

**CIRCULAR DATED 6 MARCH 2018**

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

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

If you have sold or transferred all your issued and paid-up ordinary shares in the capital of Infinio Group Limited (the “**Company**”) held through The Central Depository (Pte) Limited (“**CDP**”), you need not forward this Circular to the purchaser or the transferee as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your shares which are not deposited with CDP, you should immediately forward this Circular to the purchaser or transferee, or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. However, such documents should not be forwarded or transmitted to any jurisdiction outside of Singapore.

*This Circular has been prepared by the Company and its contents have been reviewed by the Company’s Sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “**Sponsor**”), for compliance with the Singapore Exchange Securities Trading Limited (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. Joseph Au, Associate Director, Continuing Sponsorship, PrimePartners Corporate Finance Pte. Ltd. (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and Email: sponsorship@ppcf.com.sg).*

**INFINIO GROUP LIMITED**

(Company Registration Number: 199801660M)  
(Incorporated in the Republic of Singapore)

**CIRCULAR TO SHAREHOLDERS**

IN RELATION TO THE

- 1. PROPOSED DIVERSIFICATION OF THE BUSINESS OF THE GROUP TO INCLUDE THE PROPERTY BUSINESS;**
- 2. PROPOSED ACQUISITION OF THE PROPERTY;**
- 3. PROPOSED CHANGE IN THE NAME OF THE COMPANY TO “RICH CAPITAL HOLDINGS LIMITED”;**
- 4. PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 3,781,145,730 NEW ORDINARY SHARES (“RIGHTS SHARES”), AT AN ISSUE PRICE OF S\$0.007 FOR EACH RIGHTS SHARE, ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) EXISTING ORDINARY SHARE IN THE CAPITAL OF THE COMPANY HELD BY ENTITLED SHAREHOLDERS AS AT THE BOOKS CLOSURE DATE, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED; AND**
- 5. PROPOSED RENEWAL OF THE SHARE ISSUE MANDATE.**

**Manager for the Proposed Rights Issue**



**PrimePartners Corporate Finance Pte. Ltd.**

(Company Registration No. 200201933D)  
(Incorporated in the Republic of Singapore)

**IMPORTANT DATES AND TIMES**

Last date and time for lodgment of Proxy Form	:	26 March 2018 at 3.00 p.m.
Date and time of Extraordinary General Meeting	:	28 March 2018 at 3.00 p.m.
Place of Extraordinary General Meeting	:	Meyer & Frankel Rooms, Level 3 of Grand Mercure Singapore Roxy 50 East Coast Road, Roxy Square, Singapore 428769

---

## TABLE OF CONTENTS

---

HEADING	PAGE NO.
DEFINITIONS.....	3
LETTER TO SHAREHOLDERS .....	10
1. INTRODUCTION.....	10
2. PROPOSED DIVERSIFICATION .....	11
3. PROPOSED ACQUISITION.....	24
4. PROPOSED CHANGE OF NAME .....	27
5. PROPOSED RIGHTS ISSUE .....	28
6. PROPOSED RENEWAL OF THE SHARE ISSUE MANDATE.....	44
7. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION AND PROPOSED RIGHTS ISSUE .....	45
8. DISCLOSURE OF SHAREHOLDINGS.....	48
9. MATERIAL LITIGATION .....	49
10. MATERIAL CONTRACTS .....	49
11. DIRECTORS' SERVICE CONTRACTS.....	50
12. EXTRAORDINARY GENERAL MEETING.....	50
13. ACTION TO BE TAKEN BY SHAREHOLDERS.....	51
14. DIRECTORS' RECOMMENDATIONS.....	51
15. DIRECTORS' RESPONSIBILITY STATEMENT .....	51
16. MANAGER'S CONSENT .....	51
17. MANAGER'S RESPONSIBILITY STATEMENT .....	51
18. VALUER'S CONSENT .....	51
19. DOCUMENTS AVAILABLE FOR INSPECTION .....	52
APPENDIX A: SUMMARY LETTER OF PROPERTY VALUATION REPORT AND PROPERTY VALUATION CERTIFICATE.....	53
NOTICE OF EXTRAORDINARY GENERAL MEETING .....	57

---

## DEFINITIONS

---

The following definitions apply throughout in this Circular except where the context otherwise requires:-

- “2017 AGM”** : Has the meaning ascribed to it in Section 6.1 of this Circular
- “2018 Placement”** : Has the meaning ascribed to it in Section 3.3 of this Circular
- “2018 Placement Proceeds”** : Has the meaning ascribed to it in Section 3.3 of this Circular
- “ACRA”** : Accounting and Corporate Regulatory Authority of Singapore
- “Additional Share Issuances”** : Has the meaning ascribed to it in Section 7(a) of this Circular
- “ARE”** : Application and acceptance form for Rights Shares and excess Rights Shares to be issued to Entitled Depositors in respect of their provisional allotments of Rights Shares under the Proposed Rights Issue
- “ARS”** : Application and acceptance form for Rights Shares to be issued to purchasers of the provisional allotments of Rights Shares under the Proposed Rights Issue traded on the Catalist Board through the book-entry (scripless) settlement system
- “Associates”** : (a) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:
- (i) his immediate family;
  - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
  - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more
- (b) in relation to a substantial shareholder or controlling shareholder (being a company), means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or companies taken together (directly or indirectly) have an interest of 30% or more
- “ATM”** : Automated Teller Machines
- “Birthday Mine”** : The Australian gold mining asset which is owned by the Company through its subsidiary Summit Light Ventures Ltd
- “Board”** : The board of Directors of the Company

---

## DEFINITIONS

---

<b>“Books Closure Date”</b>	:	The date and time, to be determined by the Directors, on and at which the Register of Members and the Depository Register will be closed to determine the provisional allotment of Rights Shares of Entitled Shareholders under the Proposed Rights Issue, subject to the Proposed Rights Issue being approved by Shareholders at the EGM
<b>“Catalist Board”</b>	:	The sponsor-supervised listing platform of the SGX-ST
<b>“Catalist Rules”</b>	:	The Listing Manual Section B: Rules of Catalist of the SGX-ST, as may be amended, modified or supplemented from time to time
<b>“CDP”</b>	:	The Central Depository (Pte) Limited
<b>“CHK”</b>	:	Has the meaning ascribed to it in Section 9 of this Circular
<b>“Circular”</b>	:	This circular to Shareholders dated 6 March 2018
<b>“Closing Date”</b>	:	The time and date to be determined by the Directors and announced by the Company in due course, being the last time and date for acceptance and/or excess application and payment, and renunciation of the Rights Shares under the Proposed Rights Issue through CDP or the Share Registrar; or the last time and date for acceptance and/or excess application and payment of the Rights Shares under the Proposed Rights Issue through an Electronic Application
<b>“Companies Act”</b>	:	The Companies Act (Cap. 50) of Singapore, as may be amended, modified or supplemented from time to time
<b>“Company”</b>	:	Infinio Group Limited
<b>“Competing Business”</b>	:	Has the meaning ascribed to it in Section 2.4 of this Circular
<b>“Consideration”</b>	:	S\$10,800,000
<b>“Constitution”</b>	:	By operation of law, the memorandum and articles of association of the Company which were in force immediately before 3 January 2016 are now referred to as the constitution of the Company
<b>“Controlling Shareholder”</b>	:	A person who:  (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or  (b) in fact exercises control over the Company
<b>“Demanded Sum”</b>	:	Has the meaning ascribed to it in Section 9 of this Circular

---

## DEFINITIONS

---

<b>“Director(s)”</b>	:	The director(s) of the Company, as at the date of this Circular
<b>“EGM”</b>	:	Extraordinary general meeting of the Company
<b>“Entitled Depositors”</b>	:	Shareholders with Shares standing to the credit of their Securities Accounts as at 5.00 p.m. (Singapore time) on the Books Closure Date and whose registered addresses with CDP are in Singapore or who have, no later than 5.00 p.m. (Singapore time) on the date being at least three (3) Market Days prior to the Books Closure Date, provided CDP with addresses in Singapore for the services of notices and documents
<b>“Entitled Scripholders”</b>	:	Shareholders whose share certificates have not been deposited with CDP and who have tendered to the Share Registrar valid transfers of their Shares and the relevant certificates for registration up to 5.00 p.m. (Singapore time) on the Books Closure Date and whose registered addresses with the Company are in Singapore as at 5.00 p.m. (Singapore time) on the Books Closure Date or who have, no later than 5.00 p.m. (Singapore time) on the date being at least three (3) Market Days prior to the Books Closure Date, provided the Share Registrar with addresses in Singapore for the service of notices and documents
<b>“Entitled Shareholders”</b>	:	Entitled Depositors and Entitled Scripholders
<b>“EPS”</b>	:	Earnings per Share
<b>“Excess Applications”</b>	:	Applications by Entitled Shareholders of the Rights Shares in excess of their provisional allotments of Rights Shares
<b>“Excess Rights Shares”</b>	:	Rights Shares in excess of the provisional allotments of Entitled Shareholders to the extent that they are not subscribed by Entitled Shareholders
<b>“Exercise of Option”</b>	:	Has the meaning ascribed to it in Section 3.1 of this Circular
<b>“Existing Issued Share Capital”</b>	:	The existing issued share capital of the Company comprising 3,781,145,730 Shares as at the Latest Practicable Date
<b>“Extension”</b>	:	Has the meaning ascribed to it in Section 2.1(d) of this Circular
<b>“Foreign Shareholders”</b>	:	Shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not, at least three (3) Market Days prior to the Books Closure Date, provided to CDP or the Company, as the case may be, addresses in Singapore for the service of notices and documents
<b>“Future Proposed Acquisitions”</b>	:	Has the meaning ascribed to it in Section 5.7 of this Circular
<b>“FY”</b>	:	Financial year ended, or as the case may be, ending 31 March
<b>“Group”</b>	:	The Company and its Subsidiaries

---

## DEFINITIONS

---

<b>“Initial Deposit”</b>	:	Has the meaning ascribed to it in Section 3.1 of this Circular
<b>“Irrevocable Undertaking”</b>	:	The irrevocable undertaking and supplementary irrevocable undertaking given to the Company by the Undertaking Shareholder as described in Section 5.6 of this Circular
<b>“Issue Price”</b>	:	S\$0.007 for each Rights Share
<b>“Kalms”</b>	:	Has the meaning ascribed to it in Section 2.1(b) of this Circular
<b>“Latest Practicable Date”</b>	:	The latest practicable date prior to the printing of this Circular being 2 March 2018;
<b>“Loan Agreement”</b>	:	Has the meaning ascribed to it in Section 5.6 of this Circular
<b>“LPS”</b>	:	Loss per share
<b>“Market Day”</b>	:	A day on which the SGX-ST is open for trading in securities
<b>“MAS”</b>	:	Monetary Authority of Singapore
<b>“Maximum Entitled Rights Shares”</b>	:	An aggregate of up to 703,079,900 Rights Shares which the Undertaking Shareholder is entitled to subscribe for pursuant to the Proposed Rights Issue under the Maximum Subscription Scenario
<b>“Maximum Subscription Scenario”</b>	:	The scenario for the subscription of the Proposed Rights Issue that describes the allotment and issue of 3,781,145,730 Rights Shares assuming that all the Rights Shares offered under the Proposed Rights Issue are fully subscribed
<b>“Minimum Subscription Scenario”</b>	:	The scenario for the subscription of the Proposed Rights Issue that describes the allotment and issue of 554,158,225 Rights Shares assuming that only the Undertaking Shareholder subscribes and pays for the Rights Shares in accordance with the terms of the Irrevocable Undertaking and pursuant to the Scaling Provision, and none of the other Shareholders subscribes for any Rights Shares offered under the Proposed Rights Issue
<b>“NAV”</b>	:	Net asset value
<b>“Net Proceeds”</b>	:	Has the meaning ascribed to it in Section 5.7 of this Circular
<b>“Non-compete Undertaking”</b>	:	The non-compete undertaking provided by Mr. Wang ZhenWen, details of which are set out in Section 2.4 of this Circular
<b>“Non-Executive Director”</b>	:	A Director who does not perform an executive function within the Group
<b>“Notice of EGM”</b>	:	Notice of Extraordinary General Meeting as set out in pages 57 to 61 of this Circular

---

## DEFINITIONS

---

<b>“NTA”</b>	:	Net tangible assets
<b>“OIS” or “Offer Information Statement”</b>	:	The offer information statement proposed to be issued by the Company and to be lodged with the SGX-ST (acting as agent on behalf of MAS) in connection with the Proposed Rights Issue, together with the PAL, the ARE or the ARS (as the case may be) and all other accompanying documents, and where the context so admits, any supplementary or replacement document to be issued by the Company in connection with the Proposed Rights Issue
<b>“Option Fee”</b>	:	Has the meaning ascribed to it in Section 3.1 of this Circular
<b>“Option Period”</b>	:	Has the meaning ascribed to it in Section 3.1 of this Circular
<b>“OTP”</b>	:	Has the meaning ascribed to it in Section 3.1 of this Circular
<b>“Outstanding Loan”</b>	:	Has the meaning ascribed to it in Section 5.6 of this Circular
<b>“PAL”</b>	:	The provisional allotment letter to be issued to an Entitled Scripholder, setting out the provisional allotment of Rights Shares of such Entitled Scripholder under the Proposed Rights Issue
<b>“Participating Banks”</b>	:	The banks that will be participating in the Proposed Rights Issue by making available their ATMs to Entitled Shareholders for acceptances of the Rights Shares and applications for excess Rights Shares, as the case may be, to be made under the Proposed Rights Issue
<b>“Property”</b>	:	Has the meaning ascribed to it in Section 3.1 of this Circular
<b>“Property Business”</b>	:	Has the meaning ascribed to it in Section 2.2 of this Circular
<b>“Property Related Assets”</b>	:	Has the meaning ascribed to it in Section 2.2(a) of this Circular
<b>“Property Valuation Certificate”</b>	:	Has the meaning ascribed to it in Section 3.3 of this Circular
<b>“Property Valuation Report”</b>	:	Has the meaning ascribed to it in Section 3.3 of this Circular
<b>“Proposed Acquisition”</b>	:	The proposed acquisition of the Property
<b>“Proposed Change of Name”</b>	:	The proposed change of the Company’s name from “Infinio Group Limited” to “Rich Capital Holdings Limited” as set out in Section 4 of this Circular
<b>“Proposed Diversification”</b>	:	The proposed diversification of the business of the Group to include the Property Business
<b>“Proposed Renewal of Share Issue Mandate”</b>	:	The proposed renewal of the Share Issue Mandate

---

## DEFINITIONS

---

<b>“Proposed Rights Issue”</b>	:	The proposed renounceable non-underwritten rights issue by the Company of up to 3,781,145,730 Rights Shares at the Issue Price, on the basis of one (1) Rights Share for every one (1) existing Share held as at the Books Closure Date, fractional entitlements to be disregarded
<b>“Proposed Rights Issue Announcement”</b>	:	The announcement released by the Company on 14 February 2018 in relation to the Proposed Rights Issue
<b>“Record Date”</b>	:	In relation to any dividends, rights, allotments or other distributions, the date as at the close of business (or such other time as may have been notified by the Company) on which Shareholders must be registered with the Company or with CDP, as the case may be, in order to participate in such dividends, rights, allotments or other distributions
<b>“Register of Members”</b>	:	The register of members of the Company
<b>“Relevant Shares”</b>	:	Has the meaning ascribed to it in Section 5.6 of this Circular
<b>“Rights Shares”</b>	:	Up to 3,781,145,730 new Shares to be allotted and issued by the Company pursuant to the Proposed Rights Issue
<b>“Scaling Provision”</b>	:	Has the meaning ascribed to it in Section 5.5 of this Circular
<b>“Securities Account”</b>	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
<b>“Securities and Futures Act” or “SFA”</b>	:	Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time
<b>“SGXNET”</b>	:	The online information system of the SGX-ST used by listed companies to disseminate corporate information
<b>“SGX-ST”</b>	:	Singapore Exchange Securities Trading Limited
<b>“Shareholder(s)”</b>	:	Registered holders of the 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
<b>“Share(s)”</b>	:	Ordinary share(s) in the capital of the Company
<b>“Share Issue Mandate”</b>	:	Has the meaning ascribed to it in Section 6.1 of this Circular
<b>“Share Registrar”</b>	:	Tricor Barbinder Share Registration Services (a division of Tricor Singapore Pte Ltd)
<b>“Sponsor” or “Manager”</b>	:	PrimePartners Corporate Finance Pte. Ltd.



---

## DEFINITIONS

---

“ <b>Substantial Shareholder</b> ”	:	A person who holds directly and/or indirectly 5% or more of the total issued share capital of the Company
“ <b>Take-over Code</b> ” or “ <b>Code</b> ”	:	The Singapore Code on Take-overs and Mergers, as amended or modified from time to time
“ <b>Undertaking Shareholder</b> ”	:	Mr. Wang ZhenWen
“ <b>Vendor</b> ”	:	Has the meaning ascribed to it in Section 3.1 of this Circular
“ <b>S\$</b> ” and “ <b>cents</b> ”	:	Dollars and cents respectively of the currency of Singapore
“ <b>%</b> ”	:	Per centum or percentage

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the same meanings ascribed to them in section 81SF of the SFA and the terms “**Subsidiary**” and “**Treasury Shares**” shall have the same meanings ascribed to them in the Companies Act.

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 the neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Catalist Rules or any statutory or regulatory modification thereof, and used in this Circular but not defined herein, shall where applicable, have the meaning assigned to it under the Companies Act, the Catalist Rules or such modification thereof, as the case may be, unless otherwise provided.

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

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

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

---

## LETTER TO SHAREHOLDERS

---

### INFINIO GROUP LIMITED

(Company Registration No. 199801660M)  
(Incorporated in the Republic of Singapore)

**Board of Directors:**

Wang ZhenWen (Non-Independent Non-Executive Chairman)  
Soong Kar Leong (Executive Director)  
Lim Yeow Sun (Executive Director)  
James Kho Chung Wah (Independent Non-Executive Director)  
Chow Wen Kwan (Independent Non-Executive Director)  
Giang Sovann (Independent Non-Executive Director)

**Registered Office:**

80 Robinson Road  
#02-00  
Singapore 068898

6 March 2018

To: The Shareholders of Infinio Group Limited

Dear Sir / Madam,

- (1) **PROPOSED DIVERSIFICATION OF THE BUSINESS OF THE GROUP TO INCLUDE THE PROPERTY BUSINESS;**
- (2) **PROPOSED ACQUISITION OF THE PROPERTY;**
- (3) **PROPOSED CHANGE IN THE NAME OF THE COMPANY TO “RICH CAPITAL HOLDINGS LIMITED”;**
- (4) **PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 3,781,145,730 NEW ORDINARY SHARES (“RIGHTS SHARES”), AT AN ISSUE PRICE OF S\$0.007 FOR EACH RIGHTS SHARE, ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) EXISTING ORDINARY SHARE IN THE CAPITAL OF THE COMPANY HELD BY ENTITLED SHAREHOLDERS AS AT THE BOOKS CLOSURE DATE, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED; AND**
- (5) **PROPOSED RENEWAL OF THE SHARE ISSUE MANDATE.**

---

### 1. INTRODUCTION

- 1.1 The purpose of this Circular is to provide Shareholders with information relating to, and to seek Shareholders' approval for the Proposed Diversification, the Proposed Acquisition, the Proposed Change of Name, the Proposed Rights Issue and the Proposed Renewal of Share Issue Mandate to be tabled at the EGM, notice of which is set out on pages 57 to 61 of this Circular.
- 1.2 The Board wishes to convene an EGM to be held at 3.00 p.m. on 28 March 2018 at Meyer & Frankel Rooms, Level 3 of Grand Mercure Singapore Roxy 50 East Coast Road, Roxy Square, Singapore 428769 to seek Shareholders' approval for the proposed corporate actions as set out above.
- 1.3 Shareholders should note that the passing of Ordinary Resolution 2 is conditional on the passing of Ordinary Resolution 1. This means that if Ordinary Resolution 1 for the Proposed Diversification is not passed, the Company will not proceed with Ordinary Resolution 2 for the Proposed Acquisition. In order for the Company to proceed with the Proposed Acquisition, Ordinary Resolution 1 for the Proposed Diversification must be approved by Shareholders at the EGM.

