionally, the Group is exempted from complying with SFRS(I) 7 for the comparative period to the extent that the disclosures required by the SFRS(I) 7 relate to the items within scope of SFRS(I) 9. As a result, the requirements under SFRS are applied in place of the requirements under SFRS(I) 7 and SFRS(I) 9 to comparative information about items within the scope of the SFRS(I) 9.

APPENDIX C – INTERIM COMBINED FINANCIAL STATEMENTS OF THE TARGET GROUP FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018

REVEZ GROUP PTE. LTD.
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NOTES TO THE INTERIM COMBINED FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018

3 Summary of Significant Accounting Policies (cont'd)

3.2 Changes in accounting policies (cont'd)

Adoption of SFRS(I) 9 *Financial Instruments* (cont'd)

Changes in accounting policies resulting from the adoption of SFRS(I) 9 have been generally applied by the Group retrospectively, except the following assessments were made on the basis of facts and circumstances that existed at 1 January 2018.

- The determination of the business model within which a financial asset is held; and
- The determination of whether the contractual terms of a financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The adoption of SFRS(I) 9 has not had a significant effect on the Group's accounting policies for financial liabilities.

Details of their impact on the interim combined financial statements as well as the new requirements are described below.

(a) Classification of financial assets and financial liabilities

The following are the qualitative information regarding the reclassification between categories of financial instruments at the date of initial application of SFRS(I) 9.

Under SFRS(I) 9, financial assets are classified in the following categories: measured at amortised cost, FVOCI (debt instrument), FVOCI (equity instrument); or FVPL. The classification of financial assets under SFRS(I) 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. SFRS(I) 9 eliminates the previous SFRS 39 categories of held-to-maturity, loans and receivables and available-for-sale. Under SFRS(I) 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

The adoption of SFRS(I) 9 has not had a significant effect on the Group's accounting policies for financial assets (trade and other receivables, and cash and cash equivalents) and financial liabilities (trade and other payables, loans and borrowings) as the original measurement under SFRS 39 and the new measurement under SFRS(I) 9 for the Group's financial assets and financial liabilities are both classified at amortised cost.

APPENDIX C – INTERIM COMBINED FINANCIAL STATEMENTS OF THE TARGET GROUP FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018

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FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018

3 Summary of Significant Accounting Policies (cont'd)

3.2 Changes in accounting policies (cont'd)

Adoption of SFRS(I) 9 Financial Instruments (cont'd)

(b) Impairment of financial assets

SFRS(I) 9 replaces the “incurred loss” model in SFRS 39 with an “expected credit loss” (ECL) model. The new impairment model applies to financial assets measured at amortised cost and contract assets. Upon adoption of SFRS(I) 9, the Group presented impairment loss related to trade receivables and contract assets, separately in the statement of profit or loss. No impairment loss was recognised under SFRS 39 during the financial year ended 31 December 2017 as there was no objective evidence indicating that the financial assets were impaired.

On the date of initial application of SFRS(I) 9 on 1 January 2018, the reconciliation from closing balance of loss allowances to the opening balance loss allowances is provided below:

	Trade receivables S\$	Contract assets S\$	Total S\$
Closing balance as at 31 December 2017 (SFRS 39)	-	-	-
Amounts restated through retained earnings	141,575	8,425	150,000
Opening balance as at 1 January 2018	141,575	8,425	150,000

(b) Transition impact on equity

The following table summarises the impact, net of tax, of transition to SFRS(I) 9 on retained earnings at 1 January 2018.

	Impact of adopting SFRS(I) 9 at 1 January 2018 S\$
Retained earnings:	
Closing balance as at 31 December 2017 (SFRS 39)	1,078,911
Recognition of expected credit losses under SFRS(I) 9	(150,000)
Opening balance as at 1 January 2018 (SFRS(I) 9)	928,911

(c) Impact on the combined statement of cash flows

There were no material adjustments to the combined statement of cash flows arising from the transition from SFRS to SFRS(I) and the initial application of SFRS(I) 9.

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FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018

3 Summary of Significant Accounting Policies (cont'd)

3.3 SFRS(I)s and SFRS(I) INTs issued but not yet effective

SFRS(I) 16 Leases

SFRS(I) 16 sets out a revised framework for the recognition, measurement, presentation and disclosure of leases, and replaces SFRS(I) 1-17 *Leases*, SFRS(I) INT 4 *Determining whether an Arrangement contains a Lease*, SFRS(I) INT 1-15 *Operating Leases – Incentives*; and SFRS(I) INT 1-27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. SFRS(I) 16 requires lessees to recognise right-of-use assets and lease liabilities for all leases with a term of more than 12 months, except where the underlying asset is of low value. The right-of-use asset is depreciated and interest expense is recognised on the lease liability. The accounting requirements for lessors have not been changed substantially, and continue to be based on classification as operating and finance leases. Disclosure requirements have been enhanced for both lessors and lessees.

SFRS(I) 16 is effective for annual periods beginning on or after 1 January 2019. Early adoption is permitted for companies but only if it also apply SFRS(I) 15 *Revenue from Contracts with Customers* at or before the date of initial application of SFRS(I) 16. The Group plans to adopt SFRS(I) 16 on 1 January 2019 based on a permitted transition approach that does not restate comparative information, but recognises the cumulative effect of initially applying SFRS(I) 16 as an adjustment to the opening balance of retained earnings on 1 January 2019. The Group will elect the transition option to record, in respect of leases previously classified as operating leases, the right-of-use asset on 1 January 2019 at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments as at 31 December 2018.

As disclosed in Note 22, the Group has entered into operating leases of office properties as lessee. As at 30 September 2018, the minimum lease payments committed under non-cancellable operating leases amounted to S\$189,756. The Group will disclose the effect of right-of-use assets with corresponding lease liabilities under SFRS(I) 16 in the complete set of financial statements for the financial year ending 31 December 2018.

The Group's activities as a lessor are not material and the Group does not expect any significant impact on the financial statements. However, some additional disclosures will be required in the financial statements for the next financial year ending 31 December 2019.

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3 Summary of Significant Accounting Policies (cont'd)

3.4 Basis of consolidation and business combinations

i Basis of consolidation

The interim combined financial statements comprise the financial statements of the Company and its subsidiaries. Subsidiaries are entities over which the Group has control. The financial statements of the subsidiaries used in the preparation of the interim combined financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

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3 Summary of Significant Accounting Policies (cont'd)

3.4 Basis of consolidation and business combinations (cont'd)

ii Business combinations involving entities under common control

Business combinations involving entities under common control are accounted for by applying the merger accounting method which involves the following:

- The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the interim combined financial statements.
- No adjustments are made to reflect the fair values on the date of combination, or recognise any new assets or liabilities.
- No additional goodwill is recognised as a result of the combination.
- The combined statement of comprehensive income reflects the results of the combining entities for the full period, irrespective of when the combination takes place.
- Comparatives are presented as if the entities had always been combined since the date the entities had come under common control.

3.5 Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

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3 Summary of Significant Accounting Policies (cont'd)

3.5 Revenue recognition (cont'd)

Service contracts

A service contract is a contract specifically negotiated for the provision of professional Information Technology (“IT”) services, including sales of hardware and/or software products as required under the relevant contract terms.

The Group is restricted contractually from providing the immersive & interactive multimedia solutions for another use as they are being installed and has an enforceable right to payment for performance completed to date. Revenue is recognised over time, with reference to the percentage of completion of service contracts. The measure of percentage of completion is determined based on the goods and services transferred to date to the remaining goods or services promised under the service contract.

The customer is invoiced on a milestone payment schedule. If the value of the services rendered by the Group exceed the payments, a contract asset is recognised. If the payments exceed the value of the services rendered, a contract liability is recognised.

Marketing and exhibition support services

Revenue from marketing and exhibition support services is recognised at a point in time when the services are rendered.

Rental Income

Rental income from operating leases is recognised on a straight-line basis over the lease term.

Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

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3 Summary of Significant Accounting Policies (cont'd)

3.6 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

3.7 Leases

i When the Group is the lessee

Lessee – Finance leases

Leases where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the combined statement of financial position as property, plant and equipment and borrowings respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in profit or loss on a basis that reflects a constant periodic rate of interest on the finance lease liability.

Lessee – Operating leases

Leases of office properties where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in profit or loss when incurred.

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3 Summary of Significant Accounting Policies (cont'd)

3.7 Leases (cont'd)

- ii When the Group is the lessor

Lessor – Operating leases

Leases of freehold property where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in profit or loss when earned.

3.8 Foreign currency

- i Functional and presentation currency

The interim combined financial statements are presented in Singapore Dollar (“S\$”), which is also the Company’s functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

- ii Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

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3 Summary of Significant Accounting Policies (cont'd)

3.9 Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.10 Employee benefits

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

i Defined contribution plan

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

ii Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the annual reporting period is recognised for services rendered by employees up to the end of the reporting period. The liability for leave expected to be settled beyond twelve months from the end of the reporting period is determined using the project unit credit method. The net total of service costs, net interest on the liability and remeasurement of the liability are recognised in profit or loss.

3.11 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

i Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the combined statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

ii Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

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3 Summary of Significant Accounting Policies (cont'd)

3.11 Income tax (cont'd)

ii Deferred tax (cont'd)

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

The Group recognises a previously unrecognised deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it is incurred during the measurement period or in profit or loss.

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3 Summary of Significant Accounting Policies (cont'd)

3.11 Income tax (cont'd)

iii Current and deferred tax for the period

Current and deferred tax are recognised as income or an expense in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where the current and deferred tax arises from the initial accounting for a business combination, the tax effect is taken into account in the accounting for the business combination.

iv Sales tax

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- when the sales taxation that is incurred on purchase of assets or services is not recoverable from the taxation authorities, in which case the sales tax is recognised as part of cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the combined statement of financial position.

3.12 Property, plant and equipment

i Measurement

All items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

ii Depreciation

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

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3 Summary of Significant Accounting Policies (cont'd)

3.12 Property, plant and equipment (cont'd)

ii Depreciation (cont'd)

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year and adjusted as appropriate at each reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

The following useful lives are used in the calculation of depreciation:

Freehold property	30 years
Computers	5 years
Furniture and fittings	5 years
Motor vehicle	8 years
Office equipment	5 years
Plant and machinery	5 years
Renovation	5 years

iii Subsequent expenditure

Subsequent expenditure related to property, plant and equipment that has been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

iv Disposal

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Any amount in the revaluation reserve relating to that asset is transferred to retained earnings directly.

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3 Summary of Significant Accounting Policies (cont'd)

3.13 Investment property

Investment property comprise freehold property held for long-term rental yields and/or for capital appreciation, is initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using a straight-line method to allocate the depreciable amounts over the estimated useful lives of 30 years.

The residual values, useful lives and depreciation method of the investment property are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are included in profit or loss when the changes arise.

Investment property is derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss on the retirement or disposal of an investment property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in profit or loss in the year of retirement or disposal.

Transfers are made to or from investment property only when there is a change in use. When transfer is made between investment property and owner-occupied property, its carrying amount (cost less accumulated depreciation and impairment) at the date of transfer becomes its carrying amount for subsequent accounting.

When the cost model is applied, the fair value of the investment property is disclosed at each report date.

3.14 Impairment of non-financial assets

Non-financial assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

At the end of each financial year, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any), on an individual asset.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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3 Summary of Significant Accounting Policies (cont'd)

3.14 Impairment of non-financial assets (cont'd)

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount where the revaluation was previously taken to other comprehensive income. In this case, such impairment loss of revalued asset is treated as a revaluation decrease.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also credited to profit or loss.

3.15 Financial assets

Accounting policies which are applicable from 1 January 2018

i Classification and measurement

The Group classifies its financial assets in the following measurement categories:

- (i) Amortised cost;
- (ii) Fair value through other comprehensive income (FVOCI); and
- (iii) Fair value through profit or loss (FVPL).

The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

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3 Summary of Significant Accounting Policies (cont'd)

3.15 Financial assets (cont'd)

Accounting policies which are applicable from 1 January 2018 (cont'd)

i Classification and measurement (cont'd)

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

ii At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

iii At subsequent measurement

Debt instruments

Debt instruments mainly comprise of trade and other receivables and cash and cash equivalents.

Debt instruments are subsequently carried at amortised cost. Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

iv Impairment

The Group assesses, on a forward looking basis, the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 23.1 details how the Group determines whether there has been a significant increase in credit risk.

For trade and other receivables and contract assets, the Group applies the simplified approach permitted by the SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

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3 Summary of Significant Accounting Policies (cont'd)

3.15 Financial assets (cont'd)

v Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date - the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss.

Accounting policies applied until 31 December 2017

As disclosed in Note 3.2, the Group has applied SFRS(I) 9 retrospectively, but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Group's previous accounting policy below.

i Classification

The Group classifies its financial assets as loans and receivables. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

They are presented as current assets, except for those expected to be realised later than 12 months after the reporting period which are presented as non-current assets.

Loans and receivables are presented as "trade and other receivables" and "cash and cash equivalents" on the combined statements of financial position.

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3 Summary of Significant Accounting Policies (cont'd)

3.15 Financial assets (cont'd)

ii Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date - the date on which the Group commits to purchase or sell the asset.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the financial asset has expired, or has been transferred and transferred substantially all the risks and rewards of ownership of the financial asset to another entity.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of consideration received is recognised in profit or loss.

iii Initial measurement

Financial assets are initially recognised at fair value plus transaction costs.

iv Subsequent measurement

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

Impairment of loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The allowance for impairment loss account is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

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3 Summary of Significant Accounting Policies (cont'd)

3.16 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is presented in the combined statement of financial position, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.17 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

3.18 Financial liabilities

i Financial liabilities

An entity shall recognise a financial liability on its statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument.

Financial liability is recognised initially at fair value plus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue.

Financial liabilities (including loans and borrowings, and trade and other payables), are initially measured at fair value, plus any directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integrated part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

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3 Summary of Significant Accounting Policies (cont'd)

3.18 Financial liabilities (cont'd)

i Financial liabilities (cont'd)

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the reporting period.

ii Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3.19 Related parties

A related party is defined as follows:

A related party is a person or entity that is related to the entity that is preparing its interim combined financial statements ("reporting entity").

- a. A person or a close member of that person's family is related to the Group if that person:
 - i. has control or joint control over the reporting entity;
 - ii. has significant influence over the reporting entity; or
 - iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

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3 Summary of Significant Accounting Policies (cont'd)

3.19 Related parties (cont'd)

- b. An entity is related to the Group if any of the following conditions applies:
- i. the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - ii. one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - iii. both entities are joint ventures of the same third party.
 - iv. one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - v. the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - vi. the entity is controlled or jointly controlled by a person identified in (a).
 - vii. a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - viii. the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or the parent of the reporting entity.

3.20 Cash and cash equivalents

Cash and cash equivalents include cash at banks and on hand that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value.

3.21 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are charged to equity, net of any tax effects.

3.22 Dividends to the Controlling Shareholders

Dividend to the Controlling Shareholders are recognised when the dividends are approved for payment.

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4 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in Note 3 above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 Critical judgements in applying the accounting policies

In the process of applying the Group's accounting policies, there are no critical judgements that are expected to have a significant effect on the amounts recognised in the interim combined financial statements.

4.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) Estimated useful lives of property, plant and equipment and investment property

The cost of property, plant and equipment and investment property is depreciated on a straight-line basis over the estimated economic useful lives of the property, plant and equipment and investment property. Management estimates the useful lives of these property, plant and equipment and investment property as disclosed in Notes 3.12 and 3.13 respectively. Changes in the expected level of usage could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised. The carrying amounts of the property, plant and equipment and investment property as at 30 September 2018 are disclosed in Notes 12 and 13 respectively.

If depreciation on property, plant and equipment and investment property increases/(decreases) by 10% from management's estimate, the Group's results before tax will (decrease)/increase by approximately S\$9,858 (2017: S\$5,093).

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4 Critical Accounting Judgements and Key Sources of Estimation Uncertainty (cont'd)

4.2 Key sources of estimation uncertainty (cont'd)

(ii) Provision for expected credit losses of trade receivables and contract assets

The Group uses a provision matrix to calculate expected credit losses (“ECLs”) for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group’s historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group’s historical credit loss experience and forecast of economic conditions may also not be representative of customer’s actual default in the future. The information about the ECLs on the Group’s trade receivables and contract assets is disclosed in Note 23.1 to the interim combined financial statements.

Notwithstanding the above, the Group evaluates the expected credit loss on customers in financial difficulties separately. There are no customers in financial difficulties during the nine-month period ended 30 September 2018.

The carrying amounts of trade receivables and contract assets as at 30 September 2018 are S\$1,261,688 (2017: S\$1,084,637) and S\$1,676,624 (2017: S\$26,202) respectively.

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5 Revenue and Contract Balances

(a) Disaggregation of revenue from contracts with customers

The Group derives revenue from the delivery of services over time and at a point in time in the following major service lines and the majority of the Group's revenues are attributed to Singapore.

	For the nine-month period ended 30 September	
	<u>2018</u>	<u>2017</u>
	S\$	S\$
		(Unaudited)
<u>Major service lines and timing of revenue recognition</u>		
Revenue from service contracts - Over time	4,037,492	1,039,725
Revenue from marketing and exhibition support services - At a point in time	359,618	334,054
	<u>4,397,110</u>	<u>1,373,779</u>

(b) Contract balances

	<u>30.9.2018</u>	<u>31.12.2017</u>	<u>1.1.2017</u>
	S\$	S\$	S\$
<u>Contract assets - current</u>			
Service contracts	1,685,049	26,202	94,042
Less: Loss allowance	(8,425)	-	-
	<u>1,676,624</u>	<u>26,202</u>	<u>94,042</u>
<u>Contract liabilities - current</u>			
Service contracts	-	269,321	53,220

Contract assets relate to the Group's right to consideration for work on service contracts completed but not billed at the reporting date. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when invoices are billed to the customer.

Contract liabilities relate to the Group's obligation to transfer goods or services to customer for which the Group has yet to transfer to the customer the goods or services promised in the service contract but billed at the reporting date. Contract liabilities are recognised as revenue as the Group performs under the contract.

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5 Revenue and Contract Balances (cont'd)

(b) Contract balances (cont'd)

Significant changes in contract assets and contract liabilities are explained as follows:

	<u>30.9.2018</u> S\$	<u>31.12.2017</u> S\$	<u>1.1.2017</u> S\$
<u>Contract assets</u>			
Contract asset reclassified to receivables	(26,202)	(94,042)	-
Performance obligations satisfied but not yet billed at reporting date	1,685,049	26,202	94,042
Impairment loss on contract asset	(8,425)	-	-
	<u>1,650,422</u>	<u>(67,840)</u>	<u>94,042</u>
<u>Contract liabilities</u>			
Revenue recognised that was included in the contract liability balance at the beginning of the period	(269,321)	(53,220)	-
Increases due to the Group billed in advance but yet delivered the promised goods or services at the reporting date, excluding amounts recognised as revenue during the year	-	269,321	53,220
	<u>(269,321)</u>	<u>216,101</u>	<u>53,220</u>

The Group recognised a loss allowance of S\$8,425 for contract assets following the adoption of SFRS(I) 9 (Note 23.1).

6 Other Income

	For the nine-month period ended 30 September	
	<u>2018</u> S\$	<u>2017</u> S\$
		(Unaudited)
Interest income	5	4
Government grants	181,691	161,034
Gain on disposal of property, plant and equipment	83,128	-
Rental income	8,700	-
Miscellaneous income	-	129
	<u>273,524</u>	<u>161,167</u>

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7 Salaries and Employees' Benefits

	For the nine-month period ended 30 September	
	<u>2018</u>	<u>2017</u>
	S\$	S\$
	(Unaudited)	
Wages and salaries*	1,119,416	444,179
Contributions to defined contribution plans*	139,744	50,502
Directors' fee	125,875	109,882
Other staff related costs	33,758	29,939
	<u>1,418,793</u>	<u>634,502</u>

* These include the amounts shown as Directors' remuneration in Note 21(b) to the interim combined financial statements.

8 Other Operating Expenses

	For the nine-month period ended 30 September	
	<u>2018</u>	<u>2017</u>
	S\$	S\$
	(Unaudited)	
Professional fees	22,033	13,477
Travelling expenses	38,520	10,001
Office rental	81,641	30,600
Entertainment and refreshment	20,096	58,782
Transport and delivery	34,853	27,617
Training	938	7,000
Advertisement	27,049	4,225
Others	74,432	39,391
	<u>299,562</u>	<u>191,093</u>

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9 Finance Costs

	For the nine-month period ended 30 September	
	<u>2018</u>	<u>2017</u>
	S\$	S\$
	(Unaudited)	
Interest on finance lease liability	1,060	1,059
Interest on bank borrowings	24,221	11,559
	<u>25,281</u>	<u>12,618</u>

10 Income Tax Expense

	For the nine-month period ended 30 September	
	<u>2018</u>	<u>2017</u>
	S\$	S\$
	(Unaudited)	
Combined statement of comprehensive income:		
Current tax:		
- Current income taxation	368,789	2,159

A reconciliation between the expense and the product of accounting profit is as follows:

	For the nine-month period ended 30 September	
	<u>2018</u>	<u>2017</u>
	S\$	S\$
	(Unaudited)	
Profit before income tax	2,321,326	312,774
Income tax expense calculated at the statutory tax rate of 17% (2017: 17%)	394,625	53,172
Effect of:		
- Expenses not deductible for tax purposes	3,309	3,867
- Income not subject to tax	(29,891)	(5,955)
- Tax incentives	(35,925)	(121,603)
- Deferred tax assets unrecognised	36,671	72,678
Income tax expense recognised in profit or loss	<u>368,789</u>	<u>2,159</u>

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10 Income Tax Expense (cont'd)

Subject to the agreement by relevant tax authorities, at the end of the financial period, the Group has unutilised tax losses of approximately S\$446,000 (2017: S\$230,000) available for offset against future taxable profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams. Unutilised tax losses may be carried forward indefinitely subject to the conditions imposed by law.

11 Earnings per Share

Earnings per share information is not prepared as its inclusion, for the purpose of this interim combined financial statements, is not considered meaningful due to the Restructuring Exercise and the preparation of the results for the nine-month period ended 30 September 2018 on a combined basis as disclosed in Note 2 to the interim combined financial statements.

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12 Property, Plant and Equipment

	At cost							
	Freehold property S\$	Computers S\$	Furniture and fittings S\$	Motor vehicle S\$	Office equipment S\$	Plant and machinery S\$	Renovation S\$	Total S\$
Cost								
Balance at 1 January 2018	879,264	178,875	7,704	92,923	145,579	-	68,921	1,373,266
Additions	-	40,677	24,608	-	76,672	-	2,780	144,737
Disposals	-	-	-	-	(127,097)	-	-	(127,097)
Transferred to investment property (Note 13)	(879,264)	-	-	-	-	-	-	(879,264)
Balance at 30 September 2018	-	219,552	32,312	92,923	95,154	-	71,701	511,642
Accumulated depreciation								
Balance at 1 January 2018	146,544	45,365	224	31,941	9,647	-	221	233,942
Depreciation charge	-	31,167	4,150	8,711	21,856	-	10,709	76,593
Disposals	-	-	-	-	(23,725)	-	-	(23,725)
Transferred to investment property (Note 13)	(146,544)	-	-	-	-	-	-	(146,544)
Balance at 30 September 2018	-	76,532	4,374	40,652	7,778	-	10,930	140,266
Net carrying amount								
Balance at 30 September 2018	-	143,020	27,938	52,271	87,376	-	60,771	371,376

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12 Property, Plant and Equipment (cont'd)

	← At cost →									
	Freehold property S\$	Computers S\$	Furniture and fittings S\$	Motor vehicle S\$	Office equipment S\$	Plant and machinery S\$	Renovation S\$	Total S\$		
<u>Cost</u>										
Balance at 1 January 2017	879,264	57,905	-	92,923	-	-	-	1,030,092		
Additions	-	120,970	7,704	-	145,579	-	68,921	343,174		
Balance at 31 December 2017	879,264	178,875	7,704	92,923	145,579	-	68,921	1,373,266		
<u>Accumulated depreciation</u>										
Balance at 1 January 2017	117,235	20,419	-	20,326	-	-	-	157,980		
Depreciation charge	29,309	24,946	224	11,615	9,647	-	221	75,962		
Balance at 31 December 2017	146,544	45,365	224	31,941	9,647	-	221	233,942		
<u>Net carrying amount</u>										
Balance at 31 December 2017	732,720	133,510	7,480	60,982	135,932	-	68,700	1,139,324		

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12 Property, Plant and Equipment (cont'd)

Assets pledged as security

Freehold property with a carrying amount of Nil (2017: S\$732,720) has been mortgaged to secure a bank borrowing of the Group (Note 17). The Group is not allowed to pledge its freehold property as security for other borrowings or to sell them to another entity.

In addition, finance lease liability (Note 17) is secured by the lessor's title to the leased asset, which has a carrying amount of S\$52,271 (2017: S\$60,982) as at the respective reporting dates.

Transferred to investment property

The freehold property was transferred to investment property (Note 13) on 1 January 2018, because it was no longer used/occupied by the Group from 1 January 2018 onwards and subsequently it was leased to a third party in July 2018 for a period of 3 years.

13 Investment Property

	Freehold Property, at Cost	
	30.9.2018	31.12.2017
	S\$	S\$
<u>Cost</u>		
Balance at beginning of financial period	-	-
Transferred from property, plant and equipment (Note 12)	732,720	-
Balance at end of financial period	<u>732,720</u>	<u>-</u>
<u>Accumulated depreciation</u>		
Balance at beginning of financial period	-	-
Depreciation charge	21,982	-
Balance at end of financial period	<u>21,982</u>	<u>-</u>
<u>Net carrying amount</u>		
Balance at end of financial period	<u>710,738</u>	<u>-</u>

Investment property is leased to a non-related party under an operating lease (Note 22) and is mortgaged to secure a bank borrowing (Note 17).

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13 Investment Property (cont'd)

The investment property held by the Group as at 30 September 2018 is as follows:

<u>Description and location</u>	<u>Tenure</u>	<u>Existing use</u>
Factory on the 9 th Storey of the building located at 18 Howard Road, #09-05, Singapore 369585	Freehold	Commercial

The property rental income earned by the Group from its investment property, all of which is leased out under operating lease, amounted to S\$8,700 (2017: Nil). Direct operating expenses arising on the investment property in the period amounted to S\$4,758 (2017: Nil). Other direct operating expenses arising from investment property that did not generate rental income is S\$16,652 (2017: Nil).

Fair value hierarchy – Recurring fair value measurements

Details of the investment property and information about the fair value hierarchy are as follows:

	<u>Level 1</u> S\$	<u>Level 2</u> S\$	<u>Level 3</u> S\$	<u>Carrying amount</u> S\$
<u>30 September 2018</u>				
- Commercial property	-	1,144,000	-	710,738
<u>31 December 2017</u>				
- Commercial property	-	-	-	-

Valuation techniques and inputs used to derive Level 2 fair values

Level 2 fair value of the property was derived using the sales comparison approach. Sales prices of comparable properties in close proximity were adjusted for differences in key attributes such as property size. The most significant input into this valuation approach is the selling price per square metre.

There were no changes in valuation techniques during the current financial period.

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14 Trade and Other Receivables

	<u>30.9.2018</u>	<u>31.12.2017</u>	<u>1.1.2017</u>
	S\$	S\$	S\$
Trade receivables (third parties):			
- Receivables	1,377,928	1,059,302	460,232
- Retention sum	25,335	25,335	34,757
Less: Loss allowance	(141,575)	-	-
	<u>1,261,688</u>	<u>1,084,637</u>	<u>494,989</u>
Other receivables - third parties	750	5,500	2,029
Deposits	24,855	28,021	11,956
Amount due from a related party	<u>35,610</u>	<u>35,610</u>	<u>35,610</u>
Total trade and other receivables	1,322,903	1,153,768	544,584
Add: Cash and cash equivalents (Note 15)	<u>754,836</u>	<u>283,849</u>	<u>268,543</u>
Total debt instruments	<u>2,077,739</u>	<u>1,437,617</u>	<u>813,127</u>

Trade receivables are unsecured, non-interest bearing and have an average credit period of 30 days.

Amount due from a related party is non-trade in nature, unsecured, interest-free, repayable on demand and is to be settled in cash.

Trade and other receivables are denominated in Singapore dollar.

Expected credit losses

The movement in allowance for expected credit losses of trade receivables computed based on lifetime expected credit losses are disclosed in Note 23.1 to the interim combined financial statements.

15 Cash and Cash Equivalents

	<u>30.9.2018</u>	<u>31.12.2017</u>
	S\$	S\$
Cash at bank	754,833	283,846
Cash on hand	<u>3</u>	<u>3</u>
Cash and cash equivalents as per combined statement of cash flows	<u>754,836</u>	<u>283,849</u>

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15 Cash and Cash Equivalents (cont'd)

Cash and cash equivalents are denominated in the followings currencies:

	<u>30.9.2018</u>	<u>31.12.2017</u>
	S\$	S\$
Singapore dollar	742,112	272,810
United States dollar	12,724	11,039
	<u>754,836</u>	<u>283,849</u>

16 Trade and Other Payables

	<u>30.9.2018</u>	<u>31.12.2017</u>	<u>1.1.2017</u>
	S\$	S\$	S\$
Trade payables - third parties	-	59,718	-
Other payables - third parties	9,310	6,001	62,718
Amount due to a controlling shareholder	136,000	-	-
GST payables	74,743	66,665	1,395
Total trade and other payables	<u>220,053</u>	<u>132,384</u>	<u>64,113</u>
Add: Dividend payable (Note 20)	1,650,000	-	-
Add: Loans and borrowings (Note 17)	1,042,840	799,180	846,408
Total financial liabilities carried at amortised cost	<u>2,912,893</u>	<u>931,564</u>	<u>910,521</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled on 30-day (2017: 30-day) terms.

Amount due to a controlling shareholder is non-trade in nature, unsecured, interest-free, repayable on demand and is to be settled in cash.

Trade and other payables are denominated in Singapore dollar.

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17 Loans and Borrowings

	<u>30.9.2018</u>	<u>31.12.2017</u>
	S\$	S\$
Current liabilities:		
- Finance lease liability	12,764	12,410
- Bank borrowings, secured	78,580	28,004
	<u>91,344</u>	<u>40,414</u>
Non-current liabilities:		
- Finance lease liability	5,799	15,461
- Bank borrowings, secured	945,697	743,305
	<u>951,496</u>	<u>758,766</u>
Total loans and borrowings	<u>1,042,840</u>	<u>799,180</u>

Bank borrowings, secured comprise:

	<u>30.9.2018</u>	<u>31.12.2017</u>
	S\$	S\$
Property loan:		
- Current	24,430	28,004
- Non-current	724,847	743,305
	<u>749,277</u>	<u>771,309</u>
Working capital loan:		
- Current	54,150	-
- Non-current	220,850	-
	<u>275,000</u>	<u>-</u>
Total bank borrowings, secured	<u>1,024,277</u>	<u>771,309</u>

(i) Finance lease liability

Finance lease relate to a motor vehicle with a lease term of 5 years. The finance lease liability is secured by the lessor's title to the leased asset, as the legal title is retained by the lessor and will be transferred to the Group upon full settlement of the finance lease liability.

The effective interest rate per annum during the financial period is 4.34% (2017: 4.34%).

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17 Loans and Borrowings (cont'd)

(i) Finance lease liability (cont'd)

	<u>30.9.2018</u> S\$	<u>31.12.2017</u> S\$
Minimum lease payments due:		
- Not later than one year	13,824	13,824
- Between one and five years	6,506	17,228
	<u>20,330</u>	<u>31,052</u>
Less: Future finance charges	(1,767)	(3,181)
Present value of finance lease liability	<u>18,563</u>	<u>27,871</u>

The present values of finance lease liability are analysed as follows:

	<u>30.9.2018</u> S\$	<u>31.12.2017</u> S\$
Not later than one year	12,764	12,410
Between one and five years	5,799	15,461
Total	<u>18,563</u>	<u>27,871</u>

(ii) Bank borrowings, secured

Property loan

As at 30 September 2018, this loan is repayable in 240 instalments and bears interest at 4.23% below the Bank's Commercial Financing Rate ("BCFR") for the 1st and 2nd year, 3.87% below the BCFR for the 3rd year and thereafter at 2.80% over the applicable 3-month Singapore Interbank Offered Rate ("SIBOR"). Currently, BCFR is at 5.75% per annum.

As at 31 December 2017, this loan is repayable in 240 instalments and bears interest at the bank's prevailing Enterprise Financing Rate ("BPEFR") minus 4.42% for the 1st year, BPEFR minus 4.02% for the 2nd year and thereafter at BPEFR. As at 31 December 2017, the BPEFR is at 6.00% per annum.

This loan is secured by a first legal mortgage over the Group's investment property (Notes 12 and 13) and joint and several guarantee by the directors of the Company.

Working capital loan

As at 30 September 2018, this loan is repayable in 60 equal monthly instalments and bears interest at 6.25% (2017: Nil) per annum.

This loan is secured by joint and several guarantees from the directors of the Company.

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18 Share Capital

	31.12.2017 and 30.09.2018 Number of shares	31.12.2017 and 30.09.2018 S\$
Fully paid ordinary shares:		
Balance at beginning and end of the financial period/year	3	3

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares have no par value and carry one vote per share without restriction.

19 Non-controlling interests

	30.9.2018 S\$	31.12.2017 S\$
Balance at the beginning of the financial period/year	171,974	88,808
Share of (loss)/profit for the financial period/year	(30,020)	83,166
Incorporation of a subsidiary	8,000	-
Balance at the end of the financial period/year	149,954	171,974

Interest in a subsidiary with material non-controlling interests

The Group has the following subsidiary that has material non-controlling interests:

<u>Company name</u>	<u>Country of incorporation and principal place of business</u>	<u>Proportion of ownership interests held by</u>		<u>Profit allocated to</u>		<u>Accumulated</u>	
		<u>non-controlling interests</u>	<u>non-controlling interests</u>	<u>non-controlling interests</u>	<u>non-controlling interests</u>	<u>non-controlling interests</u>	<u>non-controlling interests</u>
		<u>30.9.2018</u>	<u>31.12.2017</u>	<u>30.9.2018</u>	<u>31.12.2017</u>	<u>30.9.2018</u>	<u>31.12.2017</u>
				S\$	S\$	S\$	S\$
Newood Design Pte. Ltd.	Singapore	51%	50%	(23,495)	83,166	148,479	171,974
Individually immaterial subsidiary with non-controlling interests						1,475	-
						149,954	171,974

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19 Non-controlling interests (cont'd)

Summarised financial information in respect of each of the Group's subsidiary that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

Newood Design Pte. Ltd.

	<u>30.9.2018</u>	<u>31.12.2017</u>
	S\$	S\$
Current assets	202,523	242,769
Non-current assets	123,936	147,648
Current liabilities	(17,642)	(31,007)
Non-current liabilities	(5,799)	(15,461)
Equity attributable to owners of the Company	154,539	171,974
Non-controlling interests	<u>148,479</u>	<u>171,974</u>
Revenue	390,835	693,293
Other income	1,254	66,860
Total expenses (including income tax expense)	(440,038)	(593,822)
(Loss)/profit for the period/year	<u>(47,949)</u>	<u>166,331</u>
(Loss)/profit attributable to owners of the Company	(24,454)	83,165
(Loss)/profit attributable to the non-controlling interests	(23,495)	83,166
(Loss)/profit for the period/year	<u>(47,949)</u>	<u>166,331</u>
Total comprehensive (loss)/income attributable to owners of the Company	(24,454)	83,165
Total comprehensive (loss)/income attributable to the non-controlling interests	(23,495)	83,166
Total comprehensive (loss)/income for the period/year	<u>(47,949)</u>	<u>166,331</u>

20 Dividends

	<u>30.9.2018</u>	<u>31.12.2017</u>
	S\$	S\$
<u>Revez Motion Pte. Ltd.</u>		
<i>Ordinary dividends</i>		
Final dividend declared in respect of the financial year ending 31 December 2018 of S\$10.28 (2017: Nil) per share	<u>1,650,000</u>	<u>-</u>

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20 Dividends (cont'd)

Dividend of S\$1,650,000 (“Dividend Payment”) is not paid during the nine-month period ended 30 September 2018. The dividend payable is unsecured, interest-free and is to be settled in cash. Dividend declared will be paid to the shareholders of Revez Motion Pte. Ltd. provided always that the Enlarged Group comprising Jason Holdings Limited and the Group after completion of the Proposed Acquisition (as described in Note 24) has sufficient working capital to meet its present requirements.

In line with the condition set out above and to ensure that the working capital is sufficient for the next twelve (12) months, the Enlarged Group provides an undertaking as follows:

- (i) The Enlarged Group cannot draw down on bank loans to make the Dividend Payment;
- (ii) The Enlarged Group’s working capital requirements should be met before making the payment (whether in full or partial payments); and
- (iii) The placement proceeds from the Proposed Compliance Placement (as referred to in Section 4 of the Letter to Shareholders from the Board of Directors of Jason Holdings Limited) will not be used to make the Dividend Payment.

21 Significant Related Party Transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and other related parties at terms agreed between the parties.

	For the nine-month period ended 30 September	
	<u>2018</u>	<u>2017</u>
	S\$	S\$
	(Unaudited)	
Purchases of goods and services from:		
- related parties	728	684
Advances from a controlling shareholder	136,000	16,000
Advances to a controlling shareholder	<u>-</u>	<u>20,000</u>

Related parties comprise mainly companies which are controlled by the controlling shareholders of the Group.

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21 Significant Related Party Transactions (cont'd)

Compensation of key management personnel

The remuneration of the key management personnel of the Group during the financial period were as follows:

	For the nine-month period ended 30 September	
	<u>2018</u>	<u>2017</u>
	S\$	S\$
		(Unaudited)
Wages and salaries	90,000	29,185
Employer's contribution to defined contribution plans, including Central Provident Fund	18,540	4,422
Directors' fee	125,875	109,882
	<u>234,415</u>	<u>143,489</u>

The above remuneration mainly comprises amounts paid to directors of the subsidiary. The directors of the Company did not receive any remuneration for the nine-month period ended 30 September 2018 and 2017.

22 Operating Lease Commitments

(a) Where the Group is a lessee

The Group leases office properties from non-related parties under non-cancellable operating lease agreements. The leases have varying terms. There is no renewal option or contingent rental.

Future minimum rental payable under non-cancellable operating leases as at the end of the reporting periods are as follows:

	<u>30.9.2018</u>	<u>31.12.2017</u>
	S\$	S\$
Not later than 1 year	100,240	98,821
Later than 1 year but not later than 5 years	89,516	164,873
	<u>189,756</u>	<u>263,694</u>

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23 Operating Lease Commitments (cont'd)

(b) Where the Group is a lessor

The Group leases out its freehold property (Note 13) to a non-related party under non-cancellable operating lease agreement with a lease term of 3 years. The lessee does not have an option to purchase freehold property at the expiry of the lease period.

Future minimum rental receivables under non-cancellable operating lease as at the end of the reporting period are as follows:

	<u>30.9.2018</u>	<u>31.12.2017</u>
	S\$	S\$
Not later than 1 year	37,236	-
Later than 1 year but not later than 5 years	66,715	-
	<u>103,951</u>	<u>-</u>

23 Financial Instruments, Financial Risks and Capital Management

The Group's activities expose it to financial risks (including credit risk, foreign currency risk, interest rate risk and liquidity risk). The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The management then establishes the detailed policies such as risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors.

There has been no change in the exposure to these financial risks or the manner in which it manages and measures the risk. The Group does not hold or issue derivative financial instruments for trading purposes.

23.1 Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a loss to the Group. The Group adopts the policy of dealing only with customers of appropriate credit standing and history. The Group performs ongoing credit evaluation of its counterparties' financial condition and does not require collaterals.

The Group does not have any significant credit exposure to any single counterparty or any group of counterparties having similar characteristics except for the top 2 (2017: 2) trade receivables (excluding retention sum) from third parties amounting to S\$501,206 (2017: S\$776,110) which accounts for 36% (2017: 73%) of the trade receivables as at the end of the financial period/year.

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23 Financial Instruments, Financial Risks and Capital Management (cont'd)

23.1 Credit risk (cont'd)

As the Group does not hold collateral, the maximum exposure to credit risk to each class of financial instruments is the carrying amount of that class of financial instruments presented on the combined statement of financial position.

The major classes of financial instruments are trade and other receivables and cash and cash equivalents.

The movements in credit loss allowance are as follows:

	<u>Trade receivables</u> S\$	<u>Contract assets</u> S\$	<u>Total</u> S\$
Balance at 1 January 2018 under SFRS	-	-	-
Application of SFRS(I) 9	141,575	8,425	150,000
Balance at 1 January 2018 and 31 December 2018 under SFRS(I) 9	<u>141,575</u>	<u>8,425</u>	<u>150,000</u>

Trade receivables and contract assets

The Group uses a provision matrix to measure the lifetime expected credit loss allowance for trade receivables and contract assets.

In measuring the expected credit losses, trade receivables and contract assets are grouped based on shared credit risk characteristics and days past due. The contract assets relate to service contract work-in-progress, which have substantially the same risk characteristics as the trade receivables for the same type of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

In calculating the expected credit loss rates, the Group considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified the gross domestic product (GDP) and the unemployment rate of Singapore, which is the country in which it sells goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

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23 Financial Instruments, Financial Risks and Capital Management (cont'd)

23.1 Credit risk (cont'd)

Trade receivables and contract assets (cont'd)

The credit risk exposure in relation to trade receivables and contract assets under SFRS(I) 9 as at 30 September 2018 are set out in the provision matrix as follows:

	<u>Current</u>	<u>Within 30</u>	<u>30 to 60</u>	<u>60 to 90</u>	<u>90 to 180</u>	<u>More than</u>	<u>Total</u>
	<u>S\$'000</u>	<u>days</u>	<u>days</u>	<u>days</u>	<u>days</u>	<u>180 days</u>	<u>S\$'000</u>
		<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	
Service Contracts							
Expected loss rate	0.5%	1.0%	1.2%	1.5%	2.0%	50.0%	
Contract assets	1,685	-	-	-	-	-	1,685
Trade receivables	251	343	227	126	45	262	1,254
Loss allowance	10	3	3	2	1	131	150
Marketing and exhibition support services							
Expected loss rate	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Trade receivables	63	46	-	1	39	-	149
Loss allowance	-	-	-	-	-	-	-

Write-off policy

Trade receivables and contract assets are written off when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Where receivables are written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

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23 Financial Instruments, Financial Risks and Capital Management (cont'd)

23.1 Credit risk (cont'd)

Significant increase in credit risk

To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forwarding-looking information which includes the following indicators:

- (i) Internal credit rating
- (ii) External credit rating (if available)
- (iii) Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations
- (iv) Actual or expected significant changes in the operating results of the borrower
- (v) Significant increases in credit risk on other financial instruments of the same borrower
- (vi) Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements
- (vii) Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

Credit-impaired financial assets

The Group determined that its financial assets are credit-impaired when:

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- (e) the disappearance of an active market for that financial asset because of financial difficulties; or
- (f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

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23 Financial Instruments, Financial Risks and Capital Management (cont'd)

23.1 Credit risk (cont'd)

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with a reasonable payment record and no history of default with the Group. Cash and cash equivalents that are neither past due nor impaired are placed with or entered into with reputable banks with high credit ratings and no history of default.

23.2 Foreign currency risk

Foreign currency risks arise from transactions denominated in currencies other than the functional currency of the entities within the Group. The currencies that give rise to this risk are primarily United States dollar.

The Group does not hedge foreign currency exposure using derivative financial instruments. The Group manages foreign currency risks by close monitoring of the timing of inception and settlement of the foreign currency transactions.

