

**PROPOSED CONSOLIDATION OF EVERY FOUR (4) EXISTING ISSUED ORDINARY SHARES IN THE CAPITAL OF THE COMPANY HELD BY SHAREHOLDERS OF THE COMPANY AS AT A BOOKS CLOSURE DATE TO BE DETERMINED, INTO ONE (1) ORDINARY SHARE IN THE CAPITAL OF THE COMPANY, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED**

**- NOTICE OF BOOKS CLOSURE DATE**

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*Unless otherwise defined, all capitalised terms used herein shall bear the same meaning as ascribed to them in the Company's circular dated 7 July 2015 (the "**Circular**").*

**1. INTRODUCTION**

The Board of Directors (the "**Board**") of PNE Industries Ltd (the "**Company**") refers to its announcements made on 18 May 2015, 15 June 2015, 7 July 2015 and 22 July 2015 and the Circular in relation to the consolidation of every four (4) existing issued ordinary shares in the capital of the Company ("**Existing Shares**") registered in the name of each shareholder of the Company ("**Shareholder**") as at a books closure date to be determined by the Board, into one (1) consolidated ordinary share in the capital of the Company ("**Consolidated Share**") (the "**Share Consolidation**").

**2. NOTICE OF BOOKS CLOSURE DATE**

**NOTICE IS HEREBY GIVEN** that the Register of Members and the share transfer books of the Company will be closed at 5:00 p.m. on 5 August 2015 (the "**Books Closure Date**") in order to determine the entitlements of the Shareholders pursuant to the Share Consolidation.

On the Books Closure Date, every four (4) Existing Shares registered in the name of each Shareholder as at the Books Closure Date will be consolidated into one (1) Consolidated Share, fractional entitlements to be disregarded.

**3. SHARE CONSOLIDATION**

The Share Consolidation shall be effective from 9.00 a.m. on 6 August 2015 (the "**Share Consolidation Effective Date**"), being the market day immediately following the Books Closure Date, whereupon the Register of Members of the Company and the Depository Register will be updated to reflect the number of Consolidated Shares held by each Shareholder based on the number of Existing Shares held by them as at the Books Closure Date.

Shareholders should note that the number of Consolidated Shares which they will be entitled to pursuant to the Share Consolidation, based on their holdings of the Existing Shares as at the Books Closure Date, will be rounded down to the nearest whole Consolidated Share, and any fractions of Consolidated Shares arising from the Share Consolidation will be disregarded. All fractional entitlements arising from the implementation of the Share Consolidation will be dealt with in such manner as the

Directors may, in their absolute discretion, deem fit in the interests of the Company, including (i) disregarding, or (ii) aggregating and selling the same and retaining the net proceeds for the benefit of the Company.

Each Consolidated Share will rank *pari passu* in all respects with each other, and will be traded in board lots of one hundred (100) Consolidated Shares.

#### 4. SHARE CERTIFICATES

##### (a) Deposit of Share Certificates with the Central Depository (Pte) Limited

Shareholders who hold physical share certificates for Existing Shares (“**Old Share Certificates**”) in their own names and who wish to deposit the same with Central Depository (Pte) Limited (“**CDP**”) and have their Consolidated Shares (after the Share Consolidation) 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 twelve (12) market days prior to the Books Closure Date. After the Books Closure Date, CDP will only accept deposit of share certificates for Consolidated Shares (“**New Share Certificates**”).

Shareholders who wish to deposit their Old Share Certificates with CDP after the Books Closure Date must first deliver such Old Share Certificates to the Share Registrar, Intertrust Singapore Corporate Services Pte Ltd, at 3 Anson Road #27-01, Springleaf Tower Singapore 079909, for cancellation and issue of the New Share Certificates in replacement thereof as described below. The New Share Certificates will be sent by ordinary mail to the registered addresses of the Shareholders at their own risk within ten (10) market days from the date of receipt of their Old Share Certificates. Upon receipt of the New Share Certificates, Shareholders may then proceed to deposit these New Share Certificates with CDP.

##### (b) Issue of New Share Certificates

Shareholders who have deposited their Old Share Certificates with CDP at least twelve (12) market days prior to the Books Closure Date need not take any action. The Company will arrange with CDP to facilitate the issue of New Share Certificates pursuant to the Share Consolidation.