---

## LETTER TO SHAREHOLDERS

---

### 2. PROPOSED DIVERSIFICATION

#### 2.1 Background

Save as disclosed in the Circular, the Group currently holds the mining and prospecting licenses of the Birthday Mine, but the latter is a non-operating asset due to funding constraints and the Company has up to 30 June 2018 to demonstrate that it has a viable business to maintain its listing status following the Extension (as elaborated herein) granted by the SGX-ST on 17 January 2018.

Prior to the aforesaid Extension, the Company had on 28 December 2017 announced, *inter alia*, the following:

- (a) There are no material updates in connection with the negotiation with potential investors/third parties to invest the Birthday Mine and/or to manage the mine operation.
- (b) The Company and Kalms Singapore Pte. Ltd. ("**Kalms**") had on 28 December 2017 agreed on the termination at no cost settlement of the licensing agreement dated 12 May 2017 between the Company and Kalms Vending Private Limited, a wholly-owned subsidiary of Kalms and the credit agreement dated 1 November 2017 in relation to the credit arrangement for the Company's initial order of 10 automated business retail machines from Innovend Pte. Ltd., a wholly owned subsidiary of Kalms. Accordingly, the Company will cease to engage in the automated retail business.
- (c) Following the entry of Mr. Wang ZhenWen as the new Controlling Shareholder of the Company, who provided an unsecured interest-free loan of S\$2.95 million, he identified, *inter alia*, property development business as a new viable business, intends to undertake suitable fund raising exercise(s) for the purposes of the carrying out the proposed new core business(es) and to seek shareholders' approval for amongst others, the Proposed Diversification.
- (d) Consequent to the above, the Company had through its Sponsor, submitted a new application letter to the SGX-ST to seek for an extension of time for the Company to demonstrate that it has a viable business to maintain its listing status from the existing deadline of 31 December 2017 to 30 June 2018 ("**Extension**").

The Company has since December 2017 expended efforts to seek a viable business, including the Proposed Acquisition and has identified a few suitable property development projects of which discussions and evaluations are on-going. The Company is therefore seeking the approval of Shareholders for the Proposed Diversification to facilitate its strategic plans in relation to the Property Business so as to demonstrate it has a viable business by 30 June 2018 and more importantly, for the long term growth of the Company.

#### 2.2 Information Regarding the Proposed Diversification

As announced by the Company on 13 February 2018, upon the approval of Shareholders for the Proposed Diversification being obtained at the EGM, the Group intends to expand its current core business to include the conduct of Property Business as described below, as and when appropriate opportunities arise:

- (a) property development activities including acquisition, development and/or sale of residential, hospitality, commercial (retail and office), industrial and any other types of properties (including mixed development properties) ("**Property Related Assets**");
- (b) specialist construction services such as prefabricated and precast manufacturing, piling, civil engineering, and infrastructure works;
- (c) holding of Property Related Assets as long-term investment for the collection of rent and capital growth potential;
- (d) management of Property Related Assets and projects, including provision of property management-related services and facilities; and

---

## LETTER TO SHAREHOLDERS

---

- (e) buying and selling of Property Related Assets with yield accretive and/or capital growth potential

(collectively, the “**Property Business**”).

The Group may also, as part of the Property Business, invest in or acquire or dispose of shares or interests in any entity that is in the Property Business.

The Company does not plan to restrict the Property Business to any specific geographical market as each project and investment will be evaluated and assessed by the Board on its merits, including any change in risk profile of the Company. The Group may also explore joint ventures and/or strategic alliances with third parties who have the relevant expertise and resources to carry out the Property Business as and when the opportunity arises.

The decision on whether a project should be undertaken by the Group on its own or in collaboration with third parties will be made by the Board after taking into consideration various factors, such as the nature and scale of each project, amount of investment required and risks associated with such an investment, nature of expertise required, the period of time that is required to complete the project and conditions in the property market, taking into account the opportunities available.

As announced by the Company on 13 February 2018, the Controlling Shareholder and the Non-Executive Chairman of the Company, Mr. Wang ZhenWen, has on 12 February 2018, given an irrevocable undertaking to, *inter alia*, vote in favour of the Proposed Diversification, the Proposed Acquisition and the Proposed Change of Name, in respect of all the shares in the Company legally and beneficially owned by him as at the EGM.

Please refer to the sections entitled “Proposed Acquisition” as set out in Section 3 of this Circular for further details of the Proposed Acquisition.

Please refer to the section entitled “Rationale” and “Risks Factors” as set out in Sections 2.3 and 2.5 respectively of this Circular for the rationale for and risks associated with the Proposed Diversification.

### 2.3 Rationale for the Proposed Diversification

#### (a) To Undertake a Viable Business to Maintain Listing Status

As stated in the announcement dated 28 March 2017, the SGX-ST required the Company to, *inter alia*, demonstrate that it has a viable business to maintain its listing status on or before 31 December 2017, failing which the SGX-ST may suspend trading of the Company's listed securities under Rule 1303 of the Catalist Rules. As announced on 28 December 2017, the Company had through its Sponsor, submitted an application to the SGX-ST for the Extension. The Extension was granted by the SGX-ST on 17 January 2018 and the Company has up to 30 June 2018 to demonstrate that it has a viable business to maintain its listing status following the Extension granted. The Company is therefore seeking the approval of Shareholders for the Proposed Diversification to facilitate its strategic plans in relation to the Property Business so as to demonstrate it has a viable business by 30 June 2018 and more importantly, for the long term growth of the Company.

#### (b) Proposed Acquisition

The Proposed Acquisition, in particular, will allow the Company to establish a foothold in and build towards a long-term sustainable business in the Property Business. This is in line with the Group's strategic plans and on-going efforts to pursue and diversify into the Property Business. Further, the Board is of the view that the Proposed Acquisition, if successfully acquired and redeveloped, offers an opportunity for the Group to undertake a viable project in the Property Business, and to diversify the business of the Group to include the Property Business.

---

## LETTER TO SHAREHOLDERS

---

### (c) Enhance Shareholders' value

The Proposed Diversification is part of the corporate strategy of the Group to provide Shareholders with diversified returns and long-term growth. The Board believes that the Proposed Diversification will offer new business opportunities, provide the Group with new revenue streams and improve its growth prospects, as well as boost the long-term financial performance and position of the Group. This will enhance Shareholders' value for the Company.

### 2.4 Managing the Property Business

Although the Company's experience is not in the Property Business, the Board recognises that the relevant experience and expertise required can be acquired and developed by the Group over time as it develops the Property Business. The Company has on 22 January 2018 announced that it has reconstituted the Board and Board Committees. The Board now consists of directors with varied qualifications, expertise and experience, who are able to provide the strategic direction and policies required in the diversification into the Property Business.

In particular, the Board believes that it will be able to leverage on Mr. Wang ZhenWen's experience and business contacts in property construction, property development and management. Mr. Wang ZhenWen is currently the managing director of Rich-Link Construction Pte Ltd and a director of Rich-Link Development Pte Ltd, being Singapore incorporated companies that have been providing construction, property development and property management services in Singapore for the past 10 years.

To mitigate any potential conflicts of interest between the Group and Mr. Wang Zhenwen, the Company intends to enter into a non-compete undertaking with Mr. Wang Zhenwen ("**Non-compete Undertaking**"). Under the Non-compete Undertaking, Mr. Wang Zhenwen undertakes to the Company that for so long as Mr. Wang Zhenwen remains a controlling shareholder or officer of the Company, and for as long as the Company remains listed on the SGX-ST:

- (a) he shall not, and shall use his best endeavours to procure that his Associates shall not, whether directly or indirectly, engage in, carry on (whether alone or in partnership or joint venture with anyone else) or otherwise be interested in (whether as trustee, principal, agent, shareholder, unitholder or in any other capacity) any business carried on or proposed to be carried on by the Group ("**Competing Business**"), other than by taking a minority stake of not more than 30 percent (30%) in joint ventures with other third parties or the Group for such Competing Business (for the avoidance of doubt, any existing interests held by Mr. Wang ZhenWen or his Associates in such Competing Businesses may continue to be held subject to it being disclosed to the Board and the Group being granted a right of first refusal for any business opportunities as per sub-paragraph (b) below));
- (b) he shall, immediately upon becoming aware of a business opportunity which directly or indirectly competes or may lead to competition with any business carried on or proposed to be carried on by the Group, notify the Group of such business opportunity and will use his best efforts to assist the Group to secure such opportunity, with the Group to be granted a right of first refusal on taking up such opportunities; and
- (c) he shall not share any confidential information in relation to the Property Business of the Group with any person or entity outside of the Group.

Further, another one of the Directors, Mr. Soong Kar Leong, also has extensive experience in the construction and property development sectors. Mr. Soong Kar Leong has been appointed as an Executive Director of the Company since 22 January 2018 and he has over 22 years of experience in the construction and property development sectors, including stints with the Housing and Development Board of Singapore and a SGX-ST Main Board-listed construction and property development group. Mr. Soong Kar Leong was involved in the management and administration of property construction and property development contracts in addition to other project management and supervision duties for a variety of construction projects, including those for residential houses and apartments, commercial and industrial developments. Mr. Soong Kar Leong has also overseen

---

## LETTER TO SHAREHOLDERS

---

construction projects overseas including those in China, Thailand and Cambodia. Hence, the Board believes that it will be able to leverage on Mr. Soong Kar Leong's wealth of experience in the construction and property development spheres in addition to the experience of Mr. Wang ZhenWen.

In making business decisions relating to the Property Business, the Board and senior management intends to seek the advice of reputable external consultants and experts where necessary and appropriate. The Group intends to engage in the Property Business incrementally. The Group will monitor the development and progress in the Property Business and take the necessary steps to identify suitable candidates internally and externally to manage the Property Business to take it forward as and when required. In addition, the Group will evaluate the manpower and expertise required for the Property Business and will, as and when required, hire suitably qualified personnel, external consultants, external industry experts and professionals for the Property Business.

The Group may foster partnerships with various third parties in the relevant industries to assist it in undertaking the Property Business more effectively and efficiently as the Group seeks to build its expertise and capabilities in this field. Such partnerships may be done either on a case by case basis or on a term basis. Where necessary, work may be outsourced to reputable third parties who have expertise in the relevant area in relation to the projects concerned. In selecting its partners, the Group will take into account the specific expertise and competencies required for the project in question and the experience, historical track record and financial standing of the party concerned.

The Group is confident of developing and building up the expertise required for the Property Business over time. The Board and the Group at regular intervals will additionally review the risk exposure of the Property Business as and when the Board considers appropriate.

As the Proposed Diversification is independent of the Proposed Rights Issue, and in the event that the Proposed Rights Issue resolution is not passed by Shareholders, any funding gaps before the Extension will be mitigated by the Proposed Renewal of the Share Issue Mandate, of which further details are disclosed in Section 6 of this Circular.

### **2.5 Risk Factors**

The Group could be affected by a number of risks that relate to the Property Business or the markets in which the projects relating to the Property Business are based in. Risks may arise from, *inter alia*, economic, business, market, political, liquidity, operational, legal and regulatory factors, including the risks set out below.

The Group has set out below potential risk factors that are known to the Board and which are material to Shareholders in making an informed decision on the Proposed Diversification.

If any of the factors and/or uncertainties described below develops into actual events affecting the Property Business, this may have a material and adverse impact on the Property Business and consequently, the overall results of operations, financial condition and prospects of the Group could be similarly impacted.

The risks described below are not intended to be exhaustive and are not presented in any particular order of importance. There may be additional risks not presently known to the Group or that the Group may currently deem immaterial, which would affect its operations.

#### **(a) The Group has no track record or operating experience in the Property Business**

The Group has no prior track record in carrying out or implementation of the Property Business. There is no assurance that the Group's foray into the Property Business will be commercially successful and that the Group will be able to derive sufficient revenue to offset the initial capital injected and start-up costs as well as operating costs arising from the Property Business. The Property Business may require high capital commitments and may expose the Group to unforeseen liabilities or risks associated with its entry into new markets or new businesses.

---

## LETTER TO SHAREHOLDERS

---

The Property Business also involves business risks including the financial costs of setting up new operations, capital investment and maintaining working capital requirements. If the Group does not derive sufficient revenue from or does not manage the costs of the Property Business effectively, the overall financial position and profitability of the Group may be adversely affected.

The Group will also be exposed to the risks associated with a different competitive landscape and a different operating environment. In particular, the Group will be affected by factors affecting the property market in the region, as well as the trends and developments affecting the building and construction industry in general. The building and construction industry in turn is affected by general economic conditions such as changes in interest rates and relevant government policies and measures.

The Group's future plans with regard to the Property Business may not be profitable, may not achieve sales levels and profitability that justify the investments made and may take a long period of time before the Group could realise any return. The Group's property development activities may entail financial and operational risks, including diversion of management's attention, difficulty in recruiting suitable personnel and possible negative impact on the Group's existing business relationships with its existing clients who may also be property developers themselves.

Further, such future plans and new initiatives could be capital intensive and could also result in potentially dilutive issuances of equity securities, the incurrence of capital commitments, debt and contingent liabilities as well as increased operating expenses, all of which may materially and adversely affect the financial performance of the Group. The Group may face significant financial risks before it can realise any benefits from its investments in the Property Business.

**(b) The Group may not have the ability nor sufficient expertise to execute the Property Business**

The Group's ability to successfully diversify into the Property Business is dependent upon its ability to adapt its existing knowledge and expertise and to understand and navigate the Property Business. There is no assurance that the Group's existing experience and expertise will be sufficient for the Property Business, or that the employees hired by the Group to implement the Property Business will have the relevant experience and knowledge. The Group may also appoint third party professionals, third party contractors, and/or foster partnerships with various third parties to assist it in undertaking the Property Business more effectively and efficiently. However, there is no assurance that these third party professionals and/or contractors will be able to deliver and/or that these partnerships will be successful. As such, the Group may not be able to successfully implement the Property Business and this may adversely affect the Group's financial performance and profitability.

**(c) The Group is exposed to risk associated with acquisitions, joint ventures or strategic alliances**

Depending on available opportunities, feasibility and market conditions, the Group's expansion into the Property Business may involve acquisitions, joint ventures or strategic alliances with third parties. Participation in joint ventures, strategic alliances, acquisitions or other investment opportunities involves numerous risks, including the possible diversion of attention of management from existing business operations and loss of capital or other investments deployed in such joint ventures, strategic alliances, acquisition or opportunities. There is also no assurance that the existing experience and expertise of the Group's management personnel will be sufficient to manage or undertake such acquisitions, joint ventures or strategic alliances. In such event, the Group's financial performance may be adversely affected. Save for the Proposed Acquisition, as at the Latest Practicable Date, the Company has yet to identify or formalise any definitive plans for any such joint ventures, strategic alliances, acquisition or opportunities.

---

## LETTER TO SHAREHOLDERS

---

- (d) The Property Business will be dependent on the recruitment and retention of qualified and skilled personnel for its operations and profitability may be affected by the shortage of such personnel**

The Group may have to depend on the expertise of certain individuals to provide guidance and/or its investment partners to jointly undertake the projects coming within the Property Business. The growth of the Property Business will be dependent on the Group's ability to identify, recruit, train and retain qualified employees to form a relevant and strong management team with the requisite expertise to oversee the operations of the Property Business. Having a team of experienced and skilled personnel is essential in managing the Property Business. There is no assurance that the Group will be able to attract and retain key members of the management team who have the necessary qualifications and experience to manage the Property Business. The loss of any key member of the management team without any suitable and/or timely replacement may have a material adverse effect on the financial condition and results of operations of the Group. In a rising property market, there may be an increasing shortage of such personnel and/or a general rise in their wages, which may have an adverse effect on the operations of the Property Business and eventually the Group's financial performance.

- (e) The Group may be subject to intense competition and the Group may not be able to maintain its competitiveness in the Property Business**

The Property Business is highly competitive and the Group faces competition from existing industry participants as well as new entrants to the Property Business. Some of these competitors may possess stronger financial resources and track record that enable them to compete more effectively as compared to the Group. In order to maintain its competitiveness in the Property Business, the Group may have to offer more competitive prices or try to differentiate itself using more innovative marketing strategies and property designs. For instance, competitive bids are required to secure land parcels for development. The Group competes with other contractors and property developers for such land parcels for property development.

There is no assurance that the Group will be able to compete effectively with its existing and future competitors and adapt quickly to changing market conditions and trends. In the event that the Group is not able to compete successfully against its competitors or adapt to market conditions, its business operations, financial performance and financial condition may be adversely affected.

- (f) The Group will have to renew, maintain and obtain statutory and regulatory permits and licenses as may be required to operate the Property Business and any delay or inability to obtain the same may have an adverse impact on the Property Business**

The Property Business will require certain statutory and regulatory licences, permits, consents and approvals to operate. These licences, permits, consents and approvals may be granted for fixed periods of time and will need to be renewed after expiry from time to time. The Group may not be able to apply for and obtain the relevant licences, permits, consents and approvals required for its projects or otherwise within the statutory time limits, and there can be no assurance that the relevant authorities will issue any such licences, permits, consents or approvals in time or at all. Failure by the Group to renew, maintain or obtain the required licences, permits, consents or approvals, or cancellation, suspension or revocation of any of its licences, permits, consents or approvals may result in the Group being unable to undertake the relevant segment of the Property Business and/or in the interruption of its operations and may have a material adverse effect on its business, financial condition, results of operations and/or its prospects.

- (g) The Group may not be able to meet the challenges presented by the Property Business**

The success and growth of the Property Business will depend on the ability of the Group to meet the challenges presented by such business. The Group will be subject to the risks, uncertainties and problems frequently encountered by early-stage companies involved in



---

## LETTER TO SHAREHOLDERS

---

a new business, which include, amongst others, failure to continue to expand the Group's property portfolio or order book without increased pressure on the Group's margins, failure to identify, attract, retain and motivate staff, inability to find the right joint venture, strategic or other business partnerships, and inability to manage expanding operations.

In addition, there is no assurance that the Group's profitability will increase or that the Group will not incur losses after the expenditure in relation to the development of the Property Business due to the potential increase in costs incurred to finance the growth and expansion of the Property Business. The increase in costs without a corresponding increase in revenue will have an adverse impact on the Group's financial performance.