The Group monitors foreign exchange risks closely and maintains funds in various currencies to minimise currency exposure due to timing differences between sales and purchases. Currency translation risk arises when commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

The carrying amounts of the foreign currency denominated monetary assets and monetary liabilities at the end of the reporting date are as follows:

	<u>30.9.2018</u>	<u>31.12.2017</u>
	S\$	S\$
Monetary assets		
United States dollar	12,724	11,039
	<hr/>	<hr/>
Monetary liabilities		
United States dollar	-	-
	<hr/>	<hr/>

Foreign currency sensitivity analysis

Sensitivity analysis is not disclosed as the amounts (as shown above) are insignificant.

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23 Financial Instruments, Financial Risks and Capital Management (cont'd)

23.3 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in market interest rates.

The interest rates are fixed for the interest bearing assets and liabilities, except for bank borrowings which bears a variable interest rate as disclosed in Note 17. If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's results before tax would decrease/increase by S\$5,121 (2017: S\$3,857).

23.4 Liquidity risk

Liquidity risk refers to the risk in which the Group encounter difficulties in meeting short-term obligations. Liquidity risks are managed by matching the payment and receipt cycle.

The following table details the remaining contractual maturity for their non-derivative financial instruments. The table has been drawn up based on undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the Group are expected to receive or pay.

Contractual maturity analysis

	1 year or <u>less</u> S\$	<u>1 to 5 years</u> S\$	<u>After 5 years</u> S\$	<u>Total</u> S\$	<u>Carrying amount</u> S\$
30 September 2018					
Financial liabilities:					
- Trade and other payables	220,053	-	-	220,053	220,053
- Dividend payable	1,650,000	-	-	1,650,000	1,650,000
- Loans and borrowings	152,505	532,058	806,802	1,491,365	1,042,840
	<u>2,022,558</u>	<u>532,058</u>	<u>806,802</u>	<u>3,361,418</u>	<u>2,912,893</u>
31 December 2017					
Financial liabilities:					
- Trade and other payables	401,705	-	-	401,705	401,705
- Loans and borrowings	73,068	291,884	926,964	1,291,916	799,180
	<u>474,773</u>	<u>291,884</u>	<u>926,964</u>	<u>1,693,621</u>	<u>1,200,885</u>

The carrying amounts of the financial liabilities with a maturity of less than one year approximate to the contractual undiscounted cash flow amounts.

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23 Financial Instruments, Financial Risks and Capital Management (cont'd)

23.5 Capital management policies and objectives

The Group's objective when managing capital, which remained unchanged from 2017, is to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders' value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings. Capital adequacy is monitored monthly by management.

In the management of capital risk, management takes into consideration the net debt against equity ratios as well as the Group's working capital requirement. The net debt against equity rating is calculated as net debt divided by total equity. Net debt is calculated as total liabilities less cash and cash equivalents. Total equity comprises share capital and reserves attributable to equity holders of the Company.

	<u>30.9.2018</u>	<u>31.12.2017</u>
	S\$	S\$
Net debt	2,532,716	922,906
Total equity	<u>1,398,971</u>	<u>1,224,414</u>
Net debt against equity ratio	<u>1.81</u>	<u>0.75</u>

For the nine-month period ended 30 September 2018 and the financial year ended 31 December 2017, the Group is not subjected to any externally imposed capital requirements.

23.6 Fair value of financial assets and financial liabilities

Financial instruments that are not carried at fair value whose carrying amounts are reasonable approximation of fair value

Management considers that the carrying amounts of financial assets and liabilities other than loans and borrowings recorded at amortised cost in the interim combined financial statements are reasonable approximation of fair values, due to their short-term maturity nature.

The carrying amounts of the current portion of loans and borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

The fair values of non-current loans and borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the end of the reporting period.

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23 Financial Instruments, Financial Risks and Capital Management (cont'd)

23.6 Fair value of financial assets and financial liabilities (cont'd)

There is no significant change in rate for similar types of leasing arrangements as at reporting date and therefore the fair values of the loans and borrowings approximates the carrying amount.

24 Event Occurring After the Reporting Period

On 2 November 2018, Jason Holdings Limited (a limited liability company incorporated in Singapore and listed on the Catalist Board of the Singapore Exchange Securities Trading Limited, the “Purchaser”) entered into a sale and purchase agreement (the “SPA”) with the controlling shareholders and the Company (collectively, the “Parties”), pursuant to which the Purchaser will acquire the entire issued and paid up share capital of the Company from the controlling shareholders, upon the terms and conditions of the SPA (the “Proposed Acquisition”), for an aggregate consideration of S\$42,660,000 (the “Purchase Consideration”).

The Purchase Consideration shall be satisfied in full by the allotment and issuance of 11,642,995,836 new shares of the Purchaser (the “Consideration share”) at an issue price of approximately S\$0.003664 per Consideration Share. The Consideration Shares shall be issued as fully-paid shares and rank *pari passu* in all respects with and carry all rights similar to the shares in issue then, except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls on or before the date of issue of the Consideration Shares.

The Proposed Acquisition may result in a reverse takeover pursuant to Rule 1015 of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) Listing Manual Section B: Rules of Catalist (the “Catalist Rules”). Accordingly, where the Proposed Acquisition results in a reverse takeover of the Purchaser, the Proposed Acquisition will be subject, *inter alia*, to the approval of the SGX-ST and the shareholders of the Purchaser at an extraordinary general meeting of the Purchaser to be convened.

Pursuant to the SPA, the Parties agree that after Completion, in relation to IOIO Lab Pte. Ltd. (“IOIO Lab”), where the revenue for IOIO Lab in a financial year amounts to or exceeds S\$3 million, the minority shareholder of IOIO Lab is entitled to purchase up to 25% of the issued and paid-up capital of IOIO Lab from the Group for a consideration of S\$75,000.

APPENDIX C – INTERIM COMBINED FINANCIAL STATEMENTS OF THE TARGET GROUP FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018

REVEZ GROUP PTE. LTD. (Incorporated in Singapore)

AND ITS SUBSIDIARIES

NOTES TO THE INTERIM COMBINED FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018

25 Audited Reconciliation of the Singapore Financial Reporting Standards (“FRS”) to Singapore Financial Reporting Standards (International) (“SFRS(I)”) for the financial year ended 31 December 2017

The following sets out the reconciliation of differences between FRS and SFRS(I) for the combined statement of financial position, combined statement of comprehensive income, combined statement of changes in equity and combined statement of cash flows of the Group for the financial year ended 31 December 2017 and the combined statement of financial position as at 1 January 2017 (date of initial application) and 1 January 2018.

Combined statement of financial position

As at 1 January 2017	As reported under FRS S\$	Effects of applying SFRS(I) 15 S\$	As reported under SFRS(I) S\$
Non-current asset			
Property, plant and equipment	872,112	-	872,112
Total non-current asset	872,112	-	872,112
Current assets			
Contract assets	-	94,042	94,042
Trade and other receivables	638,626	(94,042)	544,584
Cash and cash equivalents	268,543	-	268,543
Total current assets	907,169	-	907,169
Less:			
Current liabilities			
Trade and other payables	117,333	(53,220)	64,113
Contract liabilities	-	53,220	53,220
Loans and borrowings	47,227	-	47,227
Current tax liabilities	2,992	-	2,992
Total current liabilities	167,552	-	167,552
Net current assets	739,617	-	739,617
Non-current liability			
Loans and borrowings	799,181	-	799,181
Total non-current liability	799,181	-	799,181
Net assets	812,548	-	812,548
Equity			
Share capital	3	-	3
Merger reserve	145,500	-	145,500
Retained earnings	578,237	-	578,237
Equity attributable to equity owners of the Company	723,740	-	723,740
Non-controlling interests	88,808	-	88,808
Total equity	812,548	-	812,548

APPENDIX C – INTERIM COMBINED FINANCIAL STATEMENTS OF THE TARGET GROUP FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018

**REVEZ GROUP PTE. LTD.
(Incorporated in Singapore)**

AND ITS SUBSIDIARIES

NOTES TO THE INTERIM COMBINED FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018

25 Audited Reconciliation of the Singapore Financial Reporting Standards (“FRS”) to Singapore Financial Reporting Standards (International) (“SFRS(I)”) for the financial year ended 31 December 2017 (cont’d)

Combined statement of financial position (cont’d)

	← 31 December 2017 →			← 1 January 2018 →	
As at 31 December 2017	As reported under FRS S\$	Effects of applying SFRS(I) 15 S\$	As reported under SFRS(I) S\$	Effects of applying SFRS(I) 9 S\$	As reported under SFRS(I) S\$
Non-current asset					
Property, plant and equipment	1,139,324	-	1,139,324	-	1,139,324
Total non-current asset	1,139,324	-	1,139,324	-	1,139,324
Current assets					
Work-in-progress	26,202	(26,202)	-	-	-
Contract assets	-	26,202	26,202	-	26,202
Trade and other receivables	1,153,768	-	1,153,768	(150,000)	1,003,768
Cash and cash equivalents	283,849	-	283,849	-	283,849
Total current assets	1,463,819	-	1,463,819	(150,000)	1,313,819
Less:					
Current liabilities					
Trade and other payables	401,705	(269,321)	132,384	-	132,384
Contract liabilities	-	269,321	269,321	-	269,321
Loans and borrowings	40,414	-	40,414	-	40,414
Current tax liabilities	5,870	-	5,870	-	5,870
Total current liabilities	447,989	-	447,989	-	447,989
Net current assets	1,015,830	-	1,015,830	(150,000)	865,830
Non-current liability					
Loans and borrowings	758,766	-	758,766	-	758,766
Total non-current liability	758,766	-	758,766	-	758,766
Net assets	1,396,388	-	1,396,388	(150,000)	1,246,388
Equity					
Share capital	3	-	3	-	3
Merger reserve	145,500	-	145,500	-	145,500
Retained earnings	1,078,911	-	1,078,911	(150,000)	928,911
Equity attributable to equity owners of the Company	1,224,414	-	1,224,414	(150,000)	1,074,414
Non-controlling interests	171,974	-	171,974	-	171,974
Total equity	1,396,388	-	1,396,388	(150,000)	1,246,388

APPENDIX C – INTERIM COMBINED FINANCIAL STATEMENTS OF THE TARGET GROUP FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018

**REVEZ GROUP PTE. LTD.
(Incorporated in Singapore)**

AND ITS SUBSIDIARIES

NOTES TO THE INTERIM COMBINED FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018

25 Audited Reconciliation of the Singapore Financial Reporting Standards (“FRS”) to Singapore Financial Reporting Standards (International) (“SFRS(I)”) for the financial year ended 31 December 2017 (cont’d)

Combined statement of comprehensive income

For the financial year ended 31 December 2017	As reported under FRS S\$	Effects of applying SFRS(I) 15 S\$	As reported under SFRS(I) S\$
Revenue	2,611,889	-	2,611,889
Other income	202,894	-	202,894
Material costs and changes in inventories	(570,756)	-	(570,756)
Salaries and employees’ benefits	(1,299,909)	-	(1,299,909)
Depreciation of property, plant and equipment	(75,962)	-	(75,962)
Other operating expenses	(265,900)	-	(265,900)
Finance costs	(15,538)	-	(15,538)
Profit before income tax	586,718	-	586,718
Income tax expense	(2,878)	-	(2,878)
Profit for the financial year	583,840	-	583,840
Other comprehensive income, net of income tax	-	-	-
Total comprehensive income for the financial year	583,840	-	583,840

APPENDIX C – INTERIM COMBINED FINANCIAL STATEMENTS OF THE TARGET GROUP FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018

**REVEZ GROUP PTE. LTD.
(Incorporated in Singapore)**

AND ITS SUBSIDIARIES

NOTES TO THE INTERIM COMBINED FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018

25 Audited Reconciliation of the Singapore Financial Reporting Standards (“FRS”) to Singapore Financial Reporting Standards (International) (“SFRS(I)”) for the financial year ended 31 December 2017 (cont’d)

Combined statement of changes in equity

	← Attributable to equity owners of the Company →					
	Share capital S\$	Merger reserve S\$	Retained earnings S\$	Attributable to equity owners of the Company S\$	Non-controlling interests S\$	Total equity S\$
Balance at 1 January 2017	3	145,500	578,237	723,740	88,808	812,548
Profit for the financial year	-	-	500,674	500,674	83,166	583,840
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the financial year	-	-	500,674	500,674	83,166	583,840
Balance at 31 December 2017	3	145,500	1,078,911	1,224,414	171,974	1,396,388
Adjustment on initial application of SFRS(I) 9 (net of tax)	-	-	(150,000)	(150,000)	-	(150,000)
Balance at 1 January 2018	3	145,500	928,911	1,074,414	171,974	1,246,388

APPENDIX C – INTERIM COMBINED FINANCIAL STATEMENTS OF THE TARGET GROUP FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018

**REVEZ GROUP PTE. LTD.
(Incorporated in Singapore)**

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018

25 Audited Reconciliation of the Singapore Financial Reporting Standards (“FRS”) to Singapore Financial Reporting Standards (International) (“SFRS(I)”) for the financial year ended 31 December 2017 (cont’d)

Combined statement of cash flows

For the financial year ended 31 December 2017	As reported under FRS S\$	Effects of applying SFRS(I) 15 S\$	As reported under SFRS(I) S\$
Cash Flows from Operating Activities			
Profit before income tax	586,718	-	586,718
Adjustments for:			
Credit loss allowance	-	-	-
Depreciation of property, plant and equipment	75,962	-	75,962
Interest expense	15,538	-	15,538
Interest income	(6)	-	(6)
Operating cash flows before working capital changes	678,212	-	678,212
Movement in working capital:			
Work-in-progress	(26,202)	26,202	-
Contract assets	-	(26,202)	(26,202)
Trade and other receivables	(515,142)	-	(515,142)
Contract liabilities	-	216,101	216,101
Trade and other payables	284,372	(216,101)	68,271
Cash generated from operations	421,240	-	421,240
Interest received	6	-	6
Net cash generated from operating activities	421,246	-	421,246
Cash Flows from Investing Activities			
Purchase of property, plant and equipment	(343,174)	-	(343,174)
Net cash used in investing activities	(343,174)	-	(343,174)
Cash Flows from Financing Activities			
Repayment of finance lease liability	(12,411)	-	(12,411)
Repayment of bank borrowings	(34,817)	-	(34,817)
Interest paid	(15,538)	-	(15,538)
Net cash used in financing activities	(62,766)	-	(62,766)
Net increase in cash and cash equivalents	15,306	-	15,306
Cash and cash equivalents at beginning of the financial year	268,543	-	268,543
Cash and cash equivalents at end of the financial year	283,849	-	283,849

APPENDIX C – INTERIM COMBINED FINANCIAL STATEMENTS OF THE TARGET GROUP FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018

REVEZ GROUP PTE. LTD.
(Incorporated in Singapore)

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2018

25 Audited Reconciliation of the Singapore Financial Reporting Standards (“FRS”) to Singapore Financial Reporting Standards (International) (“SFRS(I)”) for the financial year ended 31 December 2017 (cont’d)

Notes to the reconciliation of effect of current framework to SFRS(I) framework

(i) SFRS(I) 9

The Group has applied the simplified impairment approach to recognise only lifetime ECL impairment charges on all trade receivables and contract assets that arose from SFRS(I) 15. Based on the assessment made, there was an increase of S\$150,000 in the allowance for impairment recognised in opening retained earnings of the Group at 1 January 2018 on transition to SFRS(I) 9.

(ii) SFRS(I) 15

The Group plans to adopt the standard with full retrospective effect. The adoption of SFRS(I) 15 has resulted in reclassification adjustments to the FRS financial statements as explained below:

Accounting for unbilled receivables and deferred revenue

Prior to the adoption of SFRS(I) 15, unbilled receivables and deferred revenue were recognised as trade and other receivables and trade and other payables respectively. In applying SFRS(I) 15, unbilled receivables and deferred revenue should be recognised as contract assets and contract liabilities respectively in the combined statement of financial position, as the Group did not have any unconditional rights to consideration. As a result, this relates to reclassification adjustments for aligning with the terminology in FRS 115 and will not have a material impact on the combined financial statements in the year of initial application.

26 Authorisation for Issue of the Interim Combined Financial Statements

The interim combined financial statements for the nine-month period ended 30 September 2018 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on 29 March 2019.

APPENDIX D – CHANGES IN SHAREHOLDING STRUCTURE

	As at the Latest Practicable Date			After the Proposed Acquisition but before the Proposed Compliance Placement			After the Proposed Acquisition and the Proposed Share Consolidation but before the Proposed Compliance Placement			After the Proposed Acquisition, the Proposed Share Consolidation and the Proposed Compliance Placement		
	Direct Interest No. of Shares	%	Deemed Interest No. of Shares	Direct Interest No. of Shares	%	Deemed Interest No. of Shares	Direct Interest No. of Shares	%	Deemed Interest No. of Shares	Direct Interest No. of Shares	%	Deemed Interest No. of Shares
Directors												
Lim Chwee Kim	2,042,800,000	74.85	-	2,042,800,000	14.00	-	20,428,000	14.00	-	20,428,000	12.20	-
Wui Heck Koon	1,777,252	0.07	-	1,777,252	0.01	-	17,772	0.01	-	17,772	0.01	-
Karam Singh Parmar	1,523,359	0.06	-	1,523,359	0.01	-	15,233	0.01	-	15,233	0.01	-
Tan Lai Heng	1,523,359	0.06	-	1,523,359	0.01	-	15,233	0.01	-	15,233	0.01	-
Proposed New Directors												
Neo Wee Han Victor	-	-	-	954,991,743	6.55	9,010,880,523	61.77	9,549,917	90,108,805	61.77	9,549,917	53.80
Lim Kian Sing	-	-	-	838,561,785	5.75	9,010,880,523	61.77	8,385,617	90,108,805	61.77	8,385,617	53.80
Lee Han Chong	-	-	-	838,561,785	5.75	9,010,880,523	61.77	8,385,617	90,108,805	61.77	8,385,617	53.80
Lim Choon Noi	-	-	-	-	-	-	-	-	-	-	-	-
Koh Choon Hui	-	-	-	-	-	-	-	-	-	-	-	-
Substantial Shareholders (other than the Directors and Proposed New Directors)												
L3N Capital Pte. Ltd.	-	-	-	9,010,880,523	61.77	-	90,108,805	61.77	-	90,108,805	53.80	-
Other Shareholders												
Goh Way Siong	-	-	-	215,583,741	1.48	-	2,155,837	1.48	-	2,155,837	1.29	-
Existing Public	681,629,625	24.98	-	681,629,625	4.67	-	6,816,296	4.67	-	6,816,296	4.07	-
New Placees	-	-	-	-	-	-	-	-	-	21,621,621	12.91	-
Total	2,729,253,595	100.00	-	14,587,833,172	100.00	-	145,878,327	100.00	-	167,499,948	100.00	-

**APPENDIX E – COMBINED FINANCIAL STATEMENTS OF THE TARGET GROUP
FOR FY2015, FY2016 AND FY2017**

Company Registration No: 201828524C

**REVEZ GROUP PTE. LTD.
(Incorporated in Singapore)
AND ITS SUBSIDIARIES
COMBINED FINANCIAL STATEMENTS
31 DECEMBER 2015, 2016 AND 2017**

**APPENDIX E – COMBINED FINANCIAL STATEMENTS OF THE TARGET GROUP
FOR FY2015, FY2016 AND FY2017**

**REVEZ GROUP PTE. LTD.
(Incorporated in Singapore)**

AND ITS SUBSIDIARIES

31 DECEMBER 2015, 2016 AND 2017

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**APPENDIX E – COMBINED FINANCIAL STATEMENTS OF THE TARGET GROUP
FOR FY2015, FY2016 AND FY2017**

**REVEZ GROUP PTE. LTD.
(Incorporated in Singapore)**

AND ITS SUBSIDIARIES

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017

In the opinion of the directors:

- (a) the accompanying combined financial statements of the Group are drawn up so as to give a true and fair view of the financial positions of the Group as at 31 December 2015, 2016 and 2017 and the financial performance, changes in equity and cash flows of the Group for the financial years ended 31 December 2015, 2016 and 2017; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors,

.....
Victor Neo Wee Han
Director

.....
Lim Kian Sing
Director

Singapore

29 March 2019

APPENDIX E – COMBINED FINANCIAL STATEMENTS OF THE TARGET GROUP FOR FY2015, FY2016 AND FY2017

INDEPENDENT AUDITOR’S REPORT ON THE COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017

The Board of Directors

Revez Group Pte. Ltd.
25 Kallang Avenue #02-02
Singapore 339416

Report on the Audit of the Combined Financial Statements

Opinion

We have audited the accompanying combined financial statements of Revez Group Pte. Ltd. (the “Company”) and its subsidiaries (collectively, the “Group”), which comprise the combined statements of financial position as at 31 December 2015, 2016 and 2017, and the combined statements of comprehensive income, combined statements of changes in equity and combined statements of cash flows for each of the financial years ended 31 December 2015, 2016 and 2017, and notes to the combined financial statements, including a summary of significant accounting policies, as set out on pages E-7 and E-61.

In our opinion, the accompanying combined financial statements of the Group are properly drawn up in accordance with the Financial Reporting Standards in Singapore (“FRSs”) so as to give a true and fair view of the combined financial position of the Group as at 31 December 2015, 2016 and 2017, and of the combined financial performance, combined changes in equity and combined cash flows of the Group for each of the financial years ended 31 December 2015, 2016 and 2017.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (“SSAs”). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Combined Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (“ACRA”) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (“ACRA Code”) together with the ethical requirements that are relevant to our audit of the combined financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

APPENDIX E – COMBINED FINANCIAL STATEMENTS OF THE TARGET GROUP FOR FY2015, FY2016 AND FY2017

INDEPENDENT AUDITOR'S REPORT ON THE COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017

(cont'd)

Responsibilities of Management and Directors for the Combined Financial Statements

Management is responsible for the preparation of combined financial statements that give a true and fair view in accordance with FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair combined financial statements and to maintain accountability of assets.

In preparing the combined financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the combined financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these combined financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the combined financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

APPENDIX E – COMBINED FINANCIAL STATEMENTS OF THE TARGET GROUP FOR FY2015, FY2016 AND FY2017

INDEPENDENT AUDITOR’S REPORT ON THE COMBINED FINANCIAL STATEMENTS FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017

(cont’d)

Auditor’s Responsibilities for the Audit of the Combined Financial Statements (cont’d)

- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the combined financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the combined financial statements, including the disclosures, and whether the combined financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the combined financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Restriction on Distribution and Use

This report is made solely to you as a body and for inclusion in the circular to the shareholders of Jason Holdings Limited to be issued in relation to the proposed acquisition of the entire issued and paid up share capital of the Company and for no other purpose.

Moore Stephens LLP
Public Accountants and
Chartered Accountants
Singapore

Partner in charge: Neo Keng Jin

29 March 2019

**APPENDIX E – COMBINED FINANCIAL STATEMENTS OF THE TARGET GROUP
FOR FY2015, FY2016 AND FY2017**

**REVEZ GROUP PTE. LTD.
(Incorporated in Singapore)**

AND ITS SUBSIDIARIES

**COMBINED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017**

	<u>Note</u>	<u>2017</u> S\$	<u>2016</u> S\$	<u>2015</u> S\$
Revenue	5	2,611,889	2,077,617	2,545,001
Other income	6	202,894	200,361	169,518
Material costs and changes in inventories		(570,756)	(400,846)	(629,528)
Salaries and employees' benefits	7	(1,299,909)	(1,325,517)	(1,191,602)
Depreciation of property, plant and equipment		(75,962)	(51,752)	(49,581)
Other operating expenses	8	(265,900)	(371,172)	(568,132)
Finance costs	9	(15,538)	(22,442)	(20,081)
Profit before income tax		586,718	106,249	255,595
Income tax expense	10	(2,878)	(1,889)	(1,407)
Profit for the financial year		<u>583,840</u>	<u>104,360</u>	<u>254,188</u>
Other comprehensive income, net of income tax		-	-	-
Total comprehensive income for the financial year		<u><u>583,840</u></u>	<u><u>104,360</u></u>	<u><u>254,188</u></u>

The accompanying notes form an integral part of the financial statements

**APPENDIX E – COMBINED FINANCIAL STATEMENTS OF THE TARGET GROUP
FOR FY2015, FY2016 AND FY2017**

**REVEZ GROUP PTE. LTD.
(Incorporated in Singapore)**

AND ITS SUBSIDIARIES

COMBINED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017

(cont'd)

	<u>Note</u>	<u>2017</u> S\$	<u>2016</u> S\$	<u>2015</u> S\$
Profit for the financial year attributable to:				
Owners of the Company		500,674	220,337	212,710
Non-controlling interests		83,166	(115,977)	41,478
		<u>583,840</u>	<u>104,360</u>	<u>254,188</u>
Total comprehensive income for the financial year attributable to:				
Owners of the Company		500,674	220,337	212,710
Non-controlling interests		83,166	(115,977)	41,478
		<u>583,840</u>	<u>104,360</u>	<u>254,188</u>
Earnings per share				
Basic and diluted (cents per share)	11	*	*	*

* - Not meaningful

The accompanying notes form an integral part of the financial statements

**APPENDIX E – COMBINED FINANCIAL STATEMENTS OF THE TARGET GROUP
FOR FY2015, FY2016 AND FY2017**

**REVEZ GROUP PTE. LTD.
(Incorporated in Singapore)**

AND ITS SUBSIDIARIES

COMBINED STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015, 2016 AND 2017

	<u>Note</u>	<u>2017</u> S\$	<u>2016</u> S\$	<u>2015</u> S\$
Non-current asset				
Property, plant and equipment	12	1,139,324	872,112	915,857
Total non-current asset		<u>1,139,324</u>	<u>872,112</u>	<u>915,857</u>
Current assets				
Work-in-progress		26,202	-	-
Trade and other receivables	13	1,153,768	638,626	1,110,842
Cash and cash equivalents	14	283,849	268,543	143,823
Total current assets		<u>1,463,819</u>	<u>907,169</u>	<u>1,254,665</u>
Less:				
Current liabilities				
Trade and other payables	15	401,705	117,333	575,315
Loans and borrowings	16	40,414	47,227	39,506
Current tax liabilities		5,870	2,992	1,103
Total current liabilities		<u>447,989</u>	<u>167,552</u>	<u>615,924</u>
Net current assets		<u>1,015,830</u>	<u>739,617</u>	<u>638,741</u>
Non-current liability				
Loans and borrowings	16	758,766	799,181	846,410
Total non-current liability		<u>758,766</u>	<u>799,181</u>	<u>846,410</u>
Net assets		<u>1,396,388</u>	<u>812,548</u>	<u>708,188</u>
Equity				
Share capital	17	3	3	3
Merger reserve	3.1	145,500	145,500	145,500
Retained earnings		1,078,911	578,237	357,900
Equity attributable to equity owners of the Company		<u>1,224,414</u>	<u>723,740</u>	<u>503,403</u>
Non-controlling interests	18	171,974	88,808	204,785
Total equity		<u>1,396,388</u>	<u>812,548</u>	<u>708,188</u>

The accompanying notes form an integral part of the financial statements

**APPENDIX E – COMBINED FINANCIAL STATEMENTS OF THE TARGET GROUP
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(Incorporated in Singapore)**

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COMBINED STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017

(cont'd)

	← Attributable to equity owners of the Company →					
	Share capital S\$	Merger reserve S\$	Retained earnings S\$	Attributable to equity owners of the Company S\$	Non- controlling interests S\$	Total equity S\$
Balance at 1 January 2017	3	145,500	578,237	723,740	88,808	812,548
Profit for the financial year	-	-	500,674	500,674	83,166	583,840
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the financial year	-	-	500,674	500,674	83,166	583,840
Balance at 31 December 2017	3	145,500	1,078,911	1,224,414	171,974	1,396,388

The accompanying notes form an integral part of the financial statements

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(cont'd)

	← Attributable to equity owners of the Company →					
	Share capital S\$	Merger reserve S\$	Retained earnings S\$	Attributable to equity owners of the Company S\$	Non- controlling interests S\$	Total equity S\$
Balance at 1 January 2016	3	145,500	357,900	503,403	204,785	708,188
Profit for the financial year	-	-	220,337	220,337	(115,977)	104,360
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the financial year	-	-	220,337	220,337	(115,977)	104,360
Balance at 31 December 2016	3	145,500	578,237	723,740	88,808	812,548

The accompanying notes form an integral part of the financial statements

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(cont'd)

	← Attributable to equity owners of the Company →					
	Share capital S\$	Merger reserve S\$	Retained earnings S\$	Attributable to equity owners of the Company S\$	Non- controlling interests S\$	Total equity S\$
Balance at 1 January 2015 (Unaudited)	3	145,500	145,190	290,693	163,307	454,000
Profit for the financial year	-	-	212,710	212,710	41,478	254,188
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income for the financial year	-	-	212,710	212,710	41,478	254,188
Balance at 31 December 2015	3	145,500	357,900	503,403	204,785	708,188

The accompanying notes form an integral part of the financial statements

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COMBINED STATEMENTS OF CASH FLOWS

FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017

	<u>2017</u> S\$	<u>2016</u> S\$	<u>2015</u> S\$
Cash Flows from Operating Activities			
Profit before income tax	586,718	106,249	255,595
Adjustments for:			
Depreciation of property, plant and equipment	75,962	51,752	49,581
Gain on disposal of property, plant and equipment	-	-	(17,704)
Interest expense	15,538	22,442	20,081
Interest income	(6)	(6)	(4)
Operating cash flows before working capital changes	678,212	180,437	307,549
Movement in working capital:			
Work-in-progress	(26,202)	-	-
Trade and other receivables	(515,142)	472,216	(651,744)
Trade and other payables	284,372	(457,982)	213,161
Cash generated from/(used in) operations	421,240	194,671	(131,034)
Interest received	6	6	4
Income taxes paid	-	-	(304)
Net cash generated from/(used in) operating activities	421,246	194,677	(131,334)
Cash Flows from Investing Activities			
Purchase of property, plant and equipment	(343,174)	(8,007)	(46,436)
Proceeds from disposal of property, plant and equipment	-	-	38,000
Net cash used in investing activities	(343,174)	(8,007)	(8,436)
Cash Flows from Financing Activities			
Repayment of finance lease liability	(12,411)	(12,410)	(9,308)
Repayment of bank borrowings	(34,817)	(27,098)	(21,484)
Interest paid	(15,538)	(22,442)	(20,081)
Net cash used in financing activities	(62,766)	(61,950)	(50,873)
Net increase/(decrease) in cash and cash equivalents	15,306	124,720	(190,643)
Cash and cash equivalents at beginning of the financial year	268,543	143,823	334,466
Cash and cash equivalents at end of the financial year (Note 14)	283,849	268,543	143,823

The accompanying notes form an integral part of the financial statements

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COMBINED STATEMENTS OF CASH FLOWS

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(cont'd)

The reconciliation of movements of the liabilities to cash flows arising from financing activities is presented below:

	1 January 2017		Cash flows		31 December 2017
	S\$		Proceeds	Repayments	S\$
			S\$	S\$	
Finance lease liability	40,282	-		(12,411)	27,871
Bank borrowings	806,126	-		(34,817)	771,309
Loans and borrowings (Note 16)	846,408	-		(47,228)	799,180

The accompanying notes form an integral part of the financial statements

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These notes form an integral part of and should be read in conjunction with the accompanying combined financial statements.

1 Corporate Information

Revez Group Pte. Ltd. (the “Company”) is a private limited liability company incorporated in Singapore on 20 August 2018 with an issued and paid up share capital of S\$3 comprising one share held by each of Victor Neo Wee Han, Lee Han Chong and Lim Kian Sing (the “controlling shareholders”).

The registered office and principal place of business is located at 25 Kallang Avenue, #02-02, Singapore 339416.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries are disclosed in Note 2 to the combined financial statements.

2 Restructuring Exercise

The Company and the combined entities did not have a parent entity and were all under common control of the same group of individuals. In October 2018, the Company and the combined entities (as set out below) carried out a Restructuring Exercise where the Company becomes the holding company of the combined entities. The following steps were taken:

- (a) transfer of 53,500 shares from each of the controlling shareholders of Revez Motion Pte. Ltd. to the Company;
- (b) transfer of 5,000 shares from each of the controlling shareholders of Revez Pte. Ltd. to the Company;
- (c) transfer of 30,600 shares from one of the controlling shareholders (Lim Kian Sing) of Newood Design Pte. Ltd. to the Company; and
- (d) transfer of 32,000 shares from one of the controlling shareholders (Neo Wee Han Victor) of IOIO Lab Pte. Ltd. to the Company.

Prior to the Restructuring, Neo Wee Han Victor held 80% of the shares on trust, on behalf of Revez Motion Pte. Ltd. in IOIO Lab Pte. Ltd. and Lim Kian Sing initially held 50%, and subsequently an additional 1% of the shares on trust, on behalf of Revez Motion Pte. Ltd. in Newood Design Pte. Ltd. As part of the Restructuring, these shares held on trust, were subsequently transferred to the Company.

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2 Restructuring Exercise (cont'd)

Upon completion of the Restructuring Exercise, the Company will have direct interests in the combined entities. As a result, the combined entities become the subsidiaries of the Company (the “Subsidiaries”, and collectively, the “Group”) and the Group represents the continuation of the risks and benefits to the controlling shareholders that existed prior to the business combination. The subsidiaries are private limited liability companies and their details are as follows:

<u>Company name</u>	<u>Country of incorporation and principal place of business</u>	<u>Principal activities</u>	<u>Proportion of ownership interest held by the controlling shareholders</u>		
			<u>2017</u>	<u>2016</u>	<u>2015</u>
Revez Motion Pte. Ltd.	Singapore	Design and develop immersive and interactive multimedia solutions	100%	100%	100%
Revez Pte. Ltd.	Singapore	Design and develop immersive digital interactive multimedia technology and top-notch Software as a Service (SaaS) solutions	100%	100%	100%
Newood Design Pte. Ltd.	Singapore	Provision of marketing and communication solutions	50%	50%	50%

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3 Summary of Significant Accounting Policies

3.1 Basis of preparation

As the Restructuring Exercise has been completed in October 2018, the companies now comprise the Group under common control of the controlling shareholders before and after the Restructuring Exercise. Accordingly, the combined financial statements of the Group have been prepared by using the principles of merger accounting as follows:

- i The combined statements of financial position of the Group as at 31 December 2015, 2016 and 2017, the combined statements of comprehensive income, the combined statements of changes in equity and the combined statements of cash flows of the Group for the financial years ended 31 December 2015, 2016 and 2017 have been prepared as if the Company had been the holding company of the Group throughout the financial years ended 31 December 2015, 2016 and 2017 rather than from the date on which the Restructuring Exercise was completed;
- ii The assets and liabilities of the combined entities are consolidated using the existing book values from the controlling parties' perspective. No adjustments are made to the net assets and net profit or loss of the combined entities to reflect fair values and the financial statements of the combined entities have been prepared using the Group's accounting policies;
- iii The share capital of the Group as at 31 December 2015, 2016 and 2017 would reflect the share capital of the Company for the purpose of the business combination under common control. The retained earnings of the Group would be the retained earnings of the combined entities. The resulting difference between the consideration paid and the share capital of the combined entities is reflected within equity as merger reserve; and
- iv The effect of all transactions and balances between the combining entities, whether occurring before or after the combination, are eliminated in preparing the combined financial statements of the Group.

These combined financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("FRSs") under the historical cost convention, except as disclosed in the accounting policies below.

These combined financial statements are presented in Singapore dollars ("SGD" or "\$"), which is the functional currency of the Company.

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3 Summary of Significant Accounting Policies (cont'd)

3.1 Basis of preparation (cont'd)

Audited statement of reconciliation between FRS and SFRS(I)s

In line with the requirements of Part 9 of the Fifth Schedule of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018, the Group is required to present an audited statement of reconciliation of the (i) statement of profit or loss and other comprehensive income (ii) statement of cash flows (iii) statement of financial position and (iv) statement of changes in equity (collectively “four primary financial statements”) for the financial year ended 31 December 2017 prepared in accordance with the FRS to SFRS(I)s. Accordingly, an audited statement of reconciliation of the four primary financial statements for the financial year ended 31 December 2017 prepared in accordance with the FRS to SFRS(I)s has been presented in Note 23 to the combined financial statements.

3.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the financial years ended 31 December 2015, 2016 and 2017 except that during the financial years ended 31 December 2015, 2016 and 2017, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2015, 2016 and 2017 respectively. The adoption of these standards did not have any material effect on the combined financial performance or position of the Group.

Amendments to FRS 7 Disclosure Initiative

The amendments require new disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities in respect of:

- (a) Changes from financing cash flows;
- (b) Changes arising from obtaining or losing control of subsidiaries or other businesses;
- (c) The effect of changes in foreign exchange rates;
- (d) Changes in fair values; and
- (e) Other changes.

The above disclosure also applies to changes in financial assets if cash flows from those financial assets are included in cash flows from financing activities. Comparatives are not required in the first year of adoption (i.e. financial year ended 31 December 2017).

As this is a disclosure requirement, it did not have any impact on the financial performance or financial position of the Group. The required disclosure information is provided in the combined statements of cash flows.

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3 Summary of Significant Accounting Policies (cont'd)

3.3 FRSs and INT FRSs issued but not yet effective

At the date of authorisation of these financial statements, the Group has not adopted the following new standards that have been issued and are relevant to the Group but not yet effective:

Description		Effective for annual periods beginning on or after
FRS 109	<i>Financial Instruments</i>	1 January 2018
FRS 115	<i>Revenue from Contracts with Customers</i>	1 January 2018
FRS 116	<i>Leases</i>	1 January 2019

Except for FRS 109 and FRS 116, the directors expect that the adoption of the above standards will have no material impact on the combined financial statements in the period of initial application.

FRS 109 *Financial Instruments*

FRS 109 was introduced to replace FRS 39 *Financial Instruments: Recognition and Measurement*. FRS 109 changes the classification and measurement requirements for financial assets and liabilities, and also introduces a three-stage impairment model that will impair financial assets based on expected losses regardless of whether objective indicators of impairment have occurred. FRS 109 also provides a simplified hedge accounting model that will align more closely with the entity's risk management strategies. FRS 109 is effective for annual periods beginning on or after 1 January 2018 with early application permitted. The Group plans to adopt FRS 109 in the financial year beginning on 1 January 2018 with retrospective effect in accordance with the transitional provisions and intends to elect not to restate comparatives in the year of adoption.

The Group has completed its assessment of the impact on the combined financial statements and based on its assessment, the Group does not expect a significant change to the measurement basis arising from adopting the new classification and measurement model under this standard. Loans and receivables currently accounted for at amortised cost will continue to be accounted for using amortised cost model under this new standard. On adoption of this standard, the Group expect a material impairment loss allowance to be made using the new forward-looking expected credit loss model. The Group does not adopt hedge accounting and thus does not expect any impact in this regard, upon adoption of FRS 109. The expected impact on adoption of FRS 109 (equivalent to SFRS(I) 9) are described in Note 23 to the combined financial statements.

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3 Summary of Significant Accounting Policies (cont'd)

3.3 FRSs and INT FRSs issued but not yet effective (cont'd)

FRS 115 Revenue from Contracts with Customers

FRS 115 *Revenue from Contracts with Customers* sets out the requirements for recognising revenue that apply to all contracts with customers (except for contracts that are within the scope of the standards on leases, insurance contracts and financial instruments). FRS 115 replaces the previous revenue standards, FRS 18 *Revenue* and FRS 11 *Construction Contracts*, and the related interpretations on revenue recognition, INT FRS 115 *Agreements for the Construction of Real Estate*, INT FRS 118 *Transfers of Assets from Customers*, and INT FRS 31 *Revenue – Barter Transactions Involving Advertising Services*.

FRS 115 establishes a five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue when the promised goods and services are transferred to the customer i.e. when performance obligations are satisfied.

FRS 115 is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted. The Group plans to adopt FRS 115 in the financial year beginning on 1 January 2018 using the full retrospective method in accordance with the transitional provisions and will include the required additional disclosures in its financial statements for that financial year. The Group completed its assessment of the impact on the combined financial statements and based on its assessment, the Group does not expect significant changes to the timing and profile of revenue recognition for its revenue from service contracts, and marketing and exhibition support services on adoption of FRS 115. However, certain reclassification adjustments were made with the adoption of FRS 115 to align the combined financial statements with the terminology in FRS 115. The reclassification adjustments on adoption of FRS 115 (equivalent to SFRS(I) 15) are described in Note 23 to the combined financial statements.

FRS 116 Leases

FRS 116 *Leases* sets out a revised framework for the recognition, measurement, presentation and disclosure of leases, and replaces FRS 17 *Leases*, INT FRS 104 *Determining whether an Arrangement contains a Lease*, INT FRS 15 *Operating Leases – Incentives*; and INT FRS 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. FRS 116 requires lessees to recognise right-of-use assets and lease liabilities for all leases with a term of more than 12 months, except where the underlying asset is of low value. The right-of-use asset is depreciated and interest expense is recognised on the lease liability. The accounting requirements for lessors have not been changed substantially, and continue to be based on classification as operating and finance leases. Disclosure requirements have been enhanced for both lessors and lessees.

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3 Summary of Significant Accounting Policies (cont'd)

3.3 FRSs and INT FRSs issued but not yet effective (cont'd)

FRS 116 *Leases* (cont'd)

FRS 116 is effective for annual periods beginning on or after 1 January 2019. Early adoption is permitted for companies but only if it also apply FRS 115 *Revenue from Contracts with Customers* at or before the date of initial application of FRS 116. The Group plans to adopt FRS 116 in the financial year beginning on 1 January 2019.

The Group has performed a preliminary assessment of the new standard on its existing operating lease arrangements as a lessee. The Group has non-cancellable operating lease agreements in which the Group is a lessee. The Group expects these operating leases to be recognised as right-of-use assets with corresponding lease liabilities under the new standard.

Convergence with International Financial Reporting Standards (IFRS)

Singapore-incorporated companies listed on the Singapore Exchange (SGX) are required to apply a new financial reporting framework identical to the Singapore Financial Reporting Standards (International) ("SFRS(I)") for the financial year ending 31 December 2018 onwards.

The Group has performed an assessment of the impact of SFRS(I) 1 *First-time adoption of Singapore Financial Reporting Standards (International)* for the transition to the new reporting framework. Based on the Group's assessment, the Group expects that the adoption of the new financial reporting framework (including the application of all the mandatory exceptions) will not have a material impact on the combined financial statements for the financial year ending 31 December 2018, other than the impact on adoption of SFRS(I) 9 *Financial Instruments* which will be similar to adopting FRS 109 as described above in this note.

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3 Summary of Significant Accounting Policies (cont'd)

3.4 Basis of consolidation and business combinations

i Basis of consolidation

The combined financial statements comprise the financial statements of the Company and its subsidiaries. Subsidiaries are entities over which the Group has control. The financial statements of the subsidiaries used in the preparation of the combined financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

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3 Summary of Significant Accounting Policies (cont'd)

3.4 Basis of consolidation and business combinations (cont'd)

ii Business combinations involving entities under common control

Business combinations involving entities under common control are accounted for by applying the merger accounting method which involves the following:

- The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the combined financial statements.
- No adjustments are made to reflect the fair values on the date of combination, or recognise any new assets or liabilities.
- No additional goodwill is recognised as a result of the combination.
- The combined statements of comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination takes place.
- Comparatives are presented as if the entities had always been combined since the date the entities had come under common control.

3.5 Revenue recognition

Service contracts

A service contract is a contract specifically negotiated for the provision of professional Information Technology (“IT”) services, including sales of hardware and software products as required under the relevant contract terms.

Revenue is recognised by using the percentage of completion of service contracts. The measure of percentage of completion is determined based on the goods and services transferred to date to the remaining goods or services promised under the service contract.