Shareholders who have not deposited their Old Share Certificates at least twelve (12) market days prior to the Books Closure Date or who do not wish to deposit their Old Share Certificates with CDP are advised to deliver all their Old Share Certificates to the Share Registrar, Intertrust Singapore Corporate Services Pte Ltd, at 3 Anson Road #27-01, Springleaf Tower Singapore 079909, as soon as possible after they have been notified of the Books Closure Date and preferably, not later than five (5) market days after the Books Closure Date for cancellation and exchange for New Share Certificates. The New Share Certificates will be sent by ordinary mail to the registered addresses of the Shareholders at their own risk within ten (10) market days from the Books Closure Date or the date of receipt of the Old Share Certificates, whichever is later.

Shareholders should note that New Share Certificates will not be issued to Shareholders unless their Old Share Certificates have been delivered to the Share Registrar for cancellation.

Please notify the Share Registrar, Intertrust Singapore Corporate Services Pte Ltd, at 3 Anson Road #27-01, Springleaf Tower Singapore 079909, if you have lost any of your Old Share Certificates or if there is any change in your address from that reflected in the Register of Members.

Shareholders shall deliver their respective Old Share Certificates to the Share Registrar or CDP in accordance with the provisions set out above, only after the Company's announcement of the Books Closure Date.

**(c) Share Certificates Not Valid for Settlement of Trades on SGX-ST**

Shareholders are reminded that their Old Share Certificates will not be valid for settlement of trading in the Shares on SGX-ST, as the Company is under a book-entry (scripless) settlement system. After the date on which the Share Consolidation becomes effective, the Old Share Certificates will continue to be accepted by the Share Registrar for cancellation and issue of New Share Certificates in replacement thereof for an indefinite period by the Share Registrar. The New Share Certificates will not be valid for delivery for trades done on SGX-ST although they will continue to be *prima facie* evidence of legal title.

**5. TRADING ARRANGEMENTS FOR ODD LOTS**

**(a) Trading Arrangements for the Shares**

With effect from 9.00 a.m. on 3 August 2015 ("the **Effective Trading Date**"), trading in the Shares will be in board lots of 100 Consolidated Shares. Accordingly, four (4) 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.

**(b) Trading Arrangements for Odd Lots of Consolidated Shares**

All fractional entitlements arising upon the implementation of the Share Consolidation will be aggregated and dealt with in such manner as the Board may, in its absolute discretion, deem fit in the interests of the Company, including (i) disregarding, or (ii) aggregating and selling the same and retaining the net proceeds for the benefit of the Company.

The Existing Shares are currently traded in board lots of one hundred (100) Existing Shares in the ready market. Following the Share Consolidation, the Securities Accounts of Shareholders (being Depositors) may be credited with odd lots of Consolidated Shares (that is, lots other than board lots of one hundred (100) Consolidated Shares). Shareholders who receive odd lots of Consolidated Shares pursuant to the Share Consolidation, and who wish to trade such odd lots of Consolidated Shares on the SGX-ST may do so on the SGX-ST's Unit Share Market. The SGX's Unit Share Market allows for trading of odd lots in quantity less than the board lot size of one hundred (100) shares.

## 6. INDICATIVE TIMETABLE

The table below sets out the indicative timetable for the Share Consolidation.

<b>Time and Date</b>	<b>Event</b>
24 July 2015 (Friday)	Announcement of Notice of Books Closure Date for the Share Consolidation
5.00 p.m. on 31 July 2015 (Friday)	Last date and time for trading of Existing Shares (on a pre-consolidated basis)
9.00 a.m. on 3 August 2015 (Monday)	Effective Trading Date* (commencement of trading of the Consolidated Shares on the SGX-ST)
5.00 p.m. on 5 August 2015 (Wednesday)	Books Closure Date for the Share Consolidation
9.00 a.m. on 6 August 2015 (Thursday)	Share Consolidation Effective Date* (Share Consolidation becomes effective)

\* *Notwithstanding that the Share Consolidation will become effective on the Share Consolidation Effective Date, the Shares will commence trading as Consolidated Shares earlier than the Share Consolidation Effective Date as trades on the SGX-ST are settled on a "T+3" settlement cycle, which means that a purchase or sale of Shares on day T will be settled three market days later. Accordingly, for trading purposes:*

- (a) trading in the Existing Shares will cease at 5.00 p.m. on the day falling four market days before the Share Consolidation Effective Date; and*
- (b) trading in the Consolidated Shares will commence from 9.00 a.m. on the day falling three market days before the Share Consolidation Effective Date.*

BY ORDER OF THE BOARD

Tan Meng Siew  
Financial Controller and Company Secretary  
24 July 2015