**(h) The Group may face potential liability and claims from property development projects and may be involved in legal and other proceedings arising from its operations from time to time**

The time required to complete a property development project depends on various factors, including the size of the project, prevailing market conditions and availability of resources. Delays may arise due to various factors, including adverse weather conditions, natural calamities, power failure, machinery and equipment breakdown, shortage of construction materials, shortage of labour, accidents, cessation of business of the Group's contractors, disputes with contractors and unexpected delay in obtaining required approvals. Such delays may result in cost overruns and increased financing costs and accordingly affect the Group's profitability or lead to claims for liquidated damages from purchasers of the properties.

Accidents during the course of construction may give rise to personal injuries and third party liability. In addition, the Group may be involved from time to time in disputes with various parties involved in the property development, investment or management projects that the Group undertakes. These parties include contractors, sub-contractors, suppliers, construction companies, purchasers, tenants and other partners.

Claims may also be made against the Group by the owners or occupiers of neighbouring properties in respect of the use and enjoyment of such properties. These disputes may lead to legal and other proceedings. The Group may also have disagreements with regulatory bodies in the jurisdictions in which the Group operates and these may subject the Group to administrative proceedings. In the event that unfavourable decrees are determined by the courts or the regulatory bodies, the Group may suffer not only financial losses but also a delay in the construction or completion of its projects. In such an event, the Group may be liable for damages and incur legal costs, which will have an adverse effect on the Group's financial performance and financial condition.

**(i) The operations and profitability of the Property Business may be disrupted by acts of violence or wars and outbreaks of diseases**

Any acts of violence (such as terrorist attacks) or wars in the markets in which the Property Business operates may lead to uncertainty in the economic outlook of its markets and there is no assurance that such markets will not be affected. All these could have a negative impact on the demand for the Group's Property Business, and the Group's business operations, financial performance, and financial condition may be adversely affected.

Furthermore, an outbreak of infectious diseases such as the severe acute respiratory syndrome (SARS) in the countries in which the Group operates may adversely affect its business operations, financial performance and financial condition. If an outbreak of such infectious diseases occurs in any of the countries in which the Group has operations in the future, customer sentiment and spending could be adversely affected and this may have a negative impact on the Group's business operations, financial performance and financial condition. The staff and employees in these countries may also be affected by any outbreak of such infectious diseases and this may affect the Group's day-to-day operations.

---

## LETTER TO SHAREHOLDERS

---

**(j) Fluctuations in property prices and the Group's ability to identify suitable land sites and property development projects may have an adverse impact on the Group's property development business and financial condition**

Property prices and the availability of suitable land sites will fluctuate. Should property market prices experience a downward trend, the Group's earnings may be adversely affected as the Group may have to postpone the sale of such property development project to a later date, if and when market conditions improve. In the event that the Group is required to sell its property development projects at lower prices, the Group's financial performance will be adversely affected.

The Group can build up its land bank by scouting for and acquiring land sites appropriate for its property development projects via offers from private owners, by participating in property auctions and government land sales programmes as well as through third-party property agents. The Group will face competition for new land sites from other property developers and there is no assurance that suitable sites will always be available to the Group for the purposes of the property development business. If the Group is not able to procure suitable land sites to carry out its property development projects, or carries out property development projects at less favourable locations that may not be as marketable, the Group's sales volume and profitability may be adversely affected.

The Group's performance is also dependent on its ability to identify profitable property development projects, and following such identification, to successfully complete such projects. The viability and profitability of the Group's property development projects are subject to fluctuations and are dependent on, amongst others, the demand for the Group's development projects, the pricing and number of property development projects and the overall schedules of the Group's projects which are in turn, to a large extent, affected by the market sentiment, market competition, general economic and property markets conditions, as well as government regulations.

**(k) An inability to generate adequate returns on properties acquired or developed and held for long-term investment purposes may result in losses to the Group and may have an adverse impact on the Group's financial position**

Property investment is subject to varying degrees of risks. The investment returns available from the property development and property investment business depend, to a large extent, on the amount of capital appreciation generated. The ability to eventually dispose of properties at a profit will depend on market conditions and levels of liquidity, which may be limited or subject to significant fluctuations. Further, completed projects and invested properties are relatively illiquid, and the Group may be unable to convert real estate asset portfolio into cash on short notice. To facilitate a sale of illiquid property assets on short notice, the Group may have to lower the selling price substantially. Illiquidity of property assets also limits the Group's ability to vary its portfolio in response to changes in economic or other conditions in a timely manner. In the event of any adverse change in market conditions or in the event of a need to lower the prices of properties to effect the sale of properties, the Group may not be able to sell its property projects or property investments at above its costs, resulting in the Group suffering losses on the project or property and adversely affecting the Group's financial position.

In addition, the revenue derived from the rental of the relevant properties may be adversely affected by a number of factors, including but not limited to changes in market rates for comparable rentals, the inability to secure renewal of tenancies from tenants, the inability to collect rent due to bankruptcy or insolvency of tenants and the cost from ongoing maintenance, repair and re-letting. In the event that the Group acquires properties for investment and if the Group is unable to generate adequate returns from such investment properties that it acquires, its financial condition and results of operations may be adversely affected.

---

## LETTER TO SHAREHOLDERS

---

**(l) The Property Business could be capital intensive and may not be profitable**

Projects undertaken pursuant to the proposed Property Business will require substantial capital investments and cash outlay, and may not be profitable, may not achieve sales levels and profitability that justify the investments made or may take a long period of time before the Group could realize any return. Funding for new projects in the Property Business could also result in potentially dilutive issuances of equity securities, the incurrence of capital commitments, debt and contingent liabilities as well as increased operating expenses, all of which may materially and adversely affect the business of the Group.

While the Group will carry out assessments including the availability and cost of financing prior to undertaking any projects, there is no assurance that financing, either on a short-term or a long-term basis, will be made available or, if available, that such financing will be obtained on commercially reasonable terms. In addition, any additional debt funding may restrict the Group's freedom to operate its business as such financing may have conditions that:

- (i) limit the Group's ability to pay dividends or require the Group to seek consents for the payment of dividends;
- (ii) increase the Group's vulnerability to general adverse economic and industry conditions;
- (iii) require the Group to dedicate a portion of the Group's cash flow from operations to repayments of its debt, thereby reducing the availability of the Group's cash flow for capital expenditures, working capital and other general corporate purposes; and
- (iv) limit the Group's flexibility in planning for, or reacting to, changes in the Group's businesses and industry.

Further, an issue of Shares or other securities to raise funds will dilute Shareholders' equity interests and may, in the case of a rights issue, require additional investments by Shareholders.

The Group will face significant financial risks before it can realise any benefits from its future investments in the Property Business.

**(m) The Group is subject to risks for its proposed property management business**

Revenue for the property management business is derived from the property management fees collected from the residents in the developments where the Group intends to provide such service. The Group's intended range of property management services includes the provision of security, building and equipment maintenance and repairs, cleaning services, facilities management, landscape maintenance and car park management. The Group intends to hire manpower and purchase the materials and/or equipment required to carry out such services. Should the prices of such manpower and the materials increase and the Group is unable to pass on such increase in fees to the customers, the results of the Group's operations and financial condition could be materially and adversely affected. In addition, as the Group intends to provide its property management services on a pool basis, there has to be sufficient demand to allow for economies of scale to allow the cost of providing such services to be economically viable. The Group cannot make any assurance that it will secure and retain enough customers such that the Group will enjoy significant economies of scale required for the property management business to be economically viable.

**(n) The Group is exposed to a range of economic, development and construction risks relating to the Property Business in the countries in which the Group will operate**

The performance of the Property Business depends largely on the economic situation and the performance of the property industry in countries in which the Group will operate. Should the economy or the property market experience a downturn, due to reasons such as government regulations or global economic conditions, the performance of the Property

---

## LETTER TO SHAREHOLDERS

---

Business may be adversely affected. In addition, as the gestation period for a property development project is long, typically between two (2) to three (3) years, any downturn in the economy or the property market, or changes in government regulations, during the course of a development project may affect the profitability of such development project, thereby adversely affecting the Group's financial performance.

**(o) The Group's Property Business may be dependent on the services rendered by third party contractors**

The Group may be dependent on third party contractors to provide various services for its Property Business. Accordingly, it is subject to construction risks such as the failure of third party contractors to carry out their contractual obligations, failure of third party contractors to bear cost overruns, and any other unforeseen circumstances which may have an adverse impact on its financial performance. Furthermore, these third party contractors may experience financial or other difficulties that may affect their ability to carry out the work for which they contracted for, thus delaying the completion of or failing to complete the Group's projects, resulting in additional costs to the Group or exposing it to the risk of liquidated damages. Any of these factors could have a material adverse effect on the Group's business, financial condition and operating results.

**(p) The Group may be subject to risks in relation to pre-sale policies for properties under development**

The practice of pre-sales (that is, selling properties prior to the receipt of construction completion and examination certificate) is dependent upon local legislation in such jurisdictions in which the Group carries out such pre-sales. Should such pre-sales not be permitted under the local legislation, the ability of the Group to earn income prior to the receipt of construction completion and examination certificate may be impeded. This may adversely affect the Group's revenue and profitability. It may also add greater stress to the Group's cash-flow position from time to time.

Should pre-sales be permitted under local legislation, the Group may be exposed to certain risks relating to the pre-sale of properties. In the event of a failure or delay in the delivery of pre-sold properties to purchasers, the Group may be liable for potential losses that purchasers may suffer as a result. There is no guarantee that these losses will not exceed the purchase price paid in respect of the pre-sold units. Failure to complete a property development on time may be attributed to factors such as the time taken and costs involved in completing construction, which are in turn adversely affected by factors such as delays in fitting out works, shortages of labour, adverse weather conditions or natural disasters. If the delay in delivery extends beyond the contractually specified period, purchasers may also be entitled to terminate the pre-sale agreements and claim refunds of monies paid, damages and/or compensation for late delivery. There is no assurance that there will be no circumstances which will result in liabilities arising from pre-sale arrangements which have experienced significant delays in completion or delivery, resulting in the Group having to compensate purchasers for late delivery, or refund of monies paid *in situations* where purchasers have terminated the sale and purchase agreements. This will adversely affect the Group's business and financial performance.

**(q) The Group faces the risk of material defects, breaches of laws and regulations and other deficiencies**

There is no assurance that the reviews, surveys or inspections (or the relevant review, survey or inspection reports on which the Group would rely on) would have revealed all defects or deficiencies affecting properties that the Group has interests in. In particular, there is no assurance as to the absence of latent or undiscovered defects or deficiencies or inaccuracies or deficiencies in such reviews, surveys or inspections reports, any of which may have a material adverse impact on the business, financial condition and results of operations of the Group in relation to such properties. As such, the Group may be exposed to risks of incurring additional costs to carry out repairs to rectify such deficiencies, or litigations suits from third

---

## LETTER TO SHAREHOLDERS

---

parties. For example, repair works carried out on tenanted units to rectify such latent defects may obstruct businesses of tenants, who may suffer losses as a result of such obstruction, and seek to claim such losses from the Group.

**(r) Amenities and transportation infrastructure around the Group's properties may be closed or relocated**

The proximity of amenities and transportation infrastructures, such as bus stops, MRT stations and expressways, to the Group's properties provides access to the properties. There is no assurance that such amenities and transportation infrastructure will not be closed, relocated, terminated, delayed or left uncompleted in the future, or that there will be no impediment to the traffic flow in the vicinity. Such closure, relocation, termination, delay, non-completion or impediment may adversely affect the accessibility of the Properties. This may in turn have an adverse effect on the attractiveness and marketability of the Properties to tenants and may adversely affect the financial position of the Group.

**(s) The Property Business is subject to the general risk of doing business overseas**

As the Group seeks to conduct business overseas, it will be subject to the inherent general risks involved in doing so. These general risks 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 uncertainty regarding liability, tariffs and other trade barriers, variable and unexpected changes in local law and barriers to the repatriation of capital or profits, any of which could materially affect the overseas operations of the Group. These risks, if materialized, may affect the Group's business and financial condition. In addition, if the governments in the jurisdictions in which the Group intends to undertake the proposed Property Business tighten or otherwise adversely change their laws and regulations relating to the repatriation of their local currency, it may affect the ability of the Group's overseas operations to repatriate profits to the Group and, accordingly, the cash flow of the Group will be adversely affected.

**(t) The Group is exposed to foreign exchange transaction risks**

During the ordinary course of business, the Group may engage in foreign currency denominated transactions. As a result, the Group is exposed to movement in foreign currency exchange rates. To the extent that its revenue, purchases and operating expenses are not naturally matched in the same currency and to the extent that there are timing differences between invoicing and collection/payment, the Group may be exposed to adverse fluctuation in foreign exchange rates.

**(u) There may be a decline in property values from time to time**

Valuations of the Group's properties conducted by professional valuers are based on certain assumptions and are not intended to be a prediction of, and may not accurately reflect, the actual values of these assets. The inspections of the properties and other works undertaken in connection with a valuation exercise may not identify all material defects, breaches of contracts, laws and regulations, and other deficiencies and factors that could affect the valuation. In addition, unfavourable changes to the economic or regulatory environment or other relevant factors may negatively affect the premises upon which the valuations are based and hence, the conclusions of such valuations may be adversely affected. As such, the properties of the Group may not retain the price at which they may be valued or be realised at the valuations or property values which were recorded. The value of the properties of the Group may fluctuate from time to time due to market and other conditions. Such adjustments to the Group's share of the fair value of the properties in the Group's portfolio could have an adverse effect on the net asset value and profitability of the Group.

---

## LETTER TO SHAREHOLDERS

---

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

The Group maintains insurance policies covering certain eventualities arising from its business operations. There are also certain losses for which insurance coverage is not available as it is not commercially viable to do so, such as losses due to natural disasters, war or civil disorders. In addition, there may be high excess value in such insurance coverage that has to be borne by the Group. If the Group suffers any uninsured losses and/or delays in claims for damages and liabilities in the course of the Group's operations and property development, the Group may not have sufficient funds to cover any such losses, damages or liabilities or to replace any property development which has been destroyed. In addition, any payment the Group makes to cover any losses, damages or liabilities could have a material adverse effect on the Group's business, operations and financial condition and put a strain on the Group's cash flows for other development projects.

Accidents occurring at the Group's premises may also result in injuries or death to employees of the Group or third parties as well as damages to property owned by the Group or third parties. In the event that such losses are uninsured or uninsurable, the Group may be liable for damages or other penalties. Major accidents, such as a fire or structural collapse, may also cause significant reputational damage to the Group and may also be grounds for the revocation of licences which the Group requires to carry on its business. If any of the foregoing risks materialises, the operations and financial performance of the Group may be adversely affected.

**(w) The Group is subject to policies, regulation and licensing requirements governing the construction industry in Singapore**

The Group's business and specialist construction activities and services in Singapore are regulated by the Building and Construction Authority and various other regulatory bodies. These regulatory bodies stipulate the criteria that must be satisfied before permits and licences are granted to, and/or renewed for, the Group's business. The renewal of the Group's permits and licences is subject to compliance with the relevant regulations. There is no assurance that such permits and licences will be renewed upon expiry, in the event the Group fails to comply with the relevant regulations. Failure to renew, or withdrawal of such permits and licences as a result of non-compliance, will have an adverse effect on the operations, financial performance and financial position of the Group.

The compliance with such new government legislation, regulations and policies may also increase the Group's costs and any significant increase in compliance costs arising from such new government legislation, regulations and policies may adversely affect the Group's operating results. There is no assurance that any changes in government legislation, regulations and policies will not have an adverse effect on the financial performance and financial position of the Group.

Further, if the Group fails to comply with the applicable laws and regulations, the Group may be subject to penalties, have its licences or approvals revoked, or lose its right to own, develop or manage its properties, and the Group's businesses, among other things, any or all of which could have a material and adverse impact on the Group's business, financial condition, results of operations and prospects.

**(x) The Group is subject to risks of late payment or non-payment by its customers**

For its specialist construction business, there is a time lag between any expenditure the Group incurs and receipt of payment from its customers. The first progress payment may be received a number of months after the commencement of work or purchase of construction materials. The remaining progress payments are payable monthly over the course of the project, which may take up to a number of years to complete, including the defects liability period. In the event that its customers do not make timely payment in accordance to the invoices issued, the Group may encounter liquidity problems.

---

## LETTER TO SHAREHOLDERS

---

For all projects which the Group is engaged, any indebtedness for amounts payable by its customer to the Group is unsecured and its customer is not required to provide security or obtain any construction loans or provide to the Group any evidence of their ability to make good the full value of the construction, as and when they fall due, prior to engaging the Group. Accordingly, the Group can only rely on the credit-worthiness of its customer to make payments as and when they fall due, and as such, the Group may not be paid by its customers notwithstanding the completion of the construction. Furthermore, some of its customers may default on their payments to the Group, which would result in the Group having to make provisions for doubtful debts, or to incur write-offs. This may have an adverse effect on the operating results, financial position and financial performance of the Group.

**(y) The Group may face exposure to potential liabilities arising from damages, injury or death due to accidents at its construction sites**

Due to the nature of the Groups' business, accidents and mishaps may occur at the construction sites for its projects even though safety measures are put in place. Such accidents, or mishaps may severely disrupt the Group's operations and lead to a delay in the completion of a project, and in the event of such delay, the Group could be liable to pay liquidated damages under the construction contract with the client. In such an event, the business, operating results and financial performance of the Group may be materially and adversely affected. Further, such accidents or mishaps may subject the Group to claims from workers or other persons involved in such accidents or mishaps for damages suffered by them, and any significant claims which are not covered by the Group's insurance policies may materially and adversely affect its operating results and financial performance. In addition, any accidents or mishaps resulting in significant damage to the Group's machinery or equipment may also have a significant adverse effect on its business, financial condition and operating results.

**(z) The Group is subject to risks inherent in investing in entities which it does not control and the manner in which it holds its investments and property interests**

The Group may hold property investments through or make investments in entities that are not the Group's subsidiaries and over which the Group does not have majority control. The performance of these entities and the Group's share of their results are subject to the same or similar risks relating to the Property Business that affect the Group as described herein. There is no assurance that the Group will be able to influence the management, operation and performance of these entities through its voting rights, in a manner which would be favourable to the Group, or at all. If all or any of these entities were to perform poorly, the Group's overall business, financial condition, results of operations and prospects may be adversely affected.

### **2.6 Application of Chapter 10 of the Catalist Rules to the Proposed Diversification**

As the Property Business will change the existing risk profile of the Group, the EGM will be convened by the Company to seek Shareholders' approval for the Proposed Diversification.

Upon Shareholders' approval of the Proposed Diversification, any acquisition or disposal which is in, or in connection with, the Property Business, may be deemed to be in the Group's ordinary course of business and therefore not fall under the definition of a "transaction" under Chapter 10 of the Catalist Rules. Accordingly, the Group may, in its ordinary course of business, enter into transactions relating to the Property Business and which will not change the risk profile of the Group, in an efficient and timely manner without the need to convene separate general meetings from time to time to seek Shareholders' approval as and when potential transactions relating to the Property Business arise. This will reduce substantially the administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Group.

Notwithstanding that Shareholders' approval of the Proposed Diversification has been obtained,

---

## LETTER TO SHAREHOLDERS

---

- (a) Rule 1015 of the Catalist Rules will apply to acquisitions of assets (including options to acquire assets) whether or not in the Company's ordinary course of business (which will include the Property Business) and which results in any of the relative figures as computed on the bases set out in Rule 1006 of the Catalist Rules exceeding 100% or results in a change in control of the Company. Such acquisitions must therefore be, amongst others, made conditional upon approval by Shareholders at a general meeting; or
- (b) Part III of Practice Note 10A of the Catalist Rules will apply to acquisitions or disposals of assets (including options to acquire or dispose assets) which will change the risk profile of the Company. Such transactions must therefore be, amongst others, made conditional upon approval by Shareholders at a general meeting.