Service contract costs are recognised when they are incurred by the Group. When it is probable that service contract cost incurred will exceed service contract revenue to be recognised by the Group, the expected loss is recognised as an expense immediately. Contract costs incurred during the financial year in connection with future activity on a service contract are excluded from contract costs incurred to date when determining the percentage of completion of a service contract and are presented as “work-in-progress”.

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3 Summary of Significant Accounting Policies (cont'd)

3.5 Revenue recognition (cont'd)

Marketing and exhibition support services

Revenue from marketing and exhibition support services is recognised in the period in which the services are rendered.

Rental Income

Rental income from operating leases is recognised on a straight-line basis over the lease term.

Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

3.6 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

3.7 Leases

i When the Group is the lessee

Lessee – Finance leases

Leases where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the combined statements of financial position as property, plant and equipment and borrowings respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in profit or loss on a basis that reflects a constant periodic rate of interest on the finance lease liability.

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3 Summary of Significant Accounting Policies (cont'd)

3.7 Leases (cont'd)

Lessee – Operating leases

Leases of office properties where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in profit or loss on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in profit or loss when incurred.

3.8 Foreign currency

i Functional and presentation currency

The combined financial statements are presented in Singapore Dollar (“S\$”), which is also the Company’s functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

ii Transactions and balances

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

3.9 Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

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3 Summary of Significant Accounting Policies (cont'd)

3.10 Employee benefits

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

i Defined contribution plan

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid.

ii Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the annual reporting period is recognised for services rendered by employees up to the end of the reporting period. The liability for leave expected to be settled beyond twelve months from the end of the reporting period is determined using the project unit credit method. The net total of service costs, net interest on the liability and remeasurement of the liability are recognised in profit or loss.

3.11 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

i Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the combined statements of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

ii Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

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3 Summary of Significant Accounting Policies (cont'd)

3.11 Income tax (cont'd)

ii Deferred tax (cont'd)

Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

The Group recognises a previously unrecognised deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, would be recognised subsequently if new information about facts and circumstances changed. The adjustment would either be treated as a reduction to goodwill (as long as it does not exceed goodwill) if it is incurred during the measurement period or in profit or loss.

iii Current and deferred tax for the period

Current and deferred tax are recognised as income or an expense in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where the current and deferred tax arises from the initial accounting for a business combination, the tax effect is taken into account in the accounting for the business combination.

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3 Summary of Significant Accounting Policies (cont'd)

3.11 Income tax (cont'd)

iv Sales tax

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- when the sales taxation that is incurred on purchase of assets or services is not recoverable from the taxation authorities, in which case the sales tax is recognised as part of cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the combined statements of financial position.

3.12 Property, plant and equipment

i Measurement

All items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

ii Depreciation

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year and adjusted as appropriate at each reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

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3 Summary of Significant Accounting Policies (cont'd)

3.12 Property, plant and equipment (cont'd)

ii Depreciation (cont'd)

The following useful lives are used in the calculation of depreciation:

Freehold property	30 years
Computers	5 years
Furniture and fittings	5 years
Motor vehicle	8 years
Office equipment	5 years
Plant and machinery	5 years
Renovation	5 years

iii Subsequent expenditure

Subsequent expenditure related to property, plant and equipment that has been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

iv Disposal

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss. Any amount in the revaluation reserve relating to that asset is transferred to retained earnings directly.

3.13 Impairment of non-financial assets

Non-financial assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

At the end of each financial year, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any), on an individual asset.

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3 Summary of Significant Accounting Policies (cont'd)

3.13 Impairment of non-financial assets (cont'd)

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount where the revaluation was previously taken to other comprehensive income. In this case, such impairment loss of revalued asset is treated as a revaluation decrease.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also credited to profit or loss.

3.14 Financial assets

i Classification

The Group classifies its financial assets as loans and receivables. The classification depends on the nature of the asset and the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

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3 Summary of Significant Accounting Policies (cont'd)

3.14 Financial assets (cont'd)

i Classification (cont'd)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

They are presented as current assets, except for those expected to be realised later than 12 months after the reporting period which are presented as non-current assets.

Loans and receivables are presented as “trade and other receivables” and “cash and cash equivalents” on the combined statements of financial position.

ii Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date - the date on which the Group commits to purchase or sell the asset.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the financial asset has expired, or has been transferred and transferred substantially all the risks and rewards of ownership of the financial asset to another entity.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of consideration received is recognised in profit or loss.

iii Initial measurement

Financial assets are initially recognised at fair value plus transaction costs.

iv Subsequent measurement

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

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3 Summary of Significant Accounting Policies (cont'd)

3.14 Financial assets (cont'd)

iv Subsequent measurement (cont'd)

Impairment of loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The allowance for impairment loss account is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

3.15 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is presented in the combined statements of financial position, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

3.16 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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3 Summary of Significant Accounting Policies (cont'd)

3.17 Financial liabilities

i Financial liabilities

An entity shall recognise a financial liability on its statements of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument.

Financial liability is recognised initially at fair value plus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue.

Financial liabilities (including loans and borrowings, and trade and other payables), are initially measured at fair value, plus any directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integrated part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the reporting period.

ii Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

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3 Summary of Significant Accounting Policies (cont'd)

3.18 Related parties

A related party is defined as follows:

A related party is a person or entity that is related to the entity that is preparing its combined financial statements (“reporting entity”).

- a. A person or a close member of that person’s family is related to the Group if that person:
 - i. has control or joint control over the reporting entity;
 - ii. has significant influence over the reporting entity; or
 - iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- b. An entity is related to the Group if any of the following conditions applies:
 - i. the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - ii. one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - iii. both entities are joint ventures of the same third party.
 - iv. one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - v. the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - vi. the entity is controlled or jointly controlled by a person identified in (a).
 - vii. a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - viii. the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or the parent of the reporting entity.

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3 Summary of Significant Accounting Policies (cont'd)

3.19 Cash and cash equivalents

Cash and cash equivalents include cash at banks and on hand that are readily convertible to known amount of cash and which are subject to an insignificant risk of change in value.

3.20 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are charged to equity, net of any tax effects.

4 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in Note 3 above, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

4.1 Critical judgements in applying the accounting policies

In the process of applying the Group's accounting policies, the application of judgements that are expected to have a significant effect on the amounts recognised in the combined financial statements are discussed below.

Control over Newwood Design Pte. Ltd. as subsidiary

As disclosed in Note 2 to the combined financial statements, Newwood Design Pte. Ltd. is a subsidiary of the Group although the Group only owns 50 per cent ownership interest in Newwood Design Pte. Ltd for the financial years ended 31 December 2015, 2016 and 2017. Based on the historical records, Newwood Design Pte. Ltd. is managed by the controlling shareholders and they have the power to direct the relevant activities of Newwood Design Pte. Ltd. Therefore, the directors of the Group concluded that it has the practical ability to direct the relevant activities of Newwood Design Pte. Ltd. unilaterally and hence the Group has control over Newwood Design Pte. Ltd.

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4 Critical Accounting Judgements and Key Sources of Estimation Uncertainty (cont'd)

4.1 Critical judgements in applying the accounting policies (cont'd)

Control over Newood Design Pte. Ltd. as subsidiary (cont'd)

Therefore, the directors of the Group concluded that it has the practical ability to direct the relevant activities of Newood Design Pte. Ltd. unilaterally and hence the Group has control over Newood Design Pte. Ltd.

4.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) Estimated useful lives of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over the estimated economic useful lives of the property, plant and equipment. Management estimates the useful lives of these property, plant and equipment as disclosed in Note 3.12. Changes in the expected level of usage could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised. The carrying amount of the property, plant and equipment as at 31 December 2015, 2016 and 2017 are disclosed in Note 12.

If depreciation on property, plant and equipment increases/(decreases) by 10% from management's estimate, the Group's results before tax will (decrease)/increase by approximately S\$7,596 (2016: S\$5,175 and 2015: S\$4,958).

(ii) Impairment of trade and other receivables

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is an objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. No impairment of trade and other receivables is recognised by the Group for the financial years ended 31 December 2015, 2016 and 2017.

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4 Critical Accounting Judgements and Key Sources of Estimation Uncertainty (cont'd)

4.2 Key sources of estimation uncertainty (cont'd)

(ii) Impairment of trade and other receivables (cont'd)

The carrying amount of the trade and other receivables as at 31 December 2015, 2016 and 2017 are disclosed in Note 13.

5 Revenue

	<u>2017</u> S\$	<u>2016</u> S\$	<u>2015</u> S\$
Revenue from service contracts	2,106,632	1,738,628	2,038,776
Revenue from marketing and exhibition support services	505,257	338,989	506,225
	<u>2,611,889</u>	<u>2,077,617</u>	<u>2,545,001</u>

6 Other Income

	<u>2017</u> S\$	<u>2016</u> S\$	<u>2015</u> S\$
Interest income	6	6	4
Government grants	202,888	200,323	151,810
Gain on disposal of property, plant and equipment	-	-	17,704
Miscellaneous income	-	32	-
	<u>202,894</u>	<u>200,361</u>	<u>169,518</u>

7 Salaries and Employees' Benefits

	<u>2017</u> S\$	<u>2016</u> S\$	<u>2015</u> S\$
Wages and salaries*	964,629	1,002,103	895,378
Contributions to defined contribution plans*	129,426	114,925	95,155
Directors' fee	165,600	168,000	157,081
Other staff related costs	40,254	40,489	43,988
	<u>1,299,909</u>	<u>1,325,517</u>	<u>1,191,602</u>

* These include the amounts shown as Directors' remuneration in Note 19(b) to the combined financial statements.

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8 Other Operating Expenses

	<u>2017</u> S\$	<u>2016</u> S\$	<u>2015</u> S\$
Professional fees	13,977	72,243	122,718
Travelling expenses	11,369	55,242	94,959
Office rental	50,415	40,800	53,188
Entertainment and refreshment	72,236	81,049	146,265
Transport and delivery	39,602	30,502	31,224
Training	7,000	12,643	41,121
Advertisement	7,804	1,058	1,492
Others	63,497	77,635	77,165
	<u>265,900</u>	<u>371,172</u>	<u>568,132</u>

9 Finance Costs

	<u>2017</u> S\$	<u>2016</u> S\$	<u>2015</u> S\$
Interest on finance lease liability	1,414	1,413	1,060
Interest on bank borrowings	14,124	21,029	19,021
	<u>15,538</u>	<u>22,442</u>	<u>20,081</u>

10 Income Tax Expense

	<u>2017</u> S\$	<u>2016</u> S\$	<u>2015</u> S\$
Combined statements of comprehensive income:			
Current tax:			
- Current income taxation	2,878	1,889	1,407

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10 Income Tax Expense (cont'd)

A reconciliation between the expense and the product of accounting profit is as follows:

	<u>2017</u> S\$	<u>2016</u> S\$	<u>2015</u> S\$
Profit before income tax	586,718	106,249	255,595
Income tax expense calculated at the statutory tax rate of 17% (2015 and 2016: 17%)	99,742	18,062	43,451
Effect of:			
- Expenses not deductible for tax purposes	22,383	2,653	2,419
- Income not subject to tax	(6,804)	(12,403)	(11,456)
- Tax incentives	(106,860)	(47,822)	(19,049)
- Deferred tax assets unrecognised	-	41,399	-
- Utilisation of deferred tax assets previously unrecognised	(5,583)	-	(13,958)
Income tax expense recognised in profit or loss	2,878	1,889	1,407

Subject to the agreement by relevant tax authorities, at the end of the financial years, the Group has unutilised tax losses of approximately S\$230,000 (2016: S\$258,000 and 2015: S\$19,000) and unutilised capital allowances of Nil (2016: S\$5,000 and 2015: Nil) available for offset against future taxable profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams. Unutilised tax losses and unutilised capital allowances may be carried forward indefinitely subject to the conditions imposed by law.

11 Earnings per Share

Earnings per share information is not prepared as its inclusion, for the purpose of this combined financial statements, is not considered meaningful due to the Restructuring Exercise and the preparation of the results for each of the financial years ended 31 December 2015, 2016 and 2017 on a combined basis as disclosed in Note 2 to the combined financial statements.

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12 Property, Plant and Equipment

	←	At cost						→
	Freehold property S\$	Computers S\$	Furniture and fittings S\$	Motor vehicle S\$	Office equipment S\$	Plant and machinery S\$	Renovation S\$	Total S\$
<u>Cost</u>								
Balance at 1 January 2017	879,264	57,905	-	92,923	-	-	-	1,030,092
Additions	-	120,970	7,704	-	145,579	-	68,921	343,174
Balance at 31 December 2017	879,264	178,875	7,704	92,923	145,579	-	68,921	1,373,266
<u>Accumulated depreciation</u>								
Balance at 1 January 2017	117,235	20,419	-	20,326	-	-	-	157,980
Depreciation charge	29,309	24,946	224	11,615	9,647	-	221	75,962
Balance at 31 December 2017	146,544	45,365	224	31,941	9,647	-	221	233,942
<u>Net carrying amount</u>								
Balance at 31 December 2017	732,720	133,510	7,480	60,982	135,932	-	68,700	1,139,324

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12 Property, Plant and Equipment (cont'd)

	← Cost		At cost →					
	Freehold property S\$	Computers S\$	Furniture and fittings S\$	Motor vehicle S\$	Office equipment S\$	Plant and machinery S\$	Renovation S\$	Total S\$
<u>Cost</u>								
Balance at 1 January 2016	879,264	49,898	-	92,923	-	-	-	1,022,085
Additions	-	8,007	-	-	-	-	-	8,007
Balance at 31 December 2016	879,264	57,905	-	92,923	-	-	-	1,030,092
<u>Accumulated depreciation</u>								
Balance at 1 January 2016	87,926	9,591	-	8,711	-	-	-	106,228
Depreciation charge	29,309	10,828	-	11,615	-	-	-	51,752
Balance at 31 December 2016	117,235	20,419	-	20,326	-	-	-	157,980
<u>Net carrying amount</u>								
Balance at 31 December 2016	762,029	37,486	-	72,597	-	-	-	872,112

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12 Property, Plant and Equipment (cont'd)

Assets pledged as security

Freehold property with a carrying amount of S\$732,720 (2016: S\$762,029 and 2015: S\$791,338) has been mortgaged to secure a bank borrowing of the Group (Note 16). The Group is not allowed to pledge its freehold property as security for other borrowings or to sell them to another entity.

Included in additions in the combined financial statements are motor vehicle acquired under finance lease amounting to Nil (2016: Nil and 2015: S\$62,000). The cash outflow on acquisition of property, plant and equipment amounted to S\$343,174 (2016: S\$8,007 and 2015: S\$46,436).

In addition, finance lease liability (Note 16) is secured by the lessor's title to the leased asset, which has a carrying amount of S\$60,982 (2016: S\$72,597 and 2015: S\$84,212) as at the respective reporting dates.

13 Trade and Other Receivables

	<u>2017</u> S\$	<u>2016</u> S\$	<u>2015</u> S\$
Trade receivables (third parties):			
- Receivables	1,059,302	460,232	1,054,661
- Unbilled receivables	-	94,042	-
- Retention sum	25,335	34,757	25,335
	<u>1,084,637</u>	<u>589,031</u>	<u>1,079,996</u>
Other receivables - third parties	5,500	2,029	2,029
Deposits	28,021	11,956	12,556
Amount due from a related party	35,610	35,610	16,261
Total trade and other receivables	<u>1,153,768</u>	<u>638,626</u>	<u>1,110,842</u>
Add: Cash and cash equivalents (Note 14)	283,849	268,543	143,823
Total debt instruments	<u>1,437,617</u>	<u>907,169</u>	<u>1,254,665</u>

Trade receivables are unsecured, non-interest bearing and have an average credit period of 30 days.

Amount due from a related party is non-trade in nature, unsecured, interest-free, repayable on demand and is to be settled in cash.

Trade and other receivables are denominated in Singapore dollar.

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14 Cash and Cash Equivalents

	<u>2017</u> S\$	<u>2016</u> S\$	<u>2015</u> S\$
Cash at bank	283,846	268,540	143,820
Cash on hand	3	3	3
Cash and cash equivalents as per combined statements of cash flows	<u>283,849</u>	<u>268,543</u>	<u>143,823</u>

Cash and cash equivalents are denominated in the followings currencies:

	<u>2017</u> S\$	<u>2016</u> S\$	<u>2015</u> S\$
Singapore dollar	272,810	256,696	130,921
United States dollar	11,039	11,847	12,902
	<u>283,849</u>	<u>268,543</u>	<u>143,823</u>

15 Trade and Other Payables

	<u>2017</u> S\$	<u>2016</u> S\$	<u>2015</u> S\$
Trade payables - third parties	59,718	-	174,018
Deferred revenue	269,321	53,220	359,462
Other payables - third parties	6,001	62,718	-
GST payables	66,665	1,395	41,835
Total trade and other payables	<u>401,705</u>	<u>117,333</u>	<u>575,315</u>
Add: Loans and Borrowings (Note 16)	799,180	846,408	885,916
Total financial liabilities carried at amortised cost	<u>1,200,885</u>	<u>963,741</u>	<u>1,461,231</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled on 30-day (2016 and 2015: 30-day) terms.

Trade and other payables are denominated in Singapore dollar.

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16 Loans and Borrowings

	<u>2017</u> S\$	<u>2016</u> S\$	<u>2015</u> S\$
Current liabilities:			
- Finance lease liability	12,410	12,410	12,410
- Bank borrowings, secured	28,004	34,817	27,096
	<u>40,414</u>	<u>47,227</u>	<u>39,506</u>
Non-current liabilities:			
- Finance lease liability	15,461	27,872	40,282
- Bank borrowings, secured	743,305	771,309	806,128
	<u>758,766</u>	<u>799,181</u>	<u>846,410</u>
Total loans and borrowings	<u>799,180</u>	<u>846,408</u>	<u>885,916</u>

(i) Finance lease liability

Finance lease relate to a motor vehicle with a lease term of 5 years. The finance lease liability is secured by the lessor's title to the leased asset, as the legal title is retained by the lessor and will be transferred to the Group upon full settlement of the finance lease liability.

The effective interest rate per annum during the financial period is 4.34% (2016 and 2015: 4.34%).

	<u>2017</u> S\$	<u>2016</u> S\$	<u>2015</u> S\$
Minimum lease payments due:			
- Not later than one year	13,824	13,824	13,824
- Between one and five years	17,228	31,052	44,876
	<u>31,052</u>	<u>44,876</u>	<u>58,700</u>
Less: Future finance charges	(3,181)	(4,594)	(6,008)
Present value of finance lease liability	<u>27,871</u>	<u>40,282</u>	<u>52,692</u>

The present values of finance lease liability are analysed as follows:

	<u>2017</u> S\$	<u>2016</u> S\$	<u>2015</u> S\$
Not later than one year	12,410	12,410	12,410
Between one and five years	15,461	27,872	40,282
Total	<u>27,871</u>	<u>40,282</u>	<u>52,692</u>

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16 Loans and Borrowings (cont'd)

(ii) Bank borrowings, secured

Property loan

As at 31 December 2017, this loan is repayable in 240 instalments and bears interest at the bank's prevailing Enterprise Financing Rate ("BPEFR") minus 4.42% for the 1st year, BPEFR minus 4.02% for the 2nd year and thereafter at BPEFR. As at 31 December 2017, the BPEFR is at 6.00% per annum.

As at 31 December 2016 and 2015, this loan is repayable in 360 instalments and bears interest at 4.02% per annum below the Bank's prevailing Commercial Property Board Rate ("BPCPBR") leading rate with monthly rests for the 1st year, 3.72% per annum below the BPCPBR leading rate with monthly rests for the 2nd year, 3.12% per annum below the BPCPBR leading rate with monthly rests for the 3rd year and thereafter at 0.25% per annum below the BPCPBR leading rate with monthly rests. As at 31 December 2016 and 2015, BPCPBR is at 5.50% per annum.

This loan is secured by a first legal mortgage over the Group's freehold property (Note 12) and joint and several guarantee by the directors of the Company.

17 Share Capital

	2015, 2016 <u>and 2017</u> Number of shares	2015, 2016 <u>and 2017</u> S\$
Fully paid ordinary shares:		
Balance at beginning and end of the financial year	<u>3</u>	<u>3</u>

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares have no par value and carry one vote per share without restriction.

18 Non-controlling interests

	<u>2017</u> S\$	<u>2016</u> S\$	<u>2015</u> S\$
Balance at the beginning of the financial year	88,808	204,785	163,307
Share of profit/(loss) for the financial year	83,166	(115,977)	41,478
Balance at the end of the financial year	<u>171,974</u>	<u>88,808</u>	<u>204,785</u>

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18 Non-controlling interests (cont'd)

Interest in a subsidiary with material non-controlling interests

The Group has the following subsidiary that has material non-controlling interests:

<u>Company name</u>	<u>Country of incorporation and principal place of business</u>	<u>Proportion of ownership interests held by non-controlling interests</u>		<u>Profit/(loss) allocated to non-controlling interests</u>		<u>Accumulated non-controlling interests</u>	
		<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
				S\$	S\$	S\$	S\$
Newood Design Pte. Ltd.	Singapore	50%	50%	83,166	(115,977)	171,974	88,808
				41,478		<u>204,785</u>	

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18 Non-controlling interests (cont'd)

Summarised financial information in respect of each of the Group's subsidiary that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

Newood Design Pte. Ltd.

	<u>2017</u> S\$	<u>2016</u> S\$	<u>2015</u> S\$
Current assets	242,768	151,707	403,847
Non-current assets	147,648	72,596	84,212
Current liabilities	(31,007)	(18,815)	(38,207)
Non-current liabilities	(15,461)	(27,872)	(40,282)
Equity attributable to owners of the Company	171,974	88,808	204,785
Non-controlling interests	171,974	88,808	204,785
Revenue	693,293	360,479	638,421
Other income	66,860	28,978	62,491
Total expenses (including income tax expense)	(593,822)	(621,411)	(617,956)
Profit for the year	166,331	(231,954)	82,956
Profit attributable to owners of the Company	83,165	(115,977)	41,478
Profit attributable to the non-controlling interests	83,166	(115,977)	41,478
Profit for the year	166,331	(231,954)	82,956
Total comprehensive income attributable to owners of the Company	83,165	(115,977)	41,478
Total comprehensive income attributable to the non-controlling interests	83,166	(115,977)	41,478
Total comprehensive income for the year	166,331	(231,954)	82,956

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19 Significant Related Party Transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and other related parties at terms agreed between the parties.

	<u>2017</u> S\$	<u>2016</u> S\$	<u>2015</u> S\$
Sales of services to:			
- related parties	200,000	-	15,800
Purchases of goods and services from:			
- related parties	684	56,434	318,854
Advances from a controlling shareholder	16,000	-	-
Advances to a controlling shareholder	20,000	-	-
Advances to a related party	-	19,349	-

Related parties comprise mainly companies which are controlled by the controlling shareholders of the Group.

Compensation of key management personnel

The remuneration of the key management personnel of the Group during the financial years were as follows:

	<u>2017</u> S\$	<u>2016</u> S\$	<u>2015</u> S\$
Wages and salaries	43,200	46,200	45,619
Employer's contribution to defined contribution plans, including Central Provident Fund	6,360	6,750	5,560
Directors' fee	165,600	168,000	157,081
	<u>215,160</u>	<u>220,950</u>	<u>208,260</u>

The above remuneration mainly comprises amounts paid to directors of the subsidiary. The directors of the Company did not receive any remuneration for the financial years ended 31 December 2015, 2016 and 2017.

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20 Operating Lease Commitments

Where the Group is a lessee

The Group leases office properties from non-related parties under non-cancellable operating lease agreements. The leases have varying terms. There is no renewal option or contingent rental.

Future minimum rental payable under non-cancellable operating leases as at the end of the reporting periods are as follows:

	<u>2017</u> S\$	<u>2016</u> S\$	<u>2015</u> S\$
Not later than 1 year	98,821	40,800	40,800
Later than 1 year but not later than 5 years	164,873	91,800	132,600
	<u>263,694</u>	<u>132,600</u>	<u>173,400</u>

21 Financial Instruments, Financial Risks and Capital Management

The Group's activities expose it to financial risks (including credit risk, foreign currency risk, interest rate risk and liquidity risk). The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The management then establishes the detailed policies such as risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors.

There has been no change in the exposure to these financial risks or the manner in which it manages and measures the risk. The Group does not hold or issue derivative financial instruments for trading purposes.

21.1 Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a loss to the Group. The Group adopts the policy of dealing only with customers of appropriate credit standing and history. The Group performs ongoing credit evaluation of its counterparties' financial condition and does not require collaterals.

The Group does not have any significant credit exposure to any single counterparty or any group of counterparties having similar characteristics except for the top 2 (2016: 1 and 2015: 2) trade receivables (excluding retention sum) from third parties amounting to S\$776,110 (2016: S\$245,234 and 2015: S\$745,829) which accounts for 73% (2016: 44% and 2015: 71%) of the trade receivables as at the end of the financial years.

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21 Financial Instruments, Financial Risks and Capital Management (cont'd)

21.1 Credit risk (cont'd)

As the Group does not hold collateral, the maximum exposure to credit risk to each class of financial instruments is the carrying amount of that class of financial instruments presented on the combined statements of financial position.

The major classes of financial instruments are trade and other receivables and cash and cash equivalents.

Financial assets that are neither past due nor impaired

Trade receivables (excluding retention sum) amounting to S\$884,370 (2016: S\$57,850 and 2015: S\$366,830) that are neither past due nor impaired are creditworthy debtors with a reasonable payment record and no history of default with the Group. Cash and cash equivalents that are neither past due nor impaired are placed with or entered into with reputable banks with high credit ratings and no history of default.

Financial assets that are past due but not impaired

There is no other class of financial assets that is past due but not impaired except for trade receivables.

The age analysis of trade receivables past due but not impaired is as follows:

	<u>2017</u> S\$	<u>2016</u> S\$	<u>2015</u> S\$
Lesser than 30 days	56,896	27,169	104,114
30 - 60 days	23,814	39,565	3,805
61- 90 days	74,162	133,423	185,096
More than 90 days	20,060	202,225	394,816
	<u>174,932</u>	<u>402,382</u>	<u>687,831</u>

Financial assets that are past due and impaired

There is no other class of financial assets that is past due and impaired.

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21 Financial Instruments, Financial Risks and Capital Management (cont'd)

21.2 Foreign currency risk

Foreign currency risks arise from transactions denominated in currencies other than the functional currency of the entities within the Group. The currencies that give rise to this risk are primarily United States dollar.

The Group does not hedge foreign currency exposure using derivative financial instruments. The Group manages foreign currency risks by close monitoring of the timing of inception and settlement of the foreign currency transactions.

The Group monitors foreign exchange risks closely and maintains funds in various currencies to minimise currency exposure due to timing differences between sales and purchases. Currency translation risk arises when commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

The carrying amounts of the foreign currency denominated monetary assets and monetary liabilities at the end of the reporting date are as follows:

	<u>2017</u> S\$	<u>2016</u> S\$	<u>2015</u> S\$
Monetary assets			
United States dollar	11,039	11,847	12,902
Monetary liabilities			
United States dollar	-	-	-

Foreign currency sensitivity analysis

Sensitivity analysis is not disclosed as the amounts (as shown above) are insignificant.

21.3 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate because of changes in market interest rates.

The interest rates are fixed for the interest bearing assets and liabilities, except for bank borrowings which bears a variable interest rate as disclosed in Note 16. If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's results before tax would decrease/increase by S\$3,857 (2016: S\$4,031 and 2015: S\$4,166).

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21 Financial Instruments, Financial Risks and Capital Management (cont'd)

21.4 Liquidity risk

Liquidity risk refers to the risk in which the Group encounter difficulties in meeting short-term obligations. Liquidity risks are managed by matching the payment and receipt cycle.

The following table details the remaining contractual maturity for their non-derivative financial instruments. The table has been drawn up based on undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the Group are expected to receive or pay.

Contractual maturity analysis

	1 year or <u>less</u> S\$	<u>1 to 5 years</u> S\$	<u>After 5 years</u> S\$	<u>Total</u> S\$	<u>Carrying amount</u> S\$
2017					
Financial liabilities:					
- Trade and other payables	401,705	-	-	401,705	401,705
- Loans and borrowings	73,068	291,884	926,964	1,291,916	799,180
	<u>474,773</u>	<u>291,884</u>	<u>926,964</u>	<u>1,693,621</u>	<u>1,200,885</u>
2016					
Financial liabilities:					
- Trade and other payables	117,333	-	-	117,333	117,333
- Loans and borrowings	62,766	296,288	995,628	1,354,682	846,408
	<u>180,099</u>	<u>296,288</u>	<u>995,628</u>	<u>1,472,015</u>	<u>963,741</u>
2015					
Financial liabilities:					
- Trade and other payables	575,315	-	-	575,315	575,315
- Loans and borrowings	61,949	290,390	1,064,292	1,416,631	885,916
	<u>637,264</u>	<u>290,390</u>	<u>1,064,292</u>	<u>1,991,946</u>	<u>1,461,231</u>

The carrying amounts of the financial liabilities with a maturity of less than one year approximate to the contractual undiscounted cash flow amounts.

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21 Financial Instruments, Financial Risks and Capital Management (cont'd)

21.5 Capital management policies and objectives

The Group's objective when managing capital, which remained unchanged from 2015 and 2016, is to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholders' value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, buy back issued shares, obtain new borrowings or sell assets to reduce borrowings. Capital adequacy is monitored monthly by management.

In the management of capital risk, management takes into consideration the net debt against equity ratios as well as the Group's working capital requirement. The net debt against equity ratio is calculated as net debt divided by total equity. Net debt is calculated as total liabilities less cash and cash equivalents. Total equity comprises share capital and reserves attributable to equity holders of the Company.

	<u>2017</u> S\$	<u>2016</u> S\$	<u>2015</u> S\$
Net debt	922,906	698,190	1,318,511
Total equity	1,224,414	723,740	503,403
	<hr/>		
Net debt against equity ratio	0.75	0.96	2.62

For the financial years ended 31 December 2015, 2016 and 2017, the Group is not subjected to any externally imposed capital requirements.

21.6 Fair value of financial assets and financial liabilities

Financial instruments that are not carried at fair value whose carrying amounts are reasonable approximation of fair value

Management considers that the carrying amounts of financial assets and liabilities other than loans and borrowings recorded at amortised cost in the combined financial statements are reasonable approximation of fair values, due to their short-term maturity nature.

The carrying amounts of the current portion of loans and borrowings are reasonable approximations of fair values due to the insignificant impact of discounting.

The fair values of non-current loans and borrowings are estimated by discounting expected future cash flows at market incremental lending rate for similar types of lending, borrowing or leasing arrangements at the end of the reporting period.

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21 Financial Instruments, Financial Risks and Capital Management (cont'd)

21.6 Fair value of financial assets and financial liabilities (cont'd)

There is no significant change in rate for similar types of leasing arrangements as at reporting date and therefore the fair values of the loans and borrowings approximates the carrying amount.

22 Event Occurring After the Reporting Period

On 2 November 2018, Jason Holdings Limited (a limited liability company incorporated in Singapore and listed on the Catalist Board of the Singapore Exchange Securities Trading Limited, the “Purchaser”) entered into a sale and purchase agreement (the “SPA”) with the controlling shareholders and the Company (collectively, the “Parties”), pursuant to which the Purchaser will acquire the entire issued and paid up share capital of the Company from the controlling shareholders, upon the terms and conditions of the SPA (the “Proposed Acquisition”), for an aggregate consideration of S\$42,660,000 (the “Purchase Consideration”).

The Purchase Consideration shall be satisfied in full by the allotment and issuance of 11,642,995,836 new shares of the Purchaser (the “Consideration share”) at an issue price of approximately S\$0.003664 per Consideration Share. The Consideration Shares shall be issued as fully-paid shares and rank *pari passu* in all respects with and carry all rights similar to the shares in issue then, except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls on or before the date of issue of the Consideration Shares.

The Proposed Acquisition may result in a reverse takeover pursuant to Rule 1015 of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) Listing Manual Section B: Rules of Catalist (the “Catalist Rules”). Accordingly, where the Proposed Acquisition results in a reverse takeover of the Purchaser, the Proposed Acquisition will be subject, *inter alia*, to the approval of the SGX-ST and the shareholders of the Purchaser at an extraordinary general meeting of the Purchaser to be convened.

Pursuant to the SPA, the Parties agree that after Completion, in relation to IOIO Lab Pte. Ltd. (“IOIO Lab”), where the revenue for IOIO Lab in a financial year amounts to or exceeds S\$3 million, the minority shareholder of IOIO Lab is entitled to purchase up to 25% of the issued and paid-up capital of IOIO Lab from the Group for a consideration of S\$75,000.

APPENDIX E – COMBINED FINANCIAL STATEMENTS OF THE TARGET GROUP FOR FY2015, FY2016 AND FY2017

REVEZ GROUP PTE. LTD.
(Incorporated in Singapore)

AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017

23 Audited Reconciliation of the Singapore Financial Reporting Standards (“FRS”) to Singapore Financial Reporting Standards (International) (“SFRS(I)”) for the financial year ended 31 December 2017

The following sets out the reconciliation of differences between FRS and SFRS(I) for the combined statement of financial position, combined statement of comprehensive income, combined statement of changes in equity and combined statement of cash flows of the Group for the financial year ended 31 December 2017 and the combined statement of financial position as at 1 January 2017 (date of initial application) and 1 January 2018.

Combined statement of financial position

As at 1 January 2017	As reported under FRS S\$	Effects of applying SFRS(I) 15 S\$	As reported under SFRS(I) S\$
Non-current asset			
Property, plant and equipment	872,112	-	872,112
Total non-current asset	872,112	-	872,112
Current assets			
Contract assets	-	94,042	94,042
Trade and other receivables	638,626	(94,042)	544,584
Cash and cash equivalents	268,543	-	268,543
Total current assets	907,169	-	907,169
Less:			
Current liabilities			
Trade and other payables	117,333	(53,220)	64,113
Contract liabilities	-	53,220	53,220
Loans and borrowings	47,227	-	47,227
Current tax liabilities	2,992	-	2,992
Total current liabilities	167,552	-	167,552
Net current assets	739,617	-	739,617
Non-current liability			
Loans and borrowings	799,181	-	799,181
Total non-current liability	799,181	-	799,181
Net assets	812,548	-	812,548
Equity			
Share capital	3	-	3
Merger reserve	145,500	-	145,500
Retained earnings	578,237	-	578,237
Equity attributable to equity owners of the Company	723,740	-	723,740
Non-controlling interests	88,808	-	88,808
Total equity	812,548	-	812,548

APPENDIX E – COMBINED FINANCIAL STATEMENTS OF THE TARGET GROUP FOR FY2015, FY2016 AND FY2017

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FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017

23 Audited Reconciliation of the Singapore Financial Reporting Standards (“FRS”) to Singapore Financial Reporting Standards (International) (“SFRS(I)”) for the financial year ended 31 December 2017 (cont’d)

Combined statement of financial position (cont’d)

	← 31 December 2017 →		← 1 January 2018 →		
	As reported under FRS S\$	Effects of applying SFRS(I) 15 S\$	As reported under SFRS(I) S\$	Effects of applying SFRS(I) 9 S\$	As reported under SFRS(I) S\$
Non-current asset					
Property, plant and equipment	1,139,324	-	1,139,324	-	1,139,324
Total non-current asset	1,139,324	-	1,139,324	-	1,139,324
Current assets					
Work-in-progress	26,202	(26,202)	-	-	-
Contract assets	-	26,202	26,202	-	26,202
Trade and other receivables	1,153,768	-	1,153,768	(150,000)	1,003,768
Cash and cash equivalents	283,849	-	283,849	-	283,849
Total current assets	1,463,819	-	1,463,819	(150,000)	1,313,819
Less:					
Current liabilities					
Trade and other payables	401,705	(269,321)	132,384	-	132,384
Contract liabilities	-	269,321	269,321	-	269,321
Loans and borrowings	40,414	-	40,414	-	40,414
Current tax liabilities	5,870	-	5,870	-	5,870
Total current liabilities	447,989	-	447,989	-	447,989
Net current assets	1,015,830	-	1,015,830	(150,000)	865,830
Non-current liability					
Loans and borrowings	758,766	-	758,766	-	758,766
Total non-current liability	758,766	-	758,766	-	758,766
Net assets	1,396,388	-	1,396,388	(150,000)	1,246,388
Equity					
Share capital	3	-	3	-	3
Merger reserve	145,500	-	145,500	-	145,500
Retained earnings	1,078,911	-	1,078,911	(150,000)	928,911
Equity attributable to equity owners of the Company	1,224,414	-	1,224,414	(150,000)	1,074,414
Non-controlling interests	171,974	-	171,974	-	171,974
Total equity	1,396,388	-	1,396,388	(150,000)	1,246,388

**APPENDIX E – COMBINED FINANCIAL STATEMENTS OF THE TARGET GROUP
FOR FY2015, FY2016 AND FY2017**

**REVEZ GROUP PTE. LTD.
(Incorporated in Singapore)**

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FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017

23 Audited Reconciliation of the Singapore Financial Reporting Standards (“FRS”) to Singapore Financial Reporting Standards (International) (“SFRS(I)”) for the financial year ended 31 December 2017 (cont’d)

Combined statement of comprehensive income

For the financial year ended 31 December 2017	As reported under FRS S\$	Effects of applying SFRS(I) 15 S\$	As reported under SFRS(I) S\$
Revenue	2,611,889	-	2,611,889
Other income	202,894	-	202,894
Material costs and changes in inventories	(570,756)	-	(570,756)
Salaries and employees’ benefits	(1,299,909)	-	(1,299,909)
Depreciation of property, plant and equipment	(75,962)	-	(75,962)
Other operating expenses	(265,900)	-	(265,900)
Finance costs	(15,538)	-	(15,538)
Profit before income tax	586,718	-	586,718
Income tax expense	(2,878)	-	(2,878)
Profit for the financial year	583,840	-	583,840
Other comprehensive income, net of income tax	-	-	-
Total comprehensive income for the financial year	583,840	-	583,840

**APPENDIX E – COMBINED FINANCIAL STATEMENTS OF THE TARGET GROUP
FOR FY2015, FY2016 AND FY2017**

**REVEZ GROUP PTE. LTD.
(Incorporated in Singapore)**

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FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017

23 Audited Reconciliation of the Singapore Financial Reporting Standards (“FRS”) to Singapore Financial Reporting Standards (International) (“SFRS(I)”) for the financial year ended 31 December 2017 (cont’d)

Combined statement of changes in equity

	←	Attributable to equity owners of the Company				→	
	Share capital S\$	Merger reserve S\$	Retained earnings S\$	Attributable to equity owners of the Company S\$	Non-controlling interests S\$	Total equity S\$	
Balance at 1 January 2017	3	145,500	578,237	723,740	88,808	812,548	
Profit for the financial year	-	-	500,674	500,674	83,166	583,840	
Other comprehensive income	-	-	-	-	-	-	
Total comprehensive income for the financial year	-	-	500,674	500,674	83,166	583,840	
Balance at 31 December 2017	3	145,500	1,078,911	1,224,414	171,974	1,396,388	
Adjustment on initial application of SFRS(I) 9 (net of tax)	-	-	(150,000)	(150,000)	-	(150,000)	
Balance at 1 January 2018	3	145,500	928,911	1,074,414	171,974	1,246,388	

APPENDIX E – COMBINED FINANCIAL STATEMENTS OF THE TARGET GROUP FOR FY2015, FY2016 AND FY2017

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23 Audited Reconciliation of the Singapore Financial Reporting Standards (“FRS”) to Singapore Financial Reporting Standards (International) (“SFRS(I)”) for the financial year ended 31 December 2017 (cont’d)

Combined statement of cash flows

For the financial year ended 31 December 2017	As reported under FRS S\$	Effects of applying SFRS(I) 15 S\$	As reported under SFRS(I) S\$
Cash Flows from Operating Activities			
Profit before income tax	586,718	-	586,718
Adjustments for:			
Credit loss allowance	-	-	-
Depreciation of property, plant and equipment	75,962	-	75,962
Interest expense	15,538	-	15,538
Interest income	(6)	-	(6)
Operating cash flows before working capital changes	678,212	-	678,212
Movement in working capital:			
Work-in-progress	(26,202)	26,202	-
Contract assets	-	(26,202)	(26,202)
Trade and other receivables	(515,142)	-	(515,142)
Contract liabilities	-	216,101	216,101
Trade and other payables	284,372	(216,101)	68,271
Cash generated from operations	421,240	-	421,240
Interest received	6	-	6
Net cash generated from operating activities	421,246	-	421,246
Cash Flows from Investing Activities			
Purchase of property, plant and equipment	(343,174)	-	(343,174)
Net cash used in investing activities	(343,174)	-	(343,174)
Cash Flows from Financing Activities			
Repayment of finance lease liability	(12,411)	-	(12,411)
Repayment of bank borrowings	(34,817)	-	(34,817)
Interest paid	(15,538)	-	(15,538)
Net cash used in financing activities	(62,766)	-	(62,766)
Net increase in cash and cash equivalents	15,306	-	15,306
Cash and cash equivalents at beginning of the financial year	268,543	-	268,543
Cash and cash equivalents at end of the financial year	283,849	-	283,849

APPENDIX E – COMBINED FINANCIAL STATEMENTS OF THE TARGET GROUP FOR FY2015, FY2016 AND FY2017

REVEZ GROUP PTE. LTD.
(Incorporated in Singapore)

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2015, 2016 AND 2017

23 Audited Reconciliation of the Singapore Financial Reporting Standards (“FRS”) to Singapore Financial Reporting Standards (International) (“SFRS(I)”) for the financial year ended 31 December 2017 (cont’d)

Notes to the reconciliation of effect of current framework to SFRS(I) framework

(i) SFRS(I) 9

The Group has applied the simplified impairment approach to recognise only lifetime ECL impairment charges on all trade receivables and contract assets that arose from SFRS(I) 15. Based on the assessment made, there was an increase of S\$150,000 in the allowance for impairment recognised in opening retained earnings of the Group at 1 January 2018 on transition to SFRS(I) 9.

(ii) SFRS(I) 15

The Group plans to adopt the standard with full retrospective effect. The adoption of SFRS(I) 15 has resulted in reclassification adjustments to the FRS financial statements as explained below:

Accounting for unbilled receivables and deferred revenue

Prior to the adoption of SFRS(I) 15, unbilled receivables and deferred revenue were recognised as trade and other receivables and trade and other payables respectively. In applying SFRS(I) 15, unbilled receivables and deferred revenue should be recognised as contract assets and contract liabilities respectively in the combined statement of financial position, as the Group did not have any unconditional rights to consideration. As a result, this relates to reclassification adjustments for aligning with the terminology in FRS 115 and will not have a material impact on the combined financial statements in the year of initial application.

24 Authorisation for Issue of the Combined Financial Statements

The combined financial statements for the financial years ended 31 December 2015, 2016 and 2017 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on 29 March 2019.