Pursuant to Rule 1005 of the Catalist Rules, separate transactions completed within the last 12 months may also be aggregated and treated as if they were one transaction in determining whether a transaction falls into category (a), (b), (c) or (d) of Rule 1004 of the Catalist Rules.

The Company will be required to comply with any applicable and prevailing Catalist Rules as amended or modified from time to time.

### 3. PROPOSED ACQUISITION

#### 3.1 Background

As announced by the Company on 13 February 2018, the Group intends to diversify the business of the Group to include the Property Business to expand and diversify its portfolio and improve its growth prospects, subject to obtaining the approval of Shareholders for such Proposed Diversification at the EGM. In line with the Company's Proposed Diversification plans, the Company intends to redevelop the Property (as defined below) acquired which will allow the Company to establish a foothold in and build towards a long-term sustainable business in the Property Business. This is in line with the Group's strategic plans and on-going efforts to pursue and diversify into the Property Business. Further, the Board is of the view that the Proposed Acquisition, if successfully acquired and redeveloped, offers an opportunity for the Group to undertake a viable project in the Property Business, and to diversify the business of the Group to include the Property Business.

The Company has, on 12 February 2018, upon payment of the required Initial Deposit, been granted an option to purchase (the "**OTP**") the property on a single land lot 3462W of Mukim 23 and located at No. 6 Kim Chuan Terrace Singapore 537029 (the "**Property**") by Hup Heng Enterprise Company Pte Ltd, the vendor of the Property (the "**Vendor**").

The initial deposit for the Property represents 1% of the Consideration (or S\$108,000) for the Property ("**Initial Deposit**") and was paid in cash to the Vendor on 12 February 2018, being the date of the acceptance of the OTP granted by the Vendor to the Company.

Subject to meeting the conditions of exercise, the OTP may be exercised within 45 days from 12 February 2018 ("**Option Period**") by the Company delivering the signed written acceptance portion of the OTP together with 5% of the Consideration less the Initial Deposit ("**Option Fee**") to the Vendor ("**Exercise of Option**").

As announced by the Company on 13 February 2018, the Controlling Shareholder and the Non-Executive Chairman of the Company, Mr. Wang ZhenWen, has on 12 February 2018, given an irrevocable undertaking to, *inter alia*, vote in favour of the Proposed Diversification, the Proposed Acquisition and the Proposed Change of Name, in respect of all the shares in the Company legally and beneficially owned by him as at the EGM.



---

## LETTER TO SHAREHOLDERS

---

### 3.2 Information and Rationale of the Proposed Acquisition

#### (a) Information on the Property

The Property comprises an industrial building that is located on a single freehold land lot with a land area of approximately 827.4 square metres that is zoned as “Industrial B2”. The Property is currently used as a machinery workshop and warehouse by the Vendor.

#### (b) Information on the Vendor

The Vendor is an independent third party from the Company, the Directors and its Controlling Shareholders. None of the Directors or the Controlling Shareholders has any relationship or is related to the Vendor.

#### (c) Rationale of the Proposed Acquisition

The entry into the Proposed Acquisition is in line with the Group’s plans and efforts to demonstrate that it has a viable business to maintain its listing status by 30 June 2018, being the extended deadline granted by the SGX-ST to the Company on 17 January 2018.

The Company intends to redevelop the Property, subject to obtaining all the necessary approvals from the relevant authorities. This will allow the Company to establish a foothold in and build towards a long-term sustainable business in the Property Business. This is in line with the Group’s strategic plans and on-going efforts to pursue and diversify into the Property Business. Further, the Board is of the view that the Proposed Acquisition, if successfully acquired and redeveloped, offers an opportunity for the Group to undertake a viable project in the Property Business, and to diversify the business of the Group to include the Property Business.

### 3.3 Consideration

The Consideration for the Property is S\$10,800,000. The Consideration was arrived at after arm’s length negotiations and on a willing-buyer-willing-seller basis, after taking into account the indicative open market value of the Property as opined by an independent valuer, AVA Associates Limited. The independent valuer had, on 14 February 2018, issued a valuation report (“**Property Valuation Report**”) wherein the final valuation amount of the Property as at 31 January 2018, using the Direct Comparison Approach (a form of Market Approach) which references comparable property transactions, is S\$11,000,000. For further information, please refer to the valuation certificate (“**Property Valuation Certificate**”) and a summary letter of the Property Valuation Report set out in Appendix A of this Circular.

The Consideration would be satisfied wholly by cash, through (i) the net proceeds from the share placement (“**2018 Placement Proceeds**”) completed and announced by the Company on 1 February 2018 (“**2018 Placement**”); (ii) the net proceeds from the Proposed Rights Issue; and (iii) if required, a combination of future equity fund raising and/or bank borrowings as the case maybe.

### 3.4 Principal terms of the OTP

The principal terms of the OTP include the following:

- (a) The OTP will expire if it is not exercised within the Option Period and shall be considered null and void thereafter. Upon expiry of the OTP, any Initial Deposit paid will be forfeited to the Vendor and neither party shall have any claims against the other thereafter.
- (b) The Proposed Acquisition is subject to “The Singapore Law Society’s Conditions of Sale 2012” in so far as the terms and conditions stipulated in the OTP are not contrary to or in conflict with the Conveyancing and Law of Property (Conveyancing) Rules 2011 and the Singapore Academy of Law (Conveyancing Money) Rules 2011.
- (c) The Proposed Acquisition is subject to the Company obtaining such clearance, waiver or approval from the SGX-ST and the regulatory authorities in connection with the Proposed Acquisition, as well as any necessary shareholders’ approval at an EGM to be convened, as the case may be. If the said clearance, waiver or approval (if any) is not obtained by the

## LETTER TO SHAREHOLDERS

Company within the Option Period, the Company may annul the sale and purchase or elect not to exercise the OTP in which event the OTP shall become null and void and any Initial Deposit paid will be forfeited to the Vendor and neither party shall have any claims against the other thereafter.

- (d) The Vendor warrants that the title to the Property is in order, properly deduced and shall be free from encumbrances.
- (e) The sale and purchase of the Property shall be completed and the balance of the purchase price for the Property shall be paid at the office of the Vendor's solicitors within 12 weeks from the date of Exercise of Option.
- (f) The Property is sold with vacant possession.
- (g) Where the Company's solicitors do not receive satisfactory replies to requisitions and applications on the Property from the usual government departments, the Company may elect to rescind the purchase and abort the Proposed Acquisition, following which the Vendor shall refund the full Option Fee (including the Initial Deposit) but without any interest compensation or deductions whatsoever, and thereafter neither party shall have any claims whatsoever against the other.

### 3.5 Relative figures under Rule 1006 of the Catalyst Rules

The relative figures of the Proposed Acquisition computed on the bases set out in Catalyst Rule 1006, using the latest announced unaudited consolidated financial statements of the Group for the 6-month financial period ended 30 September 2017 are as follows:

Rule 1006 of the Catalyst Rules	Bases	Relative Figures (%)
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value	Not applicable <sup>(1)</sup>
(b)	The net profits attributable to the assets acquired, compared with the Group's net profits	Not applicable <sup>(2)</sup>
(c)	The aggregate value of the consideration given, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares	31.7% <sup>(3)</sup>
(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 <sup>(4)</sup>
(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 <sup>(5)</sup>

**Notes:**

- (1) Not applicable, as the Proposed Acquisition is in relation to the acquisition of assets.
- (2) Not applicable, as the Proposed Acquisition is not an acquisition of businesses that have past profit and loss contributions but an asset which is an industrial building that will be redeveloped.
- (3) The Company's market capitalisation of approximately S\$34.03 million, as calculated by multiplying 3,781,145,730 ordinary shares in issue by the volume-weighted average price per share of S\$0.009 as at 9 February 2018 (being the last full market day preceding the date of the OTP).
- (4) Not applicable as the Consideration for the Proposed Acquisition will be satisfied wholly in cash and no equity securities will be issued as part of the Consideration.
- (5) Not applicable as the Proposed Acquisition is not a disposal of mineral, oil and gas assets.

---

## LETTER TO SHAREHOLDERS

---

As the relative figures set out in Rule 1006 (c) of the Catalist Rules exceeds 5% but is less than 75%, the Proposed Acquisition constitutes a “Disclosable Transaction” within the meaning of Rule 1010 of the Catalist Rules.

Whilst a “Disclosable Transaction” is not subject to the approval of Shareholders, the Proposed Acquisition is not part of the Company’s existing core business and will result in a change in the risk profile of the Company. Accordingly, the Proposed Acquisition will be subject to the receipt of approval from the Shareholders for the Proposed Diversification.

#### **4. PROPOSED CHANGE OF NAME**

##### **4.1 Background and Rationale**

The Company is proposing to change its name from “Infinio Group Limited” to “Rich Capital Holdings Limited”, and proposing to make consequential amendments to the Constitution to replace the name “Infinio Group Limited” wherever it appears in the Constitution, with the proposed new name of the Company “Rich Capital Holdings Limited”.

The Board considers it appropriate for the Company, for identification purposes, to adopt a new name to reflect the diversification of its current core business to include the Property Business and proposes to change the Company’s name from “Infinio Group Limited” to “Rich Capital Holdings Limited”. Please refer to the sections entitled “Proposed Acquisition” and “Proposed Diversification” as set out in Sections 3 and 2 of this Circular respectively for further information on the Proposed Acquisition and Proposed Diversification.

The Proposed Change of Name will not affect the identity or legal status of the Company or any of its rights and obligations and the trading of the Company’s Shares on the SGX-ST nor will it affect any of the rights of the Shareholders or the Group’s daily business operations and financial standing.

The Proposed Change of Name is independent of the other resolutions to be tabled at the EGM.

As announced by the Company on 13 February 2018, the Controlling Shareholder and the Non-Executive Chairman of the Company, Mr. Wang ZhenWen, has on 12 February 2018, given an irrevocable undertaking to, *inter alia*, vote in favour of the Proposed Diversification, the Proposed Acquisition and the Proposed Change of Name, in respect of all the shares in the Company legally and beneficially owned by him as at the EGM.

##### **4.2 Approvals**

The Company has made an application to ACRA to reserve the name “Rich Capital Holdings Limited” and the application was approved on 5 January 2018. The proposed name “Rich Capital Holdings Limited” is reserved for a period of 120 days until 5 May 2018.

The Proposed Change of Name is subject to Shareholders’ approval and will be tabled as a special resolution at the EGM.

Subject to Shareholders’ approval and registration by ACRA, the Company shall change its name to “Rich Capital Holdings Limited” with effect from the date of issue of the Certificate of Incorporation on Change of Name of Company by ACRA and the name “Infinio Group Limited” shall be substituted by “Rich Capital Holdings Limited”, wherever the former name appears in the Constitution.

The Company will make an announcement when the Proposed Change of Name takes effect.

##### **4.3 Existing share certificates**

Shareholders should note that notwithstanding the Proposed Change of Name, the legal status of the Company will not be affected and the existing issued Shares will continue to be valid for trading on the SGX-ST. The Company will not be recalling existing share certificates bearing the

---

## LETTER TO SHAREHOLDERS

---

Company's existing name "Infinio Group Limited". Such certificates remain *prima facie* evidence of the legal title of the Shareholders to the Shares specified in the said share certificates. No further action would be required on the part of Shareholders in respect of the existing share certificates.

### 5. PROPOSED RIGHTS ISSUE

#### 5.1 Overview of the Proposed Rights Issue

On 14 February 2018, the Company had announced that it is proposing to carry out the Proposed Rights Issue to issue up to 3,781,145,730 Rights Shares at an Issue Price of S\$0.007 for each Rights Share.

The Proposed Rights Issue is proposed to be on a renounceable non-underwritten basis to the Entitled Shareholders on the basis of one (1) Rights Share for every one (1) existing Share held by the Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded, at the Issue Price of S\$0.007 for each Rights Share.

The Company has appointed PrimePartners Corporate Finance Pte. Ltd. as the Manager to the Proposed Rights Issue.

Whilst the Proposed Rights Issue is non-underwritten, the Undertaking Shareholder has provided the Irrevocable Undertaking to, *inter alia*, fully subscribe for the Maximum Entitled Rights Shares, as a demonstration of his support and commitment to the Company. Please refer to Section 5.6 below for further details of the undertakings of the Undertaking Shareholder. The Company has decided to undertake the Proposed Rights Issue on a non-underwritten basis in view of the Irrevocable Undertaking provided by the Undertaking Shareholder and the savings in cost by the Company in respect of underwriting fees.

The Rights Shares and excess Rights Shares are payable in full upon the acceptance and application, and when allotted and issued, will rank *pari passu* in all respects with the then existing Shares for any dividends, rights, allotments or other distributions that may be declared or paid, the Record Date for which falls on or after the date of issue of the Rights Shares.

Entitled Shareholders will be entitled to participate in the Proposed Rights Issue and receive the OIS together with the appropriate application forms and accompanying documents at their respective Singapore addresses. Please see Section 5.4 of this Circular for further information on the eligibility to participate in the Proposed Rights Issue.

#### 5.2 Principal Terms of the Proposed Rights Issue

As at the Latest Practicable Date, the issued and paid-up share capital of the Company comprises 3,781,145,730 Shares.

<b>Number of Rights Shares</b>	:	Up to 3,781,145,730 Rights Shares will be issued assuming the Maximum Subscription Scenario.
<b>Basis of Provisional Allotment</b>	:	One (1) Rights Share for every one (1) existing Share held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded.

## LETTER TO SHAREHOLDERS

<b>Issue Price</b>	: S\$0.007 for each Rights Share, payable in full on acceptance and/or application.  The Issue Price represents a discount of approximately 22.2% to the closing price of S\$0.009 per Share as at 14 February 2018, being the full market day on which the Proposed Rights Issue Announcement was announced; and a discount of approximately 12.5% to the theoretical ex-rights price of S\$0.008 per Share (being the theoretical market price of each Share assuming the completion of the Proposed Rights Issue, which is calculated based on S\$0.009 being the closing price for trades done on the SGX-ST on 14 February 2018, being the full market day on which the Proposed Rights Issue Announcement was announced).
<b>Acceptance, excess applications and payment procedures</b>	: Entitled Shareholders will be at liberty to accept (in full or in part), decline or otherwise renounce or, in the case of Entitled Depositors only, trade (during the provisional allotment trading period prescribed by the SGX-ST) their provisional allotments of Rights Shares and will be eligible to apply for additional Rights Shares in excess of their provisional allotments under the Proposed Rights Issue.  Fractional entitlements of Right Shares will be disregarded in arriving at Entitled Shareholders' entitlements and together with provisional allotments which are not taken up for any reason shall be aggregated and used to satisfy Excess Applications (if any) or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company. In the allotment of Excess Rights Shares, preference will be given to the rounding of odd lots, and Directors and Substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board will rank last in priority for the rounding of odd lots and allotment of Excess Rights Shares.  The Company will also not make any allotment and issuance of any Excess Rights Shares that will result in a transfer of controlling interest in the Company unless otherwise approved by Shareholders in a general meeting. Provisional allotments of Rights Shares which would otherwise have been made to Foreign Shareholders will be dealt with in the manner described in Section 5.4 of this Circular. The Rights Shares are payable in full upon acceptance of the provisional allotments of the Rights Shares and/or application for the Excess Rights Shares.  The procedures for acceptance, payment and excess application by Entitled Depositors and the procedures for acceptance, payment, splitting and excess application by Entitled Scripholders will be set out in the Offer Information Statement to be dispatched to Entitled Shareholders in due course, subject to, <i>inter alia</i> , the Proposed Rights Issue being approved by Shareholders at the EGM.
<b>Listing of the Rights Shares</b>	: On behalf of the Company, the Sponsor will be making an application to the SGX-ST for the listing and quotation of the Rights Shares on the Catalist board of the SGX-ST in due course. The Company will make the necessary announcement upon the receipt of the listing and quotation notice from the SGX-ST.

## LETTER TO SHAREHOLDERS

<b>Trading of the Rights Shares</b>	: Upon the dealing in, listing of and quotation for the Rights Shares on the Catalist Board, the Rights Shares will be traded on the Catalist Board under the book-entry (scripless) settlement system.  Entitled Depositors who wish to trade all or part of their provisional allotments of Rights Shares on the SGX-ST can do so during the trading period for the “nil-paid” Rights.  Entitled Depositors should note that the provisional allotments of Rights Shares are expected to be tradeable in board lot sizes of 100. Entitled Depositors who wish to trade in lot sizes other than the board lot sizes, can do so on the SGX-ST’s unit share market.
<b>Status of the Rights Shares</b>	: The Rights Shares, when allotted and issued, will rank <i>pari passu</i> in all respects with the then existing Shares save for any dividends, rights, allotments or other distributions, the Record Date for which falls before the date of allotment and issue of the Rights Shares.
<b>Non-underwritten basis</b>	: The Proposed Rights Issue will not be underwritten, after taking into consideration of the Irrevocable Undertaking provided and cost savings in underwriting fees. Details of the Irrevocable Undertaking are disclosed in Section 5.6 of this Circular.
<b>Eligibility to participate in the Proposed Rights Issue</b>	: Please refer to Section 5.4 of this Circular.
<b>Irrevocable Undertaking</b>	: As an indication of his support and commitment to the Company, the Undertaking Shareholder has given an irrevocable undertaking on 14 February 2018 and a supplemental irrevocable undertaking on 2 March 2018 to the Company, to, <i>inter alia</i> , subscribe and pay for all his entitlement of up to 703,079,900 Rights Shares under the Proposed Rights Issue by the Closing Date.  Please refer to Section 5.6 of this Circular for details of the Irrevocable Undertaking.
<b>Maximum Subscription Scenario</b>	: Based on the Existing Issued Share Capital, the issuance of 3,781,145,730 Rights Shares pursuant to the Proposed Rights Issue, assuming all the Rights Shares are fully subscribed.
<b>Minimum Subscription Scenario</b>	: Based on the Existing Issued Share Capital, the issuance of 554,158,225 Rights Shares pursuant to the Proposed Rights Issue, assuming only the Undertaking Shareholder subscribes and pays for the Rights Shares in accordance with the terms of the Irrevocable Undertaking, and none of the other Entitled Shareholders subscribes for any Rights Shares.  The Minimum Subscription Scenario is subject to the Scaling Provision and in order to avoid placing the Undertaking Shareholder and parties acting in concert with him (if any)(as defined in the Code) from incurring a mandatory general offer obligation under the Code. Accordingly, subscriptions for Rights Shares by the Undertaking Shareholder pursuant to the Irrevocable Undertaking will be scaled down from 703,079,900 to 554,158,225 Rights Shares pursuant to the Scaling Provision under the Minimum Subscription Scenario.

---

## LETTER TO SHAREHOLDERS

---

<b>Governing Law</b>	:	Laws of the Republic of Singapore.
----------------------	---	------------------------------------

The terms and conditions of the Proposed Rights Issue are subject to such changes as the Directors may, in consultation with the Manager, deem fit. The final terms and conditions of the Proposed Rights Issue will be set out in the Offer Information Statement to be despatched by the Company to Entitled Shareholders in due course, subject to, among others, the approval of the Shareholders for the Proposed Rights Issue at the EGM.

As the Proposed Rights Issue is independent of the Proposed Diversification resolution, and in the event that the Proposed Rights Issue resolution is passed by Shareholders without the Proposed Diversification mandate, the net proceeds raised will be utilised for new business(es) to be identified where a new business diversification mandate will be sought from Shareholders or for the purpose of exploration works on the Birthday Mine if it is in the best interests of the Company.

### 5.3 Conditions of the Proposed Rights Issue

The Proposed Rights Issue is subject to, *inter alia*:

- (a) the receipt of the listing and quotation notice from the SGX-ST for the listing of and quotation for the Rights Shares on the Catalist Board;
- (b) the approval of Shareholders at an EGM to be convened; and
- (c) the lodgment of the Offer Information Statement, together with all other accompanying documents (if applicable), with the SGX-ST, acting as agent of the MAS.

### 5.4 Eligibility of Shareholders to participate in the Proposed Rights Issue

#### Entitled Shareholders

The Rights Shares are proposed to be provisionally allotted on a renounceable basis to Shareholders whose registered addresses with the Company or the CDP, as the case may be, are in Singapore as at the Books Closure Date, or who have, at least three (3) market days prior to the Books Closure Date, provided to the Company or CDP, as the case may be, addresses in Singapore for the service of notices and documents, on the basis of one (1) Rights Share for every one (1) Share held by, or standing to the credit of the securities accounts of Entitled Shareholders with CDP as at 5.00 p.m. (Singapore time) on the Books Closure Date.

Entitled Shareholders will be entitled to participate in the Proposed Rights Issue and to receive the OIS together with the PAL or the ARE, as the case may be, and other accompanying documents at their respective addresses in Singapore. Entitled Depositors who do not receive the OIS and the ARE may obtain them from CDP during the period up to the close of the Proposed Rights Issue. Entitled Scripholders who do not receive the OIS and the PAL may obtain them from the Share Registrar during the period up to the Closing Date.

Entitlements to subscribe for the Rights Shares will be renounceable and are expected to be tradable on the Catalist Board over a period to be determined by the Board in compliance with the Catalist Rules. Entitled Shareholders will be at liberty to accept (in full or in part), decline, renounce or trade their provisional allotments of the Rights Shares and will be eligible to apply for additional Rights Shares in excess of their provisional allotments under the Proposed Rights Issue.

Fractional entitlements to the Rights Shares will be disregarded and will be aggregated with entitlements to the Rights Shares not taken up or allotted for any reason, and shall be used to satisfy applications for excess Rights Shares (if any), or disposed of, or otherwise dealt with in such manner as the Board may, in its absolute discretion, deem fit in the interests of the Company. Excess Rights Shares will be allotted in such manner as the Board may, in its absolute discretion, deem fit in the interests of the Company, subject to applicable laws and the Catalist Rules.

---

## LETTER TO SHAREHOLDERS

---

In the allotment of the excess Rights Shares, preference will be given to the rounding of odd lots. Directors and substantial Shareholders who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the board of the Company, will rank last in priority for the rounding of odd lots and allotment of the excess Rights Shares.

**All dealings in and transactions of the provisional allotments of Rights Shares through the SGX-ST will be effected under the book-entry (scripless) settlement system. Accordingly, the PALs to be issued to Entitled Scripholders will not be valid for delivery pursuant to trades done on the Catalist Board.**

Entitled Depositors should note that all correspondences and notices will be sent to their last registered addresses with CDP. Similarly, Entitled Scripholders should note that all correspondence and notices will be sent to their last registered address with the Company.

Entitled Scripholders who are holding physical share certificates are encouraged to open Securities Accounts if they have not already done so and to deposit their share certificates with CDP before the Books Closure Date so that their Securities Accounts may be credited by CDP with their Shares and the provisional allotments of Rights Shares. Such Shareholders should note that their Securities Accounts will only be credited with the Shares on the 12th Market Day from the date of lodgement of the share certificates with CDP or such later date as CDP may determine.

Persons who bought their Shares previously using their CPF account savings (“**CPF Funds**”) should use CPF Funds for the payment of the Issue Price to accept their provisional allotments of Rights Shares and (if applicable) apply for excess Rights Shares, subject to the applicable CPF rules and regulations. Such persons who wish to accept their provisional allotments of Rights Shares and (if applicable) apply for excess Rights Shares using CPF Funds will need to instruct their respective approved banks, where they hold their CPF Investment Accounts, to accept the Rights Shares and (if applicable) apply for the excess Rights Shares on their behalf in accordance with the OIS. Such Shareholders who have insufficient funds or stock limit may top up cash into their CPF Investment Accounts with their approved banks before instructing their respective approved banks to accept their entitlements to the Rights Shares and (if applicable) apply for excess Rights Shares. CPF Funds may not, however, be used for the purchase of the provisional allotments of the Rights Shares directly from the market.

Notwithstanding the foregoing, investors should note that the offer and sale of, or exercise or acceptance of, or subscription for, provisional allotments of the Rights Shares to or by persons located or resident in jurisdictions other than Singapore may be restricted or prohibited by the laws of the relevant jurisdiction. Crediting of provisional allotments of the Rights Shares to any securities account with CDP, the receipt of any provisional allotments of the Rights Shares, or receipt of the OIS and/or any of its accompanying documents, will not constitute an offer or sale in those jurisdictions in which it will be illegal to make such offer or sale, or where such offer or sale will otherwise violate the securities laws of such jurisdictions or be prohibited. The Company reserves absolute discretion in determining whether any Shareholder located or resident outside Singapore may participate in the Rights Issue.

### Foreign Shareholders

The OIS and its accompanying documents in relation to the Proposed Rights Issue will not be lodged, registered or filed in any jurisdiction other than in Singapore. The distribution of the OIS and its accompanying documents may be prohibited or restricted (either absolutely or subject to various relevant securities requirements, whether legal or otherwise, being complied with) in certain jurisdictions under the relevant laws of those jurisdictions.

For practical reasons and in order to avoid any violation of the securities legislations applicable in countries other than in Singapore, the Proposed Rights Issue is only made in Singapore and the OIS and its accompanying documents have not been and will not be despatched to Foreign Shareholders or into any jurisdictions outside Singapore.



---

## LETTER TO SHAREHOLDERS

---

**Accordingly, Foreign Shareholders will not be entitled to participate in the Proposed Rights Issue. No provisional allotment of the Rights Shares has been made to Foreign Shareholders and no purported acceptance thereof or application therefor by Foreign Shareholders will be valid.**

The OIS and its accompanying documents in relation to the Proposed Rights Issue will also not be despatched to persons purchasing the provisional allotments of Rights Shares through the book-entry (scripless) settlement system if their registered addresses with CDP are outside Singapore as at the Books Closure Date and who have not, at least three (3) market days prior to the Books Closure Date, provided to the Share Registrar or CDP, as the case may be, addresses in Singapore for the service of notices and documents ("**Foreign Shareholders**"). Foreign Shareholders who wish to be eligible to participate in the Proposed Rights Issue may provide a Singapore address by notifying in writing, as the case may be, (i) CDP at 9 North Buona Vista Drive, #1-19/20 The Metropolis Tower 2, Singapore 138588, or (ii) the Share Registrar at 80 Robinson Road #02-00 Singapore 068898, by 5.00 p.m. on the date being three (3) Market Days prior to the Books Closure Date.

The Company reserves the right to reject any acceptances of Rights Shares and/or applications for excess Rights Shares where it believes, or has reason to believe, that such acceptances and/or applications may violate the applicable legislation of any jurisdiction. The Company further reserves the right to treat as invalid any ARE, ARS or PAL or decline to register such application or purported application which (a) appears to the Company or its agents to have been executed in any jurisdiction outside Singapore which may violate the applicable legislation of such jurisdiction, (b) provides an address outside Singapore for the receipt of the share certificate(s) or which requires the Company to despatch the share certificate(s) to an address in any jurisdiction outside Singapore or (c) purports to exclude any deemed representation or warranty.

If it is practicable to do so, arrangements may, at the discretion of the Company, be made for the provisional allotments of Rights Shares which would otherwise have been provisionally allotted to Foreign Shareholders, to be sold "nil paid" on the Catalist Board as soon as practicable after dealings in the provisional allotments of Rights Shares commence. Such sales will, however, only be effected if the Company, in its absolute discretion, determines that a premium can be obtained from such sales, after taking into account expenses to be incurred in relation thereto.

The net proceeds from all such sales, after deduction of all expenses therefrom, will be pooled and thereafter distributed to Foreign Shareholders in proportion to their respective shareholdings or, as the case may be, the number of Shares entered against their names in the Depository Register as at the Books Closure Date and sent to them by means of a crossed cheque drawn on a bank in Singapore sent by ordinary post to their mailing address as recorded with CDP or in such other manner as they may have agreed with CDP for the payment of any cash distributions at their own risk, provided that where the amount of net proceeds to be distributed to any single Foreign Shareholder is less than S\$10.00, the Company shall be entitled to retain or deal with such net proceeds as the Directors may, in their absolute discretion, deem fit in the interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Directors, the Manager, the CDP or the Share Registrar (and their respective officers) in connection therewith.

Where such provisional allotments of Rights Shares are sold "nil-paid" on the Catalist Board, they will be sold at such price or prices as the Company, may in its absolute discretion, decide and no Foreign Shareholder shall have any claim whatsoever against the Company, the Directors, the Manager, the CDP or the Share Registrar in respect of such sales or the proceeds thereof, the provisional allotments of Rights Shares or the Rights Shares represented by such provisional allotments. To this end, Foreign Shareholders are encouraged to provide a registered address to CDP or the Share Registrar, as the case may be, in Singapore at least three (3) market days prior to the Books Closure Date, in order to be able to participate in the Proposed Rights Issue.

If such provisional allotments of Rights Shares cannot be or are not sold on the Catalist Board as aforesaid for any reason by such time as the SGX-ST shall have declared to be the last day for trading in the provisional allotments of Rights Shares, the Rights Shares represented by such provisional allotments will be allotted and issued to satisfy excess applications or disposed of or dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the

---

## LETTER TO SHAREHOLDERS

---

interests of the Company and no Foreign Shareholder shall have any claim whatsoever against the Company, the Directors, the Manager, the CDP or the Share Registrar (and their respective officers) in connection therewith.

Shareholders should note that the special arrangements described above will apply only to Foreign Shareholders.

**Notwithstanding the above, Shareholders or any other person having possession of the OIS and/or its accompanying documents are advised to inform themselves of and to observe any legal requirements applicable thereto. No person in any jurisdiction outside Singapore receiving the OIS and/or its accompanying documents may treat the same as an offer, invitation or solicitation to subscribe for any Rights Shares unless such offer, invitation or solicitation could lawfully be made without violating any registration or other regulatory or legal requirements in those jurisdictions.**

The procedures for, and the terms and conditions applicable to, the acceptance, renunciation and/or sale of the provisional allotments of Rights Shares and for applications for excess Rights Shares pursuant to the Proposed Rights Issue will be set out in the OIS and its accompanying documents to be despatched by the Company to Entitled Shareholders in due course, subject to, *inter alia*, the approval of the Shareholders for the Proposed Rights Issue at the EGM.

### 5.5 Option to scale down subscription

Depending on the level of subscription for the Rights Shares, the Company will, to the best of its knowledge and belief, if necessary, scale down the subscription and/or excess applications for the Rights Shares by any of the Shareholders (if such Shareholder chooses to subscribe for its pro-rata Rights Shares entitlement and/or apply for excess Rights Shares) ("**Scaling Provision**") to:

- (a) ensure that the relevant Shareholder does not hold a controlling interest in the Company, which is prohibited under Rule 803 of the Catalyst Rules unless prior approval of Shareholders is obtained in general meeting; or
- (b) avoid placing the relevant Shareholder and parties acting in concert with him (as defined in the Code) in the position of incurring a mandatory general offer obligation under the Code, as a result of other Shareholders not taking up their Rights Shares entitlements fully, as may be permitted by the SGX-ST.

### 5.6 Irrevocable Undertaking by Undertaking Shareholder

As at the Latest Practicable Date, the Undertaking Shareholder holds an aggregate of 703,079,900 Shares, representing approximately 18.59% of the aggregate number of issued Shares (the "**Relevant Shares**"). Accordingly, the Undertaking Shareholder will be entitled to subscribe for an aggregate of up to 703,079,900 Rights Shares under the Maximum Subscription Scenario (the "**Maximum Entitled Rights Shares**").

As an indication of his support and commitment to the Company, the Undertaking Shareholder has provided an irrevocable undertaking dated 14 February 2018 and a supplemental irrevocable undertaking dated 2 March 2018 wherein he has irrevocably undertaken to the Company that, he shall, *inter alia*:

- (a) vote in favour of the Proposed Rights Issue, in respect of all shares legally and beneficially owned by him as at the EGM, in person or by representative or proxy;
- (b) apply and subscribe for and/or procure the applications and subscriptions for, in accordance with the terms of the Proposed Rights Issue, up to 703,079,900 Rights Shares which will be provisionally allotted to him under the Maximum Subscription Scenario;
- (c) pay and/or procure payment for the Maximum Entitled Rights Shares but only to the extent that such subscription does not result in him incurring any takeover obligations pursuant to the Code;

---

## LETTER TO SHAREHOLDERS

---

- (d) provide satisfactory confirmation from one or more financial institutions in Singapore that he had sufficient financial resources to fulfil his obligations as set out in Sections 5.6(b) and (c) above; and
- (e) not sell, transfer or otherwise dispose of or otherwise create any encumbrance over, any of the Relevant Shares or of any interest therein from the date of the Irrevocable Undertaking up to the latest time and date for acceptance and payment for the Rights Shares under the Rights Issue;

(collectively, the “**Irrevocable Undertaking**”).

The obligations of the Undertaking Shareholder above are subject to and conditional upon:

- (a) the approval of Shareholders at the EGM to approve the Proposed Rights Issue;
- (b) the Company’s receipt of the listing and quotation notice from the SGX-ST for the listing and quotation for the Rights Shares on the Catalist Board (and such listing and quotation notice not having been withdrawn or revoked on or prior to the Closing Date) and, if such approval is granted subject to conditions, such conditions being acceptable to the Company;
- (c) the lodgement of the OIS in connection with the Proposed Rights Issue together with all other accompanying documents by the Company to the SGX-ST, acting as agent on behalf of the MAS; and
- (d) the Company setting-off the subscription monies payable by the Undertaking Shareholder for his subscription for the Rights Shares under the Proposed Rights Issue against the outstanding amounts owed to him under the loan agreement that was entered into between the Company and the Undertaking Shareholder on 12 December 2017 (“**Loan Agreement**”), which amount to S\$2.95 million (the “**Outstanding Loan**”). The balance of the subscription monies of approximately S\$1.97 million will be due from the Undertaking Shareholder for his subscription for the Rights Shares by payment in cash under the Maximum Subscription Scenario.

Shareholders should note that notwithstanding the Irrevocable Undertaking, the aggregate payment by the Undertaking Shareholder for the subscription of the Maximum Entitled Rights Shares under the Rights Issue is to be satisfied partially by (i) the offsetting of the Outstanding Loan and (ii) the balance of approximately S\$1.97 million by payment in cash. The Undertaking Shareholder has on 1 March 2018 provided a written confirmation of financial resources from his relevant financial institution that he has sufficient financial resources to fulfill his obligations pursuant to the Irrevocable Undertaking.

Under the Maximum Subscription Scenario, the aforesaid number of Maximum Entitled Rights Shares which the Undertaking Shareholder will be undertaking to subscribe for under the Irrevocable Undertaking will not result in the Undertaking Shareholder being obliged to make a mandatory general offer for Shares in the Company under the Code.

Depending on the level of subscription for the Rights Shares, the Company will, if necessary, scale down the subscription and/or excess applications for the Rights Shares by the Undertaking Shareholder to avoid placing the Undertaking Shareholder and parties acting in concert with him (if any)(as defined in the Code) in the position of incurring a mandatory general offer for Shares in the Company under the Code.

In view of the Irrevocable Undertaking, the Company has decided to proceed with the Proposed Rights Issue on a non-underwritten basis and the savings in cost by the Company in respect of underwriting fees.

Immediately after the completion of the Proposed Rights Issue (and based on the Existing Issued Share Capital) and as at the Latest Practicable Date, the Undertaking Shareholder will have an interest in (i) approximately 18.59% of the Company’s enlarged total number of issued Shares,

## LETTER TO SHAREHOLDERS

based on the Maximum Subscription Scenario and assuming that the Undertaking Shareholder subscribes for the Maximum Entitled Rights Shares only, or (ii) approximately 29.0% of the Company's enlarged total number of issued Shares, based on the Minimum Subscription Scenario. For the avoidance of doubt, the Minimum Subscription Scenario is subject to the Scaling Provision.

There will be no dilution impact on the Shareholders in the event all Entitled Shareholders subscribe for their pro-rata entitlements under the Proposed Rights Issue. The maximum dilution impact on the Shareholders (other than the Undertaking Shareholder) will occur in the event that the Undertaking Shareholder is the only Shareholder to subscribe for his pro-rata Rights Shares entitlements pursuant to his Irrevocable Undertaking under the Minimum Subscription Scenario. In such event, the shareholding of the Undertaking Shareholder will increase from 18.59% to 29.0%, after the issuance of the Rights Shares and pursuant to the Scaling Provisions. Under such circumstances, the shareholdings of the Shareholders (other than the Undertaking Shareholder) would be correspondingly diluted from 81.41% to 71.0% after the issuance of the Rights Shares.

### 5.7 Purpose of the Proposed Rights Issue and Use of Proceeds

The Company intends to utilize the proceeds from the Proposed Rights Issue to finance (i) the Proposed Acquisition (as announced by the Company on 13 February 2018); (ii) the proposed acquisition of potential property development projects to be identified ("**Future Proposed Acquisitions**"); (iii) the offsetting of the Outstanding Loan; and (iv) for working capital purposes.

In relation to the Future Proposed Acquisitions, following the Company's announcement on 28 December 2017, the Company has also identified a few other suitable property development projects and is currently in discussions with and evaluating each of these property investment opportunities. Upon the entry into of definitive agreement(s) and if required, the Company will be seeking Shareholder's approval for these Future Proposed Acquisitions.

Assuming the Minimum Subscription Scenario, the estimated net proceeds from the Proposed Rights Issue ("**Net Proceeds**") (after deducting estimated expenses of approximately S\$0.38 million) is expected to be approximately S\$3.50 million. After offsetting the Outstanding Loan, the net proceeds attributable to the Company from the Proposed Rights Issue would be approximately S\$0.55 million. In relation thereof, the Company may consider relying on the Company's internal and/or external funds, including alternative equity fund raising and/or bank borrowings to finance the Proposed Acquisition and Future Proposed Acquisitions. Accordingly, the Directors may be required to rely on the Share Issue Mandate available to raise additional funds in an expedient manner.

Assuming the Maximum Subscription Scenario, the estimated Net Proceeds (after deducting estimated expenses of approximately S\$0.38 million) is expected to be approximately S\$26.09 million. After offsetting the Outstanding Loan, the net proceeds attributable to the Company from the Proposed Rights Issue would be approximately S\$23.14 million.