APPENDIX F – LETTER FROM ZICO CAPITAL PTE. LTD. TO THE INDEPENDENT DIRECTORS OF JASON HOLDINGS LIMITED

29 March 2019

JASON HOLDINGS LIMITED

11 Tampines Street 92

#03-05

Tampines Bizhub

Singapore 528872

Attention: The Independent Directors (as defined herein)

- (I) **THE PROPOSED WHITEWASH RESOLUTION FOR THE WAIVER BY INDEPENDENT SHAREHOLDERS OF THEIR RIGHT TO RECEIVE A MANDATORY TAKE-OVER OFFER FROM THE VENDORS AND THEIR CONCERT PARTIES**
- (II) **THE PROPOSED DISPOSAL OF 60% OF THE ISSUED AND FULLY PAID-UP ORDINARY SHARES IN THE CAPITAL OF WHITE CUBIC PTE. LTD.**

*Unless otherwise defined or the context otherwise requires, all terms used in this letter (“**IFA Letter**”) shall have the same meanings as defined in the circular to shareholders of Jason Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) (“**Shareholders**”) dated 29 March 2019 (the “**Circular**”).*

1. INTRODUCTION

- 1.1. On 5 November 2018, the Company announced that it entered into a sale and purchase agreement (“**SPA**”) with Neo Wee Han Victor, Lim Kian Sing and Lee Han Chong (“**Vendors**”) for the proposed acquisition by the Company of the entire issued and paid-up share capital of Revez Group Pte. Ltd. (“**Target**”) upon the terms and subject to the conditions of the SPA (“**Proposed Acquisition**”).
- 1.2. The aggregate consideration for the Proposed Acquisition is S\$42,660,000 (“**Consideration**”), and shall be satisfied in full by the allotment and issuance of 11,642,995,836 new ordinary shares of the Company (“**Consideration Shares**”) at S\$0.003664 per Consideration Share (“**Issue Price**”) to the Vendors (and/or their designated nominees) upon completion of the Proposed Acquisition (“**Completion**”). The Vendors incorporated L3N Capital Pte. Ltd. (“**L3N Capital**”) as its designated nominee to hold part of the Consideration Shares.
- 1.3. An application was made to the Securities Industry Council (“**SIC**”), and the SIC has granted the Vendors a waiver of their obligation to make a mandatory general offer for the Company under Rule 14 of the Singapore Code on Take-overs and Mergers (“**Code**”) in the event the Vendors together acquire more than 30% of the Company’s total voting rights based on its enlarged issued capital as a result of acquiring the Consideration Shares under the Proposed Acquisition. The waiver is subject to various conditions including, amongst others, the appointment of an independent financial advisor (“**IFA**”) to advise independent Shareholders on the Proposed Acquisition (“**Proposed Whitewash Resolution**”).
- 1.4. On 5 November 2018, the Company also announced that it had entered into an agreement with Chia David (“**Purchaser**”) and White Cubic Pte. Ltd. (“**WCPL**”), the Company’s 60%-owned subsidiary, pursuant to which the Company will dispose of its existing business and shareholding interest in WCPL (“**Disposal Shares**”) to the Purchaser for a consideration of S\$20,000 (“**Disposal Consideration**”) (“**Proposed Disposal**”).
- 1.5. As WCPL is to be sold to the Purchaser, who holds 0.0004% of the Shares, the Proposed Disposal may constitute a special deal under Rule 10 of the Code. The SIC has consented to the Proposed Disposal, subject to, amongst others, the IFA publicly stating that in its opinion, the terms of the Proposed Disposal are fair and reasonable.

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- 1.6. ZICO Capital Pte. Ltd. (“**ZICO Capital**”) has been appointed by the Company as the IFA to advise the directors of the Company who are considered independent in respect of (i) the Proposed Whitewash Resolution; and (ii) the Proposed Disposal, for their purpose of making recommendations to the Independent Shareholders in respect of the Proposed Whitewash Resolution, and in compliance with the requirements of the SIC in respect of the Proposed Disposal as set out in paragraph 1.5 of this IFA Letter.

This IFA letter is addressed to the directors who are considered independent for the purpose of the Proposed Acquisition and the Proposed Whitewash Resolution as well as the Proposed Disposal (“**Independent Directors**”), to provide an opinion on whether, from a financial perspective, the terms of (i) the Proposed Acquisition, being the subject of the Proposed Whitewash Resolution, are fair and reasonable, and not prejudicial to the interests of the Independent Shareholders; and (ii) the Proposed Disposal are fair and reasonable. This IFA Letter forms part of the Circular to be despatched to Shareholders in relation to the Proposed Acquisition, the Proposed Whitewash Resolution and the Proposed Disposal.

2. TERMS OF REFERENCE

Our terms of reference do not require us to evaluate or comment on the rationale for, legal and commercial risks and/or merits (if any) of, the Proposed Acquisition, the Proposed Whitewash Resolution or the Proposed Disposal, and we have not made such evaluations or comments. Such evaluations or comments shall remain the sole responsibility of the directors and management of the Company and/or the Target 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 recommendation as set out in this IFA Letter.

We were not involved in or responsible for, any aspect of the negotiations pertaining to the Proposed Acquisition, the Proposed Whitewash Resolution or the Proposed Disposal, nor were we involved in the deliberations leading up to the decision on the part of the directors of the Company to propose the Proposed Acquisition, the Proposed Whitewash Resolution or the Proposed Disposal. We do not warrant the merits of the Proposed Acquisition, the Proposed Whitewash Resolution or the Proposed Disposal, other than to express an opinion on whether, from a financial perspective, the terms of (i) the Proposed Acquisition, being the subject of the Proposed Whitewash Resolution, are fair and reasonable, and are not prejudicial to the interests of the Independent Shareholders; and (ii) the Proposed Disposal are fair and reasonable. We do not opine on whether the basis of (i) valuing the Target Group (as defined below) in determining the Consideration; or (ii) valuing WCPL in determining the Disposal Consideration is reasonable. We also do not opine on whether (i) the Proposed Acquisition meets the SGX-ST’s requirements of submitting a proposal with a view of resuming trading in the Company’s securities; or (ii) the management of the Company and the Target Group (as defined below) (“**Enlarged Group**”) has the requisite expertise and experience to manage the businesses of the Enlarged Group following the Completion.

In the course of our evaluation of the terms of the Proposed Acquisition (being the subject of the Proposed Whitewash Resolution) and the Proposed Disposal from a financial perspective, we have held discussions with the directors and management of the Company and/or the Target. We have also examined publicly available information as well as information, both written and verbal, provided to us by the directors and the management of the Company and/or Target, including information contained in the Circular. We have relied on, and assumed without independent verification, the accuracy and completeness of such information, whether written or verbal, and accordingly cannot and do not make any warranty or representation, express or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of, such information or representations.

We have relied upon the assurances from the directors and management of the Company and/or the Target (including those who may have delegated detailed supervision of the Circular) who have accepted full responsibility for the accuracy and completeness of the information provided to us,

APPENDIX F – LETTER FROM ZICO CAPITAL PTE. LTD. TO THE INDEPENDENT DIRECTORS OF JASON HOLDINGS LIMITED

that, to the best of their knowledge and belief, they have taken reasonable care to ensure that the facts stated and opinions expressed by them, the Company, the Enlarged Group or WCPL in the Circular are fair and accurate in all material aspects. The directors and management of the Company and/or the Target have confirmed to us that, to the best of their knowledge and belief, there is no other information or fact, the omission of which would cause any statement in the Circular in respect of the Proposed Acquisition, the Proposed Whitewash Resolution or the Proposed Disposal to be inaccurate, incomplete or misleading in any material respect. Whilst care has been exercised in reviewing the information upon which we have relied, we have not independently verified such information but nevertheless have made such enquiry and judgement as we have deemed necessary and have found no reason to doubt the accuracy or reliability of the information upon which we have relied.

For the purposes of assessing the terms of the Proposed Acquisition (being the subject of the Proposed Whitewash Resolution) and the Proposed Disposal from a financial perspective, we have not relied upon any financial projections or forecasts in respect of the Company, the Group, the Target Group (as defined below), WCPL or the Enlarged Group. We are not required to express, and we do not express, any view on the growth prospects, earnings potential or future financial performance of the Company, the Group, the Target Group (as defined below), WCPL or the Enlarged Group in connection with our opinion in this IFA Letter.

In connection with the Proposed Acquisition, the Company had commissioned BDO Advisory Pte. Ltd. ("**Independent Business Valuer**") to undertake a valuation of the entire issued and paid-up share capital of the Target ("**Sale Shares**"). The valuation letter by the Independent Business Valuer ("**Valuation Letter**") has been set out in Appendix G of the Circular. We have placed sole reliance thereon for the valuation and information contained in the Valuation Letter. We were not involved in the preparation of, and assume no responsibility for the Valuation Letter. We have not made any independent verification of the contents thereof. 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.

Our recommendations are based upon market, economic, industry and other conditions prevailing, as well as information made available to us, as at the Latest Practicable Date. Such conditions and information may change significantly over a short period of time. We assume no responsibility to update, revise or reaffirm our recommendations in light of any subsequent developments after the Latest Practicable Date that may affect our recommendations contained therein. Shareholders should take note of any announcements relevant to their consideration of the Proposed Whitewash Resolution and the Proposed Disposal, which may be released after the Latest Practicable Date.

In rendering our advice and providing our recommendation, we did not have regard to the specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any Shareholder. We recommend that any Shareholder who may require specific advice in relation to his investment objective(s) or portfolio(s) should consult his legal, financial, tax or other professional advisers immediately.

The Company has been advised by its own legal advisers in the preparation of the Circular (other than this IFA Letter). We have had no role or involvement, and have not provided any advice (financial or otherwise) whatsoever, in the preparation, review and verification of the Circular (other than this IFA Letter) and our responsibility is as set out above in relation to this IFA Letter. Accordingly, we take no responsibility for, and express no views, whether expressed or implied, on the contents of the Circular (except for this IFA Letter).

We have prepared this IFA Letter for the use by the Independent Directors in connection with their consideration of the Proposed Whitewash Resolution and the Proposed Disposal, and any recommendations made by the Independent Directors in respect of the Proposed Whitewash Resolution shall remain their sole responsibility. Whilst a copy of this IFA Letter may be reproduced in the Circular, neither the Company, the directors of the Company and/or the Target nor any other persons may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any purposes

APPENDIX F – LETTER FROM ZICO CAPITAL PTE. LTD. TO THE INDEPENDENT DIRECTORS OF JASON HOLDINGS LIMITED

(other than for the consideration by the Independent Directors) at any time and in any manner without the prior written consent of ZICO Capital. Our opinion in relation to the Proposed Whitewash Resolution and the Proposed Disposal should be considered in the context of the entirety of this IFA Letter and the Circular.

3. THE PROPOSED ACQUISITION

3.1. Information on the Target Group (as defined below)

The Target is a private company incorporated in Singapore on 20 August 2018, and its entire issued and paid-up share capital is legally and beneficially owned by the Vendors.

The Vendors and the Target have carried out such restructuring that has resulted in the Target holding the issued and paid-up share capital of the following companies:

- (a) Revez Motion Pte. Ltd. (100%);
- (b) Revez Pte. Ltd. (100%);
- (c) IOIO Lab Pte. Ltd. (80%); and
- (d) Newood Design Pte. Ltd. (51%),

(together with the Target, the “**Target Group**”).

The Target Group is primarily involved in delivering creative information technology (“**IT**”) solutions in Singapore, specialising in the provision of application solutions for businesses and meetings, incentives, conferences and exhibitions. It provides a multi-disciplinary blend of technology and creative media, with a particular focus in transforming customer operating processes, productivity improvement and brand experiences.

The Target Group conducts its business operations predominantly in Singapore, serving customers on a global scale. It produces applications and websites, comprehensive tailor-made integrated solutions, and delivers immersive and interactive virtual and multimedia experiences, and cutting-edge software solutions. The Target Group specialises in the design and development of an integrated suite of solutions by tapping on new technology, immersive multimedia, Artificial Intelligence, Internet of Things, Information and Communications Technology (“**ICT**”), Software-as-a-Service, and Creative & Content Service. Within the Research & Development arena, the Target Group engages an intellectual property-centric strategy to achieve continued growth and expansion, new innovative solutions and in building an intellectual property portfolio.

3.2. Information on the Vendors and L3N Capital

The Vendors are (i) Neo Wee Han Victor; (ii) Lim Kian Sing; and (iii) Lee Han Chong.

Neo Wee Han Victor is the co-founder of the Target Group, and is proposed to be the executive director, chief executive officer and the deputy board chairman of the Enlarged Group upon Completion. He is responsible for the day-to-day decision making process, overseeing administrative needs while implementing new programmes of the Target Group.

Lim Kian Sing is the co-founder of the Target Group, and is proposed to be the executive director and the chief operating officer of the Enlarged Group. He is responsible for the overall management and operation, business growth and development of the Target Group.

Lee Han Chong is the co-founder of the Target Group, and is proposed to be the executive director and chief creative technology officer of the Enlarged Group. He is responsible for the overall technology creation and development, creative design and strategy of the Target Group.

Further details about the Vendors can be found in Section 23.2 of Appendix A the Circular.

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As at the Latest Practicable Date, L3N Capital holds 77.40% of the shares in the Target, Neo Wee Han Victor holds 8.20% of the shares in the Target, and Lim Kian Sing and Lee Han Chong each hold 7.20% of the shares in the Target. The Vendors will continue to have management roles in the Target Group post-completion of the Proposed Acquisition.

The Vendors do not hold any shares of the Company (“**Shares**”), and are not related to the directors of the Company, controlling shareholders of the Company or their respective associates.

The Vendors have, on 31 January 2019, incorporated an investment holding company, L3N Capital to hold part of the Consideration Shares. As at the Latest Practicable Date, Neo Wee Han Victor, Lim Kian Sing and Lee Han Chong own shares equally in L3N Capital. Upon the issuance of the Consideration Shares, the shareholding shall be as follows:

- (a) L3N Capital will own (i) 9,010,880,523 Shares (61.77% shareholding in the Company) after Completion and before the Proposed Share Consolidation and the Proposed Compliance Placement; and (ii) 90,108,805 Shares (53.80% shareholding in the Company) after Completion, the Proposed Share Consolidation and the Proposed Compliance Placement;
- (b) Neo Wee Han Victor shall hold (i) 954,991,743 shares in the Company (representing 6.55% of shareholding in the Company) after Completion and before the Proposed Share Consolidation and the Proposed Compliance Placement; and (ii) 9,549,917 shares in the Company (representing 5.70% of shareholding in the Company) after Completion, the Proposed Share Consolidation and the Proposed Compliance Placement;
- (c) Lim Kian Sing shall hold (i) 838,561,785 shares (representing 5.75% of shareholding in the Company) after Completion and before the Proposed Share Consolidation and the Proposed Compliance Placement; and (ii) 8,385,617 shares in the Company (representing 5.01% of shareholding in the Company) after Completion, the Proposed Share Consolidation and the Proposed Compliance Placement; and
- (d) Lee Han Chong shall hold (i) 838,561,785 shares (representing 5.75% of shareholding in the Company) after Completion and before the Proposed Share Consolidation and the Proposed Compliance Placement; and (ii) 8,385,617 shares in the Company (representing 5.01% of shareholding in the Company) after Completion, the Proposed Share Consolidation and the Proposed Compliance Placement.

3.3. Consideration for the Proposed Acquisition

The consideration for the Sale Shares is S\$42,660,000, which shall be satisfied in full by the allotment and issuance of 11,642,995,836 Consideration Shares by the Company to the Vendors and/or its designated nominees, at an Issue Price of S\$0.003664 each.

The Consideration was arrived at on a willing-buyer-willing-seller basis after arm’s length negotiation between the Company, the Vendors and the Target (collectively, the “**Parties**”, and each a “**Party**”), and took into account, amongst others, the annualised unaudited net profits before tax of the Target Group (based on the nine-month financial period from January 2018 to September 2018) and a price-earnings ratio of 15.8. The directors of the Company note that such Consideration was not out of line with market comparables based on the market data available at the time of the negotiation.

The Parties have agreed that the annualised unaudited net profits before tax of the Target Group (based on the Target Group’s nine-month financial period from January 2018 to September 2018) shall be fixed at the sum of S\$2,700,000, and the Consideration shall not be subjected to adjustment nor reimbursement from or to either Party in the event the Valuation Letter reports a fair value of the Sale Shares which deviates from S\$42,660,000.

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3.4. Conditions Precedent

The Completion of the Proposed Acquisition is conditional upon, amongst others, conditions being satisfied on or before Completion ("**Conditions Precedent**"), as set out in Section 3.4.3 of the Circular.

If any of the Conditions Precedent is not fulfilled or waived by the relevant Party by the Long-Stop Date of the SPA (or such other date and time as the parties may agree in writing), the SPA shall automatically terminate and (save as provided in the SPA, or for any antecedent breach of the SPA) none of the Parties shall have any claim against any other Party for costs, damages, compensation or anything whatsoever

4. THE PROPOSED WHITEWASH RESOLUTION

Under Rule 14 of the Code and Section 139 of the Securities and Futures Act, Cap. 289 of Singapore, where (a) any person acquires, whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30.0% or more of the voting rights of a company; or (b) any person who, together with persons acting in concert with him, holds not less than 30.0% but not more than 50.0% of the voting rights and such person, or any person acting in concert with him, acquires in any period of six (6) months additional shares carrying more than 1.0% of the voting rights, such person must extend a general offer immediately to the holders of any class of share capital of the company which carries votes and in which such person, or persons acting in concert with him, hold shares.

In view of the requirements under Rule 14 of the Code, the Vendors and parties acting in concert with them ("**Target Obligated Parties**") would be required to make a general offer following the allotment and issuance of the Consideration Shares upon Completion.

As at the Latest Practicable Date, the Target Obligated Parties do not hold any interest in any Shares. The Target Obligated Parties will hold 11,642,995,836 Shares, representing approximately 79.8% of the issued and paid-up share capital of the Company immediately after Completion but prior to the proposed issue of 21,621,621 Shares for purposes of, among other things, meeting the public float requirement, the shareholding spread and distribution requirements of the Catalist Rules ("**Proposed Compliance Placement**").

The SIC had, on 8 February 2019, granted the Vendors a waiver of the requirement for the Vendors to make a general offer for the Company (under Rule 14 of the Code) in the event the Vendors together acquire more than 30% of the Company's total voting rights based on its enlarged issued capital as a result of acquiring the Consideration Shares under the Proposed Acquisition, subject to, *inter alia*, the fulfilment of certain conditions as set out in Section 6.2.2 of the Circular, including the passing of the Proposed Whitewash Resolution by Independent Shareholders.

Independent Shareholders should note that the Proposed Acquisition is conditional upon the approval for the Proposed Whitewash Resolution being obtained. Hence, the Proposed Acquisition will not be completed in the event the Proposed Whitewash Resolution is not approved.

Independent Shareholders should note that as the allotment and issue of the Consideration Shares would result in the Target Obligated Parties holding Shares carrying over 49.0% of the voting rights of the Company, the Target Obligated Parties will be free to acquire further Shares without incurring any obligation under Rule 14 of the Code to make a general offer for the Company in the event the Proposed Whitewash Resolution is approved.

Independent Shareholders should note that by voting in favour of the Proposed Whitewash Resolution, they are waiving their rights to receive a general offer from the Target Obligated Parties at the highest price paid by the Target Obligated Parties for the Shares in the six months preceding the commencement of the offer.

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5. EVALUATION OF THE PROPOSED WHITEWASH RESOLUTION

In our evaluation of the Proposed Whitewash Resolution, we have given due consideration to, *inter alia*, the following factors which we consider to be pertinent and to have a significant bearing on our assessment:

- (a) the rationale for the Proposed Acquisition;
- (b) the financial performance and position of the Target Group;
- (c) the assessment of the Consideration;
- (d) the assessment of the Issue Price;
- (e) other relevant considerations in relation to the Proposed Acquisition

5.1. Rationale for the Proposed Acquisition

The rationale for the Proposed Acquisition has been extracted from Section 3.2 of the Circular and is set out in italics below. Unless otherwise defined or the context otherwise requires, all terms defined in the Circular shall have the same meaning herein.

“The Proposed Acquisition is in line with the Group’s strategy to venture into a new business area that has the potential for growth. In view of the historical financial performance of the Group, the Company has been constantly looking to explore new investments, acquisitions, strategic alliances and/or joint ventures to grow and improve the quality of its business operations. The Proposed Acquisition represents a good opportunity for the Group to expand and diversify its businesses and operations, which will allow it to achieve a more consistent and sustainable financial growth. As a result of the Proposed Acquisition, the Company will be injected with the new businesses undertaken by the Target Group and the Board is of the opinion that the Company can expect a major additional revenue stream and this will help the Company.

In view of the foregoing, the Board believes that the Proposed Acquisition will contribute positively to the future earnings of the Group and enhance Shareholders’ value in the long term. Therefore, the Board is of the view that the Proposed Acquisition is beneficial to the Company, and likely to enhance the long term interests of Shareholders of the Company.

Further, as the continuing sponsor of the Company, Hong Leong Finance Limited, had on behalf of the Company, applied for a further extension of time from 31 December 2018 to 30 April 2019 for the Company to submit a proposal pursuant to Rule 1304 of the Catalist Rules to the SGX-ST. As announced on 24 December 2018, the SGX-ST informed the Company on 21 December 2018, that it has no objection to granting the extension, and the Company will endeavour to submit the resumption proposal to the SGX-ST by 30 April 2019. This Proposed Acquisition is therefore in line with the Company’s efforts to resume trading.”

5.2. Financial performance and position of the Target Group

Financial performance

A summary of the audited combined statements of comprehensive income of the Target Group for the financial years ended (“FY”) 31 December 2015, 31 December 2016 and 31 December 2017 and the nine-month period ended (“9MFY”) 30 September 2018, and the unaudited combined statements of comprehensive income of the Target Group for 9MFY2017, is set out below:

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(SGD '000)	FY2015	Audited FY2016	FY2017	Unaudited 9MFY2017	Audited 9MFY2018
Revenue	2,545	2,078	2,612	1,374	4,397
Profit before income tax	256	106	587	313	2,321
Net profit after tax	254	104	584	311	1,953

9MFY2018 vs 9MFY2017

Revenue increased by S\$3.0 million or 220.1%, from S\$1.4 million in 9MFY2017 to S\$4.4 million in 9MFY2018, due mainly to an increase in revenue from government related IT projects.

Other income increased by S\$0.1 million or 69.7%, from S\$0.2 million in 9MFY2017 to S\$0.3 million in 9MFY2018, due mainly to a gain on disposal of office equipment which were sold to a customer in a project.

Material costs and changes in inventories increased by S\$0.2 million or 52.3%, from S\$0.3 million in 9MFY2017 to S\$0.5 million in 9MFY2018, which corresponded with the increase in revenue.

Operating expenses increased by S\$0.9 million or 107.3%, from S\$0.9 million in 9MFY2017 to S\$1.8 million in 9MFY2018, due mainly to an increase in salaries and employees' benefits, and other operating expenses. Salaries and employees' benefits increased mainly due to an increase from 25 employees as at 30 September 2017 to 42 employees as at 30 September 2018 and the reversal of contract assets relating to capitalised labour costs. Other operating expenses increased mainly due to an increase in office rental expenses, travelling expenses, advertising expenses, and transport and delivery expenses.

Due to the factors above, profit after tax increased by S\$1.7 million or 528.6%, from S\$0.3 million in 9MFY2017 to S\$2.0 million in 9MFY2018.

FY2017 vs FY2016

Revenue increased by S\$0.5 million or 25.7%, from S\$2.1 million in FY2016 to S\$2.6 million in FY2017, due mainly to the completion of the Target Group's restructuring and realignment strategy in respect of its customers and the increase in revenue from government related IT projects.

Material costs and changes in inventories increased by S\$0.2 million or 42.4%, from S\$0.4 million in FY2016 to S\$0.6 million in FY2017, which corresponded with the increase in revenue.

Operating expenses decreased by S\$0.1 million or 6.1%, from S\$1.7 million in FY2016 to S\$1.6 million in FY2017, due mainly to a decrease in other operating expenses. Other operating expenses decreased mainly due to a decrease in professional fees, travelling expenses, and other miscellaneous expenses.

Due to the factors above, profit after tax increased by S\$0.5 million or 459.4%, from S\$0.1 million in FY2016 to S\$0.6 million in FY2017.

FY2016 vs FY2015

Revenue decreased by S\$0.4 million or 18.4%, from S\$2.5 million in FY2015 to S\$2.1 million in FY2016, due mainly to a decline in revenue from a major customer.

Material costs and changes in inventories decreased by S\$0.2 million or 36.3%, from S\$0.6 million in FY2015 to S\$0.4 million in FY2016, which corresponded with the decrease in revenue and the implementation of restructuring and realignment strategy to focus more on longer duration government related IT projects and higher margin projects.

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Operating expenses decreased by S\$0.1 million or 3.4%, from S\$1.8 million in FY2015 to S\$1.7 million in FY2016, due mainly to a decline in other operating expenses, offset by an increase in salaries and employees' benefits. Other operating expenses decreased mainly due to a decline in entertainment and refreshment, professional fees, travelling expenses, training expenses, and office rental expenses. Salaries and employees' benefits increased mainly due to an increase in salaries, bonuses and directors' remuneration.

Due to the factors above, profit after tax decreased by S\$0.2 million or 58.9%, from S\$0.3 million in FY2015 to S\$0.1 million in FY2016.

Financial position

A summary of the audited combined statement of financial position of the Target Group as at 31 December 2017 and as at 30 September 2018 is set out below:

(SGD '000)	Audited	
	As at 31 December 2017	As at 30 September 2018
Current assets	1,464	3,754
Non-current assets	1,139	1,082
Total assets	2,603	4,836
Current liabilities	448	2,336
Non-current liabilities	759	951
Total liabilities	1,207	3,287
Shareholders' equity	1,396	1,549

Assets

As at 30 September 2018, current assets comprised contract assets of S\$1.7 million, trade and other receivables of S\$1.3 million and cash and cash equivalents of S\$0.8 million. Contract assets, which related mainly to revenue recognised but have yet to be billed, increased by S\$1.7 million, from S\$26,000 as at 31 December 2017 to S\$1.7 million as at 30 September 2018. Trade and other receivables, which consisted of mainly net trade receivables, increased by S\$0.1 million, from S\$1.2 million as at 31 December 2017 to S\$1.3 million as at 30 September 2018. Cash and cash equivalents increased by S\$0.5 million, from S\$0.3 million as at 31 December 2017 to S\$0.8 million as at 30 September 2018.

As at 30 September 2018, non-current assets comprised property, plant and equipment of S\$0.4 million and investment property of S\$0.7 million. Property, plant and equipment, which consisted of mainly computers, office equipment, delivery vehicles, renovation and furniture and fittings, decreased by S\$0.7 million, from S\$1.1 million as at 31 December 2017 to S\$0.4 million as at 30 September 2018. Investment property, a commercial property which was reclassified from property, plant and equipment on 1 January 2018 after the Target Group shifted its operations out of the commercial property, increased by S\$0.7 million, from nil as at 31 December 2017 to S\$0.7 million as at 30 September 2018.

Liabilities

As at 30 September 2018, current liabilities comprised trade and other payables of S\$0.2 million, dividend payable of S\$1.7 million, loans and borrowings of S\$91,000 and income tax liabilities of S\$0.4 million. Trade and other payables, which related mainly to amount owing to one of the executive directors of the Target, increased by S\$0.1 million, from S\$0.1 million as at 31 December 2017 to S\$0.2 million as at 30 September 2018. Dividend payable to the executive directors of the Target increased by S\$1.7 million, from nil as at 31 December 2017 to S\$1.7 million as at 30 September 2018. Loans and borrowings increased by S\$51,000, from S\$40,000 as at 31 December 2017 to S\$91,000 as at 30 September 2018. Income tax liabilities increased by S\$0.4 million, from S\$6,000 as at 31 December 2017 to S\$0.4 million as at 30 September 2018.

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As at 30 September 2018, non-current liabilities comprised loans and borrowings of S\$1.0 million. Loans and borrowings, which related mainly to the mortgage term loan in respect of the commercial property and a facility unsecured term loan, increased by S\$0.2 million, from S\$0.8 million as at 31 December 2017 to S\$1.0 million as at 30 September 2018.

The Target Group's working capital position as at 30 September 2018 was S\$1.4 million.

5.3. Assessment of the Consideration

5.3.1. Independent valuation of the Target Group

The Independent Business Valuer has assessed the fair value of the Sale Shares to be between S\$39.7 million and S\$43.2 million as at 30 September 2018 ("**Fair Value Range**").

We note from the Valuation Letter that the Independent Business Valuer has applied the following valuation approaches:

- (i) The income approach, which utilises discounted cash flow analysis and is premised on the principle that the value of a company, division, business, or collection of assets can be derived based on the present value of its projected free cash flow; and
- (ii) The market approach (as a secondary methodology), which utilises comparable companies analysis and determines the value of a company's business by referencing to available market information, such as trading multiples of comparable publicly listed companies.

We note that the Independent Business Valuer's conclusion was primarily dependent on several assumptions, including the following:

- (i) The Target Group will continue as a going concern without any changes to its management and shareholding structure;
- (ii) The future operations of the Target Group will not be adversely affected by changes to its key personnel, management team and company shareholdings;
- (iii) No audit or review has been carried out on the performance forecasts;
- (iv) The information provided to the Independent Business Valuer by the management of the Company reflects the financial positions of the Target Group for the respective financial years/period;
- (v) The Target Group has legal title to all assets as mentioned in the financial information provided by the management of the Company. All assets, which are physically in existence, are in good working condition. There are no risks that any of these assets are subject to compulsory acquisition by any third party or government body;
- (vi) There will be no major changes in the corporate taxation basis or rates applicable to the Target Group;
- (vii) Related party transactions, if any, in the Target Group are carried out on an arm's length basis and will continue to be so for the foreseeable future even if there are any changes in the shareholding structure; and
- (viii) There are no subsequent events which will have material effect on the unaudited management accounts for the periods then ended.

We note that the Independent Valuation Letter has not taken into consideration the value of the investment property, being a unit on the ninth storey of the building at 18 Howard Road, Novelty Biz Centre, Singapore, owned by the Target Group. The carrying amount of this investment property was S\$0.7 million as at 30 September 2018.

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As set out in Section 3.4.5 of the Circular, we also note that the Independent Business Valuer has not taken into consideration the value of the patents (both granted and pending grant) under the Target Group, namely, 10201510006Q (Guide Information Method and System), 10201600661W (Method and System for Determining Route Value), 10201605168R (Method and System for Determining Route Value) and 10201800832W (Method and System for Determining Route Value), as no revenue had been generated from the said patents till date. In consideration of the Vendors, as the inventors of the said patents, allowing these patents to remain as intellectual properties under the Target Group, even though the same had been omitted from the valuation of the Target Group, the Parties agree that after Completion, the Vendors shall be entitled to a royalty fee of up to 15% for any revenue generated by the Enlarged Group from any of the said patents. The quantum of 15% was derived based on the Target Group's assessment that the patents are not meant for mass production and that the Enlarged Group shall be entitled to full exclusivity. Nevertheless, the Company will comply with the relevant Catalist Rules in relation to announcements and/or seeking of specific shareholders' approval in the event that the royalty fees payable exceeds the 3% or 5% threshold. There are no termination events pertaining to the royalty fees to be paid to the Vendors pursuant to the royalty fee agreement, save for the expiry of these patents.

The directors of the Target have indicated that it is unlikely that the said patents would be utilised in the one year following Completion and in the event they are utilised, would not adversely affect the financial performance and position of the Enlarged Group.

The Independent Directors are advised to read the Valuation Letter carefully, especially the sections relating to valuation methodology and assumptions.

The Consideration is within the Fair Value Range and represents (i) a premium of approximately 7.5% to the low end of the Fair Value Range of S\$39.7 million; and (ii) a discount of approximately 1.3% to the high end of the Fair Value Range of S\$43.2 million.

5.3.2. Net Asset Value of the Target Group

Based on the audited financial statements of the Target Group as at 30 September 2018, the net asset value ("**NAV**") of the Target Group amounted to S\$1.4 million. As the Target Group had no intangible assets as at 30 September 2018, the NAV of the Target Group was equal to its net tangible assets ("**NTA**").

The Consideration represents a premium of approximately 2,949.4% to the NAV or NTA of the Target Group as at 30 September 2018.

The directors of the Target have confirmed to the directors and management of the Company that, as at the Latest Practicable Date, and to the best of their knowledge and belief:

- (a) there are no assets and/or liabilities which values would be materially different from those recorded in the audited statement of financial position of the Target Group as at 30 September 2018;
- (b) there are no contingent liabilities, bad or doubtful debts or material events which are likely to have a material impact on the NAV or NTA of the Target Group;
- (c) there are no litigation, claim or proceeding pending or threatened against the Target Group or any fact likely to give rise to any proceeding which might materially and adversely impact the financial position of the Target Group; and
- (d) there are no material disposals or acquisitions of assets by the Target Group since 30 September 2018 and up to the Latest Practicable Date, which would have a material impact on the NAV or NTA of the Target Group.

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5.3.3. Comparison with selected listed comparable companies

For the purpose of assessing the Consideration, we have referred to the current valuation statistics of selected listed companies, which businesses are primarily in the IT software and services industry and may be considered to be broadly comparable (“**Comparable Companies**”) to the Target Group. These Comparable Companies have been selected from various exchanges of developed markets in Asia (namely, Singapore, Hong Kong, Taiwan, Japan and South Korea) as well as Malaysia. We have also had discussions with the directors and management of the Target about the suitability of the Comparable Companies acting as a basis of comparison with the Target Group.

We recognise that there is no listed company which can be considered to be identical to the Target Group in terms of, *inter alia*, composition of business activities, scale of business operations, asset base, track record, geographical markets, market capitalisation, future prospects, risk profile, accounting policies, financial position and other relevant criteria. Furthermore, these Comparable Companies are listed on foreign exchanges where there may be significant differences between valuations that investors may accord to companies listed on the SGX-ST vis-à-vis other exchanges, and such cross border valuation statistics are also subject to differing macroeconomic variables. In addition, the companies within the Target Group are private companies while the Comparable Companies are all publicly-listed companies. Therefore, any comparisons made are necessarily limited and are intended to serve only as an illustrative guide.

We set out in the table below the Comparable Companies, together with a brief description of their business activities:

Comparable Companies	Financial year-end	Stock exchange	Business activities
Advanced Control & Systems Inc (“ Advanced Control ”)	31 December	Taiwan Stock Exchange	Advanced Control provides engineering and software product integration services. Its services and products include requirement analysis, feasibility studies, system planning, engineering design, software development, construction, maintenance, and project management.
Ares International Corp (“ Ares ”)	31 December	Taiwan Stock Exchange	Ares designs and develops information systems. The company provides software as well as integrated solutions for customers’ computing needs. Its customers include government organisations, banks, and a variety of industries.
Azeus Systems Holdings Ltd (“ Azeus ”)	31 March	Singapore Exchange	Azeus is an information technology services provider, focusing on software development and system implementation services. It also provides maintenance and support services and operates business process outsourcing.

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Comparable Companies	Financial year-end	Stock exchange	Business activities
Declout Limited ("Declout")	31 December	Singapore Exchange	DeClout is a next generation technology service provider offering a full suite of ICT solutions and services to customers in the IT infrastructure service and vertical domain cloud business segments.
ICO Group Ltd ("ICO Group")	31 March	Stock Exchange of Hong Kong	ICO Group engages in IT consultancy and services. It caters to the banking and finance, government, telecommunications, distribution and retail, manufacturing, and logistics and media industries. ICO Group operates in Hong Kong and worldwide.
Information Technology Total Services Co., Ltd ("ITTS")	31 December	Taiwan Stock Exchange	ITTS provides information technology services. It offers information technology consulting, business process outsourcing, and system integration services. ITTS provides services in Taiwan.
IX Knowledge Incorporated ("IX Knowledge")	31 March	Tokyo Stock Exchange	IX Knowledge is an independent system development company. It provides consulting services, system integration, and system operation. IX Knowledge also provides solution and outsourcing services.
Mindtell Technology Ltd ("Mindtell")	30 November	Stock Exchange of Hong Kong	Mindtell provides information technology services. It offers designing, procurement, installation, and maintenance of customised system applications. Mindtell serves corporate customers.

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Comparable Companies	Financial year-end	Stock exchange	Business activities
Nexion Technologies Ltd ("Nexion")	31 December	Stock Exchange of Hong Kong	Nexion designs and develops ICT solutions. It mainly provides cyber infrastructure and security solutions. Nexion serves telecommunications service providers and large enterprises.
Nomura System Corp Co Ltd ("Nomura")	31 December	Tokyo Stock Exchange	Nomura provides SAP enterprise resource planning solution consulting and implementation services. Its line of business also includes providing computer programming services.
Nova MSC Bhd ("Nova")	31 March	Bursa Malaysia	Nova sells and markets application software for the electronic government (e-government) and healthcare industries. It provides domain-specific IT professional services in the e-government and healthcare industries. Nova also provides key software research and development center and owns intellectual property.
Pacific Systems Corporation ("Pacific Systems")	31 March	Tokyo Stock Exchange	Pacific Systems provides system integration services. It provides consulting services, system design and computer software development. Pacific Systems also provides outsourcing service such as data management and computer system maintenance services.
R&D Computer Co Ltd ("R&D Computer")	31 March	Tokyo Stock Exchange	R&D Computer provides IT system infrastructure and system integration solution services.
Rexit Bhd ("Rexit")	30 June	Bursa Malaysia	Rexit provides business application solutions. Its services range from conceptual development and project management, to overall systems implementation. Rexit has developed and owns software application solutions, such as insurance management, imaging and workflow systems, and wireless radio frequency identification tracking systems.

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Comparable Companies	Financial year-end	Stock exchange	Business activities
Ryomo Systems Co., Ltd ("Ryomo")	31 March	Tokyo Stock Exchange	Ryomo designs and develops systems and software. It also provides various services such as system integration, data processing, data entry, outsourcing, setup, and consulting.
SIG Co., Ltd ("SIG")	31 March	Tokyo Stock Exchange	SIG offers system integration services. The company mainly provides information system planning, development, maintenance, and other services. It also sells package software, hardware equipment, and other related products.
SYS Holdings Co., Ltd ("SYS")	31 July	Tokyo Stock Exchange	SYS offers IT services. It provides information system solutions, information system development, information technology consulting, and other services. SYS serves customers throughout Japan.
Syscom Computer Engineering Co ("Syscom")	31 December	Taiwan Stock Exchange	Syscom offers computer systems integration services. It also functions in the training, consulting, and maintenance of the related hardware and software.
System Support Inc ("System Support")	30 June	Tokyo Stock Exchange	System Support provides information technology services. It offers system integration, consulting, business support, virtualisation, workflow management, and outsourcing services. System Support serves customers in Japan.

Source: Bloomberg

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For the purposes of our evaluation, we have made comparisons between the Target Group and the Comparable Companies on a historical basis using the following valuation measures:

Valuation ratio	Description
Enterprise Value-to-Earnings before Interests, Taxes, Depreciation and Amortisation (“EV/EBITDA”)	<p>EV refers to enterprise value which is the sum of a company’s market capitalisation, preferred equity, minority interests, short and long term debts (inclusive of finance lease liabilities, and loans from shareholders) less the cash and cash equivalents.</p> <p>EBITDA is the earnings before interest, tax, depreciation and amortisation. The EV/EBITDA ratio illustrates the ratio of the market value of a company’s business relative to its trailing 12-month pre-tax consolidated operating cashflow performance, without regard to its capital structure as well as its interest, taxation, depreciation and amortisation charges.</p>
Price-to-Earnings (“P/E”)	<p>This ratio is computed by dividing the market capitalisation of a company by the trailing 12-month consolidated net profits attributable to owners of a company.</p> <p>The P/E is affected by, <i>inter alia</i>, the capital structure of a company, its tax position as well as its accounting policies relating to among others, depreciation and amortisation.</p>

We wish to highlight that we have not considered P/NAV or P/NTA ratios to be meaningful valuation measures for comparison purposes since the IT sector, in which the Target Group and the Comparable Companies are involved, generally tends to be heavily reliant on human and intellectual capital and typically has low asset base.

The valuation measures of the Comparable Companies set out below are based on their respective market capitalisations after the close of market as at the Latest Practicable Date.

Comparable Companies	Market capitalisation as at the Latest Practicable Date ⁽¹⁾ (S\$’ million)	EV/EBITDA ⁽²⁾ (times)	P/E ⁽²⁾ (times)
Advanced Control	43.6	4.9	12.8
Ares	33.2	0.3	13.0
Azeus	12.3	1.3	7.3
Declout	85.5	7.1	78.8 ⁽³⁾
ICO Group	51.0	25.3	3.9
ITTS	32.2	16.8	15.4
IX Knowledge	125.7	7.2	15.7
Mindtell	20.8	2.8	7.9
Nexion	14.0	0.5	6.7
Nomura	47.0	5.4	13.9
Nova	31.1	16.5	15.1
Pacific Systems	62.0	2.9	8.6
R&D Computer	86.7	7.9	19.7
Rexit	35.0	7.1	13.8

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Comparable Companies	Market capitalisation as at the Latest Practicable Date ⁽¹⁾ (S\$' million)	EV/EBITDA ⁽²⁾ (times)	P/E ⁽²⁾ (times)
Ryomo	58.8	5.9	21.7
SIG	47.8	10.0	21.8
SYS	28.4	3.6	14.0
Syscom	59.8	5.7	21.2
System Support	84.1	12.0	31.6
Mean		7.5	14.7 ⁽³⁾
Median		5.9	14.0 ⁽³⁾
Max		25.3	31.6 ⁽³⁾
Min		0.3	3.9 ⁽³⁾
Target Group	42.7⁽⁴⁾	15.7⁽⁵⁾	19.3⁽⁶⁾

Source: Bloomberg

Notes:

- (1) The market capitalisations of the respective Comparable Companies are compiled by Bloomberg after the close of market as at the Latest Practicable Date.
- (2) The respective valuation measures of the Comparable Companies are derived from data compiled by Bloomberg.
- (3) The P/E ratio of Declout was excluded from the computations of the mean, median, max and min of the Comparable Companies as we consider the ratio to be an outlier.
- (4) The market capitalisation of the Target Group is based on the Consideration of the Proposed Acquisition.
- (5) The EV/EBITDA ratio of the Target Group is based on (i) the EV being the Consideration of S\$42.7 million less cash and cash equivalents of S\$0.8 million add total loans and borrowings aggregating S\$1.0 million and add non-controlling interests of S\$0.1 million; and (ii) the trailing 12 months' unaudited EBITDA for the period ended 30 September 2018.
- (6) The P/E ratio of the Target Group is based on (i) the Consideration of the Proposed Acquisition; and (ii) the trailing 12 months' unaudited profit for the financial year attributable to owners of the company for the period ended 30 September 2018.

For the purposes of our analysis, we have compared the P/E ratio of the Target Group, based on its trailing 12 months' unaudited profit for the financial year attributable to owners of the company, against the P/E ratios of the Comparable Companies.

Based on the above analysis, we note that:

- (a) the EV/EBITDA ratio of the Target Group, as implied by the Consideration and the trailing 12 months' unaudited EBITDA of the Target Group, is within the range of the EV/EBITDA ratios of the Comparable Companies, and above the mean and median EV/EBITDA ratios of the Comparable Companies; and
- (b) the P/E ratio of the Target Group, as implied by the Consideration and the trailing 12 months' unaudited profit for the financial year attributable to owners of the company, is within the range of the P/E ratios of the Comparable Companies, and above the mean and median P/E ratios of the Comparable Companies.

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5.3.4. Comparison with valuation ratios implied by precedent reverse take-overs or very substantial acquisitions of technology companies

We note that for the period from 1 January 2016 to the Latest Practicable Date, there are no reverse take-overs or very substantial acquisitions of technology companies completed by companies listed on the SGX-ST. Accordingly, we were not able to undertake any comparative analyses.

5.4. Assessment of the Issue Price

5.4.1. Historical trading performance and trading liquidity of the Shares

We note that trading of the Shares on the SGX-ST was halted on 8 January 2016. The Company announced on 14 January 2016 that it had commissioned internal auditors to carry out certain agreed upon-procedures (“AUPs”). The report from the internal auditors highlighted, *inter alia*, material findings of lapses in the Group’s internal controls systems in respect of timely and adequate recording of transactions which led to a potential overstatement of approximately S\$2 million in the profit and loss position of the Group in the unaudited half year financial statements for the six-month period ended 30 June 2015 (“HY2015”). Following that, its external auditors were commissioned to perform certain AUPs on the Group’s revenue and cost of goods sold for HY2015 and to quantify the amount of misstatement in the HY2015 financial results announced by the Company on 14 August 2015.