The Company intends to use the entire Net Proceeds from the Proposed Rights Issue under both the Maximum Subscription Scenario and the Minimum Subscription Scenario in accordance to the proportions set out below:

Use of Proceeds	Maximum Subscription Scenario		Minimum Subscription Scenario	
	(S\$ million)	%	(S\$ million)	%
Offsetting the Outstanding Loan	2.95	11.3	2.95	84.31
Funding part of the purchase consideration of the Proposed Acquisition and its associated costs	5.00	19.2	0.50	14.3
Funding the Future Proposed Acquisitions and their associated costs	15.53	59.5	-	-

## LETTER TO SHAREHOLDERS

Working Capital Purposes	2.61	10.0	0.05	1.4
<b>Total Net Proceeds</b>	<b>26.09</b>	<b>100.0</b>	<b>3.50</b>	<b>100.0</b>

Pending the deployment of the Net Proceeds for the purposes mentioned above, the Net Proceeds may be deposited with banks and/or financial institutions, or invested in short-term money markets and/or marketable securities, as the Directors may, in their absolute discretion, deem fit in the interests of the Company.

The Company will make an announcement as to the use of the Net Proceeds from the Proposed Rights Issue as and when such proceeds are materially disbursed and whether such disbursements are in accordance with the use of proceeds as stated above and further, provide a status report on the specific use of such proceeds in its interim and full-year financial statements, and in its annual report. Where the proceeds have been used for general corporate and/or working capital purposes, the Company will also provide a breakdown with specific details on the use of the Net Proceeds in the announcements and status reports. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

The Company had on 1 February 2018 completed a placement of 1,260,381,900 new ordinary shares at an issue price of S\$0.0018, raising net proceeds of approximately S\$2.24 million. As at the Latest Practicable Date, S\$0.11 million of the aforesaid had been utilised for the Proposed Acquisition, in accordance with the use of proceeds described in the Company's announcement dated 13 February 2018.

The Directors are of the opinion that after taking into consideration the present financial position of the Group, including the present bank facilities, and the 2018 Placement Proceeds, the working capital available to the Group is sufficient to meet its present requirements. Notwithstanding this, the Company is undertaking the Proposed Rights Issue based on the potential net proceeds to be raised under the Maximum Subscription Scenario to provide the Group with financial flexibility to support its diversification plan.

### 5.8 Financial Information

The audited consolidated profit and loss statements, the cash flow statements, the balance sheets and the working capital position of the Group for the last three financial years ended 31 March and for the unaudited 6 months financial period ended 30 September 2017 are set out below.

#### 5.8.1. Profit and Loss Statement

A summary of the Group's audited consolidated profit and loss statement for the last three financial years and unaudited 6 months financial period ended 30 September 2017 is set out below.

	Audited			Unaudited	
	FY2015 (S\$'000)	FY2016 (S\$'000)	FY2017 (S\$'000)	6MFY2017 (S\$'000)	6MFY2018 (S\$'000)
Revenue	45	5	-	-	-
Cost of sales	-	-	-	-	-
Gross profit	45	5	-	-	-
Other income	83	11	28	6	3
General and administrative expenses	(3,513)	(4,000)	(1,188)	(427)	(479)
Finance cost	(9)	(30)	(86)	(32)	(53)
Loss before taxation	(3,394)	(4,014)	(1,246)	(453)	(529)
Income tax expense	-	-	-	-	-
Loss for the year	(3,394)	(4,014)	(1,246)	(453)	(529)

## LETTER TO SHAREHOLDERS

### Other comprehensive (loss)/ income after tax:

#### Items that will be reclassified subsequently to profit or loss

Currency translation differences	13	-	(15)	-	-
<b>Other comprehensive (loss)/ income net of tax of Nil</b>	<b>13</b>	<b>-</b>	<b>(15)</b>	<b>-</b>	<b>-</b>

Total comprehensive loss for the year attributable to owners of the Company	(3,381)	(4,014)	(1,261)	(453)	(529)
---	---------	---------	---------	-------	-------

#### Loss attributable to:

Owners of the Company	(3,391)	(4,006)	(1,245)	(453)	(529)
Non-controlling interests	(3)	(8)	(1)	-	-
	(3,394)	(4,014)	(1,246)	(453)	(529)

#### Total comprehensive loss attributable to:

Owners of the Company	(3,378)	(4,006)	(1,260)	(453)	(529)
Non-controlling interests	(3)	(8)	(1)	-	-
	(3,381)	(4,014)	(1,261)	(453)	(529)

#### Loss per share (cents)

- basic	0.54	0.42	0.12	0.04	0.03
- diluted	0.54	0.42	0.12	0.04	0.03

### FY2016 compared to FY2015

The Group's revenue for the financial year ended 31 March 2016 ("FY2016") decreased by S\$40,000 to S\$5,000 as compared to FY2015's S\$45,000. The decrease was mainly due to loss of revenue from the Group's online payment business following the expiry of the license held by Onegame Pte Ltd, a Group subsidiary, in June 2015.

General and administration expenses increased by S\$0.5 million to S\$4.0 million in FY2016 from S\$3.5 million in the previous financial year. The increase in administration expense of S\$0.5 million was mainly due to higher impairment loss and amortisation expense on the mining rights of S\$1.31 million (FY2016 - S\$2.88 million compared to FY2015 - S\$1.55 million), offset by one-off expenses, which comprised (i) loss on disposal of available-for-sale financial assets of S\$0.34 million and (ii) exploration and evaluation expenditure of S\$0.22 million recognised in the previous financial year. In FY2016, the Group has undertaken further cost-cutting measures, which eventually saw a reduction in staff and related costs by S\$0.13 million.

Finance costs increased by S\$21,000 to \$30,000 in FY2016 due to the additional interest expense payable on the loan extended by Advance Opportunities Fund amounting to S\$0.4 million at an interest rate of 12% per annum.

As a result of the above, the Group incurred a higher net loss of S\$4.01 million in FY2016 as compared to S\$3.39 million in FY2015.

### FY2017 compared to FY2016

The Group's revenue for the financial year ended 31 March 2017 ("FY2017") dropped to Nil as compared to FY2016, mainly due to the loss of revenue from the Group's online payment business following the expiry of the web portal license held by Onegame Pte Ltd, a Group subsidiary, on 9 June 2015. The Group did not generate any revenue for FY2017 due to the lack of operating activity on the Birthday Mine as a result of funding constraints.

## LETTER TO SHAREHOLDERS

Other income received of S\$28,000 denotes job credits grant, productivity and innovation credits from the Government and sales of mining equipment.

General and administrative expenses decreased to S\$1.2 million in FY2017 from S\$4 million in FY2016 mainly due to the absence of (1) mining rights impairment in FY2017 and (2) reduction in employee compensation, listing fees and general meeting expenses, offset by the absence of fair value gain on derivative financial liability.

Finance costs increased to S\$86,000 in FY2017 mainly due to additional interest expense payable on the loan of S\$400,000 extended by Advance Opportunities Fund at an interest rate of 12% per annum and loans obtained from unrelated third parties amounting to S\$400,000 and S\$60,500 respectively, at an interest rate of 12% per annum.

As a result of the above, the Group reported a net loss of approximately \$1.2 million in FY2017 as compared to a net loss of approximately S\$4.01 million in FY 2016.

### 6MFY2018 compared to 6MFY2017

The Group did not generate any revenue in the half year ended 30 September 2017 ("6MFY2018"), which remained the same as the previous financial year. This was due mainly to the loss of revenue from the Group's online payment business following the expiry of the license held by Onegame Pte Ltd, a Group subsidiary, on 9 June 2015. As such, the Group continued to face funding constraints, to have any meaningful operating activities on the Birthday Mine.

The other income received of S\$3,000 is from the job credits grant from the Government.

General and administration expenses increased to S\$0.48 million in 6MFY2018 from S\$0.43 million in 6MFY2017 mainly due to listing fees, general meeting fees and professional fees for certain proposed corporate actions undertaken during the period, including a proposed debt conversion, a proposed notes issue and a proposed diversification.

Finance costs increased by S\$21,000 to S\$53,000 in 6MFY2018 mainly due to the additional interest expense payable on the loan extended by Advance Opportunities Fund and loans obtained from a shareholder amounting to S\$460,500.

As a result of the above, the Group reported net loss of approximately S\$0.53 million in 6MFY2018 as compared to a net loss of approximately S\$0.45 million in 6MFY2017.

### 5.8.2. Balance Sheet

The audited consolidated balance sheets of the Group as at 31 March 2015, 31 March 2016 and 31 March 2017 and the unaudited 6 months financial period ended 30 September 2017 are set out below:

	Audited			Unaudited
	As at 31 March			As at
	2015	2016	2017	2017
	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
<b>ASSETS</b>				
<b>Non-Current</b>				
Plant and equipment	4	-	-	-
Mining rights	-	2,026	-	-
Investment in subsidiaries	4,907	-	-	-
	4,911	2,026	-	-

## LETTER TO SHAREHOLDERS

<b>Current</b>				
Trade and other receivables	69	35	44	24
Cash and cash equivalents	8	4	5	5
	77	39	49	29
Assets held for sale		-	1,903	1903
<b>Total Assets</b>	<b>4,988</b>	<b>2,065</b>	<b>1,952</b>	<b>1932</b>

### **EQUITY AND LIABILITIES**

#### **Capital and Reserves**

Share capital	43,302	44,010	44,010	45,721
Reserves	(41,031)	(45,037)	(46,297)	(46,826)
	2,271	(1,027)	(2,287)	(1,105)
<b>Non-Controlling Interests</b>	<b>(17)</b>	<b>(25)</b>	<b>(26)</b>	<b>(26)</b>
<b>Total Equity</b>	<b>2,254</b>	<b>(1,052)</b>	<b>(2,313)</b>	<b>(1,131)</b>

### **LIABILITIES**

#### **Current**

Trade and other payables	2,251	2,235	2,960	2,004
Borrowings	483	882	1,305	1,059
<b>Total Liabilities</b>	<b>2,734</b>	<b>3,117</b>	<b>4,265</b>	<b>3,063</b>
<b>Total Equity and Liabilities</b>	<b>4,988</b>	<b>2,065</b>	<b>1,952</b>	<b>1,932</b>

#### **As at 31 March 2015 compared to 31 March 2016**

As at 31 March 2016, the Group and the Company had cash and cash equivalents of S\$4,000 compared to S\$8,000 as at 31 March 2015.

The Group's non-current assets decreased from S\$4,911,000 as at 31 March 2015 to S\$2,026,000 as at 31 March 2016 due to impairment losses and amortisation charges recognised on the mining rights.

The Group's current assets decreased from S\$77,000 as at 31 March 2015 to S\$39,000 as at 31 March 2016 due to reductions in deposits and prepayments.

The Group's current liabilities increased from S\$2,734,000 as at 31 March 2015 to S\$3,117,000 as at 31 March 2016 due to (i) the draw down of an unsecured, interest-free loan extended by Atlas Capital Pte Ltd amounting to S\$482,000, which is repayable on demand and (ii) accrual of FY 2016 directors' fee of S\$95,000. The increase was offset by payment of accrued professional fees during the financial year.

As at 31 March 2016, the Group's shareholder's equity was negative at S\$1,052,000. The decrease in the Group's shareholder's equity of approximately S\$3,300,000 was attributable to the loss of S\$4,014,000 recognised for the financial year, offset by the issuance of placement shares to KKI International Limited and issuance of new ordinary shares for the equity linked redeemable structured notes of S\$324,000 and S\$400,000 respectively.



---

## LETTER TO SHAREHOLDERS

---

As at 31 March 2016, the Group reported a net liabilities position of S\$3,078,000 due to outstanding payables in respect of (i) purchase consideration for the acquisition of mining asset, (ii) unpaid directors' remuneration and fees, (iii) short term advances from shareholders and (iv) other accrued operating expenses mainly professional fees.

### **As at 31 March 2016 compared to 31 March 2017**

As at 31 March 2017, the Group and the Company had cash and cash equivalents of S\$5,000 and S\$1,000 respectively.

The Group's current assets increased from S\$39,000 as at 31 March 2016 to S\$49,000 as at 31 March 2017, primarily due to an increase in prepayments and input GST recoverable.

The Group's current liabilities increased from S\$3,117,000 as at 31 March 2016 to S\$4,265,000 as at 31 March 2017 mainly due to increase in (a) unsecured interest-bearing loans obtained from unrelated third parties, (b) refundable non-interest bearing deposits, (c) provision for Directors' fees and (d) accrual for professional fees.

As at 31 March 2017, the Group's shareholder's equity was negative at S\$2,313,000. The decrease in the Group's shareholder's equity of S\$1,261,000 was attributable to the loss of S\$1,261,000 recognized for the current financial year.

As at 31 March 2017, the Group reported net current liabilities of S\$2,313,000 mainly due to outstanding payables in respect of (i) purchase consideration for the acquisition of mining asset, (ii) unpaid directors' remuneration and fees, (iii) unsecured interest-bearing loans obtained from shareholders, (iv) unsecured interest-bearing loans obtained from an unrelated third party and (v) other accrued operating expenses mainly professional fees.

### **31 March 2017 compared to 30 September 2017**

As at 30 September 2017, the Group and the Company had cash and cash equivalent of S\$5,000 and S\$1,000 respectively.

The Group's current assets decreased from S\$49,000 as at 31 March 2017 to S\$29,000 as at 30 September 2017 due to a decrease in deposits and prepayments.

The Group's current liabilities decreased from S\$4,265,000 as at 31 March 2017 to S\$3,063,000 as at 30 September 2017 mainly due to the conversion of debts of certain non-trade creditors of the Company, which include certain ex-vendors of Summit Light Ventures Ltd, the current shareholders and current/ex directors of the Company, for conversion of amounts owed by the Company of approximately S\$1.54 million offset by increases in legal fees, professional fees, listing fees and general meetings expenses for the proposed transactions. There was a decrease in trade and other payables from S\$2,960,000 as at 31 March 2017 to S\$2,004,000 as at 30 September 2017 also mainly due to the conversion of debts.

As at 30 September 2017, the Group's shareholder's equity was negative at S\$1,131,000, as compared to a negative equity of S\$2,313,000 mainly due to the completion of the placement of new shares for S\$180,000 and the issuance of new shares with S\$1,547,000 conversion of debts.

As at 30 September 2017, the Group reported net current liabilities of S\$3,034,000 mainly due to outstanding payables in respect of (i) unsecured interest-bearing loans obtained from shareholders, (ii) unpaid directors' remuneration and fees, (iii) unsecured interest-bearing loans obtained from an unrelated third party, (iv) unsecured equity linked redeemable structured convertible notes and (v) other accrued operating expenses mainly professional fees.

## LETTER TO SHAREHOLDERS

### 5.8.3. Cashflow

A summary of the audited consolidated cashflow statement of the Group for FY2015, FY2016 and FY2017 and unaudited 6 months financial period ended 30 September 2017 are set out below.

	Audited		Unaudited	
	FY2015 (S\$'000)	FY2016 (S\$'000)	FY2017 (S\$'000)	6MFY2018 (S\$'000)
<b>Cash Flows from Operating Activities</b>				
Loss before taxation	(3,394)	(4,014)	(1,246)	(529)
Adjustments for:				
Amortisation of intangible assets	15	-	-	-
Amortisation of mining rights	358	273	123	-
Depreciation of plant and equipment	4	4	-	-
Fair value (gain)/loss on financial derivatives	13	(83)	-	-
Impairment loss on mining rights	1,188	2,608	-	-
Loss on disposal of available-for-sale financial assets	339	-	-	-
Operating loss before working capital changes	(1,477)	(1,212)	(1,123)	(529)
<b>Changes in working capital:</b>				
Trade and other receivables	13	34	(9)	20
Trade and other payables	488	(16)	710	121
Net cash used in operating activities	(976)	(1,194)	(422)	(388)
<b>Cash Flows from Investing Activities</b>				
Acquisition of plant and equipment	(3)	-	-	-
Payment for new mining license	(33)	-	-	-
Partial payment for the acquisition of a subsidiary	(400)	-	-	-
Net cash used in investing activities	(436)	-	-	-
<b>Cash Flows from Financing Activities</b>				
Proceeds from disposal of available-for-sale financial assets	28	-	-	-
Share issue expenses	(48)	(16)	-	(16)
Proceeds from subscription of convertible notes	1,200	400	-	250
Proceeds from placement shares	-	324	-	180
Proceeds from loans	-	728	1,230	39
Repayment of loans	-	(246)	(807)	(65)
Net cash generated from financing activities	1,180	1,190	423	388
Net increase/(decrease) in cash and cash equivalents	(232)	(4)	1	0
Cash and cash equivalents at beginning of year	240	8	4	5
Cash and cash equivalents at end of year	8	4	5	5

---

## LETTER TO SHAREHOLDERS

---

### FY2016 compared to FY2015

The Group's net cash used in operating activities has deteriorated from S\$976,000 in FY2015 to S\$1,194,000 in FY2016 which was in line with the higher loss before tax in FY2016 as well as negative effect on changes in working capital. The Group recorded net cash inflow from financing activities of approximately S\$1,190,000 in FY 2016 mainly due to (i) proceeds from shareholder loan, subscription of equity-linked notes and placement shares amounting to S\$482,000, S\$400,000 and S\$324,000 respectively.

### FY2017 compared to FY2016

The Group's net cash used in operating activities amounted to S\$422,000 in FY2017 as compared to approximately S\$1,194,000 for FY2016. The lower net cash used in operating activities in FY2017 was due to lower loss before tax in FY2017 as well as positive changes in the working capital. The Group recorded net cash flow from financing activities of approximately S\$423,000 in FY2017 due to unsecured interest-bearing loans obtained from an unrelated third party and there was no cash used in/(generated from) investing activities.

### FY2017 compared to 6MFY2018

The Group's net cash used in operating activities amounted to S\$388,000 in 6MFY2018 as compared to S\$326,000 for 6MFY2017. The higher net cash used in operating activities in 6MFY2018 was in line with higher loss before tax in 6MFY2018 as well as negative effect on changes in working capital. The Group recorded net cash inflow from financing activities of approximately S\$388,000 in 6MFY2018 mainly derived from proceeds raised from issuance of new shares and issuance of unsecured equity linked redeemable structured convertible notes, which was offset by repayment of borrowings

#### 5.8.4. Working Capital

The summary of the working capital of the Group as at 31 March 2015, 31 March 2016, 31 March 2017 and 30 September 2017 are set out below.

Working Capital (\$'000)	Audited Full Year As at 31 March			Unaudited As at 30 September
	2015	2016	2017	2017
Total current assets	77	39	49	29
Total current liabilities	2,734	3,117	4,265	3,063
Net current assets/(liabilities)	(2,657)	(3,078)	(4,216)	(3,034)

#### 31 March 2016 compared to 31 March 2015

As at 31 March 2016, current assets decreased from S\$77,000 as at 31 March 2015 to S\$39,000 due to a reduction in deposits and pre-payments. The Group's current liabilities increased from S\$2,734,000 as at 31 March 2015 to S\$3,117,000 as at 31 March 2016 due to (a) the draw-down of an unsecured, interest-free loan extended by Atlas Capital Pte Ltd amounting to S\$482,000, which is repayable on demand and (b) accrual of FY2016 directors' fees of S\$95,000. The increase was offset by payment of accrued professional fees during the financial year. The Group's net liabilities position increased accordingly from S\$2,657,000 to S\$3,078,000.

#### 31 March 2017 compared to 31 March 2016

As at 31 March 2017, the Group's current assets increased from S\$39,000 as at 31 March 2016 to S\$49,000 as at 31 March 2017, primarily due to increase in prepayments and input GST recoverable. The Group's current liabilities increased from S\$3,117,000 as at 31 March 2016 to

---

## LETTER TO SHAREHOLDERS

---

S\$4,265,000 as at 31 March 2017 mainly due to increase in (a) unsecured interest-bearing loans obtained from unrelated third parties, (b) refundable non-interest bearing deposits, (c) provision for Directors' fees and (d) accrual for professional fees. The Group's net liabilities position increased accordingly from S\$3,078,000 to S\$4,216,000.

### 6MFY2018 compared to 31 March 2017

As at 30 September 2017, the Group's current assets decreased from S\$49,000 as at 31 March 2017 to S\$29,000 as at 30 September 2017 due to decrease in deposits and pre-payments. The Group's current liabilities decreased from \$4,265,000 as at 31 March 2017 to \$3,063,000 as at 30 September 2017 mainly due to the conversion of debts of certain non-trade creditors of the Company, which include certain ex-vendors of Summit Light Ventures Ltd, the current shareholders and current/ex directors of the Company, for conversion of amounts owed by the Company of approximately \$1.54 million offset by increase in legal fees, professional fees, listing fees and AGM/EGM expenses for the proposed transactions. The Group's net liabilities position improved from S\$4,216,000 to S\$3,034,000.

### 5.9 Offer Information Statement

An Offer Information Statement will be despatched to the Entitled Shareholders subject to, *inter alia*, the approval of Shareholders for the Proposed Rights Issue being obtained at the EGM.

Acceptances and applications under the Proposed Rights Issue may only be made on the following (all of which will form part of the Offer Information Statement):

- (i) The PAL, in the case of Entitled Scripholders whose Shares are registered in their own names;
- (ii) The ARE, or through the ATMs of the Participating Banks, in the case of the Entitled Depositors; and/or
- (iii) The ARS, or through the ATMs of the Participating Banks, in the case of persons purchasing provisional allotment of Right Shares through the book-entry (scripless) settlement whose registered addresses with CDP are in Singapore.

### 5.10 Books Closure Date

The Books Closure Date for the purposes of determining Entitled Shareholders' entitlements under the Proposed Rights Issue will be announced at a later date.

## 6. PROPOSED RENEWAL OF THE SHARE ISSUE MANDATE

### 6.1 Background

At the Annual General Meeting of the Company held on 31 July 2017 ("**2017 AGM**"), Shareholders had approved the share issue mandate which authorised the Directors to issue and allot new Shares provided the aggregate number of Shares to be issued shall not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company as at the time of passing of the resolution relating thereto, of which the aggregate number of Shares to be issued other than on a *pro rata* basis to its Shareholders shall not exceed 50% of the total number of issued Shares as at the time of passing of the resolution relating thereto (excluding treasury shares and subsidiary holdings) ("**Share Issue Mandate**").

The Share Issue Mandate was expressed to take effect from the passing of the ordinary resolution relating thereto at the 2017 AGM and unless revoked or varied by the Company in a general meeting, the Share Issue Mandate shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

At the date of the 2017 AGM, the number of issued and paid-up share capital of the Company consisted of 2,520,763,830 Shares. Therefore, pursuant to the Share Issue Mandate, the maximum number of Shares which may be issued other than on a *pro rata* basis is 1,260,381,915 Shares. As

---

## LETTER TO SHAREHOLDERS

---

at the Latest Practicable Date, the Company has issued 1,260,381,900 Shares under the Share Issue Mandate following the completion of the 2018 Placement on 1 February 2018. Thus, the Share Issue Mandate for the issue Shares other than on a *pro rata* basis obtained at the 2017 AGM has been fully utilised.

Accordingly, Shareholders' approval is being sought for the renewal of the Share Issue Mandate at the EGM for the reasons set out below.

### 6.2 Renewal of the Share Issue Mandate

#### 6.2.1. Rationale of Renewal of Share Issue Mandate

A general (as opposed to specific) approval for the Directors to issue Shares will enable the Company to act quickly and take advantage of market conditions. The expense and delay of otherwise having to convene general meetings of the Company to approve the making or granting of each specific instrument which requires Shares to be issue would thus be avoided. The renewal of the Share Issue Mandate will provide flexibility to the Directors to issue new Shares when it is in the interest of the Company and the Shareholders as a whole to do so.

#### 6.2.2. Duration of Share Issue Mandate

If renewed, the Share Issue Mandate will take effect on the date of the passing of the ordinary resolution relating thereto at the EGM and continue in force until the next annual general meeting of the Company, unless prior thereto, issues of Shares are made to the full extent permitted by the Share Issue Mandate or the Share Issue Mandate is varied or revoked by an ordinary resolution of Shareholders in general meeting.

#### 6.2.3. Shareholders' Approval

For the reasons set out above, the Company is proposing to seek the approval of the Shareholders for the renewal of the Share Issue Mandate, which will be tabled as an ordinary resolution at the EGM.

## 7. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION AND PROPOSED RIGHTS ISSUE

The pro forma financial effects of the Proposed Acquisition and Proposed Rights Issue on the Group as set out below are strictly **for illustrative purposes only** and do not purport to be indicative or a projection of the results and financial position of the Company and the Group after the Proposed Acquisition and the Proposed Rights Issue.

The following financial effects of the Proposed Acquisition and Proposed Rights Issue are computed based on the Group's audited consolidated financial statements for FY2017 and on the following bases and assumptions:

- (a) the financial effect on the NTA and NTA per Share is computed based on the assumption that the (i) Proposed Acquisition; (ii) Proposed Rights Issue; and (iii) issuances of 180,000,000 placement shares on 4 April 2017, 1,289,459,850 conversion shares on 6 July 2017 and 1,260,381,900 placement shares on 1 February 2018 (collectively "**Additional Share Issuances**") were completed or had taken place on 31 March 2017;
- (b) the financial effect on the LPS is computed based on the assumption that the (i) Proposed Acquisition; (ii) the Proposed Rights Issue; and (iii) Additional Share Issuances were completed on 1 April 2016.
- (c) assuming loans of approximately S\$9.74 million and S\$5.24 million would be undertaken to partially fund the Proposed Acquisition for the Minimum Subscription Scenario and Maximum Subscription Scenario respectively; and
- (d) expenses which have been or may have been incurred in connection with the (i) Proposed Acquisition; (ii) the Proposed Rights Issue; and (iii) Additional Share Issuances have not been taken into account.

## LETTER TO SHAREHOLDERS

### 7.8.1 Share Capital

As at the Latest Practicable Date, there are no other share options or convertible securities under which the Company has an obligation to issue additional Shares. The financial effects of the Proposed Acquisition and Proposed Rights Issue on the share capital of the Company are as follows:

	Minimum Subscription Scenario		Maximum Subscription Scenario	
	Shares ('000)	S\$'000	Shares ('000)	S\$'000
Issued capital before the Proposed Acquisition and Proposed Rights Issue	3,781,146	47,990	3,781,146	47,990
Add: Issuance of Rights Shares	554,158	3,879	3,781,146	26,468
Enlarged issue capital after the Proposed Acquisition and Proposed Rights Issue	4,335,304	51,869	7,562,292	74,458

### 7.8.2 NTA

The financial effects of the Proposed Rights Issue and the Proposed Acquisition on the NTA of the Group and the NTA per Share are as follows:

	Minimum Subscription Scenario	Maximum Subscription Scenario
<b><u>Before the Proposed Rights Issue and Proposed Acquisition*</u></b>		
NTA before the Proposed Acquisition and Proposed Rights Issue (S\$'000)	1,709	1,709
No. of Shares before the Proposed Acquisition and Proposed Rights Issue ('000)	3,781,146	3,781,146
NTA per Share before the Proposed Acquisition and Proposed Rights Issue (Singapore Cents)	0.045	0.045

**Notes:**

\* Includes Additional Share Issuances.

**After the Proposed Rights Issue and before the Proposed Acquisition**

NTA before the Proposed Acquisition and Proposed Rights Issue (S\$'000)	1,709	1,709
Add: Proceeds from issuance of Rights Shares (S\$'000)*	3,879	26,468
Adjusted NTA after issuance of Rights Shares and before the Proposed Acquisition (S\$'000)	5,588	28,177
No. of Shares after issuance of Rights Shares ('000)	4,335,304	7,562,292
Adjusted NTA per Share after issuance of Rights Shares and before Proposed Acquisition (Singapore cents)	0.1289	0.3726

\* S\$2.950 million will be used for offsetting of the Outstanding Loan.

---

## LETTER TO SHAREHOLDERS

---

### **After the Proposed Rights Issue and Proposed Acquisition**

Adjusted NTA after issuance of Rights Shares and before the Proposed Acquisition (S\$'000)	5,588	28,177
Add: Adjustments for Proposed Acquisition (S\$'000)	1,060	5,560
Adjusted NTA after issuance of Rights Shares and the Proposed Acquisition (S\$'000)	6,648	33,737
No. of Shares after issuance of Rights Shares ('000)	4,335,304	7,562,292
Adjusted NTA per Share after issuance of Rights Shares and the Proposed Acquisition (Singapore cents)	0.1533	0.4461

### **7.8.3 LPS**

The financial effects of the Proposed Rights Issue and the Proposed Acquisition on the LPS of the Group are as follows:

	<b>Minimum Subscription Scenario</b>	<b>Maximum Subscription Scenario</b>
<b><u>Before the Proposed Rights Issue and Proposed Acquisition</u></b>		
Loss attributable to Shareholders (S\$'000)	(1,245)	(1,245)
Weighted average number of Shares before the issuance of Rights Shares ('000)	3,781,146	3,781,146
Basic and diluted LPS before the issuance of Rights Shares and the Proposed Acquisition (Singapore cents)	(0.0330)	(0.0330)
<b><u>After the Proposed Rights Issue and before Proposed Acquisition</u></b>		
Weighted average number of Shares before the issuance of Rights Shares ('000)	4,335,304	7,562,292
Basic and diluted LPS after the issuance of Rights Shares and before the Proposed Acquisition (Singapore cents)	(0.0287)	(0.0165)
<b><u>After the Proposed Rights Issue and Proposed Acquisition</u></b>		
Weighted average number of Shares before the issuance of Rights Shares ('000)	4,335,304	7,562,292
Basic and diluted LPS after the issuance of Rights Shares and the Proposed Acquisition (Singapore cents)	(0.0287)	(0.0165)

Basic and diluted LPS are the same as there are no potentially dilutive securities as at the end of FY2017.

## LETTER TO SHAREHOLDERS

### 7.8.4 Gearing

The financial effects of the Proposed Rights Issue and the Proposed Acquisition on the gearing of the Group are as follows:

	<b>Minimum Subscription Scenario</b>	<b>Maximum Subscription Scenario</b>
<b><u>Before the Proposed Rights Issue and Proposed Acquisition</u></b>		
Total borrowings (S\$'000)	1,305	1,305
Shareholder's equity before the Proposed Acquisition and issuance of Rights Shares (S\$'000)	1,709	1,709
Gearing before the Proposed Acquisition and issuance of Rights Shares (times)	0.76	0.76
<b><u>After the Proposed Rights Issue and before Proposed Acquisition</u></b>		
Add: Proceeds from issuance of Rights Shares (S\$'000)	3,879	26,468
Adjusted Shareholder's equity after the issuance of Rights Shares (S\$'000)	5,588	28,177
Gearing adjusted for the issuance of Rights Shares (times)	0.23	0.05
<b><u>After the Proposed Rights Issue and Proposed Acquisition</u></b>		
Add: Loans after the Proposed Acquisition (S\$'000)	9,740	5,240
Adjusted total borrowings after the issuance of Rights Shares and the Proposed Acquisition	11,045	6,545
Adjusted Shareholder's equity after the issuance of Rights Shares and the Proposed Acquisition (S\$'000)	5,588	28,177
Gearing adjusted for the issuance of Rights Shares and the Proposed Acquisition (times)	1.98	0.23

## 8 DISCLOSURE OF SHAREHOLDINGS

As at the Latest Practicable Date, the interests of the Directors and Substantial Shareholders in the Shares of the Company are as follows:

### Interests of Directors

	<b>Number of Shares</b>			
	<b>Direct Interest</b>	<b>%</b>	<b>Deemed Interest</b>	<b>%</b>
Wang ZhenWen	703,079,900	18.59	-	-
Lim Yeow Sun	58,283,333	1.54	-	-
Soong Kar Leong	-	-	-	-
James Kho Chung Wah	-	-	-	-
Chow Wen Kwan	-	-	-	-
Giang Sovann	-	-	-	-



---

## LETTER TO SHAREHOLDERS

---

### Interests of Substantial Shareholders (Other than Directors)

	Number of Shares			
	Direct Interest	%	Deemed Interest	%
Lim Soon Fang	686,476,666	18.16	-	-
Oh Keh Yew	196,000,000	5.18	-	-

Save as disclosed in this Circular, none of the Company's Directors or Substantial Shareholders has any interest, direct or indirect, in the Proposed Rights Issue and the Proposed Acquisition other than their respective shareholdings in the Company.

### 9 MATERIAL LITIGATION

As announced by the Company on 1 February 2018, the Company had received a letter of demand dated 29 January 2018 from the solicitors of Mr. Chng Hee Kok ("**CHK**"), a former independent director of the Company between 25 September 2015 and 26 September 2017, in relation to a claim by CHK against the Company for outstanding director's fees which amount to an aggregate sum of S\$55,000 ("**Demanded Sum**") in respect of the financial years ended 31 March 2016 and 31 March 2017. Further, the letter of demand dated 29 January 2018 also purported to be a statutory demand under Section 254(2)(a) of the Companies Act which, if not satisfied within three (3) weeks, would entitle CHK to file a winding-up petition against the Company.

The Company wishes to disclose that, prior to the receipt of the letter of demand, the Company had already offered to pay the Demanded Sum in full to CHK provided that CHK signs a release confirming that he had no further claims against the Company. However, the release was not signed by CHK and the Demanded Sum was not collected by CHK.

On 9 February 2018, CHK's solicitors wrote to the Company's solicitors by e-mail to state that CHK had an additional purported claim of S\$20,000 being CHK's alleged pro-rata director's fees for the period from 1 April 2017 to 26 September 2017.

On 14 February 2018, the Company's solicitors delivered to CHK's solicitors a cheque for the Demanded Sum in full satisfaction of CHK's claims for outstanding director's fees for FY2016 and FY2017. In the same letter enclosing the cheque for the Demanded Sum, the Company's solicitors refuted CHK's purported claim for director's fees for FY2018 on the basis that such director's fees have not been approved by Shareholders at a general meeting. The Company will keep Shareholders updated on material developments arising from the above, if any.

Neither the Demanded Sum nor the purported additional claim are expected to have any material impact on the consolidated NTA or consolidated EPS of the Group for FY2018.

Save as disclosed above, as at the Latest Practicable Date, to the best of the Company's knowledge and belief, there are no legal or arbitration proceedings pending or threatened against the Company or any of its Subsidiaries, which, in the opinion of the Company, may have or have had in the last 12 months before the date of this Circular, a material and adverse effect on the financial position of the Company or any of its Subsidiaries.

### 10 MATERIAL CONTRACTS

Save as disclosed below, neither the Company nor any of its Subsidiaries have entered into any material contracts (not being contracts entered into in the ordinary course of business) during the last two years immediately preceding the Latest Practicable Date:

- (a) the OTP entered into by the Company on the Company on 12 February 2018, upon payment of the required Initial Deposit, to purchase the Property;

---

## LETTER TO SHAREHOLDERS

---

- (b) the eight (8) subscription agreements dated 17 January 2018 and entered into between the Company with each of the following eight (8) subscribers namely, Wu Dawu, Jesper Lim Chin Yiong, Dara Rok Ing, He Xiacong, Oh Keh Yew, Sun Dang Shun, Tan Hong Eng and Ho Seow Kai in relation to the 2018 Placement;
- (c) the Loan Agreement;
- (d) the licensing agreement entered into between the Company and Kalms Vending Private Limited on 12 May 2017 in relation to the conduct of retail business and the credit agreement dated 1 November 2017 in relation to the credit arrangement for the Company's initial order of 10 automated business retail machines from Innovend Pte. Ltd., a wholly owned subsidiary of Kalms;
- (e) The written confirmation of termination of the licensing agreement and the credit agreement dated 28 December 2017 signed between the Company and Kalms;
- (f) the share placement agreement entered into between the Company and Advance Opportunities Fund I ("AOF 1") on 26 January 2017 in relation to the placement of 180,000,000 new ordinary Shares at an issue price of \$0.001 per placement share to AOF I. The share placement was completed on 4 April 2017;
- (g) the debt conversion agreements entered into on 6 September 2016 between the Company and certain creditors, which include, *inter alia*, certain ex-vendors of Summit Light Ventures Ltd, the existing shareholders and existing/ex Directors of the Company, for conversion of amounts owed by the Company of approximately S\$1.84 million into 1,536,795,833 new ordinary Shares at a conversion price of \$0.0012 per Share. The debt conversion agreements had lapsed on 5 December 2016 and therefore the Company had on 12 May 2017 re-entered into debt conversion agreements with certain creditors for the conversion of amounts owed by the Company of approximately S\$1.55 million into 1,289,459,580 new ordinary Shares at a conversion price of \$0.0012 per Share. The debt conversion was completed on 6 July 2017;
- (h) the subscription agreement and supplemental agreement entered into between the Company, AOF 1 and Advance Capital Partners Asset Management Private Limited on 1 September 2016 and 12 May 2017 respectively in relation to the proposed issuance to AOF 1 of 1.0% equity-linked redeemable convertible notes due 2019 with an aggregate principal amount of up to S\$20,000,000 comprising four tranches of a principal amount of S\$5,000,000 each. The subscription of the first sub-tranche of tranche 1 notes, being in aggregate S\$250,000 in principal amount, was completed on 7 July 2017. The subscription agreement and supplemental agreement were terminated on 14 December 2017; and
- (i) The Letter of Termination dated 14 December 2017 terminating the subscription agreement and supplemental agreement.

### 11 DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Proposed Acquisition. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

### 12 EXTRAORDINARY GENERAL MEETING

The Board is convening an EGM to be held at 3.00 p.m. on 28 March 2018 at Meyer & Frankel Rooms, Level 3 of Grand Mercure Singapore Roxy 50 East Coast Road, Roxy Square, Singapore 428769 to seek the approval of the Shareholders for the ordinary resolutions proposed in relation to the Proposed Acquisition, the Proposed Diversification, the Proposed Rights Issue and the Proposed Renewal of Share Issue Mandate, and the special resolution proposed in relation to the Proposed Change of Name. The Notice of EGM is set out on pages 57 to 61 of this Circular.

---

## LETTER TO SHAREHOLDERS

---

### 13 ACTION TO BE TAKEN BY SHAREHOLDERS

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, sign and return the proxy form attached to the Notice of EGM in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the registered office of the Company at 80 Robinson Road, #02-00, Singapore 068898 not later than 48 hours before the time fixed for the EGM or any postponement or adjournment thereof. The appointment of a proxy or proxies by a Shareholder does not preclude him from attending and voting in person at the EGM if he wishes to do so.

In view of Section 130D of the Companies Act, a Depositor shall not be regarded as a Shareholder 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 72 hours before the time fixed for the EGM or any adjournment thereof.