In view of the lack of clarity on the quantum of misstatement in relation to the financial results for HY2015, the Company had requested for the conversion for its trading halt to a voluntary trading suspension of the Shares on 13 January 2016, and the Shares continued to be suspended from trading to-date.

The last transacted price of the Shares was S\$0.062 on 5 January 2016 (“**Last Transacted Price**”), with a trading volume of 175,800 Shares. Since then, there has been no trading in the Shares.

The Issue Price represents a discount of S\$0.058336 (or 94.1%) to the Last Transacted Price.

Nevertheless, we are of the view that any comparison of the Issue Price to the historical trading performance of the Shares is not meaningful given the length of the trading suspension and change in circumstances of the Group since the trading suspension to the Latest Practicable Date. Therefore, we have not undertaken any historical Share price performance and liquidity analyses.

5.4.2. Net Liability (“NL”) and Net Tangible Liability (“NTL”) per Share of the Group

Based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2018 (“FY2018”), the Group reported an audited consolidated NL attributable to owners of the Company of S\$1,456,589 as at 31 December 2018. Based on the Company’s issued share capital of 2,729,253,595 Shares as at 31 December 2018, the audited NL per Share was S\$0.000534. As the Group had no intangible assets, the NTL per Share was equal to the NL per Share.

The Issue Price of S\$0.003664 represents a premium of S\$0.004198 to the Group’s audited NL per Share as at 31 December 2018.

As set out in Section 3.4.3 of the Circular, we note that the Proposed Disposal is a condition precedent to the Proposed Acquisition, and the Proposed Acquisition and the Proposed Disposal shall be completed on the same day. As set out in Section 5.2.2. of the Circular, the Disposal Consideration shall be fully satisfied in cash and payable on the date of completion of the Proposed Acquisition (or on such other date and at such other place and time as the parties may agree). We also note that as set out in Section 3.4.3 of the Circular, the Proposed Acquisition is conditional upon the approval of the Shareholders being obtained at an extraordinary general meeting of the Company for the Proposed Disposal.

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The NL attributable to owners of the Company of the Group after the Proposed Disposal will be S\$1,077,246, based on the audited consolidated NL attributable to owners of the Company of S\$1,456,589 as at 31 December 2018 and the gain on disposal of S\$379,343 net of intercompany loan ("**Net Disposal Gain**"), as set out in Section 5.2.5 of the Circular.

The directors and management of the Company confirmed that, as at the Latest Practicable Date, to the best of their knowledge and belief:

- (a) save for the (i) Proposed Acquisition; (ii) Proposed Disposal; and (iii) statutory expenses, professional fees, legal fees and directors' fees aggregating S\$79,250 incurred between 1 January 2019 to the Latest Practicable Date ("**Material Expenses**"), there are no assets and/or liabilities which values would be materially different from those recorded in the audited statement of financial position of the Group as at 31 December 2018;
- (b) there are no contingent liabilities, bad or doubtful debts or material events which are likely to have a material impact on the NL or NTL of the Group
- (c) save for the potential third party claim against the Company by EQ Insurance Company Ltd. amounting to S\$395,183.50 as set out in Section 16 of the Circular, there are no litigation, claim or proceeding pending or threatened against the Group or any fact likely to give rise to any proceeding which might materially and adversely impact the financial position of the Group; and
- (d) save for the Proposed Acquisition and Proposed Disposal which are to be completed after the Latest Practicable Date, there are no material disposals or acquisitions of assets by the Group since 31 December 2018 and up to the Latest Practicable Date, which would have a material impact on the NL or NTL of the Group.

Based on the audited statement of the financial position of the Group as at 31 December 2018, and taking into consideration the Net Disposal Gain and Material Expenses, the adjusted NL of the Group would be S\$1,156,496 ("**Adjusted NL**") and the Adjusted NL per Share would be S\$0.000424. The Issue Price of S\$0.003664 represents a premium of S\$0.004088 to the Adjusted NL per Share.

5.4.3. Comparison with recent reverse takeover transactions completed by listed companies on the SGX-ST

We have not compared the valuation statistics implied by the Issue Price against those of recent reverse takeover transactions that were completed by companies listed on the SGX-ST as we are of the view that this would not yield any meaningful analyses in view of (i) the length of trading suspension and the change in circumstances of the Group since the suspension of its Shares on 13 January 2016 to the Latest Practicable Date; and (ii) the net liability position of the Group as at 31 December 2018.

5.5. Other relevant considerations in relation to the Proposed Acquisition

5.5.1. Poor financial position of the Group

Based on the audited financial statements of the Group for FY2018, we note that the Group was loss-making. It incurred a loss for the financial year attributable to owners of the Company of S\$0.6 million in FY2018, and was in a NL attributable to owners of the Company position of S\$1.5 million as at 31 December 2018.

We note that the Company's auditors, Moore Stephens LLP, had highlighted a material uncertainty related to going concern ("**Material Uncertainty**") in its report of the Group's audited financial statements for FY2018, as extracted from the Company's annual report for FY2018 in italics below.

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“Material Uncertainty Related to Going Concern

We draw attention to Note 3.1 in the financial statements, which indicates that the Group incurred a net loss of S\$670,177 (2017: S\$121,201) for the current year ended 31 December 2018 and, as of that date, the Group and the Company have net current liabilities of S\$1,761,070 (2017: S\$1,088,841) and S\$1,006,881 (2017: S\$585,934) respectively. As at 31 December 2018, the Group and the Company have a capital deficit of S\$1,759,018 (2017: S\$1,088,841) and S\$1,006,881 (2017: S\$585,934) respectively.

The above conditions indicate the existence of a material uncertainty that may cast significant doubt about the ability of the Group and the Company to continue as going concerns and therefore they may be unable to realise their assets and discharge their liabilities in the normal course of business. Our opinion is not modified in respect of this matter.

Nevertheless, in the preparation of the financial statements, the directors of the Company believe that the use of the going concern assumption is appropriate after taking into consideration:

- (i) the proposed acquisition of the entire issued and paid up share capital of Revez Group Pte. Ltd. and the proposed disposal of its subsidiary upon the completion of the proposed acquisition, as disclosed in Note 27 to the financial statements;*
- (ii) the undertaking of its ultimate controlling shareholder to provide continuing financial support to enable the Company to meet its liabilities as and when they fall due; and*
- (iii) the director of its subsidiary has undertaken to provide continuing financial support to the subsidiary.”*

Please refer to the annual report of the Company for FY2018 for further details of the Material Uncertainty.

5.5.2. Fourth extension from SGX-ST to submit resumption proposal

The Company was originally given 12 months until 12 January 2017 to submit a proposal to the SGX-ST with a view of satisfying the requirements for a resumption of trading in the Company's securities on the SGX-ST. The Company subsequently obtained a total of four extensions of time from the SGX-ST to submit such proposal, with the first extended deadline being 31 October 2017, the second being 30 April 2018, the third being 31 December 2018 and the fourth being 30 April 2019.

There is no certainty that the SGX-ST would continue to grant the Company an extension or extensions of time in the future to submit a proposal to the SGX-ST with a view of satisfying the requirements for a resumption of trading in the Company's securities on the SGX-ST. In the event that the Company is unable to satisfy the SGX-ST's requirements to submit a proposal despite the extensions granted, no further extension may be granted and the Company may be removed from the list of issuers maintained by the SGX-ST in relation to Catalyst.

5.5.3. Conditionality of the Proposed Acquisition and the Proposed Whitewash Resolution

Shareholders should note that the Proposed Acquisition is conditional upon the approval for the Proposed Whitewash Resolution, and hence the Proposed Acquisition will not be completed in the event that the Proposed Whitewash Resolution is not approved.

5.5.4. Dilutive impact of the Proposed Acquisition

Following the completion of the Proposed Acquisition but prior to the Proposed Share Consolidation and Proposed Compliance Placement, the Consideration Shares represent 79.8% of the Enlarged Share Capital. As set out in Appendix D of the Circular, the aggregated shareholding interest of the existing public Shareholders will be diluted from approximately 25.0% as at the Latest Practicable Date to approximately 4.1% of the share capital of the Company after the

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Proposed Acquisition, the Proposed Share Consolidation and the Proposed Compliance Placement.

5.5.5. Risk factors relating to the Target Group

Upon Completion, the risk factors relating to the business of the Target Group will be relevant to the Enlarged Group. Shareholders are advised to read the information in Section 3.7 entitled “Risk Factors” of the Circular carefully.

5.5.6. Comparison of Issue Price with the Placement Price (as defined below) and Scheme Issue Price (as defined below)

On 9 June 2017, the Company announced that it had completed the placement of Shares to Lim Chwee Kim, a director and controlling shareholder of the Company (“**Subscriber**”) pursuant to the placement agreement (“**Placement Agreement**”) which it entered into on 24 February 2017. Pursuant to the Placement Agreement, the Subscriber subscribed for, and the Company allotted and issued, an aggregate of 2,000,000,000 new ordinary shares in the capital of the Company (“**Placement Shares**”), for an aggregate subscription amount of S\$1,000,000, at the price of S\$0.0005 for each Placement Share (“**Placement Price**”) (“**Placement**”).

On 1 December 2016, the Company filed an application with the High Court of the Republic of Singapore seeking, amongst other things, that the company be at liberty to convene a meeting of creditors to consider and approve the scheme of arrangement (“**Scheme**”) to be made between the Company and its creditors to effect a restructuring of its debts and liabilities. Pursuant to the Scheme, the Company will allot and issue 513,253,613 new shares (“**Scheme Shares**”) at the issue price of S\$0.001 for each Scheme Share (“**Scheme Issue Price**”) to creditors of the Company whose claims against the Company had been admitted by the scheme manager. This corporate exercise was completed on 19 July 2017.

We note that the Issue Price represents (i) a premium of approximately 632.8% to the Placement Price; and (ii) a premium of approximately 266.4% to the Scheme Issue Price.

5.5.7. Moratorium of Shares

Lim Chwee Kim, who is an existing controlling shareholder of the Company, has irrevocably and unconditionally undertaken not to directly or indirectly, offer, sell, contract to sell, realise, transfer, assign, pledge, grant any option or right to purchase, grant any security over, encumber or otherwise dispose of:

- (i) all or any part of his Shares (adjusted for any bonus issues or sub-division of Shares) for a period of six (6) months from the date of resumption of trading of the Shares on the Catalist; and
- (ii) more than 50.0% of his Shares (adjusted for any bonus issues or sub-division of Shares) for a period of six (6) months thereafter.

L3N Capital, which will become a controlling shareholder of the Company after Completion, the Proposed Share Consolidation and the Proposed Compliance Placement, has irrevocably and unconditionally undertaken not to directly or indirectly, offer, sell, contract to sell, realise, transfer, assign, pledge, grant any option or right to purchase, grant any security over, encumber or otherwise dispose of:

- (i) all or any part of its Shares (adjusted for any bonus issues or sub-division of Shares) for a period of six (6) months from the date of resumption of trading of the Shares on the Catalist; and
- (ii) more than 50.0% of its Shares (adjusted for any bonus issues or sub-division of Shares) for a period of six (6) months thereafter.

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The Vendors, who will become controlling shareholders of the Company after Completion, the Proposed Share Consolidation and the Proposed Compliance Placement, have irrevocably and unconditionally undertaken not to directly or indirectly, offer, sell, contract to sell, realise, transfer, assign, pledge, grant any option or right to purchase, grant any security over, encumber or otherwise dispose of:

- (i) all or any part of their Shares (adjusted for any bonus issues or sub-division of Shares) for a period of six (6) months from the date of resumption of trading of the Shares on the Catalist; and
- (ii) more than 50.0% of their Shares (adjusted for any bonus issues or sub-division of Shares) for a period of six (6) months thereafter.

The Vendors have also irrevocably and unconditionally undertaken not to directly or indirectly, offer, sell, contract to sell, realise, transfer, assign, pledge, grant any option or right to purchase, grant any security over, encumber or otherwise dispose of all or any part of their shares in L3N Capital for a period of twelve (12) months from the date of the resumption of trading of the Shares on the Catalist.

5.5.8. Financial effects of the Proposed Acquisition of Target Group

The pro forma financial effects of the Proposed Acquisition and the Proposed Disposal on the Group based on the audited consolidated financial statements of the Group for FY2017 and the audited combined financial statements of the Target Group for FY2017 are as follows:

- (a) the NTL per Share would decrease to 0.002 Singapore cents after the Proposed Acquisition and the Proposed Disposal from 0.032 Singapore cents before the Proposed Acquisition and the Proposed Disposal;
- (b) the loss per Share (based on net loss after tax attributable to Shareholders) would be 0.083 Singapore cents after the Proposed Acquisition and the Proposed Disposal as compared to earnings per Share (based on net profit after tax attributable to Shareholders) of 0.006 Singapore cents before the Proposed Acquisition and the Proposed Disposal; and
- (c) the net gearing ratio would not be meaningful before and after the Proposed Acquisition and the Proposed Disposal. The Group was in a negative total equity position after the Proposed Acquisition and the Proposed Disposal as compared to a net cash position and negative total equity position before the Proposed Acquisition and the Proposed Disposal.

Please refer to Section 12 of the Circular for details on the pro forma financial effects of the Proposed Acquisition and the Proposed Disposal, including the various bases and assumptions set out therein. We wish to highlight that the pro forma financial effects of the Proposed Acquisition and the Proposed Disposal are for illustrative purposes only and do not necessarily reflect the actual results and financial performance and position of the Enlarged Group following completion of the Proposed Acquisition and the Proposed Disposal.

6. THE PROPOSED DISPOSAL

6.1. Information on WCPL

WCPL is a private company incorporated in Singapore on 3 May 2012, and is 60% owned by the Company. WCPL is the Company's sole operating subsidiary. WCPL is principally engaged in the business of wholesale of structural clay, concrete products, ceramic, mosaic and tiles, and brick-laying, stone setting and cement works.

As at the date of the disposal agreement dated 2 November 2018 ("**Disposal Agreement**"), WCPL has an issued and paid-up share capital of S\$375,000 consisting of 375,000 ordinary shares. The Company and the Purchaser are the legal and beneficial owners of 60% and 40% of the entire issued and paid-up share capital of WCPL, respectively.

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6.2. Information on the Purchaser

The Purchaser is the managing director of WCPL. As at the date of the Disposal Agreement, the Purchaser is the legal and beneficial owner of 40% of the entire issued and paid up share capital of WCPL. Upon completion of the Proposed Disposal, the Purchaser will be the legal and beneficial owner of the entire issue and paid up share capital of WCPL.

Save for the Purchaser's 0.0004% shareholding interest in the Company, the Purchaser is not related to the Company, its directors, controlling shareholders or substantial shareholders or their associates.

6.3. Disposal Consideration

The Disposal Consideration payable by the Purchaser to the Company for the sale and purchase of the Disposal Shares shall be S\$20,000. The Disposal Consideration was arrived at on a willing-buyer and willing-seller basis after taking into account the financial performance and position of WCPL, including the fact that WCPL is loss-making in the six-month financial period ended 30 June 2018 and in a net liabilities position as at 30 June 2018.

Based on the Disposal Consideration of S\$20,000 for 60% of the issued and paid-up share capital of WCPL, the implied disposal consideration for 100% interest in WCPL is approximately S\$33,333 ("**Implied Disposal Consideration**").

6.4. Disposal Conditions Precedent

The completion of the Proposed Disposal is conditional upon the satisfaction (or waiver) of conditions ("**Disposal Conditions Precedent**") as set out in Section 5.2.3 of the Circular.

If any of the Disposal Conditions Precedent is not fulfilled or waived by the relevant Party by the long-stop date of the SPA (or such other date and time as the parties may agree in writing), the Disposal Agreement shall automatically terminate and (save as provided in the Disposal Agreement, or for any antecedent breach of the Disposal Agreement) none of the parties shall have any claim against any other Party for costs, damages, compensation or anything whatsoever.

7. EVALUATION OF THE PROPOSED DISPOSAL

In our evaluation of the Proposed Disposal, we have given due consideration to, *inter alia*, the following factors which we consider to be pertinent and to have a significant bearing on our assessment:

- (a) the rationale for the Proposed Disposal;
- (b) the financial performance and position of WCPL;
- (c) the assessment of the Disposal Consideration;
- (d) other relevant considerations in relation to the Proposed Disposal

7.1. Rationale for the Proposed Disposal

The rationale for the Proposed Disposal has been extracted from Section 5.1 of the Circular and is set out in italics below. Unless otherwise defined or the context otherwise requires, all terms defined in the Circular shall have the same meaning herein.

*"In connection with the Proposed Acquisition, the Company is to undertake a disposal of all assets and liabilities of the Company's existing business of wholesale of structural clay, concrete products, ceramic, mosaic and tiles, and brick-laying, stone setting and cement works (the "**Existing Business**") via WCPL, including shareholding interests in any subsidiaries, prior to completion of the Proposed Acquisition. Accordingly, the Company is undertaking the Proposed Disposal to fulfil the condition precedent to the Proposed Acquisition. The completion of the Proposed Disposal and the Proposed Acquisition shall occur on the same day."*

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7.2. Financial performance and position of WCPL

Financial performance

A summary of the audited statements of comprehensive income of WCPL for FY2016, FY2017 and FY2018, is set out below:

(SGD '000)	FY2016	Audited FY2017	FY2018
Revenue	4,630	1,210	490
Gross profit	1,310	452	295
Profit/(Loss) before income tax	73	(552)	(193)
Profit/(Loss) for the financial year	73	(552)	(193)

FY2018 vs FY2017

Revenue decreased by S\$0.7 million or 59.5%, from S\$1.2 million in FY2017 to S\$0.5 million in FY2018, due mainly to the lack of big projects secured in FY2018 which was affected by a lack of financial resources and a slowdown in the market.

Gross profit decreased by S\$0.2 million or 34.9%, from S\$0.5 million in FY2017 to S\$0.3 million in FY2018, mainly as a result of the lower revenue. The less than proportionate decrease in gross profit as compared to the decline in revenue in FY2018 was mainly due to increased revenue derived from higher margin projects in FY2018.

Operating expenses decreased by S\$0.4 million or 43.7%, from S\$1.0 million in FY2017 to S\$0.6 million in FY2018, due mainly to a decrease in administrative expenses and other operating expenses. Administrative expenses declined mainly due to a decrease in staff salaries and related costs as a result of a reduction in headcount, which was in line with the decline in sales activities. Other expenses decreased mainly due to lower depreciation expenses, the absence of impairment expenses relating to plant and equipment, and lower warehouse rental costs.

Due to the factors above, loss for the financial year decreased by S\$0.4 million or 65.0%, from S\$0.6 million in FY2017 to S\$0.2 million in FY2018.

FY2017 vs FY2016

Revenue decreased by S\$3.4 million or 73.9%, from S\$4.6 million in FY2016 to S\$1.2 million in FY2017, due mainly to the completion of existing projects during the financial year, as well as the lack of new projects resulting from a lack of financial resources and a slowdown in the market.

Gross profit decreased by S\$0.8 million or 65.5%, from S\$1.3 million in FY2016 to S\$0.5 million in FY2017, which generally corresponded with the decrease in revenue.

Operating expenses decreased by S\$0.3 million or 22.4%, from S\$1.3 million in FY2016 to S\$1.0 million in FY2017, due mainly to a decrease in administrative expenses and other operating expenses. Administrative expenses decreased mainly due to a reduction in headcount, which was in line with the decline in sales activities. Other expenses decreased mainly due to lower warehouse rental costs and a decline in operating supplies, offset by impairment expenses incurred in respect of plant and equipment.

Due to the factors above, WCPL recorded a loss for the financial year of S\$0.6 million in FY2017 from a profit for the financial year of S\$0.1 million in FY2018.

Financial position

A summary of the audited statement of financial position of WCPL as at 31 December 2017 and as at 31 December 2018 is set out below:

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(SGD '000)	Audited	
	As at 31 December 2017	As at 31 December 2018
Current assets	650	533
Non-current asset	–	2
Total assets	650	535
Current liabilities	1,213	1,291
Non-current liability	–	–
Total liabilities	1,213	1,291
Shareholders' equity	(563)	(756)

Assets

As at 31 December 2018, current assets comprised mainly contract assets of S\$0.1 million, and trade and other receivables of S\$0.4 million. Contract assets increased from nil as at 31 December 2017 to S\$0.1 million as at 31 December 2018. Trade and other receivables decreased from S\$0.6 million as at 31 December 2017 to S\$0.4 million as at 31 December 2018.

As at 31 December 2018, non-current asset comprised plant and equipment of approximately S\$2,000. Plant and equipment increased from nil as at 31 December 2017 to approximately S\$2,000 as at 31 December 2018.

Liabilities

As at 31 December 2018, current liabilities comprised mainly trade and other payables of S\$1.3 million, and amount due to director of S\$34,000. Trade and other payables increased from S\$1.1 million as at 31 December 2017 to S\$1.3 million as at 31 December 2018. Amount to director increased from nil as at 31 December 2017 to S\$34,000 as at 31 December 2018.

As at 31 December 2018, there was nil non-current liability.

WCPL's negative working capital position as at 31 December 2018 was S\$0.8 million.

7.3. Assessment of the Disposal Consideration

7.3.1. Net liability position of WCPL

Based on the extracts of the audited financial statements of WCPL as at 31 December 2018 set out in Appendix J of the Circular, the NL of WCPL amounted to S\$0.8 million. As WCPL had no intangible assets as at 31 December 2018, the NL of WCPL was equal to its NTL.

The Implied Disposal Consideration represents a premium of approximately S\$0.8 million to the NL or NTL of WCPL as at 31 December 2018.

We wish to highlight that WCPL's auditors, Moore Stephens, had issued a disclaimer of opinion ("**Disclaimer of Opinion**") in respect of WCPL's financial statements for the financial year ended 31 December 2018. Please refer to paragraph 7.4.1 of this IFA Letter and Appendix J of the Circular for details of the Disclaimer of Opinion.

The directors and management of the Company have confirmed that as at the Latest Practicable Date, and to the best of their knowledge and belief:

- (a) WCPL has continued to incur losses and has recorded changes in assets and/or liabilities from 1 January 2019 to the Latest Practicable Date, and this may have a material impact to the values of assets and/or liabilities recorded in the audited statement of financial position of WCPL as at 31 December 2018;

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- (b) there are no contingent liabilities, bad or doubtful debts or material events which are likely to have a material impact on the financial position of WCPL;
- (c) save for a legal claim against WCPL by a third party supplier amounting to approximately S\$103,000 as set out in the Company's annual report for FY2018, there are no litigation, claim or proceeding pending or threatened against the WCPL or any fact likely to give rise to any proceeding which might materially and adversely impact the financial position of the WCPL;
- (d) there are no material disposals or acquisitions of assets by the WCPL since 31 December 2018 and up to the Latest Practicable Date, which would have a material impact on the financial position of WCPL; and
- (e) the Group has not extended any guarantees in respect of any of WCPL's liabilities. They have also confirmed that the Group will not be responsible for any liabilities of WCPL, contingent or otherwise, after the completion of the Proposed Disposal.

7.3.2. Comparison with selected listed comparable companies

In view of (i) the net loss position of WCPL in FY2018; and (ii) the net liability position of WCPL as at 31 December 2018, we were not able to undertake any meaningful comparative analyses of the valuation statistics implied by the Disposal Consideration against those of listed companies which are in similar businesses as WCPL.

7.4. Other relevant considerations in relation to the Proposed Disposal

7.4.1 Poor financial position of WCPL

Based on the extracts of the audited financial statements of WCPL for FY2018 as set out in Appendix J of the Circular, we note that WCPL was loss-making for the past two financial years ended 31 December 2018. It was in a NL position of S\$0.8 million as at 31 December 2018.

We also wish to highlight that WCPL's auditors, Moore Stephens, had issued the Disclaimer of Opinion in respect of WCPL's financial statements for FY2018 on the basis of the following matters set out in italics below, based on the extract of the audited financial statement of WCPL for FY2018 as set out in Appendix J of the Circular.

"Going concern"

As disclosed in Note 2.1 to the financial statements, the Company incurred a net loss of S\$193,047 (2017: S\$552,085) for the current year ended 31 December 2018 and, as of that date, the Company has net current liabilities of S\$758,122 (2017: S\$563,023) and a capital deficit of S\$756,070 (2017: S\$563,023). These conditions indicate the existence of material uncertainties which may cast significant doubt as to the ability of the Company to continue as a going concern and to realise its assets and discharge its liabilities in the ordinary course of business.

The accompanying financial statements have been prepared on the assumption that the Company will continue as a going concern. As disclosed in Note 2.1 to the financial statements, the ability of Company to continue as a going concern is dependent on the undertaking of the director of the Company to provide continuing financial support and the Company's ability to generate sufficient cash from the future operations, to enable the Company to meet its liabilities as and when they fall due.

In the light of the material uncertainties discussed above, we do not have sufficient appropriate audit evidence regarding the use of the going concern assumption in the preparation of the financial statements. Consequently, we were unable to form a view as to the use of the going concern assumption in the preparation of these financial statements.

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In the event that the Company is unable to continue as a going concern, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are recorded in the statement of financial position. In addition, the Company may have to provide for liabilities that might arise. No such adjustments have been made to these financial statements.”

7.4.2 No other alternative offers from third parties

The directors and management of the Company have confirmed that, as at the Latest Practicable Date, there have been no offers to purchase the Company's 60% shareholding interest in WCPL, other than from the Purchaser.

7.4.3. No visibility on improvement and outlook of WCPL's business

The business of WCPL has experienced challenges over the last three financial years ended 31 December 2018, as evident in the declining trend in revenue over the said period. The directors and management of the Company have confirmed that they do not have visibility on any improvement in the outlook of WCPL's business.

7.4.4. Completion of Proposed Disposal a condition precedent to Proposed Acquisition

As set out in Sections 3.4.3 and 5.1 of the Circular, the completion of the Proposed Disposal is one of the Conditions Precedent to the Proposed Acquisition. Accordingly, the Company is undertaking the Proposed Disposal to fulfil the condition precedent to the Proposed Acquisition.

7.4.6. Conditionality of the Proposed Disposal, the Proposed Acquisition and the Proposed Whitewash Resolution

Shareholders should note that the Proposed Disposal is conditional upon the approval for the Proposed Acquisition and the Proposed Whitewash Resolution, and hence the Proposed Disposal will not be completed in the event that the Proposed Acquisition and the Proposed Whitewash Resolution is not approved.

7.4.7. Financial effects of the Proposed Disposal

Assuming the Proposed Disposal is completed on 30 June 2018 and based on the Group's announced unaudited consolidated financial statements for the six-month financial period ended 30 June 2018, the Group expects to record a gain of S\$379,343, net of S\$60,116 intercompany loan, following the Proposed Disposal. Please refer to Section 5.2.5 of the Circular for further details.

The summary of the pro forma financial effects of the Proposed Acquisition and Proposed Disposal is set out in paragraph 5.5.8 of this IFA Letter.

8. OUR OPINION

The Proposed Whitewash Resolution

In arriving at our opinion in respect of the Proposed Whitewash Resolution, we have taken into account the factors which we consider to be relevant and to have a significant bearing on our assessment of the Proposed Whitewash Resolution. We have carefully considered factors which we deem essential and balance them before reaching our opinion. Accordingly, it is important that this IFA Letter, in particular, all the considerations and information which we have taken into account, be read in its entirety.

Based on our analysis, and after having considered carefully the information available to us as at the Latest Practicable Date, we are of the opinion that, on balance, the terms of the Proposed Acquisition, being the subject of the Proposed Whitewash Resolution, are fair and reasonable, and are not prejudicial to the interests of the Independent Shareholders.

APPENDIX F – LETTER FROM ZICO CAPITAL PTE. LTD. TO THE INDEPENDENT DIRECTORS OF JASON HOLDINGS LIMITED

Accordingly, we advise the Independent Directors to recommend that Independent Shareholders vote in favour of the Proposed Whitewash Resolution.

The Proposed Disposal

In arriving at our opinion in respect of the Proposed Disposal, we have taken into account the factors which we consider to be relevant and to have a significant bearing on our assessment of the Proposed Disposal. We have carefully considered factors which we deem essential and balance them before reaching our opinion. Accordingly, it is important that this IFA Letter, in particular, all the considerations and information which we have taken into account, be read in its entirety.

Based on our analysis, and after having considered carefully the information available to us as at the Latest Practicable Date, we are of the opinion that the terms of the Proposed Disposal are fair and reasonable.

Our opinion set out in this IFA Letter is addressed to the Independent Directors, for the purpose of their consideration of the Proposed Whitewash Resolution and the Proposed Disposal, and any recommendation to be made by them to the Independent Shareholders shall remain their sole responsibility. Whilst a copy of this letter may be reproduced in the Circular, neither the Company, the directors of the Company and/or the Target nor any other person may reproduce, disseminate or quote this letter (or any part thereof) for the purpose of any matter which does not relate to the Proposed Whitewash Resolution and the Proposed Disposal at any time and in any matter without our prior written consent 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
For and on behalf of
ZICO Capital Pte. Ltd.

Alex Tan
Chief Executive Officer

Karen Soh
Managing Director

APPENDIX G – VALUATION LETTER PREPARED BY THE INDEPENDENT BUSINESS VALUER



Tel: +65 6828 9118
Fax: +65 6828 9111
info@bdo.com.sg
www.bdo.com.sg

BDO Advisory Pte Ltd
600 North Bridge Road
#23-01 Parkview Square
Singapore 188778

Summary Valuation Letter

12 March 2019

The Board of Directors
Jason Holdings Limited
11 Tampines Street 92,
#03-05 Tampines Bizhub
Singapore 5288722

Indicative Corporate Valuation of Revez Group Pte Ltd and its subsidiaries

Dear Sirs,

1. Introduction

BDO Advisory Pte. Ltd. ("**BDO Advisory**") has been appointed by the Board of Directors of Jason Holdings Limited ("**JHL**" or the "**Company**") ("**Directors**") to perform an indicative corporate valuation for Revez Group Pte Ltd and its subsidiaries ("**Revez Group**" or the "**Target Group**") as at 30 September 2018 ("**Valuation Date**").

This letter has been prepared for the purpose of disclosure as an appendix to the Company's Circular to be issued in relation to, inter alia, the proposed acquisition. The letter is a summary containing information from our valuation report dated 23 January 2019 (the "**Valuation Report**"). Accordingly, this letter and its contents should be read in conjunction with the full text in the full Valuation Report.

2. Terms of reference

The objective of the Valuation Report is to provide an independent view of the fair value of the Revez Group as at 30 September 2018 in accordance with International Valuation Standards.

We are not expressing an opinion on the commercial merits and structure on the transaction of the Company and accordingly, this letter and the Valuation Report do not purport to contain all the information that may be necessary to fully evaluate the commercial or investment merits of the transaction of the Company. The assessment of the commercial and investment merits of the transaction is solely the responsibility of the Directors. In addition, our work should not be construed as an investment advice to the current or prospective shareholders/investors of the Company and Target Group.

We have not conducted a comprehensive review of the business, operational or financial conditions of the Target Group nor any work in relation to the feasibility of tax efficiency of the business operation of the Target Group, and accordingly our Valuation Report does not make any representation or warranty, expressed or implied in this regard.

APPENDIX G – VALUATION LETTER PREPARED BY THE INDEPENDENT BUSINESS VALUER



Our scope in the engagement does not require us to express and we do not express a view on the future prospects of the Target Group, or any views on the future trading process of the shares or the financial condition of the Target Group.

Our terms of reference do not require us to provide advice on legal, regulatory, accounting or taxation matters made available to us if the Company has obtained specialist advice, and where we have considered, and where appropriate, relied upon such advice.

The information used by us in preparing the Valuation Report has been obtained from a variety of sources as indicated within the Valuation Report. While our work has involved an analysis of the financial information and accounting records, it has not included an audit in accordance with generally accepted auditing standards. Accordingly, we assume no responsibility and make no representation with respect to the accuracy or completeness of any information provided to us by and on the behalf of the Company.

Budgets/forecasts/projections relate to future events and are based on assumptions which may not remain valid for the whole of the relevant period. Consequently, they cannot be relied upon to the same extent as information derived from audited accounts for completed accounting periods. For these reasons, we express no opinion as to how closely the actual results achieved will correspond to those budgeted/forecasted/projected. Instead, our work is in nature of a review of the information provided to us, and discussions with members of the management of the Company ("**Management**").

3. Use of our valuation report and summary valuation letter

Our work will be carried out solely for the purpose of assisting the Company in connection with the proposed acquisition. This letter and the Valuation Report prepared in the course of our work may not be used for any other purpose or by any other person, referred to in any document or made available to any party (other than your professional advisors acting in that capacity) without our prior written consent (such consent not to be unreasonably withheld) (including without limitation, the shareholders of the Company, and the prospective investors) except for the purpose of any matter relating to the proposed acquisition (including making references to and reproduction in the Circular and being made available for inspection). Any recommendation made by the Directors to the shareholders of the Company shall remain the responsibility of such Directors.

4. Reliance on available information and representation from Management

In the course of our work, we have held discussions with the Management. We have also examined and relied on information provided by the Company, and reviewed other relevant publicly available information. We have not independently verified all such information provided or any representation or assurance made by them, whether written or verbal, and accordingly cannot and do not warrant or accept responsibility for the accuracy or completeness of such information, representation or assurance. However, we have a duty to exercise reasonable professional skill and care in performing our work in accordance with the terms of this engagement and have made reasonable enquires and exercised our judgment on the reasonable use of such information. Our work will, where appropriate, be conducted in accordance with applicable professional guidance.

The Management have confirmed to us, upon making all reasonable enquiries and to their best knowledge and belief, that the information provided to us constitute full and true disclosure, in all material respects and facts relating to the Target Group as required for the purposes of our valuation.

APPENDIX G – VALUATION LETTER PREPARED BY THE INDEPENDENT BUSINESS VALUER



In no circumstances shall we be liable, other than in the event of our bad faith, wilful default for any loss or damage, of whatsoever nature arising from information material to our work being withheld or concealed from us or misrepresented to us by the Management and the Directors, employees or staffs of the Company or any other person of whom we have made inquiries of during the course of our work.

5. Valuation methodology

The basis of valuation will be made by reference to the fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The indicative valuation of Target Group has taken into consideration of the values implied by a combination of discounted cash flows (“DCF”) approach and comparable companies analysis.

The discounted cash flow analysis is premised on the principle that the value of a company, division, business, or collection of assets can be derived based on the present value of its projected free cash flow, while the comparable companies analysis determines the value of a company’s business by referencing to available market information, such as trading multiples of comparable publicly listed companies.

We have adopted the DCF as the primary methodology for the following reasons:

- The DCF approach reflects the future plans and growth of the companies. This approach is less influenced by volatile external factors because it is an inward looking process which relies more heavily on the fundamental expectations of the business and explicit estimates of the value drivers;
- The asset-based approach does not take into account of future changes in sales or income; and
- The scarcity of information available on precedent transactions performed in the recent past of firms with similar characteristics as the Target Group.

Under this approach and methodology, we have discounted the projected free cash flows of Target Group with discount rates having considered, amongst all relevant risk factors, such as business size, business environment, cost of debt, riskiness of cash flows. The free cash flow of the Revez Group has been projected for the period starting from 1 October 2018 to 31 December 2022. We have considered the comparable companies multiples as a reference cross-check to ensure reasonableness of the derived valuation results from the DCF approach.

Our valuation is based on various assumptions with respect to Target Group, including their respective present and future financial conditions, business strategies and the environment in which they operates. These assumptions are based on the information that we have been provided and discussions with Target Group and the Company’s management reflecting current expectations on current and future events.

APPENDIX G – VALUATION LETTER PREPARED BY THE INDEPENDENT BUSINESS VALUER



Among other assumptions that are stated in the Valuation Report, the key assumptions are as follows:

- The Target Group will continue as a going concern without any changes to its management and shareholding structure;
- The future operations of the Target Group will not be adversely affected by changes to its key personnel, management team and company shareholdings;
- No audit or review has been carried out on the performance forecasts;
- The information provided to us by the Management reflects the financial positions of the Target Group for the respective financial years/period;
- The Target Group has legal title to all assets as mentioned in the financial information provided to us by the Management. All assets, which are physically in existence, are in good working condition. There are no risks that any of these assets are subject to compulsory acquisition by any third party or government body;
- There will be no major changes in the corporate taxation basis or rates applicable to the Target Group;
- Related party transactions, if any, in the Target Group are carried out on an arm's length basis and will continue to be so for the foreseeable future even if there are any changes in the shareholding structure; and
- There are no subsequent events which will have material effect on the unaudited management accounts for the periods then ended.

6. Conclusion

In summary and as detailed in the Valuation Report, the implied equity values for the Target Group is between S\$39.7 million and S\$43.2 million as at the Valuation Date. The valuation does not take into consideration of the value of investment property (office unit at 18 Howard Road, Novelty BizCentre) owned by Revez Motion Pte Ltd.

Our views are based on the current economic, market, industry, regulatory, monetary and other conditions and on the information made available to us as of the date of this letter and the Valuation Report. Such conditions may change significantly over a relatively short period and we assume no responsibility and are not required to update, revise or reaffirm our conclusion set out in this letter to reflect events or developments subsequent to the date of this letter and the Valuation Report.

Yours faithfully,

BDO Advisory Pte. Ltd.

APPENDIX H – PROPOSED NEW CONSTITUTION

THE CONSTITUTION THE COMPANIES ACT, CHAPTER 50

PUBLIC COMPANY LIMITED BY SHARES

CONSTITUTION OF REVEZ CORPORATION LTD.

INTERPRETATION

1. In this Constitution, if not inconsistent with the subject or context, the words standing in the first column of the Table next hereinafter contained shall bear the meanings set opposite to them respectively in the second column thereof:- Interpretation

WORDS

MEANINGS

“The Act”

The Companies Act, Cap. 50 or any statutory modification, amendment or re-enactment thereof for the time being in force or any and every other act for the time being in force concerning companies and affecting the Company and any reference to any provision as so modified, amended or re-enacted or contained in any such subsequent Companies Act or other act concerning companies and affecting the Company.

“Chairman”

The chairman of the Directors or the chairman of the General Meeting as the case may be.

“The Company”

The abovenamed Company by whatever name from time to time called.

“This Constitution”

This Constitution or other regulations of the Company for the time being in force.

APPENDIX H – PROPOSED NEW CONSTITUTION

“Director”	Includes any person acting as a Director of the Company and includes any person duly appointed and acting for the time being as an alternate Director.
“Directors”	The Directors for the time being of the Company or such number of them as have authority to act for the Company.
“dividend”	Includes bonus.
“General Meeting”	A general meeting of the Company.
“market day”	A day on which the Singapore Exchange Securities Trading Limited is open for trading in securities.
“Member”	A Member of the Company, save that references in this Constitution to "Member" shall, where the Act requires, exclude the Company where it is a Member by reason of its holding of its shares as treasury shares.
“month”	Calendar month.
“Office”	The registered office of the Company for the time being.
“paid-up”	Includes credited as paid-up.
“registered address” or “address”	In relation to any Member, his physical address for the service or delivery of notices or documents personally or by post, except where otherwise expressly provided in this Constitution.
“Seal”	The Common Seal of the Company or in appropriate cases the Official Seal or duplicate Common Seal.
“Secretary”	The Secretary or Secretaries appointed under this Constitution and shall include any person entitled to perform the duties of the Secretary temporarily.
“Writing” and “Written”	Written or produced by any substitute for writing or partly one and partly another and shall include (except

where otherwise expressly specified in this Constitution or the context otherwise requires, and subject to any limitations, conditions or restrictions contained in the Act) any representation or reproduction of words, symbols or other information which may be displayed in a visible form, whether in a physical document or in an electronic communication or form or otherwise howsoever.

“year” Calendar year.

The expressions “Depositor”, “Depository”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them respectively in the Securities and Futures Act, Cap. 289.

The expressions “current address”, “electronic communication”, “relevant intermediary” and “treasury shares” shall have the meanings ascribed to them respectively in the Act.

References in this Constitution to "holder(s)" of shares or a class of shares shall:-

- (a) exclude the Depository or its nominee (as the case may be) except where otherwise expressly provided in this Constitution or where the term "registered holders" or "registered holder" is used in this Constitution;
- (b) where the context so requires, be deemed to include references to Depositors whose names are entered in the Depository Register in respect of those shares; and
- (c) except where otherwise expressly provided in this Constitution, exclude the Company in relation to shares held by it as treasury shares,

and "holding" and "held" shall be construed accordingly.

Words denoting the singular number only shall include the plural and vice versa.

Words denoting the masculine gender only shall include the feminine gender.

Words denoting persons shall include corporations.

Save as aforesaid, any words or expressions used in the Act and the Interpretation Act, Cap.1 shall, if not inconsistent with the subject or context, bear the same meanings in this Constitution.

APPENDIX H – PROPOSED NEW CONSTITUTION

Any reference in this Constitution to any enactment is a reference to that enactment as for the time being amended or re-enacted.

A Special Resolution shall be effective for any purpose for which an Ordinary Resolution is expressed to be required under any provision of this Constitution.

The headnotes and marginal notes are inserted for convenience of reference only and shall not affect the construction of this Constitution.

NAME

2. The name of the Company is "**REVEZ CORPORATION LTD.**". Name

REGISTERED OFFICE

3. The Office of the Company will be situated in the Republic of Singapore. Office

BUSINESS

4. Subject to the provisions of the Act, any other written law, or this Constitution, any branch or kind of business is expressly or by implication authorised to be undertaken by the Company and may be undertaken by the Directors at such time or times as they shall think fit, and further may be suffered by them to be in abeyance, whether such branch or kind of business may have been actually commenced or not, so long as the Directors may deem it expedient not to commence or proceed with such branch or kind of business. Business

LIABILITY OF MEMBERS

5. The liability of the Members is limited. Liability of Members

SHARES

6. The Company may, subject to and in accordance with the Act, purchase or otherwise acquire its issued shares on such terms and in such manner as the Company may from time to time think fit. If required by the Act, any share which is so purchased or acquired by the Company shall, unless held in treasury in accordance with the Act, 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. In any other instance, the Company may hold or deal with any such share which is so purchased or acquired by it in such manner as may be permitted by, and in accordance with, the Act. Power to repurchase shares

APPENDIX H – PROPOSED NEW CONSTITUTION

7. Subject to the Act and this Constitution, no shares may be issued by the Directors without the prior approval of the Company in General Meeting but subject thereto and to article 53, and to any special rights attached to any shares for the time being issued, the Directors may allot and issue shares or grant options over or otherwise dispose of the same to such persons on such terms and conditions and for such consideration (if any) and at such time and subject or not to the payment of any part of the amount (if any) thereof in cash as the Directors may think fit, and any shares may be issued with such preferential, deferred, qualified or special rights, privileges or conditions as the Directors may think fit, and preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors provided always that:-
- Issue of shares
- (a) (subject to any direction to the contrary that may be given by the Company in General Meeting) any issue of shares for cash to Members holding shares of any class shall be offered to such Members in proportion as nearly as may be to the number of shares of such class then held by them and the provisions of the second sentence of article 53(1) with such adaptations as are necessary shall apply; and
 - (b) any other issue of shares, the aggregate of which would exceed the limits referred to in article 53(2), shall be subject to the approval of the Company in General Meeting.
8. (1) The rights attaching to shares of a class other than ordinary shares shall be expressed in this Constitution.
- (2) The Company may issue shares for which no consideration is payable to the Company.
- (3) Preference shares may be issued subject to such limitation thereof as may be prescribed by any stock exchange upon which the shares of the Company may be listed. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports and balance sheets and attending General Meetings, and preference shareholders shall also have the right to vote at any General Meeting convened for the purpose of reducing the capital or winding-up or sanctioning a sale of the undertaking of the Company or where the proposal to be submitted to the General Meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six months in arrears.
- Issue of shares for which no consideration is payable to the Company and preference shares

APPENDIX H – PROPOSED NEW CONSTITUTION

- (4) The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares already issued.
- (5) The total number of issued preference shares shall not exceed the total number of issued ordinary shares issued at any time.
9. The Company shall not exercise any right in respect of treasury shares other than as provided by the Act. Subject thereto, the Company may hold or deal with its treasury shares in the manner authorised by, or prescribed pursuant to, the Act. Treasury Shares
10. If, at any time the share capital is divided into different classes, subject to the provisions of the Act, preference capital, other than redeemable preference capital, or any alteration of preference shareholders' rights, may be repaid and the special rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, whether or not the Company is being wound up, be varied or abrogated with the sanction of a Special Resolution passed at a separate General Meeting of the holders of shares of the class and to every such Special Resolution the provisions of the Act shall with such adaptations as are necessary apply. To every such separate General Meeting the provisions of this Constitution relating to General Meetings shall mutatis mutandis apply; but so that the necessary quorum shall be two persons at least holding or representing by proxy at least one-third of the issued shares of the class and any holder of shares of the class present 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 such General Meeting, consent in writing if obtained from the holders of three-fourths of the issued shares of the class concerned within two months of the General Meeting shall be as valid and effectual as a Special Resolution carried at the General Meeting. Variation of rights
11. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall, unless otherwise expressly provided by the terms of issue of the shares of that class or by this Constitution as is in force at the time of such issue, be deemed to be varied by the issue of further shares ranking equally therewith. Issue of further shares with special rights
12. The Company may pay commission or brokerage on any issue of shares at such rate or amount and in such manner as the Directors may deem fit. Such commission or brokerage may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other. Power to pay commission and brokerage

APPENDIX H – PROPOSED NEW CONSTITUTION

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| 13. | If any shares of the Company are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a long period, the Company may, subject to the conditions and restrictions mentioned in the Act, pay interest on so much of the share capital (except treasury shares) as is for the time being paid-up and may charge the same to capital as part of the cost of the construction or provision. | Power to charge interest on capital |
| 14. | Except as required by law, no person shall be recognised by the Company as holding any share upon any trust and the Company shall not be bound by or compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by this Constitution or by law otherwise provided) any other rights in respect of any share, except an absolute right to the entirety thereof in the person (other than the Depository or its nominee (as the case may be)) entered in the Register of Members as the registered holder thereof or (as the case may be) the person whose name is entered in the Depository Register in respect of that share. | Exclusion of equities |
| 15. | Except as herein provided no person shall exercise any rights or privileges of a Member until he is registered in the Register of Members or (as the case may be) the Depository Register as a Member and shall have paid all calls and other moneys due for the time being on every share held by him. | Exercise of Member's rights |
| 16. | When two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint tenants with benefit of survivorship subject to the provisions following:-

(a) The Company shall not be bound to register more than three persons as the holders of any share except in the case of executors or administrators (or trustees) of the estate of a deceased Member.

(b) For the purposes of a quorum joint-holders of any share shall be treated as one Member.

(c) Only one certificate shall be issued in respect of any share.

(d) Only the person whose name stands first in the Register of Members as one of the joint-holders of any share shall be entitled to delivery of the certificate relating to such share or to receive notices from the Company. Any notice served on any one of the joint-holders shall be deemed to have been duly served on all of them. | Joint holders |

APPENDIX H – PROPOSED NEW CONSTITUTION

- (e) The joint-holders of any share shall be liable severally as well as jointly in respect of calls and any other payments which ought to be made in respect of such share.
- (f) Any one of the joint-holders of any share may give effectual receipts for any dividend, return of capital or other sum of money payable to such joint-holders in respect of such share.
- (g) On the death of any one of the joint-holders of any share the survivor or survivors shall be the only person or persons recognised by the Company as having any title to such share but the Directors may require such evidence of death as they think necessary to call for.
- (h) If more than one of such joint-holders are present in person or proxy at any General Meeting only that one of the joint-holders or his attorney or proxy, whose name stands first in the Register of Members or (as the case may be) the Depository Register amongst those so present in person or proxy shall be entitled to vote in respect of any of the shares so held.

SHARE CERTIFICATES

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| 17. | Every certificate shall be issued under the Seal and shall specify the number and class of shares to which it relates, whether the shares are fully or partly paid-up, and the amount (if any) unpaid thereon. No certificate shall be issued representing shares of more than one class. | Certificates |
| 18. | Every person whose name is entered as a Member in the Register of Members shall be entitled within ten market days (or such other period as may be approved by any stock exchange upon which the shares of the Company may be listed) of the closing date of any application for shares or, as the case may be, the date of lodgement of a registrable transfer or on a transmission of shares to one certificate for all his shares of any one class or several certificates in reasonable denominations each for a part of the shares so allotted or transferred. If a Member shall require several certificates each for a part of the shares so allotted or transferred or included in the transmission or if a Member transfers part only of the shares comprised in a certificate or requires the Company to cancel any certificate or certificates and issue new certificates for the purpose of subdividing his holding in a different manner the Member shall pay prior to the issue of the certificates or certificate a fee not exceeding S\$2 for each such new certificate as the Directors may determine. | Entitlement to certificates |

APPENDIX H – PROPOSED NEW CONSTITUTION

19. Subject to the provisions of the Act, if any certificate shall be defaced, worn out, destroyed, lost or stolen, a new certificate may be issued in lieu thereof on such evidence being produced and a letter of indemnity (if required) being given by the shareholder, transferee, person entitled, purchaser, member firm or member company of any stock exchange upon which the shares of the Company may be listed or on behalf of its or their client or clients as the Directors shall require, and (in case of defacement or wearing out) on delivery up of the old certificate and in any case on payment of such sum not exceeding S\$2 as the Directors may from time to time require. In the case of destruction, loss or theft, a shareholder or person entitled to whom such new certificate is given shall also bear the loss and pay to the Company all expenses incidental to the investigations by the Company of the evidence of such destruction or loss.
- New certificates may be issued

TRANSFER OF SHARES

20. Subject to the provisions of this Constitution, all transfers of shares shall be effected by written instrument of transfer in the form as approved by any stock exchange upon which the shares of the Company may be listed or in any other form acceptable to the Directors.
- Form of transfer of shares
21. The instrument of transfer of any share shall be signed by or on behalf of both the transferor and the transferee and be witnessed, provided that an instrument of transfer in respect of which the transferee is the Depository or its nominee (as the case may be) shall be effective although not signed or witnessed by or on behalf of the Depository or its nominee (as the case may be). The transferor shall remain the holder of the share concerned until the name of the transferee is entered in the Register of Members in respect thereof.
- Execution of transfer of shares
22. No shares shall in any circumstances be transferred to any infant, bankrupt or person who is mentally disordered and incapable of managing himself or his affairs.
- Person under disability
23. There shall be no restriction on the transfer of fully paid-up shares (except as required by law, the listing rules of any stock exchange upon which the shares of the Company may be listed or the rules and/or bye-laws governing any stock exchange upon which the shares of the Company may be listed) but the Directors may in their discretion decline to register any transfer of shares upon which the Company has a lien and in the case of shares not fully paid-up may refuse to register a transfer to a transferee of whom they do not approve.
- Directors' power to decline to register
24. If the Directors refuse to register a transfer of any share, they shall within ten market days after the date on which the transfer
- Notice of refusal

APPENDIX H – PROPOSED NEW CONSTITUTION

was lodged with the Company, send to the transferor and the transferee notice of refusal as required by the Act.

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| 25. | The Directors may decline to register any instrument of transfer unless:- | Terms
registration
transfers | of
of |
| | (a) such fee not exceeding S\$2 as the Directors may from time to time require, is paid to the Company in respect thereof; | | |
| | (b) the amount of proper duty (if any) with which each instrument of transfer is chargeable under any law for the time being in force relating to stamps is paid; | | |
| | (c) the instrument of transfer is deposited at the Office or at such other place (if any) as the Directors may appoint accompanied by a certificate of payment of stamp duty (if any), the certificates of the shares to which the transfer relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of the person so to do; and | | |
| | (d) the instrument of transfer is in respect of only one class of shares. | | |

All instruments of transfer which are registered may be retained by the Company, but any instrument of transfer which the Directors may decline to register shall be returned to the person depositing the same except in the case of fraud.

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| 26. | The registration of transfers may be suspended at such times and for such period as the Directors may from time to time determine provided always that such registration shall not be suspended for more than thirty days in any year. The Company shall give prior notice of such closure as may be required to any stock exchange upon which the shares of the Company may be listed, stating the period and the purpose or purposes of such closure. | Suspension
registration | of |
| 27. | Nothing in this Constitution shall preclude the Directors from recognising a renunciation of the allotment of any share by the allottee in favour of some other person. | Renunciation
allotment | of |

TRANSMISSION OF SHARES

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| 28. | (1) In the case of the death of a Member whose name is entered in the Register of Members, the survivor or survivors where the deceased was a joint-holder, and the executors or administrators of the deceased where he was a sole or only surviving holder, shall be the only | Survivor,
executors
or
administrators
entitled to shares
of a deceased
Member | |
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persons recognised by the Company as having any title to his interest in the shares.

- (2) In the case of the death of a Member who is a Depositor, the survivor or survivors where the deceased was a joint-holder, and the executors or administrators of the deceased where he was a sole or only surviving holder and where such executors or administrators are entered in the Depository Register in respect of any shares of the deceased Member, shall be the only persons recognised by the Company as having any title to his interest in the shares.
- (3) Nothing in this article shall release the estate of a deceased holder from any liability in respect of any share solely or jointly held by him.

29. Any person becoming entitled to the legal title in a share in consequence of the death or bankruptcy of a Member whose name is entered in the Register of Members, and any guardian of an infant becoming entitled to the legal title in a share and whose name is entered in the Register of Members, and any person as properly has the management of the estate of a Member whose name is entered in the Register of Members and who is mentally disordered and incapable of managing himself or his affairs may, upon such evidence being produced as may from time to time properly be required by the Directors and subject as hereinafter provided, elect either to be registered himself as holder of the share or transfer the share to some other person, but the Directors shall, in either case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by a Member. Transmission of shares
30. If the person so becoming entitled shall elect to be registered himself, he shall deliver or send to the Company a notice in writing in a form approved by the Directors signed by him stating that he so elects. If he shall elect to transfer the share to another person he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions and provisions of this Constitution relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the event upon which transmission took place had not occurred and the notice or transfer were a transfer signed by the person from whom the title by transmission is derived. Requirements regarding transmission of shares
31. A person becoming entitled to a share by transmission shall be entitled to receive and give a discharge for the same dividends and be entitled to the other advantages to which he would be entitled if he were the Member in respect of the share, except that he shall not, before being registered as a Member in the Register Rights of persons entitled to a share by transmission

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of Members or before his name shall have been entered in the Depository Register in respect of the share, be entitled in respect of it to exercise any right conferred by membership in relation to General Meetings.

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| 32. | The Directors may at any time give notice requiring any person entitled to a share by transmission to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days 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 entitled may be required to register or transfer share |
| 33. | There shall be paid to the Company in respect of the registration of any probate, letters of administration, certificate of marriage or death, power of attorney or other document relating to or affecting the title to any shares, such fee not exceeding S\$2 as the Directors may from time to time require or prescribe. | Fee for registration of probate, etc |

CALLS ON SHARES

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| 34. | The Directors may from time to time make calls upon the Members in respect of any moneys unpaid on their shares and not by the conditions of allotment thereof made payable at fixed times, and each Member shall (subject to receiving 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 revoked or postponed as the Directors may determine. | Amounts and periods |
| 35. | A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be required to be paid by instalments. | When made |
| 36. | If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom it is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate not exceeding eight per cent per annum as the Directors may determine, but the Directors shall be at liberty to waive payment of such interest wholly or in part. | Interest on overdue calls |
| 37. | Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date shall for the purposes of this Constitution be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable, and in case of non-payment all the relevant provisions of this Constitution as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified. | On allotment |

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| 38. | The Directors may, on the issue of shares, differentiate between the holders as to the amount of calls to be paid and the times of payment. | Directors may differentiate between holders |
| 39. | The Directors may, if they think fit, receive from any Member willing to advance the same all or any part of the moneys uncalled and unpaid-upon the shares held by him and such payments in advance of calls shall extinguish, so far as the same shall extend, the liability upon the shares in respect of which it is made, and upon the moneys so received or so much thereof as from time to time exceed the amount of the call then made upon the shares concerned, the Company may pay interest at such rate not exceeding eight per cent per annum as the Member paying such sum and the Directors agree upon. Capital paid on shares in advance of calls shall not whilst carrying interest confer a right to participate in profits. | Payment in advance of calls |
| 40. | The Directors may apply all dividends which may be declared in respect of any shares in payment of any calls made or instalments payable and which may remain unpaid in respect of the same shares. | Lien on dividends to pay call |

LIEN AND FORFEITURE

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| 41. | The Company shall have a first and paramount lien and charge on every share (not being a fully paid share) registered in the name of each Member (whether solely or jointly with others) and on the dividends declared or payable in respect thereof. Such lien shall be restricted to unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid, and to such amount as the Company may be called upon by law to pay in respect of the shares of the Member or deceased Member. | Company's lien |
| 42. | 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 but no sale shall be made until such time as the moneys owing to the Company 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 manner as the Directors shall think fit on such Member or the person (if any) entitled to effect a transmission of the shares and who shall have produced to the Company satisfactory evidence of such capacity and default in payment shall have been made by him or them for fourteen days after such notice. Provided always that if a Member shall have died or become mentally disordered and incapable of managing himself or his affairs or bankrupt and no person shall have given to the Company satisfactory proof of his right to effect a transmission of the shares held by such Member the Directors may exercise such power of sale without serving any such notice. | Notice to pay the amount due, and sale on non-compliance therewith |

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43. Upon any sale being made by the Directors of any shares to satisfy the lien of the Company thereon the proceeds shall be applied first in the payment of the costs of such sale, next in satisfaction of the debt, obligation, engagement or liability of the Member to the Company and the residue (if any) shall be paid to the Member whose shares have been forfeited or as he shall direct or to his executors, administrators or assigns. Application of sale proceeds
44. A statutory declaration in writing that the declarant is a Director and that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts stated therein as against all persons claiming to be entitled to the share, and such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together (where the same be required) with the share certificate delivered to a purchaser (or where the purchaser is a Depositor, to the Depository or its nominee (as the case may be)) or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute good title to the share and the share shall be registered in the name of the person to whom the share is sold, re-allotted or disposed of or, where such person is a Depositor, the Company shall procure that his name be entered in the Depository Register in respect of the share so sold, re-allotted or disposed of. Such person shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, surrender, sale, re-allotment or disposal of the share. Title to shares forfeited or surrendered or sold to satisfy a lien
45. In the event of a forfeiture of shares or a sale of shares to satisfy the Company's lien thereon the Member or other person who prior to such forfeiture or sale was entitled thereto shall be bound to deliver and shall forthwith deliver to the Company the certificate or certificates held by him for the shares so forfeited or sold. Certificate of shares to be delivered to the Company
46. If a Member fails to pay any call or any part thereof on the day appointed for payment thereof, the Directors may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued and any expenses incurred by the Company by reason of such non-payment. If call or instalment not paid, notice may be given
47. The notice shall name a further day (not earlier than the expiration of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made, and shall state that in the event of non-payment at or Form of notice

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before the time appointed, the shares in respect of which the call was made will be liable to be forfeited.

48. If the requirements of such notice as aforesaid are not complied with, any share in respect of which the notice has been given may at any time thereafter before all payments required by the notice have been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before 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
49. A share so forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto, or to any other person, upon such terms and in such manner as the Directors shall think fit, and at any time before a sale, re-allotment or disposition the forfeiture or surrender may be cancelled on such terms as the Directors think fit. To give effect to any such sale, the Directors may, if necessary, authorise some person to transfer or effect the transfer of a forfeited or surrendered share to any such person as aforesaid. Sale of shares forfeited
50. A Member whose shares have been forfeited or surrendered shall cease to be a Member in respect of the shares, but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were payable by him to the Company in respect of the shares with interest thereon at eight per cent per annum (or such lower rate as the Directors may approve) from the date of forfeiture or surrender until payment, but such liability shall cease if and when the Company receives payment in full of all such money in respect of the shares and the Directors may waive payment of such interest either wholly or in part. Rights and liabilities of Members whose shares have been forfeited or surrendered
51. The provisions of this Constitution as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time as if the same had been payable by virtue of a call duly made and notified. Forfeiture applies to non-payment of call due at fixed time

ALTERATION OF CAPITAL

52. To the extent permitted by existing laws and regulations which the Company may be subject, without prejudice to any special rights previously conferred on the holders of any shares or class of shares for the time being issued, any share in the Company may be issued with such preferred, deferred or other special, limited or conditional rights, or subject to such restrictions, whether as regards dividend, return of capital, voting or otherwise, as the Company may from time to time by Ordinary Rights and privileges of new shares

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Resolution or, if required by the Act, by Special Resolution determine (or, in the absence of any such determination, but subject to the Act, as the Directors may determine) and subject to the provisions of the Act, the Company may issue preference shares which are, or at the option of the Company are, liable to be redeemed.

53. (1) Subject to any direction to the contrary that may be given by the Company in General Meeting or except as permitted under the listing rules of the Singapore Exchange Securities Trading Limited, 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 far as the circumstances admit, to the number of the existing shares to which they are entitled. In offering such new shares in the first instance to all the then holders of any class of shares the offer shall be made by notice specifying the number of shares offered and limiting the 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 and the Directors may as they think most beneficial to the Company dispose of any such new shares which by reason of the proportion borne by them to the shares held by holders entitled to any such offer or by reason of any other difficulty in apportioning the same cannot, in the opinion of the Directors, be conveniently offered under this article.
- Issue of new shares to Members
- (2) Notwithstanding article 53(1) but subject to article 8(3), the Company may 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:-
- (a) issue shares of the Company ("shares") whether by way of rights, bonus or otherwise and/or 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
- (b) (notwithstanding the authority conferred by the Ordinary Resolution may have ceased to be in force) issue shares in pursuance of any Instrument

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made or granted by the Directors while the Ordinary Resolution was in force, provided that:-

- (i) 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) shall be subject to such limits and manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited;
- (ii) in exercising the authority conferred by the Ordinary Resolution, the Company shall comply with the provisions of the listing rules of the Singapore Exchange Securities Trading Limited for the time being in force (unless such compliance is waived by the Singapore Exchange Securities Trading Limited) and this Constitution; and
- (iii) (unless revoked or varied by the Company in General Meeting) the authority conferred by the Ordinary Resolution shall not continue in force beyond the conclusion of the Annual General Meeting 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).

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| 54. | Except so far as otherwise provided by the conditions of issue or by this Constitution, all new shares shall be subject to the provisions of the Act and this Constitution with reference to allotments, payment of calls, lien, transfer, transmission, forfeiture and otherwise. | New shares otherwise subject to provisions of the Act and this Constitution |
| 55. | <p>(1) The Company may by Ordinary Resolution:-</p> <ul style="list-style-type: none"> (a) consolidate and divide all or any of its shares; (b) subdivide its shares or any of them (subject nevertheless to the provisions of the Act and this Constitution) provided always that in such subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the | <p>Power to consolidate, subdivide, redenominate and convert shares</p> |

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case of the share from which the reduced share is derived; and

(c) subject to the provisions of this Constitution and the Act, convert its share capital or any class of shares from one currency to another currency.

(2) The Company may by Special Resolution, subject to and in accordance with the Act and other applicable laws, convert one class of shares into another class of shares.

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| 56. | The Company may by Special Resolution reduce its share capital, or any other undistributable reserve in any manner and subject to any incident 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 this Constitution and the Act, the number of issued shares of the Company shall be diminished by the number of the shares so cancelled, and, where any such cancelled share was purchased or acquired out of the capital of the Company, the amount of share capital of the Company shall be reduced accordingly. | Power to reduce capital |
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CONVERSION OF SHARES INTO STOCK

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| 57. | The Company may by Ordinary Resolution convert any paid-up shares into stock, and may from time to time by like resolution re-convert any stock into paid-up shares of any denomination. | Conversion of shares into stock and re-conversion |
| 58. | The holders of stock may transfer the same or any part thereof in the same manner and subject to the same articles 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 admit; but the Directors may from time to time fix the minimum number of stock units transferable and restrict or forbid the transfer of fractions of that minimum. | Transfer of stock |
| 59. | The holders of stock shall, according to the number of stock units held by them, have the same rights, privileges and advantages as regards dividend, return of capital, voting and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except as regards dividend and return of capital and the assets on winding up) shall be conferred by any such number of stock units which would not if existing in shares have conferred that privilege or advantage; and no such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted. | Rights of stockholders |
| 60. | The provisions of this Constitution which are applicable to paid-up shares shall, so far as circumstances will admit, apply to stock, | Shares/stock |

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and the words "share" and "shareholder" therein shall include "stock" and "stockholder".

GENERAL MEETINGS

61. (1) Save as otherwise permitted under the Act, an Annual General Meeting shall be held within four (4) months after the immediate preceding financial year, at such time and place as may be determined by the Directors. Unless prohibited by law, all General Meetings shall be held in Singapore at such location as may be determined by the Board. Annual General Meeting
- (2) All General Meetings other than Annual General Meetings shall be called Extraordinary General Meetings.
62. The Directors may, whenever they think fit, convene an Extraordinary General Meeting and Extraordinary General Meetings shall also be convened by such requisition or, in default, may be convened by such requisitionists, in accordance with the provisions of the Act. If at any time there are not within Singapore sufficient Directors capable of acting to form a quorum at a meeting of Directors, any Director may convene an Extraordinary General Meeting in the same manner as nearly as possible as that in which meetings may be convened by the Directors. Calling Extraordinary General Meetings

NOTICE OF GENERAL MEETINGS

63. (1) Any General Meeting at which it is proposed to pass a Special Resolution or (save as provided by the Act) a resolution of which special notice has been given to the Company shall be called by at least twenty-one days' notice in writing and any Annual General Meeting and any other Extraordinary General Meeting by at least fourteen days' notice in writing. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day on which the General Meeting is to be held and shall be given in the manner hereinafter mentioned to such persons as are under the provisions herein contained and the Act entitled to receive such notices from the Company; Provided that a General Meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:- Notice of General Meetings
- (a) in the case of an Annual General Meeting by all the Members entitled to attend and vote thereat; and
- (b) in the case of an Extraordinary General Meeting by a majority in number of the Members having a

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right to attend and vote thereat, being a majority together holding not less than 95 per cent of the total voting rights of all the Members having a right to vote at that meeting.

Provided also that the accidental omission to give notice to, or the non-receipt by any person entitled thereto, shall not invalidate the proceedings at any General Meeting.

At least fourteen days' notice of any General Meeting shall be given by advertisement in the daily press and in writing to any stock exchange upon which the shares of the Company may be listed.

- (2) Notice of every General Meeting shall be given to:-
- (a) every Member;
 - (b) every person entitled to a share in consequence of the death or bankruptcy or otherwise of a Member who but for the same would be entitled to receive notice of the General Meeting; and
 - (c) the Auditor for the time being of the Company.
64. (1) Every notice calling a General Meeting shall specify the place and the day and hour of the meeting, and there shall appear with reasonable prominence in every such notice a statement that a Member entitled to attend and vote is entitled to appoint a proxy to attend and to vote instead of him and that a proxy need not be a Member. Contents of notice
- (2) In the case of an Annual General Meeting, the notice shall also specify the meeting as such.
- (3) In the case of any General Meeting at which business other than routine business is to be transacted, the notice shall specify the general nature of the business; and if any resolution is to be proposed as a Special Resolution or as requiring special notice, the notice shall contain a statement to that effect.
65. Routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say:- Routine business
- (a) declaring dividends;
 - (b) considering and adopting the financial statements, the Directors' statement, the Auditor's report and other

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documents required to be attached to the financial statements;

- (c) appointing or re-appointing the Auditor and fixing the remuneration of the Auditor or determining the manner in which such remuneration is to be fixed; and
- (d) appointing or re-appointing Directors in place of those retiring by rotation or otherwise and fixing the remuneration of the Directors.

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| 66. | Any notice of a General Meeting to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution in respect of such special business. | Special business |
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PROCEEDINGS AT GENERAL MEETINGS

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| 67. | No business shall be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business. Save as herein otherwise provided, three (3) Members present in person or by proxy shall form a quorum. | Quorum |
| 68. | If within half an hour from the time appointed for the General Meeting (or such longer interval as the Chairman of the meeting may think fit to allow) a quorum is not present, the meeting, if convened on the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week (or if that day is a public holiday then to the next business day following that public holiday) at the same time and place, or to such other day and at such other time and place as the Directors may determine, and if at such adjourned meeting a quorum is not present within fifteen minutes from the time appointed for holding the meeting, the Members present in person or by proxy shall be deemed to be a quorum. | Adjournment if
quorum not
present |
| 69. | The Chairman, if any, of the Directors shall preside as Chairman at every General Meeting. If there be no such Chairman or if at any General Meeting he be not present within fifteen minutes after the time appointed for holding the meeting or be unwilling to act, the Members present shall choose some Director to be Chairman of the meeting or, if no Director be present or if all the Directors present decline to take the chair, one of their number present to be Chairman. | Chairman |
| 70. | The Chairman may, with the consent of any General Meeting at which a quorum is present (and shall if so directed by the meeting) adjourn the meeting from time to time (or sine die) and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. Where a General Meeting is adjourned sine die, the time | Adjournment |

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and place for the adjourned meeting shall be fixed by the Directors. When a General Meeting is adjourned for thirty days or more or sine die, notice of the adjourned meeting shall be given as in the case of the original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned General Meeting.

71. (1) If required by the listing rules of any stock exchange upon which the shares of the Company may be listed, all resolutions at General Meetings shall be voted by poll (unless such requirement is waived by such stock exchange). Mandatory polling
- (2) Subject to article 71(1), at any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll be (before or on the declaration of the result of the show of hands) demanded:-
- (a) by the Chairman; or
 - (b) by at least three (3) Members present in person or by proxy and entitled to vote thereat; or
 - (c) by any Member or Members present in person or by proxy and representing not less than five per cent of the total voting rights of all the Members having the right to vote at the General Meeting; or
 - (d) by a Member or Members present in person or by proxy, holding shares conferring a right to vote at the General Meeting, being shares on which an aggregate sum has been paid-up equal to not less than five per cent of the total sum paid-up on all the shares conferring that right.

A demand for a poll made pursuant to this article 71(2) shall not prevent the continuance of the General Meeting for the transaction of any business, other than the question on which the poll has been demanded. Unless a poll be so demanded (and the demand be not withdrawn) a declaration by the Chairman that a resolution has been carried or carried unanimously or by a particular majority or lost and an entry to that effect in the minute book shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution. A demand for a poll may be withdrawn.

72. Where a poll is taken, it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the Chairman may direct and the result of the poll shall be deemed to be the Taking a poll

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resolution of the General Meeting. The Chairman may (and, if required by the listing rules of any stock exchange upon which the shares of the Company may be listed or if so requested by the meeting, shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

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| 73. | If any votes 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 General Meeting or at any adjournment thereof and not in any case unless it shall in the opinion of the Chairman be of sufficient magnitude. | Votes counted in error |
| 74. | In the case of an equality of votes, whether on a poll or on a show of hands, the Chairman of the meeting at which the poll or show of hands takes place shall be entitled to a casting vote. | Chairman's casting vote |
| 75. | A poll on the election of a Chairman or on a question of adjournment shall be taken forthwith. A poll on any other question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the General Meeting) and place as the Chairman may direct. No notice need be given of a poll not taken immediately. | Time for taking a poll |
| 76. | After the Chairman of any meeting shall have declared the General Meeting to be over and shall have left the chair no business or question shall under any pretext whatsoever be brought forward or discussed. | End of General Meeting |

VOTES OF MEMBERS

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| 77. | (1) Subject and without prejudice to any special privileges or restrictions 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 and to article 9, each Member entitled to vote may vote in person or by proxy. Every Member who is present in person or by proxy shall:- | Voting rights of Members |
| | (a) on a poll, have one vote for every share which he holds or represents; and | |
| | (b) on a show of hands, have one vote, provided that:- | |
| | (i) in the case of a Member who is not a relevant intermediary and who is represented by two proxies, only one of the two proxies as determined by that Member or, failing such determination, by the Chairman of the meeting (or by a person authorised by him) in his sole discretion | |

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shall be entitled to vote on a show of hands; and

- (ii) in the case of a Member who is a relevant intermediary and who is represented by two or more proxies, each proxy shall be entitled to vote on a show of hands.

For the purpose of determining the number of votes which a Member, being a Depositor, or his proxy may cast at any General Meeting on a poll, the reference to shares held or represented shall, in relation to shares of that Depositor, be the number of shares entered against his name in the Depository Register as at 72 hours before the time of the relevant General Meeting as certified by the Depository to the Company.

- (2) Save as otherwise provided in the Act:-

- (a) a Member who is not a relevant intermediary may appoint not more than two proxies to attend, speak and vote at the same General Meeting. Where such Member's 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; and
- (b) a Member who is a relevant intermediary may appoint more than two proxies to attend, speak and vote at the same General 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 form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

- (3) In any case where a Member is a Depositor, the Company shall be entitled and bound:-

- (a) to reject any instrument of proxy lodged by that Depositor if he is not shown to have any shares entered against his name in the Depository Register as at 72 hours before the time of the relevant General Meeting as certified by the Depository to the Company; and
- (b) to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by that Depositor is or are able to cast on a poll a

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number which is the number of shares entered against the name of that Depositor in the Depository Register as at 72 hours before the time of the relevant General Meeting as certified by the Depository to the Company, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor.

- (4) The Company shall be entitled and bound, 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.
78. Any corporation which is a Member may by resolution of its directors or other governing body authorise such person as it thinks fit to act as its representative at any General Meeting or of any class of Members and the persons so authorised shall be entitled to exercise the same powers on behalf of the corporation as the corporation would exercise if it were an individual Member and such corporation shall for the purpose of this Constitution (but subject to the Act) be deemed to be present in person at any such General Meeting if a person so authorised is present thereat. Corporations acting by representatives
79. Where there are joint holders of any share any one of such persons may vote and be reckoned in a quorum at any General Meeting either personally or by proxy as if he were solely entitled thereto and if more than one of such joint holders be so present at any General Meeting that one of such persons so present whose name stands first in the Register of Members or (as the case may be) the Depository Register in respect of such share shall alone be entitled to vote in respect thereof. Several executors or administrators of a deceased Member in whose name any share stands shall for the purpose of this article be deemed joint holders thereof. Voting rights of joint holders
80. Subject to the provisions of this Constitution every Member shall be entitled to be present and to vote at any General Meeting either personally or by proxy and to be reckoned in a quorum in respect of any share or shares upon which all calls due have been paid. Rights to vote
81. No objection shall be raised to the qualification of any voter except at the General Meeting or adjourned General Meeting at which the vote objected to is given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection made in due time shall be referred to the Chairman of the meeting whose decision shall be final and conclusive. Objections

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82. 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. Votes on a poll
83. (1) An instrument appointing a proxy shall be in writing and:- Execution of proxies
- (a) in the case of an individual shall be:-
 - (i) signed by the appointor or his attorney if the instrument of proxy is delivered personally or sent by post; or
 - (ii) authorised by that individual through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication; and
 - (b) in the case of a corporation shall be:-
 - (i) either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation if the instrument of proxy is delivered personally or sent by post; or
 - (ii) authorised by that corporation through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication.

The Directors may, for the purposes of articles 83(1)(a)(ii) and 83(1)(b)(ii), designate procedures for authenticating any such instrument, and any such instrument not so authenticated by use of such procedures shall be deemed not to have been received by the Company.

The signature on, or authorisation of, such instrument need not be witnessed. Where an instrument appointing a proxy is signed or authorised on behalf of the appointor (which shall, for purposes of this paragraph include a Depositor) by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to article 85, failing which the instrument may be treated as invalid.

- (2) The Directors may, in their absolute discretion:-

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(a) approve the method and manner for an instrument appointing a proxy to be authorised; and

(b) designate the procedure for authenticating an instrument appointing a proxy,

as contemplated in articles 83(1)(a)(ii) and 83(1)(b)(ii) for application to such Members or class of Members as they may determine. Where the Directors do not so approve and designate in relation to a Member (whether of a class or otherwise), article 83(1)(a)(i) and/or (as the case may be) article 83(1)(b)(i) shall apply.

84.	A proxy need not be a Member.	Proxy need not be a member
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85.	(1) An instrument appointing a proxy or the power of attorney or other authority, if any:-	Deposit of proxies
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(a) if sent personally or by post, must be left at the Office or such other place (if any) as is specified for the purpose in the notice convening the General Meeting; or

(b) if submitted by electronic communication, must be received through such means as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the General Meeting,

and in either case not less than 72 hours before the time appointed for the holding of the General Meeting or adjourned General Meeting (or in the case of a poll before the time appointed for the taking of the poll) to which it is to be used and in default shall not be treated as valid.

(2) The Directors may, in their absolute discretion, and in relation to such Members or class of Members as they may determine, specify the means through which instruments appointing a proxy may be submitted by electronic communications, as contemplated in article 85(1)(b). Where the Directors do not so specify in relation to a Member (whether of a class or otherwise), article 85(1)(a) shall apply.

86.	An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll, to move any resolution or amendment thereto and to speak at the General Meeting.	Rights of proxies
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87. An instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the Directors may approve. An instrument appointing a proxy shall, unless the contrary is stated therein be valid as well for any adjournment of the General Meeting as for the General Meeting to which it relates and need not be witnessed. Form of proxies
88. A vote given in accordance with the terms of an instrument of proxy (which for the purposes of this Constitution shall also include a power of attorney) shall be valid notwithstanding the previous death or mental disorder of the principal or revocation of the proxy, or of the authority under which the proxy was executed or the transfer of the share in respect of which the proxy is given, provided that no intimation in writing of such death, mental disorder, revocation or transfer shall have been received by the Company at the Office (or such other place as may be specified for the deposit of instruments appointing proxies) before the commencement of the General Meeting or adjourned General Meeting (or in the case of a poll before the time appointed for the taking of the poll) at which the proxy is used. Intervening death or mental disorder of principal not to revoke proxy

DIRECTORS

89. The number of Directors all of whom shall be natural persons shall not be less than four nor unless otherwise determined by a General Meeting more than twelve. Appointment and number of Directors
90. A Director need not be a Member and shall not be required to hold any share qualification unless and until otherwise determined by the Company in General Meeting but he shall be entitled to attend and speak at General Meetings. Share qualification
91. The general remuneration of the Directors shall from time to time be determined by the Company in General Meeting. Such remuneration shall be divided among them in such proportions and manner as the Directors may agree or failing agreement, equally. Fees payable to Directors shall not be increased except pursuant to a resolution passed at a General Meeting, where notice of the proposed increase has been given in the notice convening the meeting. Remuneration of Directors
92. (1) Each Director shall in addition to any other remuneration be entitled to be recouped all travelling hotel and other expenses properly incurred by him for the purpose of attending meetings of the Directors or of any committee or any General Meeting or otherwise in the course of the Company's business. Expenses and extra remuneration
- (2) The Directors may grant special remuneration to any of their number who being called upon shall be willing to render any special or extra services to the Company or to

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go or reside abroad in connection with the conduct of any of the affairs of the Company. Such special remuneration may be made payable to such Director in addition to or in substitution for his ordinary remuneration as a Director, and may be made payable by a lump sum or by way of salary, or, except in the case of a non-executive director, by a percentage of profits, or by any or all of those modes.

- (3) Fees payable to non-executive Directors shall be by a fixed sum, and not by a commission on or a percentage of profits or turnover. Salaries payable to executive Directors may not include a commission on or a percentage of turnover.

93. The Directors on behalf of the Company may pay a gratuity or pension or allowance on retirement to any Director who has held any other salaried office or place of profit with the Company or to his widow or dependents and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance. Pensions
94. Other than the office of Auditor, a Director may hold any other office or place of profit under the Company and he or any firm of which he is a member may act in a professional capacity for the Company in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine. No Director or intending Director shall be disqualified by his office from contracting or entering into any arrangement or transaction with the Company either as vendor, purchaser or otherwise nor shall such contract, arrangement or transaction or any contract, arrangement or transaction entered into by or on behalf of the Company in which any Director shall be in any way interested be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract, arrangement or transaction by reason only of such Director holding that office or of the fiduciary relation thereby established but every Director and Chief Executive Officer (or person(s) holding an equivalent position) shall observe the provisions of the Act relating to the disclosure of the interests of the Directors and Chief Executive Officers (or person(s) holding an equivalent position) in transactions or proposed transactions with the Company or of any office or property held by a Director or a Chief Executive Officer (or person(s) holding an equivalent position) which might create duties or interests in conflict with his duties or interests as a Director or a Chief Executive Officer (or an equivalent position), as the case may be. Power of Directors to hold office or profit and to contract with Company

A Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any personal material interest, directly or indirectly. A Director shall not be

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counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

95. (1) A Director may be or become a director of or hold any office or place of profit (other than as Auditor) or be otherwise interested in any company in which the Company may be interested as vendor, purchaser, shareholder or otherwise and unless otherwise agreed shall not be accountable for any fees, remuneration or other benefits received by him as a director or officer of or by virtue of his interest in such other company. Holding of office in other companies
- (2) The Directors may exercise the voting power conferred by the shares in any company held or owned by the Company in such manner and in all respects as the Directors think fit in the interests of the Company (including the exercise thereof in favour of any resolution appointing the Directors or any of them to be directors of such company or voting or providing for the payment of remuneration to the directors of such company) and any such Director may vote in favour of the exercise of such voting powers in the manner aforesaid notwithstanding that he may be or be about to be appointed a director of such other company.
96. The Directors may from time to time appoint one or more of their body to be managing director or deputy managing director of the Company (or such person or persons holding equivalent position(s)) and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places. Where an appointment is for a fixed term such term shall not exceed five years. Appointment of Chief Executive Officer
97. A Chief Executive Officer (or person holding an equivalent position) who is a Director shall subject to the provisions of any contract between him and the Company be subject to the same provisions as to retirement by rotation, resignation and removal as the other Directors. Chief Executive Officer to be subject to retirement by rotation
98. The remuneration of a Chief Executive Officer (or person holding an equivalent position) shall from time to time be fixed by the Directors and may subject to this Constitution be by way of salary or commission or participation in profits or by any or all these modes but he shall not under any circumstances be remunerated by a commission on or a percentage of turnover. Remuneration of Chief Executive Officer
99. A managing director (or person holding an equivalent position) shall at all times be subject to the control of the Directors. Powers of Chief Executive Officer

ALTERNATE DIRECTORS

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100. (1) A Director may appoint any person (other than another Director) approved by the majority of his co-Directors to be his alternate Director in the Company, provided that any fee paid by the company to the alternate shall be deducted from that director's remuneration, and may at any time remove any such alternate Director so appointed from office. Alternate Director
- (2) An alternate Director shall (subject to his giving to the Company an address in Singapore) be entitled to receive notices of all meetings of the Directors and to attend and vote as a Director at such meetings at which the Director appointing him is not personally present and generally to perform all functions of his appointor as a Director in his absence.
- (3) An alternate Director shall ipso facto cease to be an alternate Director if his appointor ceases for any reason to be a Director otherwise than by retiring and being re-elected at the same meeting.
- (4) All appointments and removals of alternate Directors shall be effected in writing under the hand of the Director making or terminating such appointment left at the Office.
- (5) A person shall not act as alternate Director to more than one Director at the same time.
- (6) An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent mutatis mutandis as if he were a Director but he shall not be entitled to receive from the Company in respect of his appointment as alternate Director any remuneration except only such part (if any) of the remuneration otherwise payable to his principal as such principal may by notice in writing to the Company from time to time direct.

GENERAL POWERS OF DIRECTORS

101. The business and the affairs of the Company shall be managed by, or under the direction or supervision of, the Directors. The Directors may exercise all such powers of the Company as are not by the Act or this Constitution required to be exercised by the Company in General Meeting. The Directors shall not carry into effect any proposals for selling or disposing of the whole or substantially the whole of the Company's undertaking unless such proposals have been approved by Members in a General Meeting. The general powers given by this article shall not be General powers of Directors to manage Company's business

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limited or restricted by any special authority or power given to the Directors by any other article.

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| 102. | The Directors may from time to time by power of attorney under the Seal appoint any company, firm or person or any fluctuating body of persons whether nominated directly or indirectly by the Directors to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under this Constitution) and for such period and subject to such conditions as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with such attorney as the Directors may think fit and may also authorise any such attorney to subdelegate all or any of the powers, authorities and discretions vested in him. | Power to appoint attorneys |
| 103. | The Directors may establish any local boards or agencies for managing any affairs of the Company, either in Singapore or elsewhere and may appoint any persons to be members of such local boards or any managers or agents, and may fix their remuneration, and may delegate to any local board, manager or agent any of the powers, authorities and discretions vested in the Directors, with power to subdelegate, and may authorise the members of any local board or any of them to fill any vacancies therein and to act notwithstanding vacancies, and any such appointment or delegation may be made upon such terms and subject to such conditions as the Directors may think fit and the Directors may remove any person so appointed, and may annul or vary any such delegation but no person acting in good faith and without notice of any such annulment or variation shall be affected thereby. | Power to establish local boards, etc |
| 104. | The Company or the Directors on behalf of the Company may in exercise of the powers in that behalf conferred by the Act cause to be kept a Branch Register, or Branch Registers, of Members and the Directors may (subject to the provisions of the Act) make and vary such regulations as they may think fit in respect of the keeping of any such Register. | Power to keep a Branch register |
| 105. | All cheques, promissory notes, drafts, bills of exchange, and other negotiable or transferable instruments and all receipts for moneys paid to the Company shall be signed, drawn, accepted, endorsed or otherwise executed, as the case may be, in such manner as the Directors shall from time to time by resolution determine. | Signature of cheque and bills |

BORROWING POWERS

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| 106. | The Directors may borrow or raise money from time to time for the purpose of the Company or secure the payment of such sums as they think fit and may secure the repayment or payment of | Directors' borrowing powers |
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such sums by mortgage or charge upon all or any of the property or assets of the Company or by the issue of debentures (whether at par or at discount or premium) or otherwise as they may think fit.

MEETINGS AND PROCEEDINGS OF DIRECTORS

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| 107. | (1) | The Directors may meet together either in person or by Meetings of telephone, radio, conference television or similar Directors communication equipment or any other form of audio, audio-visual, electronic or instantaneous communication by which all persons participating in the meeting are able to hear and be heard by all other participants, for the dispatch of business and adjourn and otherwise regulate their meetings as they think fit and a quorum for such teleconference meetings shall be the same as the quorum required of a Directors' meeting provided under this Constitution. A resolution passed by such a conference shall, notwithstanding that the Directors are not present together at one place at the time of conference, be deemed to have been passed at a meeting of the Directors held on the day and at the time at which the conference was held and shall be deemed to have been held at the Office of the Company, unless otherwise agreed, and all Directors participating at that meeting shall be deemed for all purposes of this Constitution to be present at that meeting. | Meetings of Directors |
| | (2) | Questions arising at any meeting shall be decided by a majority of votes and in case of an equality of votes the Chairman of the meeting shall have a second or casting vote except when only two Directors are present and form a quorum, the Chairman at which only such a quorum is present, or only two Directors are competent to vote on the question. | |
| 108. | | A Director may, and the Secretary on the requisition of a Director shall, at any time summon a meeting of the Directors but it shall not be necessary to give notice of a meeting of Directors to any Director for the time being absent from Singapore. | Notice of meeting |
| 109. | | The quorum necessary for the transaction of the business of the Directors may be fixed by the Directors and unless so fixed at any other number shall be three. A meeting of the Directors at which a quorum is present shall be competent to exercise all the powers and discretions for the time being exercisable by the Directors. | Quorum |
| 110. | | A Director notwithstanding his interest may be counted in the quorum present at any meeting whereat he or any other Director is appointed to hold any such office or place of profit under the Company or whereat the terms of any such appointment are | Effect of interest of Director on quorum |

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arranged, and he may vote on any such appointment or arrangement other than his own appointment or the arrangement of the terms thereof.

111. The continuing Directors may act notwithstanding any vacancies but if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with this Constitution the continuing Directors or Director may act for the purpose of filling up such vacancies or of summoning General Meetings but not for any other purpose (except in an emergency). If there be no Directors or Director able or willing to act, then any two Members may summon a General Meeting for the purpose of appointing Directors. Proceedings in case of vacancies
112. The Directors may from time to time elect a Chairman and if desired a Deputy Chairman and determine the period for which he is or they are to hold office. The Deputy Chairman will perform the duties of the Chairman during the Chairman's absence for any reason. The Chairman and in his absence the Deputy Chairman shall preside as Chairman at meetings of the Directors but if no such Chairman or Deputy Chairman be elected or if at any meeting the Chairman and the Deputy Chairman be not present within five minutes after the time appointed for holding the same, the Directors present shall choose one of their number to be Chairman of such meeting. Chairman and Deputy Chairman of Directors
113. A resolution in writing signed by a majority of the Directors shall be as effective as a resolution passed at a meeting of the Directors duly convened and held and may consist of several documents in the like form each signed by one or more of the Directors. The expressions "in writing" and "signed" include approval by any such Director by telefax, telex, cable or telegram or any form of electronic communication approved by the Directors for such purpose from time to time incorporating, if the Directors deem necessary, the use of security and/or identification procedures and devices approved by the Directors. Resolutions in writing
114. The Directors may delegate any of their powers to committees consisting of such member or members of their body and (if thought fit) one or more other persons co-opted as hereinafter provided. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations that may be imposed on them by the Directors. Any such regulations may provide for or authorise the co-option to the committee of persons other than Directors and for such co-opted members to have voting rights as members of the committee. Power to appoint committees
115. The meetings and proceedings of any such committee consisting of two or more members shall be governed by the provisions of this Constitution regulating the meetings and proceedings of the Directors, so far as the same are applicable and are not Proceedings at committee meeting

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superseded by any regulations made by the Directors under the last preceding article.

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| 116. | All acts done by any meeting of Directors or of a committee of Directors or by any person acting as Director shall as regards all persons dealing in good faith with the Company, notwithstanding that there was some defect in the appointment of any such Director or person acting as aforesaid or that they or any of them were disqualified or had vacated office or were not entitled to vote be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director and had been entitled to vote. | Validity of acts of Directors in spite of some formal defect |
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ROTATION OF DIRECTORS

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| 117. | Subject to this Constitution and to the provisions of the Act, at each Annual General Meeting one-third of the Directors for the time being, or if their number is not a multiple of three, the number nearest to but not less than one-third with a minimum of one, shall retire from office and a Director at an Annual General Meeting shall retain office until the close of the meeting, whether adjourned or not. | Retirement of Directors by rotation |
| 118. | The Directors to retire in every year shall be those who, being subject to retirement by rotation, have been longest in office since their last re-election or appointment, but as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election. | Selection of Directors to retire |
| 119. | The Company at the General Meeting at which a Director retires under any provision of this Constitution may by Ordinary Resolution fill up the vacated office, by electing a person thereto. In default the retiring Director shall be deemed to have been re-elected, unless:-

(a) at such General Meeting it is expressly resolved not to fill up such vacated office or a resolution for the re-election of such Director is put to the meeting and lost; or

(b) such Director is disqualified under the Act from holding office as a Director or has given notice in writing to the Company that he is unwilling to be re-elected; or

(c) such Director is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds. | Filling vacated office |

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120. No person other than a Director retiring at the General Meeting shall unless recommended by the Directors for election be eligible for appointment as a Director at any General Meeting and at least eleven clear days before the day appointed for the General Meeting there shall have been left at the Office notice in writing signed by some Member duly qualified to attend and vote at the General Meeting for which such notice is given of his intention to propose such person for election and also notice in writing duly signed by the nominee giving his consent to the nomination and signifying his candidature for the office. Provided that in the case of a person recommended by the Directors for election nine clear days' notice only shall be necessary and notice of each and every candidate for election shall be served on all Members at least seven clear days prior to the General Meeting at which the election is to take place.
121. In accordance with the provisions of the Act, the Company may by Ordinary Resolution of which special notice has been given remove any Director before the expiration of his period of office, notwithstanding any provision of this Constitution or of any agreement between the Company and such Director but without prejudice to any claim he may have for damages for breach of any such agreement. The Company in General Meeting may appoint another person in place of a Director so removed from office and any person so appointed shall be subject to retirement by rotation at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected a Director. In default of such appointment the vacancy so arising may be filled by the Directors as a casual vacancy.
122. The Company may by Ordinary Resolution appoint any person to be a Director either to fill a casual vacancy or as an additional Director. Without prejudice thereto the Directors shall have power at any time so to do but so that the total number of Directors shall not at any time exceed the maximum number fixed by or in accordance with this Constitution. Any person so appointed by the Directors shall hold office only until the next Annual General Meeting and shall then be eligible for re-election but shall not be taken into account in determining the number of Directors who are to retire by rotation at such meeting.

Notice of
intention to
appoint Director

Vacation of office
of Directors

Power to fill
casual vacancies
and to appoint
additional
Director

VACATION OF OFFICE OF DIRECTORS

123. The office of a Director shall be vacated in any one of the following events, namely:-
- (a) if he shall become prohibited by law from acting as a Director;

Vacation of office
of Directors

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- (b) if he shall become disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds (in which case he must immediately resign from the Board);
- (c) if he becomes bankrupt or suspends payment of his debts or makes any arrangement or composition with his creditors generally;
- (d) if he becomes mentally disordered and incapable of managing himself or his affairs;
- (e) if he resigns his office by notice in writing to the Company;
- (f) if he or any alternate appointed by him shall absent himself from the meetings of the Directors during a period of two calendar months without special leave of absence from the Directors; or
- (g) if he be removed from office by a resolution of the Company in General Meeting.

SECRETARY

124. The Secretary or Secretaries shall and a Deputy or Assistant Secretary or Secretaries may be appointed by the Directors for such term, at such remuneration and upon such conditions as they may think fit, and any Secretary, Deputy or Assistant Secretary so appointed may be removed by them, but without prejudice to any claim he may have for damages for breach of any contract of service between him and the Company. The appointment and duties of the Secretary or Secretaries shall not conflict with the provisions of the Act. Secretary

SEAL

125. (1) The Directors shall provide for the safe custody of the Seal which shall not be used without the authority of the Directors or of a committee authorised by the Directors in that behalf or pursuant to Section 41B and Section 41C of the Act. Seal
- (2) Every instrument to which the Seal shall be affixed shall be signed autographically (or by facsimile or other electronic means to the extent permitted by law) by two Directors, or by one Director and the Secretary or some other person appointed by the Directors in place of the Secretary for the purpose, save that as regards any certificates for shares or debentures or other securities of the Company the Directors may by resolution determine that such signatures or either of them shall be affixed by

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some method or system of mechanical or electronic signature or other method approved by the Directors pursuant to Section 41B and Section 41C of the Act.

- (3) The Company may exercise the powers conferred by the Act with regard to having an Official Seal for use abroad, and such powers shall be vested in the Directors.
- (4) The Company may have a duplicate Common Seal as referred to in the Act which shall be a facsimile of the Common Seal with the addition on its face of the words "Share Seal".

AUTHENTICATION OF DOCUMENTS

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| 126. | Any Director or the Secretary or any person appointed by the Directors for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company or the Directors or any committee, and any books, records, documents, accounts and financial statements relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and where any books, records, documents, accounts or financial statements are elsewhere than at the Office, the local manager and other officer of the Company having custody thereof shall be deemed to be a person appointed by the Directors as aforesaid. Any authentication or certification made pursuant to this article may be made by any electronic means approved by the Directors from time to time for such purpose incorporating, if the Directors deem necessary, the use of security procedures or devices approved by the Directors. | Power | to |
| | | authenticate | documents |
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- | | | | |
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| 127. | A document purporting to be a copy of a resolution of the Directors or an extract from the minutes of a meeting of Directors which is certified as such in accordance with the provisions of the last preceding article shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed or, as the case may be, that such extract is a true and accurate record of a duly constituted meeting of the Directors. | Certified copies | of resolutions of the Directors |
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MINUTES AND BOOKS

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| 128. | The Directors shall cause minutes to be kept in books to be provided for the purpose:- | Minutes |
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- (a) of all appointments of officers made by the Directors;
 - (b) of the names of the Directors present at each meeting of Directors and of any committee of Directors; and

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- (c) of all resolutions and proceedings at all General Meetings and of any class of Members, of the Directors and of committees of Directors.

129. Any register, index, minute book, accounting record, minute or other book required by this Constitution or by the Act to be kept by or on behalf of the Company may, subject to and in accordance with the Act, be kept in hard copy form or in electronic form, and arranged in the manner that the Directors think fit. If such records are kept in electronic form, the Directors shall ensure that they are capable of being reproduced in hard copy form, and shall provide for the manner in which the records are to be authenticated and verified. In any case where such records are kept otherwise than in hard copy form, the Directors shall take reasonable precautions for ensuring the proper maintenance and authenticity of such records, guarding against falsification and facilitating the discovery of any falsifications.
- Form of registers, etc

FINANCIAL STATEMENTS

130. The Directors shall cause to be kept such accounting and other records as are necessary to comply with the provisions of Directors to keep proper accounting records the Act and shall cause those records to be kept in such manner as to enable them to be conveniently and properly audited.
- Directors to keep proper accounting records
131. Subject to the provisions of the Act, the books of accounts shall be kept at the Office or at such other place or places as the Directors think fit within Singapore. No Member (other than a Director) shall have any right of inspecting any account or book or document or other recording of the Company except as is conferred by law or authorised by the Directors or by an Ordinary Resolution of the Company.
- Location and inspection
132. In accordance with the provisions of the Act, the Directors shall cause to be prepared and to be laid before the Company in General Meeting such financial statements, balance sheets, reports, statements and other documents as may be necessary. Whenever so required, the interval between the close of a financial year of the Company and the date of the Company's Annual General Meeting shall not exceed four months (or such other period as may be permitted by the Act).
- Presentation of financial statements
133. A copy of the financial statements and, if required, the balance sheet (including every document required by the Act to be attached thereto), which is duly audited and which is to be laid before the Company in General Meeting accompanied by a copy of the Auditor's report thereon, shall not less than fourteen days before the date of the General Meeting be sent to every Member and to every other person who is entitled to receive notices of
- Copies of financial statements

APPENDIX H – PROPOSED NEW CONSTITUTION

General Meetings from the Company under the provisions of the Act or of this Constitution, provided that:-

- (a) these documents may be sent less than fourteen days before the date of the General Meeting if all persons entitled to receive notices of General Meetings from the Company so agree; and
- (b) this article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware or to more than one of the joint holders of a share in the Company or the several persons entitled thereto in consequence of the death or bankruptcy of the holder or otherwise but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office.

AUDITOR

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| 134. | An Auditor shall be appointed and his duties regulated in accordance with the provisions of the Act. Every Auditor of the Company shall have a right of access at all times to the accounting and other records of the Company and shall make his report as required by the Act. | Appointment of Auditor |
| 135. | Subject to the provisions of the Act all acts done by any person acting as an Auditor shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in his appointment or that he was at the time of his appointment not qualified for appointment. | Validity of acts of Auditor in spite of some formal defect |
| 136. | An Auditor shall be entitled to attend any General Meeting and to receive all notices of and other communications relating to any General Meeting which any Member is entitled to receive and to be heard at any General Meeting on any part of the business of the General Meeting which concerns him as Auditor. | Auditor's right to receive notices of and attend General Meetings |

DIVIDENDS

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| 137. | The Company in General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Directors. | Declaration of ordinary dividend |
| 138. | The Directors may from time to time pay to the Members such interim dividends as appear to the Directors to be justified by the profits of the Company. | Interim dividend |
| 139. | No dividend shall be paid otherwise than out of profits. | Dividend only out of profits |

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| 140. | <p>Subject to any rights or restrictions attached to any shares or class of shares and except as otherwise permitted under the Act:-</p> <p>(a) all dividends in respect of shares must be paid in proportion to the number of shares held by a Member but where shares are partly paid all dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares; and</p> <p>(b) all dividends must be apportioned and paid proportionately to the amounts so paid or credited as paid during any portion or portions of the period in respect of which the dividend is paid.</p> <p>For the purposes of this article, an amount paid or credited as paid on a share in advance of a call is to be ignored.</p> | <p>Application and apportionment of dividends</p> |
| 141. | <p>Whenever the Directors or the Company in General Meeting have resolved or proposed that a dividend (including an interim, final, special or other dividend) be paid or declared on the ordinary share capital of the Company, the Directors may further resolve that Members entitled to such dividend be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of the dividend as the Directors may think fit.</p> | <p>Scrip Dividend Scheme</p> |
| 142. | <p>The Directors may retain any dividends or other moneys payable on or in respect of a share 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.</p> | <p>Dividend may be retained</p> |
| 143. | <p>Any General Meeting declaring a dividend may direct payment of such dividend wholly or partly by the distribution of specific assets and in particular of 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 such distribution, the Directors may settle the same as they think expedient, and in particular may issue fractional certificates and fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any Members 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 as may seem expedient to the Directors. No valuation, adjustment or arrangement so made shall be questioned by any Member.</p> | <p>Payment of dividend in specie</p> |
| 144. | <p>Any dividend, interest or other moneys payable in cash on or in respect of shares may be paid by cheque, draft, warrant or Post Office order sent through the post directed to the registered address of the holder or in the case of joint holders, to the</p> | <p>Payment by post</p> |

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registered address of that one of the joint holders who is first named in the Register of Members or (as the case may be) the Depository Register or to such person and to such address as the holder or joint holders may in writing direct. Every such cheque, draft, warrant or Post Office order shall be payable to the order of the person to whom it is sent.

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| 145. | Every such cheque, draft, warrant or Post Office order shall be sent at the risk of the person entitled to the money represented thereby, and the Company shall not be responsible for the loss of any cheque, draft, warrant or Post Office order which shall be sent by post duly addressed to the person for whom it is intended. | Company not responsible for loss |
| 146. | No unpaid dividend shall bear interest against the Company. | No interest |
| 147. | A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer. | No dividend before registration |
| 148. | The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a Member or which any person under that article is entitled to transfer, until such person shall become a Member in respect thereof or shall duly transfer the same. | Power to retain dividends pending transmission |
| 149. | The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All dividends unclaimed after being declared may be invested or otherwise made use of by the Directors for the benefit of the Company and any dividend unclaimed after a period of six years from the date of declaration of such dividend may be forfeited and if so shall revert to the Company but the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the dividend so forfeited to the person entitled thereto prior to the forfeiture. If the Depository returns any such dividend or moneys to the Company, the relevant Depositor shall not have any right or claim in respect of such dividend or moneys against the Company if a period of six years has elapsed from the date of the declaration of such dividend or the date on which such other moneys are first payable. | Unclaimed dividends |
| 150. | A payment by the Company to the Depository of any dividend or other moneys payable to a Depositor shall, to the extent of the payment made, discharge the Company from any liability to the Depositor in respect of that payment. | Payment to Depositor good discharge |

RESERVES

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| 151. | The Directors may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper | Power to carry profit to reserve |
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which, at the discretion of the Directors, shall be applicable for meeting contingencies or for the gradual liquidation of any debt or liability of the Company or for repairing or maintaining the works, plant and machinery of the Company or for special dividends or bonuses or for equalising dividends or for any other purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Directors may divide the reserve into such special funds as they think fit and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided. The Directors may also without placing the same to reserve carry forward any profits which they may think it not prudent to divide.

CAPITALISATION OF PROFITS AND RESERVES

152. (1) The Directors may, with the sanction of an Ordinary Resolution of the Company, including any Ordinary Resolution passed pursuant to article 53(2) (but subject to article 8(3)):-
- Power to capitalise profits
- (a) issue bonus shares for which no consideration is payable to the Company to the persons registered as holders of shares in the Register of Members or (as the case may be) the Depository Register at the close of business on:-
- (i) the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or
- (ii) (in the case of an Ordinary Resolution passed pursuant to article 53(2)) such other date as may be determined by the Directors,
- in proportion to their then holdings of shares; and/or
- (b) capitalise any sum standing to the credit of any of the Company's reserve accounts or other undistributable reserve or any sum standing to the credit of profit and loss account by appropriating such sum to the persons registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register at the close of business on:-
- (i) the date of the Ordinary Resolution (or such other date as may be specified

therein or determined as therein provided);
or

- (ii) (in the case of an Ordinary Resolution passed pursuant to article 53(2)) such other date as may be determined by the Directors,

in proportion to their then holdings of shares and applying such sum on their behalf in paying up in full new shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, new shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid-up to and amongst them as bonus shares in the proportion aforesaid.

- (2) The Directors may do all acts and things considered necessary or expedient to give effect to any such bonus issue or capitalisation under article 152(1), with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the Members concerned). The Directors may authorise any person to enter on behalf of all the Members interested into an agreement with the Company providing for any such bonus issue or capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.
- (3) In addition and without prejudice to the powers provided for by articles 152(1) and 152(2), the Directors shall have power to issue shares for which no consideration is payable and/or to capitalise any undivided profits or other moneys of the Company not required for the payment or provision of any dividend on any shares entitled to cumulative or non-cumulative preferential dividends (including profits or other moneys carried and standing to any reserve or reserves) and to apply such profits or other moneys in paying up in full new shares, in each case on terms that such shares shall, upon issue:-
 - (a) be held by or for the benefit of participants of any share incentive or option scheme or plan implemented by the Company and approved by shareholders in General Meeting and on such terms as the Directors shall think fit; or

- (b) be held by or for the benefit of non-executive Directors as part of their remuneration under article 91 and/or article 92(2) approved by shareholders in General Meeting in such manner and on such terms as the Directors shall think fit.

The Directors may do all such acts and things considered necessary or expedient to give effect to any of the foregoing.

NOTICES

153. (1) Any notice or document (including a share certificate) may be served by the Company on any Member either personally or by sending it through the post in a prepaid letter or wrapper addressed to such Member at his registered address entered in the Register of Members or (as the case may be) the Depository Register, or (if he has no registered address within Singapore) to the address, if any, within Singapore supplied by him to the Company or (as the case may be) supplied by him to the Depository as his address for the service of notices, or by delivering it to such address as aforesaid. Service of notices
- (2) Without prejudice to the provisions of article 153(1), but subject otherwise to the Act and any regulations made thereunder relating to electronic communications, any notice or document (including, without limitation, any accounts, balance-sheet, financial statements or report) which is required or permitted to be given, sent or served under the Act or under this Constitution by the Company, or by the Directors, to a Member may be given, sent or served using electronic communications:-
- (a) to the current address of that person; or
 - (b) by making it available on a website prescribed by the Company from time to time,
- in accordance with the provisions of this Constitution, the Act and/or any other applicable regulations or procedures.
- (3) For the purposes of article 153(2), a Member shall be deemed to have agreed to receive such notice or document by way of such electronic communications and shall not have a right to elect to receive a physical copy of such notice or document.
- (4) Notwithstanding article 153(3), the Directors may, at their discretion, at any time give a Member an opportunity to elect within a specified period of time whether to receive

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such notice or document by way of electronic communications or as a physical copy, and a Member shall be deemed to have consented to receive such notice or document by way of electronic communications if he was given such an opportunity and he failed to make an election within the specified time, and he shall not in such an event have a right to receive a physical copy of such notice or document.

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| 154. | All notices with respect to any shares to which persons are jointly entitled shall be given to whichever of such persons is named first on the Register of Members or (as the case may be) the Depository Register and notice so given shall be sufficient notice to all the holders of such shares. | Service of notices in respect of joint holders |
| 155. | A Member who (having no registered address within Singapore) has not supplied to the Company or (as the case may be) the Depository an address within Singapore for the service of notices or documents shall not be entitled to receive any notice or document from the Company. | Service of notices on Members abroad |
| 156. | A person entitled to a share in consequence of the death or bankruptcy of a Member or otherwise upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share, and upon supplying also to the Company or (as the case may be) the Depository an address within Singapore for the service of notices, shall be entitled to have served upon him at such address any notice or document to which the Member but for his death or bankruptcy or otherwise would be entitled and such service shall for all purposes be deemed a sufficient service of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share. Save as aforesaid any notice or document delivered or sent by post to or left at the address of any Member or given, sent or served by electronic communications in pursuance of this Constitution shall (notwithstanding that such Member be then dead or bankrupt or otherwise not entitled to such share and whether or not the Company have notice of the same) be deemed to have been duly served in respect of any share registered in the name of such Member in the Register of Members or, where such member is a Depositor, entered against his name in the Depository Register as sole or first-named joint holder. | Service of notices after death etc. on a Member |
| 157. | (1) Any notice or other document if sent by post and whether by airmail or not shall be deemed to have been served at the time the envelope or wrapper containing the same is posted, and in proving such service by post it shall be sufficient to prove that the letter or wrapper containing the same was properly addressed and put into the post office as a prepaid letter or wrapper. | When notices deemed served |

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- (2) Where a notice or document is given, sent or served by electronic communications:-
- (a) to the current address of a person pursuant to article 153(2)(a), it shall be deemed to have been duly given, sent or served at the time of transmission of the electronic communication by the email server or facility operated by the Company or its service provider to the current address of such person (notwithstanding any delayed receipt, non-delivery or “returned mail” reply message or any other error message indicating that the electronic communication was delayed or not successfully sent), unless otherwise provided under the Act and/or any other applicable regulations or procedures; and
 - (b) by making it available on a website pursuant to article 153(2)(b), it shall be deemed to have been duly given, sent or served on the date on which the notice or document is first made available on the website, or unless otherwise provided under the Act and/or any other applicable regulations or procedures.
158. When a given number of days' notice or notice extending over any other period is required to be given the day of service shall, unless it is otherwise provided or required by this Constitution or by the Act, be not counted in such number of days or period. Day of service not counted

WINDING UP

159. If the Company shall be wound up the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by the Act, divide amongst the Members in specie or kind the whole or any part of the assets of the Company (including any shares in any other company received by the liquidator as consideration for the sale of the whole or part of the Company's assets and whether they shall consist of property of the same kind or not) and any such division may be otherwise than in accordance with the existing rights of the Members and may, for such purpose set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the Members or different classes of Members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories as the liquidator, with the like sanction, shall think fit, but so that no Member shall be compelled to accept any shares or other securities whereon there is any liability. This article is without prejudice to the rights of Winding up

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persons whose shares are issued on special terms. If any division is resolved on otherwise than in accordance with the existing rights of the Members, 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.

INDEMNITY

160. Subject to the provisions of and so far as may be permitted by the Act, every Director, Auditor, Secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred or to be incurred by him in the execution and discharge of his duties or in relation thereto. Without prejudice to the generality of the foregoing no Director, Secretary or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy insolvency or tortious act of any person with whom any moneys, securities or effects shall be deposited or left or for any other loss, damage or misfortune whatsoever which shall happen in the execution of the duties of his office or in relation thereto unless the same shall happen through his own negligence, wilful default, breach of duty or breach of trust.
- Indemnity of Directors and officers

SECRECY

161. No Member shall be entitled to require discovery of or any information respecting any detail of the Company's trade or any matter which may be in the nature of a trade secret, mystery of trade or secret process which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be inexpedient in the interest of the Members to communicate to the public save as may be authorised by law or required by the listing rules of any stock exchange upon which the shares of the Company may be listed.
- Secrecy

PERSONAL DATA

162. (1) A Member who is a natural person is deemed to have consented to the collection, use and disclosure of his personal data (whether such personal data is provided by that Member or is collected through a third party) by the Company (or its agents or service providers) from time to time for any of the following purposes:-
- Personal data of members

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- (a) implementation and administration of any corporate action by the Company (or its agents or service providers);
 - (b) internal analysis and/or market research by the Company (or its agents or service providers);
 - (c) investor relations communications by the Company (or its agents or service providers);
 - (d) administration by the Company (or its agents or service providers) of that Member's holding of shares in the Company;
 - (e) implementation and administration of any service provided by the Company (or its agents or service providers) to its Members to receive notices of meetings, annual reports and other shareholder communications and/or for proxy appointment, whether by electronic means or otherwise;
 - (f) processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for any General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to any General Meeting (including any adjournment thereof);
 - (g) implementation and administration of, and compliance with, any provision of this Constitution;
 - (h) compliance with any applicable laws, listing rules, take-over rules, regulations and/or guidelines; and
 - (i) purposes which are reasonably related to any of the above purpose.
- (2) Any Member who appoints a proxy and/or representative for any General Meeting and/or any adjournment thereof is deemed to have warranted that where such Member discloses the personal data of such proxy and/or representative to the Company (or its agents or service providers), that Member has obtained the prior consent of such proxy and/or representative for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy and/or representative for the purposes specified in articles 162(1)(f) and 162(1)(h).

APPENDIX I – EXTRACTS OF THE PROPOSED KEY AMENDMENTS TO THE EXISTING CONSTITUTION

Set out below are the key provisions in the New Constitution which are significantly different from the equivalent provisions in the Existing Constitution, or which have been included in the New Constitution as new provisions. It is proposed that the following Articles in the Existing Constitution be amended in the following manner where text in strikethrough indicates deletions from, and underlined text indicates additions to, the Existing Constitution.

Article 2 of the Existing Constitution

~~1.-2.~~ In ~~these Articles~~this Constitution, if not inconsistent with the subject or context, the words standing in the first column ~~below of the Table next hereinafter contained~~ shall bear the meanings set opposite to them respectively in the second column thereof:-

~~Compliance with Appendix 4C of the Section B of the Listing Manual ("Catalist Rules")~~

Interpretation

WORDS

MEANINGS

"The Act"

The Companies Act₁ {Cap. 50}, or any statutory modification, amendment or re-enactment thereof for the time being in force or any and every other act for the time being in force concerning companies and affecting the Company and any reference to any provision as so modified, amended or re-enacted or contained in any such subsequent Companies Act or other act concerning companies and affecting the Company.

"Alternate Director"

~~An Alternate Director appointed pursuant to Article 103.~~

"Annual General Meeting"

An annual general meeting of the Company.

"Articles"

~~These Articles of Association or other regulations of the Company for the time being in force as originally framed, or as amended from time to time.~~

"Chairman"

The chairman of the Directors or the chairman of the Annual General Meeting ~~or general meeting of the Company~~ as the case may be.

"The Company"

The abovenamed Company by whatever name from time to time called.

"This Constitution"

This Constitution or other regulations of the Company for the time being in force.

"Director"

Includes any person acting as a Director of the Company and includes any person duly appointed and acting for the time being as an alternate

APPENDIX I – EXTRACTS OF THE PROPOSED KEY AMENDMENTS TO THE EXISTING CONSTITUTION

	<u>Director.</u>
<u>"Directors"</u> or the <u>"Board of Directors"</u>	The directors <u>Directors</u> for the time being of the Company or such number of them as have authority to act for the Company.
<u>"dividend"</u>	<u>Includes bonus.</u>
<u>"Exchange"</u>	The Singapore Exchange Securities Trading Limited and, where applicable, its successors in title.
<u>"Instruments"</u>	Offers, agreements or options that might or would require shares to be issued including but not limited to the creation and issue of warrants, debentures or other instruments convertible or exchangeable into shares.
<u>"General Meeting"</u>	<u>A general meeting of the Company.</u>
<u>"market day"</u>	A day on which the <u>Singapore Exchange Securities Trading Limited</u> is open for trading of <u>in</u> securities.
<u>"Member"</u> or <u>"holder of any share"</u>	A registered shareholder for the time being of the Company or if the registered shareholder is the Depository, a Depositor named in the Depository Register (for such period as shares are entered in the Depositor's Securities Account); <u>Member of the Company, save that references in this Constitution to "Member" shall, where the Act requires, exclude</u> excluding the Company where it is a Member by reason of its holding of its shares as treasury shares.
<u>"month"</u>	Calendar month.
<u>"Office"</u>	The registered office of the Company for the time being.
<u>"paid-up"</u>	Paid or <u>Includes</u> credited as paid-up.
<u>"registered address"</u> or <u>"address"</u>	<u>In relation to any Member, his physical address for the service or delivery of notices or documents personally or by post, except where otherwise expressly provided in this Constitution.</u>
<u>"Seal"</u>	The common seal <u>Common Seal</u> of the Company or in appropriate cases the <u>Official Seal or duplicate Common Seal.</u>
<u>"Secretary"</u>	The secretary or secretaries <u>Secretary or Secretaries appointed under this Constitution and shall include any person entitled to perform the duties of a</u> the secretary or where two or more

APPENDIX I – EXTRACTS OF THE PROPOSED KEY AMENDMENTS TO THE EXISTING CONSTITUTION

	persons are appointed to act as Joint Secretaries, any one of those persons <u>Secretary temporarily.</u>
“Securities Account”	The securities account maintained by a Depositor with a Depository.
“treasury shares”	Has the same meaning given to it in the Act, namely, shares which were (or treated as having been) purchased by the Company in circumstances in which section 76H of the Companies Act applies, and have been held by the Company continuously since the treasury shares were so purchased.
“Writing” “Written”	and <u>Includes printing, lithography, typewriting and any other mode of representing or reproducing Written or produced by any substitute for writing or partly one and partly another and shall include (except where otherwise expressly specified in this Constitution or the context otherwise requires, and subject to any limitations, conditions or restrictions contained in the Act) any representation or reproduction of words, symbols or other information which may be displayed in a visible form, whether in a physical document or in an electronic communication or form or otherwise howsoever.</u>
“year”	Calendar year.
“S\$”	The lawful currency of Singapore. The expressions “Depositor”, “Depository”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them respectively in the <u>Securities and Futures Act, Cap. 289.</u>
	<u>The expressions “current address”, “electronic communication”, “relevant intermediary” and “treasury shares” shall have the meanings ascribed to them respectively in the Act.</u>
	References in the Articles <u>this Constitution</u> to “holder” or “holder(s)” of shares or a class of shares shall:-
	(a) exclude the Depository or its nominee (as the case may be) except where otherwise expressly provided in these Articles <u>this Constitution</u> , or where the term “registered holders” or “registered holder” is used in these Articles <u>this Constitution</u> ;
	(b) where the context so requires, be deemed to include references to Depositors whose names are entered in the Depository Register in respect of those shares; and
	(c) except where otherwise expressly provided in these Articles <u>this Constitution</u> , exclude the Company in relation to shares held by it as treasury shares,
	and “holding” and “held” shall be construed accordingly.

APPENDIX I – EXTRACTS OF THE PROPOSED KEY AMENDMENTS TO THE EXISTING CONSTITUTION

~~References in these Articles to "member" shall, where the Act requires, exclude the Company where it is a member by reason of its holding of its shares as treasury shares.~~

~~The expression "clear days' notice" shall, for the purposes of calculating the number of days necessary before a notice is served or deemed to be served, be exclusive of the day on which the notice is served or deemed to be served and of the day for which the notice is given.~~

The expression "shares" shall mean the shares of the Company;

Words denoting the singular number only shall include the plural and vice versa.

Words denoting the masculine gender only shall include the feminine gender.

Words denoting persons shall include corporations.

Save as aforesaid, any words or expressions used in the Act and the Interpretation Act, (Cap.1) shall, if not inconsistent with the subject or context, bear the same meanings in ~~these Articles~~ this Constitution.

~~References~~Any reference in ~~these Articles~~ this Constitution to any enactment ~~are~~ is a reference to that enactment as for the time being amended or re-enacted.

A Special Resolution shall be effective for any purpose for which an Ordinary Resolution is expressed to be required under any provision of this Constitution.

The headnotes and marginal notes are inserted for convenience of reference only and shall not affect the construction of ~~these Articles~~ this Constitution.

Articles 4 and 5 of the Existing Constitution

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| 48. | (1) | <p>Subject to the Act and these Articles, no shares may be issued by the Directors without the prior sanction of an ordinary resolution of the Company in general meeting but subject thereto and to Article 47, and to any special rights attached to any shares for the time being issued, the Directors may issue, allot or grant options over or otherwise deal with or dispose of the same to such persons on such terms and conditions and for such consideration and at such time and subject or not to the payment of any part of the amount thereof in cash as the Directors may think fit, and any shares may be issued in such denominations or with such preferential, deferred, qualified or special rights, privileges or conditions as the Directors may think fit, and preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors. The rights attaching to shares of a class other than ordinary shares shall be expressed in this Constitution.</p> | <p><u>Issue of shares for which no consideration is payable to the Company and preference shares</u></p> |
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APPENDIX I – EXTRACTS OF THE PROPOSED KEY AMENDMENTS TO THE EXISTING CONSTITUTION

- (2) The Company may issue shares for which no consideration is payable to the Company.
5. (3) (4) Preference shares may be issued subject to such limitation thereof as may be prescribed by any stock exchange upon which the shares of the Company may be listed ~~and the rights attaching to shares other than ordinary shares shall be expressed in the Memorandum of Association or these Articles. The total number of issued preference shares shall not exceed the total number of issued ordinary shares at any time.~~ Para (1)(a) and (1)(b)
 Preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports and balance sheets and attending ~~general meetings of the Company. Preference General Meetings, and preference shareholders shall also have the right to vote at any meeting~~ Para (1)(d)
General Meeting convened for the purpose of reducing the capital or winding-up or sanctioning a sale of the undertaking of the Company or where the proposal to be submitted to the ~~meeting~~ General Meeting directly affects their rights and privileges or when the dividend on the preference shares is more than six ~~(6)~~ months in arrears.
- (4) (2) The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares ~~from time to time already issued or about to be issued.~~
- (5) The total number of issued preference shares shall not exceed the total number of issued ordinary shares issued at any time.

New Regulation 4

4. Subject to the provisions of the Act, any other written law, or this Constitution, any branch or kind of business is expressly or by implication authorised to be undertaken by the Company and may be undertaken by the Directors at such time or times as they shall think fit, and further may be suffered by them to be in abeyance, whether such branch or kind of business may have been actually commenced or not, so long as the Directors may deem it expedient not to commence or proceed with such branch or kind of business. Business

Article 14 of the Existing Constitution

- 14.17. ~~The certificate of title to shares or debentures in the capital of the Company shall be issued under the seal in such form as the Directors shall from time to time prescribe and may bear the autographic or facsimile signatures of at least two (2) Directors, or of one (1) Director and the Secretary or some other person appointed by the Directors in place of the Secretary for the purpose, and Every certificate shall be issued under the Seal and shall specify the number and class of shares to which it relates, the amounts paid thereon, the amount (if any) unpaid on the shares and the extent to which the shares are paid up whether the shares are fully or partly paid-up, and the amount (if any) unpaid thereon. The facsimile signatures may be reproduced by mechanical or other means provided the method or system of reproducing signatures has first been approved by the auditors of the~~ Certificates

APPENDIX I – EXTRACTS OF THE PROPOSED KEY AMENDMENTS TO THE EXISTING CONSTITUTION

Company: No certificate shall be issued representing shares of more than one class.

Article 21(1) of the Existing Constitution

<p>Directors' power to decline to register 2423.</p>	<p>(1) Subject to these Articles, there There shall be no restriction on the transfer of fully paid-up shares (except as required by law or by the rules, byelaws or the listing rules of the Exchangeany stock exchange upon which the shares of the Company may be listed or the rules and/or <u>bye-laws governing any stock exchange upon which the shares of the Company may be listed</u>) but the Directors may in their discretion decline to register any transfer of shares upon which the Company has a lien and in the case of shares not fully paid-up may refuse to register a transfer to a transferee of whom they do not approve.</p>	<p>Para (4)(e) Directors' power to decline to register</p>
<p>24.</p>	<p>If the Directors refuse to register a transfer of any share, they shall within <u>ten market days after the date on which the transfer was lodged with the Company, send to the transferor and the transferee notice of refusal as required by the Act.</u></p>	<p><u>Notice of refusal</u></p>

Article 50(1) of the Existing Constitution

<p>Power to consolidate, cancel and subdivide shares 5055.</p>	<p>(1) The Company may by ordinary resolution alter its share capital in the manner permitted under the Act including without limitation <u>Ordinary Resolution:-</u></p> <p>(i)(a) consolidate and divide all or any of its shares;</p> <p>(ii) cancel the number of shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person or which have been forfeited and diminish its share capital in accordance with the Act;</p> <p>(iii)(b) subdivide its shares or any of them (subject <u>nevertheless</u> to the provisions of the Act <u>and this Constitution</u>) provided always that in such subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and</p> <p>(iv)(c) subject to the provisions of these Articles<u>this Constitution</u> and the Act, convert <u>its share capital or</u> any class of shares into any other class of shares<u>from one currency to another currency.</u></p>	<p><u>Power to consolidate, subdivide, redenominate and convert shares</u></p>
<p>Repurchase of Company's shares</p>	<p>(2) The Company may purchase or otherwise acquire its issued shares subject to and in accordance with the provisions of the Act and any other relevant rule, law or regulation enacted or promulgated by any relevant competent authority from time to time (collectively, the "Relevant Laws"), on such terms and subject to such conditions as the Company may in general meeting prescribe in accordance with the Relevant Laws. Any shares purchased or acquired by the Company as aforesaid may be cancelled or held as treasury shares and dealt with in accordance with the Relevant Laws. On the cancellation of any share</p>	

APPENDIX I – EXTRACTS OF THE PROPOSED KEY AMENDMENTS TO THE EXISTING CONSTITUTION

~~as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may hold or deal with any such share which is so purchased or acquired by it in such manner as may be permitted by, and in accordance with, the Act. The Company may by Special Resolution, subject to and in accordance with the Act and other applicable laws, convert one class of shares into another class of shares.~~

Article 56(1) of the Existing Constitution

Annual
General
Meeting
5661.

~~(1) Subject to the provisions of the Act, the Company shall in each year hold a general meeting in addition to any other meetings in that year to be called the Annual General Meeting, and not more than fifteen (15) months shall elapse between the date of one (1) Annual General Meeting of the Company and that of the next. The Annual General Meeting shall be held at such time and place as the Directors shall appoint. The interval between the close of a financial year of the Company and the date of the Company's annual general meeting shall not exceed such period as may be prescribed by the Designated Stock Exchange from time to time. Save as otherwise permitted under the Act, an Annual General Meeting shall be held within four (4) months after the immediate preceding financial year, at such time and place as may be determined by the Directors. Unless prohibited by law, all General Meetings shall be held in Singapore at such location as may be determined by the Board.~~

Annual General Meeting

Article 59 of the Existing Constitution

5965.

Routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say:-

Routine business

- ~~(a)~~ declaring dividends;
- ~~(b)~~ ~~receiving~~considering and adopting the ~~accounts~~financial statements, the ~~reports of the Directors' statement~~, the Auditor's report and other documents required to be attached or annexed to the ~~accounts~~financial statements;
- ~~(c)~~ appointing or re-appointing Directors to fill vacancies arising at the meeting on retirement whether by rotation or otherwise;
- ~~(d)~~(c) appointing or re-appointing the ~~retiring~~ auditors (unless they were last appointed otherwise than by the Company in general meeting) Auditor and fixing the remuneration of the ~~auditors~~ Auditor or determining the manner in which such remuneration is to be fixed; and
- ~~(f)~~(d) appointing or re-appointing Directors in place of those retiring by rotation or otherwise and fixing the remuneration of the Directors ~~proposed to be paid under Article 86.~~

Article 65 of the Existing Constitution

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Method of Voting	<p>(1) <u>If required by the listing rules of any stock exchange upon which the shares of the Company may be listed, all resolutions at General Meetings shall be voted by poll (unless such requirement is waived by such stock exchange).</u></p> <p>(2) <u>Subject to article 71(1), at any general meeting</u>General Meeting a resolution put to the vote of the general meeting shall be decided on a show of hands unless a poll is<u>be</u> (before or on the declaration of the result of the show of hands) demanded:-</p> <p>(a) by the Chairman; or</p> <p>(b) by at least two<u>(2)three (3)</u> Members present in person or by proxy (where a Member has appointed more than one (1) proxy, any one (1) of such proxies may represent that Member) or attorney or in the case of a corporation by a representative and entitled to vote thereat); or</p> <p>(c) by any Member or Members present in person or by proxy (where a Member has appointed more than one (1) proxy, any one (1) of such proxies may represent that Member) or attorney or in the case of a corporation by a representative or any number or combination of such Members, holding or and representing not less than tenfive per cent (40%) of the total voting rights of all the Members having the right to vote at the general meeting<u>General Meeting</u>; or</p> <p>(d) by a Member or Members present in person or by proxy (where a Member has appointed more than one (1) proxy, any one (1) of such proxies may represent that Member) or attorney or in the case of a corporation by a representative or any number or combination of such Members, holding or representing shares in the Company conferring a right to vote at the general meeting<u>General Meeting</u>, being shares on which an aggregate sum has been paid-up equal to not less than tenfive<u>five</u> per cent (40%) of the total sum paid-up on all the shares of the Company (excluding treasury shares) conferring that right.</p> <p><u>Provided always that no poll shall be demanded on the election of a Chairman or on a question of adjournment. A demand for a poll made pursuant to this article 71(2) shall not prevent the continuance of the General Meeting for the transaction of any business, other than the question on which the poll has been demanded. Unless a poll is</u>be so demanded (and the demand be not withdrawn) a declaration by the Chairman that a resolution has been carried or carried unanimously or by a particular majority or lost and an entry to that effect in the minute book shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution. A demand for a poll may be withdrawn only with the approval of the meeting.</p>	Mandatory polling
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Article 66 of the Existing Constitution

Taking a	<p>If a poll is duly demanded (and the demand is not withdrawn)<u>Where a</u></p>	Taking a poll
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poll is taken, it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the Chairman may direct and the result of the poll shall be deemed to be the resolution of the ~~general meeting at which the poll was demanded~~ General Meeting. The Chairman may (and, if required by the listing rules of any stock exchange upon which the shares of the Company may be listed or if so requested by the meeting, shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

Time for taking a poll	A poll <u>on the election of a Chairman or demanded on a question of adjournment shall be taken forthwith. A poll on any other question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the general meeting</u> General Meeting) and place as the Chairman may direct. No notice need be given of a poll not taken immediately.	<u>Time for taking a poll</u>
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<p>Voting rights of Members</p>	<p>(1) Subject and without prejudice to any special privileges or restrictions 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 and to article 69, each Member entitled to vote may vote in person or by proxy or by attorney, and (in the case of a corporation) by representative. A person entitled to more than one (1) vote need not use all his votes or cast all the votes he uses in the same way.</p>	<p><u>Mandatory polling</u></p>
<p>7477.</p>		

~~(2) On a show of hands every~~Every Member who is present in person or by proxy or attorney, or in the case of a corporation) by representatives shall:-

- (a) on a poll, have one vote for every share which he holds or represents; and
- (b) on a show of hands, have one vote, provided that if:-

- (i) in the case of a Member who is not a relevant intermediary and who is represented by two proxies, only one of the two proxies as determined by the appointer that Member or, failing such determination, by the Chairman of the meeting (or by a person authorised by him) in his sole discretion shall be entitled to vote on a show of hands and in the absence of such determination, only one of the proxies as determined by the Chairman (or by a person authorized by him) shall vote on a show of hands and on a poll, every Member who is present in person or by proxy, attorney or representative shall have one(1) vote for each share which he holds or represents; and

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intermediary and who is represented by two or more proxies, each proxy shall be entitled to vote on a show of hands.

For the purpose of determining the number of votes which a Member, being a Depositor, or his proxy may cast at any General Meeting on a poll, the reference to shares held or represented shall, in relation to shares of that Depositor, be the number of shares entered against his name in the Depository Register as at 72 hours before the time of the relevant General Meeting as certified by the Depository to the Company.

(2) Save as otherwise provided in the Act:-

(a) a Member who is not a relevant intermediary may appoint not more than two proxies to attend, speak and vote at the same General Meeting. Where such Member's 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; and

(b) a Member who is a relevant intermediary may appoint more than two proxies to attend, speak and vote at the same General 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 form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

~~(3) Notwithstanding anything contained in these Articles, a Depositor shall not be entitled to attend any general meeting and to speak and vote thereat unless his name is certified by the Depository to the Company as appearing on the Depository Register not later than forty eight (48) hours before the time of the relevant general meeting (the **cut-off time**) as a Depositor on whose behalf the Depository holds shares in the Company. For the purpose of determining the number of votes which a Depositor or his proxy may cast on a poll, the Depositor or his proxy shall be deemed to represent that number of shares entered in the Depositor's Securities Account at the cut off time as certified by the Depository to the Company, or where a Depositor has apportioned the balance standing to his Securities Account as at the cut off time between two (2) proxies, to apportion the said number of shares between the two (2) proxies in the same proportion as specified by the Depositor in appointing the proxies; and accordingly no instrument appointing a proxy of a Depositor shall be rendered invalid merely by reason of any discrepancy between the number of shares standing to the credit of that Depositor's Securities Account as at the cut off time, and the true balance standing to the Securities Account of a Depositor as at the time of the relevant general meeting, if the instrument is dealt with in such manner as aforesaid. In any case where a Member is a Depositor, the Company shall be entitled and bound:-~~

~~(a) to reject any instrument of proxy lodged by that Depositor if he is not shown to have any shares entered against his~~

APPENDIX I – EXTRACTS OF THE PROPOSED KEY AMENDMENTS TO THE EXISTING CONSTITUTION

name in the Depository Register as at 72 hours before the time of the relevant General Meeting as certified by the Depository to the Company; and

- (b) to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by that 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 72 hours before the time of the relevant General Meeting as certified by the Depository to the Company, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor.

- (4) The Company shall be entitled and bound, 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.

Article 79 of the Existing Constitution

Instrument appointing a proxy	(1) An instrument appointing a proxy shall be in writing in the common form or any other form approved by the Directors executed under hand of and:-	Execution of proxies
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7983.

- (a) in the case of an individual shall be:-

(i) signed by the appointor or his attorney duly authorized in writing if the instrument of proxy is delivered personally or sent by post; or

(ii) authorised by that individual through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication; and

- (b) if the appointor is a corporation executed under shall be:-

(i) either given under its common seal or under the hand of its signed on its behalf by an attorney or a duly authorised manner as appropriate under the applicable laws and the Company shall accept as valid in all respects the form of proxy approved by the Directors for use at the date relevant to the general meeting in question. officer of the corporation if the instrument of proxy is delivered personally or sent by post; or

(ii) authorised by that corporation through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication.

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The Directors may, for the purposes of articles 83(1)(a)(ii) and 83(1)(b)(ii), designate procedures for authenticating any such instrument, and any such instrument not so authenticated by use of such procedures shall be deemed not to have been received by the Company.

~~(2) — An instrument of proxy shall be deemed to include the power to demand or concur in demanding a poll on behalf of the appointor to move any resolution or amendment thereto and to speak at the meeting. Unless otherwise instructed, a proxy or attorney shall vote as he thinks fit. The signature on, or authorisation of, such instrument need not be witnessed. Where an instrument appointing a proxy is signed or authorised on behalf of the appointor (which shall, for purposes of this paragraph include a Depositor) by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to article 85, failing which the instrument may be treated as invalid.~~

(2) The Directors may, in their absolute discretion:-

(a) approve the method and manner for an instrument appointing a proxy to be authorised; and

(b) designate the procedure for authenticating an instrument appointing a proxy,

as contemplated in articles 83(1)(a)(ii) and 83(1)(b)(ii) for application to such Members or class of Members as they may determine. Where the Directors do not so approve and designate in relation to a Member (whether of a class or otherwise), article 83(1)(a)(i) and/or (as the case may be) article 83(1)(b)(i) shall apply.

Article 80 of the Existing Constitution

To be left at Company's office 8085.	(1) The original instrument appointing a proxy, together with the original power of attorney or other authority, if any, under which the instrument of proxy is signed or a duly certified copy of that power of attorney or other authority (failing previous registration with the Company) shall be attached to the original instrument of proxy and must be left at the Office or such other place (if any) as is specified for the purpose in the notice convening the meeting.	An instrument appointing a proxy or the power of attorney or other authority, if any:-	Deposit of proxies
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(a) if sent personally or by post, must be left at the Office or such other place (if any) as is specified for the purpose in the notice convening the General Meeting; or

(b) if submitted by electronic communication, must be received through such means as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the General Meeting.

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~~and in either case not less than forty-eight (48) hours before the time appointed for the holding of the meeting~~General Meeting or adjourned ~~meeting~~General Meeting (or in the case of a poll before the time appointed for the taking of the poll) ~~at to~~ which it is to be used ~~and in default shall not be treated as valid failing which the instrument may be treated as invalid. An instrument appointing a proxy shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates, provided that an instrument of proxy relating to more than one (1) meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not be required again to be delivered for the purposes of any subsequent meeting to which it relates.~~

(2) The Directors may, in their absolute discretion, and in relation to such Members or class of Members as they may determine, specify the means through which instruments appointing a proxy may be submitted by electronic communications, as contemplated in article 85(1)(b). Where the Directors do not so specify in relation to a Member (whether of a class or otherwise), article 85(1)(a) shall apply.

Article 90(1) of the Existing Constitution

~~Powers of Directors to contract with Company~~

9094.

~~(1) Other than the office of Auditor, a Director may hold any other office or place of profit under the Company and he or any firm of which he is a member may act in a professional capacity for the Company in conjunction with his office of Director for such period and on such terms (as to remuneration and otherwise) as the Directors may determine. No Director or intending Director shall be disqualified by his office from contracting or entering into any arrangement or transaction with the Company either as vendor, purchaser or otherwise nor shall such contract, or arrangement or transaction or any contract, or arrangement or transaction entered into by or on behalf of the Company in which any Director shall be in any way interested be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract, or arrangement or transaction by reason only of such Director holding that office or of the fiduciary relation thereby established but every Director and Chief Executive Officer shall observe the provisions of Section 156 of the Act relating to the disclosure of the interests of the Directors or Chief Executive Officers (or person(s) holding an equivalent position) in transactions or proposed transactions with the Company or of any office or property held by a Director or a Chief Executive Officer (or person(s) holding an equivalent position) which might create duties or interests in conflict with his duties or interests as a Director or a Chief Executive Officers (or person(s) holding an equivalent position), as the case may be and any transactions to be entered into by or on behalf of the Company in which any Director shall be in any way interested shall be subject to any requirements that may be imposed by the Exchange.~~

~~Para (9)(e)~~
Deposit of proxies

~~No Director~~A Director shall not vote in respect of any contract or arrangement or transaction or any other proposal whatsoever in which he has any personal material interest, directly or indirectly, a personal material interest as aforesaid or in respect of any allotment of shares in or debentures of the Company to him and if he does so vote his vote

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~~shall not be counted. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.~~

Article 96(1) of the Existing Constitution

Vacation of office of Director	(1) Subject as herein otherwise provided or to the terms of any subsisting agreement, the The office of a Director shall be vacated in any one of the following events, namely:-	Vacation of office of Directors
96123.	<p>(i)(a) if he shall become prohibited by law from acting as a Director;</p> <p>(ii)(b) if he shall become disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds <u>(in which case he must immediately resign from the Board);</u></p> <p>(iii) if he ceases to be a Director by virtue of any of the provisions of the Act;</p> <p>(v)(c) if he is declared a bankrupt during his term of office <u>becomes bankrupt or suspends payment of his debts or makes any arrangement or composition with his creditors generally;</u></p> <p>(vi)(d) if he should be found lunatic or becomes of unsound mind during his term of office <u>mentally disordered and incapable of managing himself or his affairs;</u></p> <p>(iv)(e) if he resigns his office by notice in writing <u>under his hand left at the Office to the Company;</u></p> <p>(f) if he or any alternate appointed by him shall absent himself from the meetings of the Directors during a period of two calendar months without special leave of absence from the Directors; or</p> <p>(vii)(g) if he be removed from office by a resolution of the Company in general meeting pursuant to these Articles <u>General Meeting; or</u></p> <p>(viii) subject to the provisions of the Act, at the conclusion of the Annual General Meeting commencing next after he attains the age of seventy (70) years.</p>	

Article 113 of the Existing Constitution

General powers of Directors to manage Company's business	The management of the business of the Company shall be vested in the Directors who (in addition to the powers and authorities by these Articles or otherwise expressly conferred upon them) may exercise all such powers and do all such acts and things as may be exercised or done by the Company and are not hereby or by the Act expressly directed or required to be exercised or done by the Company in general meeting. The business and the affairs of the Company shall be managed by, or under the direction or supervision of, the Directors. The Directors may exercise all such powers of the Company as are not by the Act or this Constitution required to be exercised by the Company in General Meeting. Provided that The Directors shall not	General powers of Directors to manage Company's business
443101.	<u>The business and the affairs of the Company shall be managed by, or under the direction or supervision of, the Directors. The Directors may exercise all such powers of the Company as are not by the Act or this Constitution required to be exercised by the Company in General Meeting. Provided that The Directors shall not</u>	

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carry into effect any proposals for selling or disposing of the whole or substantially the whole of the Company's undertaking unless such proposals have been approved by ~~the Company Members in general meeting~~ a General Meeting. The general powers given by this article shall not be limited or restricted by any special authority or power given to the Directors by any other article.

Article 120 of the Existing Constitution

<p>Use — of Seal 120/125.</p>	<p>(1) The Directors shall provide for the safe custody of the Seal which shall only not be used by <u>without</u> the authority of the Directors or of a committee of Directors authorised by the Directors in that behalf or pursuant to Section 41B and Section 41C of the Act.</p>	<p><u>Seal</u></p>
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(2) Every instrument to which the Seal ~~is~~ shall be affixed shall ~~(subject to the provisions of these Articles as to certificates for shares)~~ be signed autographically ~~(or by facsimile or other electronic means to the extent permitted by law)~~ by two Directors, or by one Director and the Secretary or some other person appointed by the Directors in place of the Secretary for the purpose, save that as regards any certificates for shares or debentures or other securities of the Company the Directors may by resolution determine that such signatures or either of them shall be affixed by some method or system of mechanical or electronic signature or other method approved by the Directors pursuant to Section 41B and Section 41C of the Act.

<p>Use — of official seal</p>	<p>(2)(3) The Company may exercise the powers conferred by the Act with regard to having an official seal <u>Official Seal</u> for use abroad, and such powers shall be vested in the Directors.</p>
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<p>Share seal</p>	<p>(3)(4) The Company may have a duplicate Common Seal as referred to in Section 124 of the Act which shall be a facsimile of the <u>Common Seal</u> with the addition on its face of the words "Share Seal".</p>
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Article 121 of the Existing Constitution

<p>Power — to authenticate documents 124/126.</p>	<p>Any Director or the Secretary or any person appointed by the Directors for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company or the Directors <u>or any committee</u>, and any books, records, documents, and accounts <u>and financial statements</u> relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and where any books, records, documents, or accounts <u>or financial statements</u> are elsewhere than at the Office, the local manager or <u>and</u> other officer of the Company having custody thereof shall be deemed to be a person appointed by the Directors as aforesaid. <u>Any authentication or certification made pursuant to this article may be made by any electronic means approved by the Directors from time to time for such purpose incorporating, if the Directors deem necessary, the use of security procedures or devices approved by the Directors.</u></p>	<p>Power — to <u>authenticate documents</u></p>
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Article 136 of the Existing Constitution

APPENDIX I – EXTRACTS OF THE PROPOSED KEY AMENDMENTS TO THE EXISTING CONSTITUTION

<p>Power to capitalise profits 136<u>152.</u></p>	<p>(1) The Directors may, with the sanction of an Ordinary Resolution of the Company, including any Ordinary Resolution passed pursuant to article 48(2)<u>53(2)</u> (but subject to article 8(3)):-</p> <p>(a) issue bonus shares for which no consideration is payable to the Company to the persons registered as holders of shares in the Register of Members or (as the case may be) the Depository Register at the close of business on:-</p> <p style="padding-left: 40px;">(i) the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or</p> <p style="padding-left: 40px;">(ii) (in the case of an Ordinary Resolution passed pursuant to article 48(2)<u>53(2)</u>) such other date as may be determined by the Directors,</p> <p style="padding-left: 40px;">in proportion to their then holdings of shares; and/or</p> <p>(b) capitalise any sum standing to the credit of any of the Company's reserve accounts or other undistributable reserve or any sum standing to the credit of profit and loss account by appropriating such sum to the persons registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register at the close of business on:-</p> <p style="padding-left: 40px;">(i) the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or</p> <p style="padding-left: 40px;">(ii) (in the case of an Ordinary Resolution passed pursuant to article 48(2)<u>53(2)</u>) such other date as may be determined by the Directors,</p> <p style="padding-left: 40px;">in proportion to their then holdings of shares and applying such sum on their behalf in paying up in full new shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, new shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid-up to and amongst them as bonus shares in the proportion aforesaid.</p> <p>(2) <u>The Directors may do all acts and things considered necessary or expedient to give effect to any such bonus issue or capitalisation under article 152(1), with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the Members concerned). The Directors may authorise any person to enter on behalf of all the Members interested into an agreement with the Company providing for</u></p>	<p><u>Power to capitalise profits</u></p>
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any such bonus issue or capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

- (3) In addition and without prejudice to the powers provided for by articles ~~136(1) and 137~~152(1) and 152(2), the Directors shall have power to issue shares for which no consideration is payable and/or to capitalise any undivided profits or other moneys of the Company not required for the payment or provision of any dividend on any shares entitled to cumulative or non-cumulative preferential dividends (including profits or other moneys carried and standing to any reserve or reserves) and to apply such profits or other moneys in paying up in full new shares, in each case on terms that such shares shall, upon issue:-

- (a) be held by or for the benefit of participants of any share incentive or option scheme or plan implemented by the Company and approved by shareholders in General Meeting and on such terms as the Directors shall think fit; or
- (b) be held by or for the benefit of non-executive Directors as part of their remuneration under article 91 and/or article 92(2) approved by shareholders in General Meeting in such manner and on such terms as the Directors shall think fit.

The Directors may do all such acts and things considered necessary or expedient to give effect to any of the foregoing.

Articles 143 and 144 of the Existing Constitution

<p>Presentation of accounts 143132.</p>	<p>In accordance with the provisions of the Act, the Directors shall cause to be prepared and to be laid before the Company in general meeting<u>General Meeting</u> such profit and loss accounts<u>financial statements</u>, balance sheets, group accounts (if any) and reports, statements and other documents as may be necessary. Whenever so required, the interval between the close of a financial year of the Company and the date of the Company's Annual General Meeting shall not exceed four months (or such other period as may be prescribed<u>permitted</u> by the Act and the byelaws and listing rules of the Exchange).</p>	<p>Para (10)(a) <u>Presentation of financial statements</u></p>
<p>Copies of accounts 144133.</p>	<p>A copy of every balance sheet and profit and loss account the financial statements and, if required, the balance sheet (including every document required by the Act to be attached thereto), which is duly audited and which is to be laid before a general meeting of the Company<u>the Company in General Meeting</u> (including every document required by the Act to be annexed thereto) together with accompanied by a copy of every report of the auditors relating thereto and of the Directors' report the Auditor's report thereon, shall not less than fourteen days before the date of the General Meeting be sent to every Member of, and every holder of debentures (if any) of, the Company, and to every other person who is entitled to receive notices</p>	<p><u>Copies of financial statements</u></p>

APPENDIX I – EXTRACTS OF THE PROPOSED KEY AMENDMENTS TO THE EXISTING CONSTITUTION

of General Meetings from the Company under the provisions of the Act or of ~~these Articles~~ this Constitution, provided that:-

- (a) these documents may be sent less than fourteen days before the date of the General Meeting if all persons entitled to receive notices of General Meetings from the Company so agree; and
- (b) this article shall not require a copy of these documents to be sent to any person of whose address the Company is not aware or to more than one of the joint holders of a share in the Company or the several persons entitled thereto in consequence of the death or bankruptcy of the holder or otherwise but any Member to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office.

Articles 149 of the Existing Constitution

- | | | | |
|---|------------|--|---|
| <p>Service of
notices
449<u>153.</u></p> | <p>(1)</p> | <p>Any notice or document (including a share certificate) may be served by the Company on any Member either personally or by sending it through the post in a prepaid letter or wrapper addressed to such Member at his registered address entered in the Register of Members or the Depository Register (as the case may be) <u>the Depository Register, or (if he has no registered address within Singapore) to the address, if any, within Singapore supplied by him to the Company or (as the case may be) supplied by him to the Depository as his address for the service of notices, or by delivering it to such address as aforesaid.</u></p> | <p><u>Service of</u>
<u>notices</u></p> |
| | <p>(2)</p> | <p>Without prejudice to the provisions of article 449(1)<u>153(1)</u>, <u>but subject otherwise to the Act and any regulations made thereunder relating to electronic communications</u>, any notice or document (including, without limitation, any accounts, balance-sheet, <u>financial statements</u> or report) which is required or permitted to be given, sent or served under the Act or under these Articles <u>this Constitution</u> by the Company, or by the Directors, to a Member or an officer or auditor of the Company may be given, sent or served using electronic communications:-</p> <ul style="list-style-type: none"> (a) <u>to the current address of that person; or</u> (b) <u>by making it available on a website prescribed by the Company from time to time,</u> <p>in accordance with the provisions of <u>this Constitution</u>, the Act and/or any other applicable regulations or procedures.</p> | |
| | <p>(3)</p> | <p><u>For the purposes of article 153(2), a Member shall be deemed to have agreed to receive such notice or document by way of such electronic communications and shall not have a right to elect to receive a physical copy of such notice or document.</u></p> | |

APPENDIX I – EXTRACTS OF THE PROPOSED KEY AMENDMENTS TO THE EXISTING CONSTITUTION

- (4) Notwithstanding article 153(3), the Directors may, at their discretion, at any time give a Member an opportunity to elect within a specified period of time whether to receive such notice or document by way of electronic communications or as a physical copy, and a Member shall be deemed to have consented to receive such notice or document by way of electronic communications if he was given such an opportunity and he failed to make an election within the specified time, and he shall not in such an event have a right to receive a physical copy of such notice or document.

Articles 154 of the Existing Constitution

When service effected 154
157.

- (1) Any notice or other document if sent by post and whether by airmail or not shall be deemed to have been served ~~on the day following that on which~~ at the time the envelope or wrapper containing the same is posted, and in proving such service by post it shall be sufficient to prove that the letter or wrapper containing the same was properly addressed and put into the post office as a prepaid letter or wrapper.
- (2) ~~Any~~ Where a notice or document is given, sent or served by electronic communications ~~(as the case may be):-~~
- (a) to the current address of a person pursuant to article 153(2)(a), it shall be deemed to have been duly given, sent or served upon at the time of transmission of the electronic communication by the email server or facility operated by the Company or its service provider to the current address of such person (notwithstanding any delayed receipt, non-delivery or "returned mail" reply message or any other error message indicating that the electronic communication was delayed or not successfully sent), or as unless otherwise provided under the Act and/or any other applicable regulations or procedures; and
- (b) by making it available on a website pursuant to article 153(2)(b), it shall be deemed to have been duly given, sent or served on the date on which the notice or document is first made available on the website, or unless otherwise provided under the Act and/or any other applicable regulations or procedures.

When notices deemed served

New Regulation 162

162.

- (1) A Member who is a natural person is deemed to have consented to the collection, use and disclosure of his personal data (whether such personal data is provided by that Member or is collected through a third party) by the Company (or its agents or service providers) from time to time for any of the following purposes:-

Personal data of members

APPENDIX I – EXTRACTS OF THE PROPOSED KEY AMENDMENTS TO THE EXISTING CONSTITUTION

- (a) implementation and administration of any corporate action by the Company (or its agents or service providers);
 - (b) internal analysis and/or market research by the Company (or its agents or service providers);
 - (c) investor relations communications by the Company (or its agents or service providers);
 - (d) administration by the Company (or its agents or service providers) of that Member's holding of shares in the Company;
 - (e) implementation and administration of any service provided by the Company (or its agents or service providers) to its Members to receive notices of meetings, annual reports and other shareholder communications and/or for proxy appointment, whether by electronic means or otherwise;
 - (f) processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for any General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to any General Meeting (including any adjournment thereof);
 - (g) implementation and administration of, and compliance with, any provision of this Constitution;
 - (h) compliance with any applicable laws, listing rules, take-over rules, regulations and/or guidelines; and
 - (i) purposes which are reasonably related to any of the above purpose.
- (2) Any Member who appoints a proxy and/or representative for any General Meeting and/or any adjournment thereof is deemed to have warranted that where such Member discloses the personal data of such proxy and/or representative to the Company (or its agents or service providers), that Member has obtained the prior consent of such proxy and/or representative for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy and/or representative for the purposes specified in articles 162(1)(f) and 162(1)(h).

**APPENDIX J – EXTRACTS OF AUDITED FINANCIAL STATEMENTS OF WHITE
CUBIC PTE. LTD. FOR FY2016, FY2017 AND FY2018**

**WHITE CUBIC PTE. LTD.
(Incorporated in Singapore)**

STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2016, 2017 AND 2018

	<u>2018</u> S\$	<u>2017</u> S\$	<u>2016</u> S\$
Revenue	490,147	1,209,592	4,630,161
Cost of sales	(195,474)	(757,255)	(3,320,482)
Gross profit	294,673	452,337	1,309,679
Other income	99,274	37,976	106,623
Other items of expense:			
Sales and marketing costs	-	(2,623)	-
Administrative expenses	(273,112)	(376,072)	(579,610)
Other operating expenses	(313,644)	(663,094)	(762,973)
Finance cost	(238)	(609)	(1,008)
(Loss)/Profit before income tax	(193,047)	(552,085)	72,711
Income tax expense	-	-	-
(Loss)/Profit for the financial years	(193,047)	(552,085)	72,711
Other comprehensive income	-	-	-
Total comprehensive (loss)/income for the financial years	(193,047)	(552,085)	72,711

**APPENDIX J – EXTRACTS OF AUDITED FINANCIAL STATEMENTS OF WHITE
CUBIC PTE. LTD. FOR FY2016, FY2017 AND FY2018**

**WHITE CUBIC PTE. LTD.
(Incorporated in Singapore)**

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016, 2017 AND 2018

	<u>2018</u> S\$	<u>2017</u> S\$	<u>2016</u> S\$
Non-Current Asset			
Plant and equipment	2,052	-	174,458
Total non-current asset	<u>2,052</u>	<u>-</u>	<u>174,458</u>
Current Assets			
Inventories	-	-	6,787
Contract assets	130,357	-	-
Trade and other receivables	393,541	594,194	1,034,996
Prepayments	1,484	5,309	31,822
Tax recoverable	-	16,182	-
Cash and bank balances	7,348	33,866	100,188
Total current assets	<u>532,730</u>	<u>649,551</u>	<u>1,173,793</u>
Less:			
Current Liabilities			
Trade and other payables	1,256,373	1,146,432	1,347,460
Amount due to ultimate holding company	-	60,116	-
Amount due to the director	34,000	-	-
Finance lease liability	479	6,026	5,703
Total current liabilities	<u>1,290,852</u>	<u>1,212,574</u>	<u>1,353,163</u>
Net current liabilities	<u>(758,122)</u>	<u>(563,023)</u>	<u>(179,370)</u>
Non-Current Liability			
Finance lease liability	-	-	6,026
Total non-current liability	<u>-</u>	<u>-</u>	<u>6,026</u>
Net liabilities	<u>(756,070)</u>	<u>(563,023)</u>	<u>(10,938)</u>
Equity			
Share capital	375,000	375,000	375,000
Accumulated losses	(1,131,070)	(938,023)	(385,938)
Total equity	<u>(756,070)</u>	<u>(563,023)</u>	<u>(10,938)</u>

APPENDIX J – EXTRACTS OF AUDITED FINANCIAL STATEMENTS OF WHITE CUBIC PTE. LTD. FOR FY2016, FY2017 AND FY2018

**WHITE CUBIC PTE. LTD.
(Incorporated in Singapore)**

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEARS ENDED 31 DECEMBER 2016, 2017 and 2018

	<u>2018</u> S\$	<u>2017</u> S\$	<u>2016</u> S\$
Cash Flows from Operating Activities			
(Loss)/Profit before income tax	(193,047)	(552,085)	72,711
Adjustments for:			
Depreciation of plant and equipment	358	64,959	78,168
Impairment of plant and equipment	-	101,315	-
Interest expense	238	609	1,008
Inventories written-off	-	15,998	60,801
(Reversal of)/Provision for slow moving inventories	-	(373)	40,540
Allowance for impairment of trade receivables	-	15,894	22,997
Write back of allowance for impairment of trade receivables	-	(600)	-
Unrealised foreign exchange loss	614	1,504	790
Waiver of amount due to ultimate holding company	(56,183)	-	-
Bad debts written off	-	-	11,003
Loss on disposal of plant and equipment	-	20,584	21,242
Operating cash flows before working capital changes	(248,020)	(332,195)	309,260
Movement in working capital:			
Inventories	-	(8,838)	177,782
Contract assets	100,521	-	-
Trade and other receivables	(30,225)	429,893	(292,920)
Prepayments	3,825	26,513	9,279
Trade and other payables	105,394	(146,801)	(194,610)
Cash (used in)/generated from operations	(68,505)	(31,428)	8,791
Income taxes refunded/(paid)	16,182	(16,182)	-
Net cash (used in)/generated from operating activities	(52,323)	(47,610)	8,791
Cash Flows from Investing Activities			
Purchase of plant and equipment	(2,410)	(20,900)	(40,352)
Proceeds from disposal of plant and equipment	-	8,500	-
Net cash used in investing activities	(2,410)	(12,400)	(40,352)
Cash Flows from Financing Activities			
Advances from the director	34,000	-	-
Repayment of finance lease liability	(5,547)	(5,703)	(5,832)
Interest paid	(238)	(609)	(1,008)
Net cash generated from/(used in) financing activities	28,215	(6,312)	(6,840)
Net decrease in cash and cash equivalents	(26,518)	(66,322)	(38,401)
Cash and cash equivalents at the beginning of the financial year	33,866	100,188	138,589
Cash and cash equivalents at the end of the financial year	7,348	33,866	100,188

APPENDIX J – EXTRACTS OF AUDITED FINANCIAL STATEMENTS OF WHITE CUBIC PTE. LTD. FOR FY2016, FY2017 AND FY2018

WHITE CUBIC PTE. LTD. (Incorporated in Singapore)

Basis for Disclaimer of Opinion for White Cubic Pte Ltd's FY2018 Financial Statements

Going concern

As disclosed in Note 2.1 to the financial statements, the Company incurred a net loss of S\$193,047 (2017: S\$552,085) for the current year ended 31 December 2018 and, as of that date, the Company has net current liabilities of S\$758,122 (2017: S\$563,023) and a capital deficit of S\$756,070 (2017: S\$563,023). These conditions indicate the existence of material uncertainties which may cast significant doubt as to the ability of the Company to continue as a going concern and to realise its assets and discharge its liabilities in the ordinary course of business.

The accompanying financial statements have been prepared on the assumption that the Company will continue as a going concern. As disclosed in Note 2.1 to the financial statements, the ability of Company to continue as a going concern is dependent on the undertaking of the director of the Company to provide continuing financial support and the Company's ability to generate sufficient cash from the future operations, to enable the Company to meet its liabilities as and when they fall due.

In the light of the material uncertainties discussed above, we do not have sufficient appropriate audit evidence regarding the use of the going concern assumption in the preparation of the financial statements. Consequently, we were unable to form a view as to the use of the going concern assumption in the preparation of these financial statements.

In the event that the Company is unable to continue as a going concern, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are recorded in the statement of financial position. In addition, the Company may have to provide for liabilities that might arise. No such adjustments have been made to these financial statements.

Notes to the Financial Statements

2.1 *Going Concern*

The Company incurred a net loss of S\$193,047 (2017: S\$552,085) for the current year ended 31 December 2018 and, as of that date, the Company has net current liabilities of S\$758,122 (2017: S\$563,023) and a capital deficit of S\$756,070 (2017: S\$563,023). These conditions indicate the existence of material uncertainties which may cast significant doubt as to the ability of the Company to continue as a going concern and to realise its assets and discharge its liabilities in the ordinary course of business.

The accompanying financial statements have been prepared on the assumption that the Company will continue as a going concern.

The ability of the Company to continue as a going concern is dependent on the undertaking of the director of the Company to provide continuing financial support and the Company's ability to generate sufficient cash from the future operations, to enable the Company to meet its liabilities as and when they fall due.

In the event that Company is unable to continue as a going concern, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are recorded in the statement of financial position. In addition, the Company may have to provide for further liabilities that might arise. No such adjustments have been made to these financial statements.

NOTICE OF EXTRAORDINARY GENERAL MEETING

JASON HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No.: 201119167Z)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of **JASON HOLDINGS LIMITED** (the “**Company**”) will be held on Tuesday, 23 April 2019 at 3.00 p.m. (or such time immediately following the conclusion or adjournment of the annual general meeting of the Company to be held at 2.00 p.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without modifications, the following resolutions set out in this Notice of EGM.

*Unless otherwise defined or the context otherwise requires, all capitalised terms herein shall bear the same meaning as used in the circular dated 29 March 2019 issued by the Company (the “**Circular**”).*

Shareholders should note that:

- (a) Ordinary Resolutions 1, 2, 3, 4, 5, 6, 7, 8, 11 and 12, as well as Special Resolutions 1, 2, and 3 (“**Key Resolutions**”) are inter-conditional upon each other; and
- (b) Ordinary Resolutions 9 and 10 are conditional upon the passing of the Key Resolutions (“**Conditional Resolutions**”).

This means that if any of the Key Resolutions is not passed, the other Key Resolutions would not be passed, and if any of the Key Resolutions is not passed, the Conditional Resolutions would not be passed.

The Key Resolutions are inter-conditional as the subject matter of the Key Resolutions will facilitate the conduct of business of the Enlarged Group upon Completion.

AS ORDINARY RESOLUTIONS

ORDINARY RESOLUTION 1: THE PROPOSED ACQUISITION

That subject to and contingent upon the passing of the Key Resolutions, the Proposed Acquisition be and is hereby approved and that authority be and is hereby given to the Directors:

- (a) to carry out and implement the Proposed Acquisition in accordance with the Sale and Purchase Agreement; and
- (b) to complete and do all such acts and things, including, without limitation, executing all such documents and approving any amendments, alterations or modifications to any documents as they may consider necessary, desirable or expedient to give effect to this Ordinary Resolution 1.

ORDINARY RESOLUTION 2: THE PROPOSED ALLOTMENT AND ISSUANCE OF CONSIDERATION SHARES

That subject to and contingent upon the passing of the Key Resolutions, authority be and is hereby given to the Directors:

- (a) to allot and issue to the Vendors (or their respective nominees) an aggregate of 11,642,995,836 Consideration Shares, credited as fully paid-up, at an issue price of S\$0.003664 each, representing a discount of approximately 94.1% to the last traded price of the Shares, being S\$0.062, as at the last traded market day for the Company on 5 January 2016 on the terms and subject to the conditions set out in the SPA (as amended, modified or supplemented from time to time); and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (b) to complete and do all such acts and things including, without limitation, executing all such documents and approving any amendments, alterations or modifications to any documents as they may consider necessary, desirable or expedient to give effect to this Ordinary Resolution 2.

ORDINARY RESOLUTION 3: THE PROPOSED DISPOSAL

That subject to and contingent upon the passing of the Key Resolutions, the Proposed Disposal be and is hereby approved and that authority be and is hereby given to the Directors:

- (a) to carry out and implement the Proposed Disposal in accordance with the Disposal Agreement; and
- (b) to complete and do all such acts and things, including, without limitation, executing all such documents and approving any amendments, alterations or modifications to any documents as they may consider necessary, desirable or expedient to give effect to this Ordinary Resolution 3.

ORDINARY RESOLUTION 4: THE PROPOSED COMPLIANCE PLACEMENT

That subject to and contingent upon the passing of the Key Resolutions, the Proposed Compliance Placement be and is hereby approved and that authority be and is hereby given to the Directors:

- (a) to issue 21,621,621 Compliance Placement Shares at at a placement price of S\$0.3664 (“**Placement Issue Price**”) per Compliance Placement Share (Placement Issue Price shall not be less than S\$0.20), representing a discount of approximately 94.1% to the last traded price of the Shares, being S\$6.20 (taking into account the consolidation ratio of every 100 existing Shares into one (1) consolidated Share) as at the last traded market day for the Company on 5 January 2016; and
- (b) to complete and do all such acts and things, including, without limitation, executing all such documents and approving any amendments, alterations or modifications to any documents as they may consider necessary, desirable or expedient to give effect to this Ordinary Resolution 4.

ORDINARY RESOLUTION 5: THE PROPOSED WHITEWASH RESOLUTION

That subject to and contingent upon the passing of the Key Resolutions, the Independent Shareholders of the Company, hereby, on a poll taken, unconditionally and irrevocably waive their right under Rule 14 of the Singapore Code on Take-Overs and Mergers to receive a mandatory general offer from the Vendors and parties acting in concert with the Vendors, for all the shares in the capital of the Company in issue not already owned, controlled or agreed to be acquired by the Vendors and parties acting in concert with the Vendors, as a result of the allotment and issuance of the Consideration Shares upon Completion.

ORDINARY RESOLUTION 6: THE PROPOSED APPOINTMENT OF NEO WEE HAN VICTOR AS DIRECTOR

That subject to and contingent upon the passing of the Key Resolutions and completion of the Proposed Acquisition, Neo Wee Han Victor be and is hereby appointed as a director of the Company with effect from Completion.

ORDINARY RESOLUTION 7: THE PROPOSED APPOINTMENT OF LIM KIAN SING AS DIRECTOR

That subject to and contingent upon the passing of the Key Resolutions and completion of the Proposed Acquisition, Lim Kian Sing be and is hereby appointed as a director of the Company with effect from Completion.

ORDINARY RESOLUTION 8: THE PROPOSED APPOINTMENT OF LEE HAN CHONG AS DIRECTOR

That subject to and contingent upon the passing of the Key Resolutions and completion of the Proposed Acquisition, Lee Han Chong be and is hereby appointed as a director of the Company with effect from Completion.

NOTICE OF EXTRAORDINARY GENERAL MEETING

ORDINARY RESOLUTION 9: THE PROPOSED APPOINTMENT OF KOH CHOON HUI AS INDEPENDENT DIRECTOR

That subject to and contingent upon the passing of the Key Resolutions and completion of the Proposed Acquisition, Koh Choon Hui be and is hereby appointed as an independent director of the Company with effect from Completion.

ORDINARY RESOLUTION 10: THE PROPOSED APPOINTMENT OF LIM CHOON NOI AS INDEPENDENT DIRECTOR

That subject to and contingent upon the passing of the Key Resolutions and completion of the Proposed Acquisition, Lim Choon Noi be and is hereby appointed as an independent director of the Company with effect from Completion.

ORDINARY RESOLUTION 11: THE PROPOSED SHARE CONSOLIDATION

That subject to and contingent upon the passing of the Key Resolutions, the Proposed Share Consolidation be and is hereby approved and that authority be and is hereby given to the Directors:

- (a) all the Shares in the Company in issue as at the Consolidation Books Closure Date issued to Shareholders of the Company in connection with the Proposed Share Consolidation to be consolidated by consolidating every 100 Shares held by each Shareholder as at the Books Closure Date into one (1) Share with effect from the date to be determined by the directors of the Company and in the manner set out in the Circular;
- (b) any fraction of a Consolidated Share which may arise from the Proposed Share Consolidation pursuant to paragraph (a) above shall be disregarded; and
- (c) to complete and do all such acts and things, including, without limitation, executing all such documents and approving any amendments, alterations or modifications to any documents as they may consider necessary, desirable or expedient to give effect to this Ordinary Resolution 11.

ORDINARY RESOLUTION 12: THE PROPOSED ALLOTMENT AND ISSUANCE OF INTRODUCER SHARES

That subject to and contingent upon the passing of the Key Resolutions, authority be and is hereby given to the Directors:

- (a) to allot and issue to the Vendors (or their respective nominees) an aggregate of 215,583,741 Introducer Shares, credited as fully paid-up, at an issue price of S\$0.003664 each; and
- (b) to complete and do all such acts and things including, without limitation, executing all such documents and approving any amendments, alterations or modifications to any documents as they may consider necessary, desirable or expedient to give effect to this Ordinary Resolution 12.

AS SPECIAL RESOLUTIONS

SPECIAL RESOLUTION 1: THE PROPOSED CHANGE OF NAME

That subject to and contingent upon the passing of the Key Resolutions and subject to the approval of the Accounting and Corporate Regulatory Authority, the Proposed Change of Name of the Company from "Jason Holdings Limited" to "Revez Corporation Ltd." be and is hereby approved, and that the Directors be and are hereby authorised to complete and do all such acts and things as they may consider necessary or expedient to give effect to this Special Resolution 1.

NOTICE OF EXTRAORDINARY GENERAL MEETING

SPECIAL RESOLUTION 2: THE PROPOSED ADOPTION OF THE NEW CONSTITUTION OF THE COMPANY

That subject to and contingent upon the passing of the Key Resolutions, that the New Constitution of the Company as set out in Appendix H to the Circular, be and are hereby approved and adopted as the Constitution of the Company in substitution for, and to the exclusion of, the existing Constitution and that the Directors be and are hereby authorised to complete and do all such acts and things as they may consider necessary or expedient to give effect to this Special Resolution 2.

SPECIAL RESOLUTION 3: THE PROPOSED NEW GENERAL SHARE ISSUE MANDATE

That subject to and contingent upon the passing of the Key Resolutions, the Proposed New Share Issue Mandate be and is hereby approved and that authority be and is hereby given to the Directors:

- (a) pursuant to Section 161 of the Companies Act and subject to and in accordance with the terms of the Constitution of the Company, to allot and issue Shares at any time and upon such terms and conditions, and to such persons as the Directors shall in their absolute discretion deem fit, provided that the aggregate number of new Shares to be issued pursuant to such authority shall not exceed 100% of the then-existing issued share capital of the Company (immediately after Completion, including the Introducer Shares, and after the Proposed Share Consolidation and Proposed Compliance Placement), and that the aggregate number of shares to be issued other than on a pro-rata basis to the Shareholders as at completion shall not exceed 100% of the then-existing issued share capital of the Company (immediately after Completion, including the Introducer Shares, and after the Proposed Share Consolidation and Proposed Compliance Placement), and, unless revoked or varied by the Shareholders in general meeting, such authority shall continue in full force until the conclusion of the next annual general meeting or the date by which the next annual general meeting is required by law to be held, whichever is earlier; and
- (b) to complete and do all such acts and things, including, without limitation, executing all such documents and approving any amendments, alterations or modifications to any documents as they may consider necessary, desirable or expedient to give effect to this Special Resolution 3.

BY ORDER OF THE BOARD JASON HOLDINGS LIMITED

LIM CHWEE KIM
EXECUTIVE CHAIRMAN
29 March 2019

Notes:

- 1. A member of the Company, who is not a Relevant Intermediary (as defined below), is entitled to appoint not more than two (2) proxies to attend, speak and vote at the Extraordinary General Meeting (the “EGM”). A member of the Company, which is a corporation, is entitled to appoint its authorised representative or proxy to vote on its behalf.
 - 2. A member who is a Relevant Intermediary (as defined below) is entitled to appoint more than two (2) proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member (which number and class of shares shall be specified).
- “Relevant Intermediary” has the meaning ascribed to it in Section 181 of the Companies Act, Cap. 50 of Singapore.
- 3. A proxy need not be a member of the Company.
 - 4. The duly executed instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623 not less than 48 hours before the time appointed for holding the EGM.
 - 5. The instrument appointing a proxy must be signed by the appointor or his/her attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.

NOTICE OF EXTRAORDINARY GENERAL MEETING

6. If no specific direction as to voting is 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 discretion.
7. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Cap. 289 of Singapore) maintained by The Central Depository (Pte) Limited, the Company may reject any instrument appointing a proxy or proxies lodged 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 EGM.

Personal data privacy:

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

PROXY FORM

JASON HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No.: 201119167Z)

EXTRAORDINARY GENERAL MEETING PROXY FORM

*I/We _____ (Name) _____ (NRIC/Passport No.)
of _____ (Address)
being a member(s) of Jason Holdings Limited (the “**Company**”), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholding	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholding	
		No. of Shares	%
Address			

or failing *him/her/they, the Chairman of the extraordinary general meeting (the “**EGM**”) 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 EGM to be held on Tuesday, 23 April 2019 at 3.00 p.m. (or such time immediately following the conclusion or adjournment of the annual general meeting of the Company to be held at 2.00 p.m. on the same day and at the same place) and at any adjournment thereof.

*I/We direct *my/our proxy/proxies to vote for or against the resolutions to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the *proxy/proxies may vote or abstain from voting at *his/her discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

*Delete accordingly

Resolutions	Number of Votes For **	Number of Votes Against **
Ordinary Resolution 1 The Proposed Acquisition		
Ordinary Resolution 2 The proposed allotment and issuance of 11,642,995,836 Consideration Shares at an issue price of of S\$0.003664 each, on the terms and subject to the conditions set out in the SPA		
Ordinary Resolution 3 The Proposed Disposal		
Ordinary Resolution 4 The proposed allotment and issuance of 21,621,621 Compliance Placement Shares at an issue price of S\$0.3664		
Ordinary Resolution 5 The Proposed Whitewash Resolution		
Ordinary Resolution 6 The Proposed appointment of Neo Wee Han Victor as Director		
Ordinary Resolution 7 The Proposed appointment of Lim Kian Sing as Director		
Ordinary Resolution 8 The Proposed appointment of Lee Han Chong as Director		
Ordinary Resolution 9 The Proposed appointment of Koh Choon Hui as Independent Director		
Ordinary Resolution 10 The Proposed appointment of Lim Choon Noi as Independent Director		
Ordinary Resolution 11 The Proposed Share Consolidation		
Ordinary Resolution 12 The Proposed Allotment and Issuance of 215,583,741 Introducer Shares at an issue price of S\$0.003664 each to the Introducer		



PROXY FORM

Resolutions	Number of Votes For **	Number of Votes Against **
Special Resolution 1 The Proposed Change of Name		
Special Resolution 2 The Proposed adoption of the New Constitution		
Special Resolution 3 The Proposed New Share Issue Mandate		

** If you wish to exercise all your votes "For" or "Against", please tick within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this day of 2019

Total number of Shares held in:	
(a) CDP Register	
(b) Register of Members	

Signature of member(s) or common seal of
corporate shareholder

*Delete accordingly

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM

Notes:

- Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act (Cap. 289)), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
 - A member of the Company (other than a Relevant Intermediary) entitled to attend and vote at the EGM is entitled to appoint one (1) or two (2) proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
 - Where a member of the Company (other than a Relevant Intermediary) appoints two (2) proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
 - A member of the Company who is a Relevant Intermediary entitled to attend the EGM and vote is entitled to appoint more than two (2) proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two (2) proxies, the appointments shall be invalid unless the member specifies the number and class of Shares in relation to which each proxy has been appointed.
- "Relevant intermediary" means:
- a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 - a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or
 - the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
- Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the EGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the EGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the EGM.
 - The instrument appointing a proxy or proxies must be deposited at the registered office of the Company's registered office at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623 not less than 48 hours before the time appointed for holding the EGM.
 - The instrument appointing a proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
 - A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act, Cap. 50 of Singapore, and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 29 March 2019.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged 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 EGM, as certified by The Central Depository (Pte) Limited to the Company.