### 14 DIRECTORS' RECOMMENDATIONS

The Directors, having considered the terms and rationale of the Proposed Acquisition, the Proposed Diversification, the Proposed Change of Name, the Proposed Rights Issue, and the Proposed Renewal of Share Issue Mandate are in the interests of the Company, and accordingly recommend that the Shareholders vote in favour of the aforementioned resolutions at the EGM.

**Shareholders are advised to read this Circular in its entirety and for those who may require advice in the context of their specific investment, to consult their respective stockbroker, bank manager, solicitor, accountant or other professional adviser.**

### 15 DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Acquisition, the Proposed Diversification, the Proposed Change of Name, the Proposed Rights Issue, the Proposed Renewal of Share Issue Mandate, the Company and its Subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.

### 16 MANAGER'S CONSENT

The Manager of the Proposed Rights Issue has given and has not withdrawn its consent to the issue of this Circular with the inclusion herein of its name, the statement in Section 17 of this Circular and all references thereto in the form and context in which they are included in this Circular.

### 17 MANAGER'S RESPONSIBILITY STATEMENT

To the best of the Manager's knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Rights Issue, the Company and its Subsidiaries, and the Manager is not aware of any facts the omission of which would make any statement herein misleading in any material respect.

### 18 VALUER'S CONSENT

AVA Associates Limited, being an independent valuer, had provided the Property Valuation Report, the summary letter to the Property Valuation Report and the Property Valuation Certificate for the Property. AVA Associates Limited has given and has not withdrawn its written consent to the issue of this Circular, with the inclusion herein of its name and all references thereto in the form and context in which they appear in this Circular.

---

## LETTER TO SHAREHOLDERS

---

### 19 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 80 Robinson Road, #02-00, Singapore 068898, during normal business hours from the date of this Circular up to the date of the EGM:

- (a) the Constitution of the Company;
- (b) the Annual Reports of the Company for FY2015, FY2016 and FY2017;
- (c) the material contracts set out in Section 10 of this Circular;
- (d) the Irrevocable Undertaking;
- (e) the Manager's Consent referred to in Section 16 of this Circular;
- (f) the Valuer's Consent referred to in Section 18 of this Circular; and
- (g) the Property Valuation Report.

Yours faithfully,  
For and on behalf of the Board of Directors  
**INFINIO GROUP LIMITED**

**Soong Kar Leong**  
Executive Director

---

## APPENDIX A: SUMMARY LETTER OF PROPERTY VALUATION REPORT AND PROPERTY VALUATION CERTIFICATE

---

### AVA Associates Limited

806 Empress Plaza, 17-19 Chatham Road South, Tsim Sha Tsui, Hong Kong  
138 Cecil Street, #08-03 Cecil Court, Singapore 069538

14 February 2018

To  
Board of Directors  
**INFINIO GROUP LIMITED**  
459 MacPherson Road  
#03-01  
Singapore 368177

Dear Sirs,

Pursuant to your instructions, AVA Associates Limited (“AVA”) has performed a valuation to assist the management of Infinio Group Limited (“Infinio Group”, the “Company” or the “Client”), **to estimate the value of real estate property located at 6 Kim Chuan Terrace, Singapore 537029 (the “Property”) with vacant possession and free from all encumbrances, as at 31 January 2018 (“Valuation Date”)**, in relation to a proposed acquisition. The purpose of this engagement is to assist Infinio Group in their assessment of the value of the Property, and inclusion in a circular to the shareholders of the Company in relation to the proposed acquisition. No other use of our valuation report is intended or should be inferred.

#### Definition of Value

In estimating the value of the assets, our efforts were based on the following premise of value:

**Open Market Value** - “the best price” at which an interest in a property might reasonably be expected to be sold at the date of valuation, assuming:-

- a. a willing seller, willing buyer;
- b. no account is to be taken of an additional bid by a purchaser with a “special interest”;
- c. that prior to the date of valuation, there had been a reasonable period (having regard to the nature of the property and the state of the market) for the proper marketing of the interest, for the negotiation and agreement of price and terms for the completion of the sale;
- d. that the price reflects the state of the market and other circumstances at the date of valuation; and
- e. that both parties to the transaction had act knowledgeably, prudently and without compulsion.

#### Valuation Standards

This valuation has been carried out in accordance with the Valuation Standards and Guidelines of the Singapore Institute of Surveyors and Valuers.

Our valuation reports are prepared on the following principles and assumptions and they apply unless we have specifically mentioned otherwise in the valuation report:

#### Source of Information

All information has been supplied to us by Infinio Group. The information is believed to be reliable but we accept no responsibility if this should prove not to be so.

#### Valuation and Report

The values assessed in this Report and any allocation of values thereof apply only in the terms of and for the purpose of this Report and may not be used for any other purpose.

---

## **APPENDIX A: SUMMARY LETTER OF PROPERTY VALUATION REPORT AND PROPERTY VALUATION CERTIFICATE**

---

### **Documentation**

We do not normally read leases or documents of title. We assume, unless informed to the contrary, that all documentation is satisfactorily drawn and that there are no encumbrances, restrictions, easements, mortgages or other charges and out-goings of an onerous nature which would have an effect on the value of the interest under consideration. The valuation also excludes any costs, expenses, taxation or out-goings which may be involved in any transaction of the property.

### **Structural Surveys**

Whilst any defects or items of disrepair which we note during the course of our inspection will be reflected in our valuations, no structural surveys or land surveys was carried out and we are not able to give any assurance that any property is free from defect.

### **Town Planning**

Information on Town Planning is obtained from the set of Master Plan and Written Statement published by the competent authority. Unless otherwise instructed, we do not normally carry out requisitions with the various public authorities to confirm that the property is not adversely affected by any public schemes such as road improvements.

### **Statutory Regulations**

Our valuations are prepared on the basis that the premises (and any works thereto) comply with all relevant statutory regulations. It is assumed that they have been, or will be issued with a Certificate of Fitness by the competent authority.

### **Site Conditions**

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

### **Tenants**

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

### **Valuation Methodology**

As the Company is considering an acquisition of the Property in its existing state and conditions, the market approach is the most appropriate to determine the Open Market Value of the Property as information on sales of similar properties within the surrounding locality are available. The income approach relies on numerous assumptions over a long time horizon and the result may be very sensitive to certain inputs. The cost approach measures the cost to reconstruct the Property of like utility, subject to adjustments to reflect physical deterioration, functional obsolescence and economic obsolescence. It does not consider factors such as location. Thus, we chose the market approach for this exercise.

In arriving at our opinion of value, the Direct Comparison Approach, a form of market approach, to value is adopted. In this approach, sales and listings of similar properties in the vicinity and elsewhere are used as guides to value after relevant valuation adjustments are made for differences in location, land area, land shape, land tenure, floor area, condition of building, market conditions, age of property, improvements done, etc.

This valuation summary and the accompanying Valuation Certificate have been prepared for the purpose of assisting Infinio Group in their assessment of the RNAV of the Company, and inclusion in a circular to the shareholders of the Company in relation to the proposed acquisition of the Property. No responsibility

---

## **APPENDIX A: SUMMARY LETTER OF PROPERTY VALUATION REPORT AND PROPERTY VALUATION CERTIFICATE**

---

is accepted to any other party for the whole or any part of its contents. AVA disclaims liability to any person in the event of any omission from or false or misleading statement, other than in respect of the information provided within the valuation reports and summary.

AVA does not make any warranty or representation as to the accuracy of the information in any other part of the circular other than as expressly made or given in this valuation summary.

The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions and are our personal, unbiased professional analyses, opinions and conclusions. We have no present nor prospective interest in the subject properties and are not a related corporation of nor do we have a relationship with the manager, adviser or other party(s) whom Infinio Group is contracting with. The valuers' compensation is not contingent upon the reporting of a predetermined value or direction in value that favours the cause of the Client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.

**We hereby certify that the valuer undertaking the valuation, Mr. Teo Beng Hock, Licensed Appraiser AD041-2009516J, is authorised to practise as valuer and have the necessary expertise and experience in valuing similar types of properties.**

We hereby enclosed our valuation certificate.

Respectfully submitted,

**AVA Associates Limited**

---

## APPENDIX A: SUMMARY LETTER OF PROPERTY VALUATION REPORT AND PROPERTY VALUATION CERTIFICATE

---

### VALUATION CERTIFICATE

#### PROPERTY AT 6 KIM CHUAN TERRACE, SINGAPORE 537029

Property Type:	A 2-Storey Corner Terrace Factory with roof terrace
Legal Description:	MK23 – 3462W
Tenure:	Estate In Perpetuity (Freehold)
Land Area:	827.4 sq m (or 8,906 sq ft)
Floor Area: (Based on site measurement)	495.0 sq m (or 5,328 sq ft) or thereabout, excludes roof terrace, subject to final survey
Age:	Circa late 1970's
2014 Master Plan Zoning:	"Business 2"
Neighbourhood:	The immediate neighbourhood is predominantly industrial developments.
Public Transport:	Available along Hougang Avenue 3 and Upper Paya Lebar Road. The subject property is within a short distance from Tai Seng MRT Station.
Services / Facilities:	All main Public Utilities and Telecommunication services are connected.
Condition:	As at the date of inspection, the subject property was in an average state of external & internal repairs and maintenance.
Purpose of Valuation:	Inclusion in a circular to the shareholders of Infinio Group Limited in relation to a proposed acquisition of the property.
Valuation Standard:	Valuation Standards and Guidelines of the Singapore Institute of Surveyors and Valuers.
Methodology:	Direct Comparison Approach, a form of market approach, was employed given the availability of comparable sales and listings information which have been used as guides to the value, together with relevant property-specific adjustments.

**Open Market Value of the subject property as at Valuation Date is S\$11,000,000/-(Singapore Dollars Eleven Million Only).**



---

## NOTICE OF EXTRAORDINARY GENERAL MEETING

---

### INFINIO GROUP LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration No.: 199801660M)

#### NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an EXTRAORDINARY GENERAL MEETING (“**EGM**”) of Infinio Group Limited (the “**Company**”) will be convened at Meyer & Frankel Rooms, Level 3 of Grand Mercure Singapore Roxy 50 East Coast Road, Roxy Square, Singapore 428769, on 28 March 2018 at 3.00 p.m., for the purpose of considering and, if thought fit, resolving to pass with or without any modifications the following resolutions:

All references to the Circular in this Notice of Extraordinary General Meeting shall mean the Company’s circular to Shareholders dated 6 March 2018 (“**Circular**”). All capitalised terms not otherwise defined herein shall have the meanings given to them in the Circular.

#### **ORDINARY RESOLUTION 1: THE PROPOSED DIVERSIFICATION OF BUSINESS TO INCLUDE PROPERTY BUSINESS**

THAT:-

- (a) approval be and is hereby given for the proposed diversification of the Company’s core business to include:
  - (i) property development activities including acquisition, development and/or sale of residential, hospitality, commercial (retail and office), industrial and any other types of properties (including mixed development properties) (“**Property Related Assets**”);
  - (ii) specialist construction services such as prefabricated and precast manufacturing, piling, civil engineering, and infrastructure works;
  - (iii) holding of Property Related Assets as long-term investment for the collection of rent and capital growth potential;
  - (iv) management of Property Related Assets and projects, including provision of property management-related services and facilities; and
  - (v) buying and selling of Property Related Assets with yield accretive and/or capital growth potential(collectively, the “**Property Business**”).
- (b) the Group be and is hereby authorised to invest in, purchase or otherwise acquire or dispose of, from time to time any such assets, investments and shares/interests in any entity that is in the Property Business on such terms and conditions as the Directors deem fit, and such Directors be and are hereby authorised to take such steps and exercise such discretion and do all acts or things as they deem desirable, necessary or expedient or give effect to any such investment, purchase, acquisition or disposal; and
- (c) the Directors or any of them be and are hereby authorised to exercise such discretion to complete and do all such acts and things, including without limitation to sign, seal, execute and deliver all such documents and deeds, and to approve any amendment, alteration or modification to any document, as they or he may consider necessary, desirable or expedient or in the interest of the Company to give effect to this Ordinary Resolution as they or he may think fit.

---

## NOTICE OF EXTRAORDINARY GENERAL MEETING

---

### ORDINARY RESOLUTION 2: THE PROPOSED ACQUISITION

THAT contingent upon the passing of Ordinary Resolution 1,

- (a) approval be and is hereby given for the proposed acquisition of the property on a single land lot 3462W of Mukim 23 and located at No. 6 Kim Chuan Terrace Singapore 537029, in accordance with the terms and conditions of the option to purchase granted by Hup Heng Enterprise Company Pte Ltd, the vendor of the property to the Company; and
- (b) the Directors or any of them be and are hereby authorised to exercise such discretion to complete and do all such acts and things, including without limitation to sign, seal, execute and deliver all such documents and deeds, and to approve any amendment, alteration or modification to any document, as they or he may consider necessary, desirable or expedient or in the interest of the Company to give effect to this Ordinary Resolution as they or he may think fit.

### ORDINARY RESOLUTION 3: THE PROPOSED RIGHTS ISSUE

THAT the renounceable and non-underwritten rights issue of up to 3,781,145,730 new ordinary shares in the capital of the Company (the "**Rights Shares**"), at an issue price of S\$0.007 for each Rights Share, on the basis of one (1) Rights Share for every one (1) existing ordinary share in the capital of the Company (each, a "**Share**") held by entitled shareholders of the Company ("**Shareholders**") as at the Books Closure Date (as defined below), fractional entitlements to be disregarded (the "**Rights Issue**"), be and is hereby approved, and authority be and is hereby given to the directors of the Company ("**Directors**"):

- (a) to undertake the Rights Issue in the manner as set out in the Circular and to provisionally allot and issue up to 3,781,145,730 Rights Shares, at an issue price of S\$0.007 for each Rights Share, on the basis of one (1) Rights Share for every one (1) existing Share held as at a date and time to be determined by the Directors for the purpose of determining the entitlements of Shareholders under the Rights Issue (the "**Books Closure Date**"), fractional entitlements to be disregarded, and on such other terms and conditions as the Directors may determine, including, if the Directors deem fit, the following terms:
  - (i) that the provisional allotments of the Rights Shares under the Rights Issue shall be made on a renounceable basis to Shareholders with registered addresses in Singapore (as set out in the Company's Register of Members and/or Depository Register or the records of The Central Depository (Pte) Limited ("**CDP**"), as the case may be) as at the Books Closure Date or who have, at least three (3) Market Days (as defined in the Company's circular to Shareholders dated 6 March 2018 (the "**Circular**")) prior to the Books Closure Date, provided to the Company or CDP, as the case may be, addresses in Singapore for the service of notices and documents;
  - (ii) that no provisional allotment of the Rights Shares shall be made in favour of, and no provisional allotment letters, application forms or other documents in respect thereof shall be issued or sent to, Shareholders who, as at the Books Closure Date, do not have registered addresses in Singapore (as set out in the Company's Register of Members and/or Depository Register or the records of CDP, as the case may be) and who have not, at least three (3) Market Days prior to the Books Closure Date, provided to the Company or CDP, as the case may be, addresses in Singapore for the service of notices and documents ("**Foreign Shareholders**");
  - (iii) that the entitlements to the Rights Shares which would otherwise accrue to Foreign Shareholders shall be disposed of or dealt with by the Company in such manner and on such terms and conditions as the Directors may, in their absolute discretion, deem fit, including without limitation to be sold "nil-paid" on the Singapore Exchange Securities Trading Limited and the net proceeds, if any, will be dealt in accordance with the terms set out in the offer information statement to be issued by the Company in respect to the Rights Issue;
  - (iv) no provisional allotments of Rights Shares shall be made in favour of Shareholders other than Entitled Shareholders;

---

## NOTICE OF EXTRAORDINARY GENERAL MEETING

---

- (v) that the Rights Shares will, upon allotment and issue, rank *pari passu* in all respects with the then existing Shares save for any dividends, rights, allotments or other distributions, the Record Date for which falls on or before the date of issue of the Rights Shares;
- (b) to aggregate and allot the entitlements to the Rights Shares not taken up or allotted for any reason or which represent fractional entitlements disregarded in accordance with the terms of the Rights Issue to satisfy excess applications for the Rights Shares or otherwise dispose of or deal with the same in such manner and on such terms and conditions as the Directors may, in their absolute discretion, deem fit; and
- (c) to complete and do such acts and things as may be required in connection with or pursuant to the abovementioned matters (including but not limited to finalising, approving and executing all such documents as may be required in connection with the Rights Issue, and the issue of the Rights Shares), and to make such amendments to the terms and conditions of the Rights Issue and to take such other steps and to exercise such discretion for and on behalf of the Company as they may deem necessary or desirable to implement, perfect or give effect to the above and to the transactions contemplated hereunder.

### ORDINARY RESOLUTION 4: THE PROPOSED RENEWAL OF SHARE ISSUE MANDATE

THAT pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Section B: Rules of Catalist (“**Catalist Rules**”), the Directors of the Company be authorised and empowered to:

- (a)
  - (i) issue shares in the Company (“**shares**”) whether by way of rights, bonus or otherwise; and/or
  - (ii) 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 Directors of the Company may in their absolute discretion deem fit; and
- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force, provided that:
  - (i) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) shall not exceed 100% of the total number of issued shares (excluding treasury shares) in the capital of the Company of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company shall not exceed 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (b))
  - (ii) subject to such manner of calculation as may be prescribed by the SGX-ST for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (a) above, the total number of issued shares (excluding treasury shares) shall be based on the total number of issued shares excluding treasury shares in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
    - (A) new shares arising from the conversion or exercise of convertible securities;
    - (B) new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and
    - (C) any subsequent bonus issue, consolidation or subdivision of shares.

---

## **NOTICE OF EXTRAORDINARY GENERAL MEETING**

---

- (c) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) all applicable requirements under the Companies Act and otherwise, and the Constitution for the time being of the Company; and
- (d) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

### **SPECIAL RESOLUTION 1: THE PROPOSED CHANGE IN THE NAME OF THE COMPANY TO “RICH CAPITAL HOLDINGS LIMITED”**

THAT:-

- (a) approval be and is hereby given to the Company to change its name from “Infinio Group Limited” to “Rich Capital Holdings Limited” and that the name “Rich Capital Holdings Limited” be substituted for “Infinio Group Limited” wherever the latter name appears in the Company’s Constitution; and
- (b) the Directors of the Company and each of them be and are hereby authorised and empowered to complete and do all such acts and things (including without limitation, to execute all documents as may be required, to approve any amendments, alterations or modifications to any documents and, to sign, file and/or submit any notices, forms and documents with or to the relevant authorities) as they/he/she may consider necessary, desirable or expedient to give effect to this Resolution.

### **BY ORDER OF THE BOARD**

Lee Bee Fong  
Company Secretary

**Singapore**

6 March 2018

---

## NOTICE OF EXTRAORDINARY GENERAL MEETING

---

### Notes:

- (1) Unless otherwise permitted under the Companies Act, Chapter 50 of Singapore (the “**Companies Act**”), a member of the Company entitled to attend and vote at the EGM may appoint not more than two (2) proxies to attend and vote in his stead. A proxy need not be a member of the Company.
- (2) Where a member appoints more than one (1) proxy, he shall specify the proportion of his shareholding to be represented by each proxy in the instrument appointing the proxies. If no percentage is specified, the first named proxy shall be deemed to represent 100 per cent of his shareholding and any second named proxy shall be deemed to be an alternate to the first named proxy.
- (3) A member who is a relevant intermediary (as defined in the Companies Act) may appoint more than two (2) proxies. Where such member appoints more than one (1) proxy, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.
- (4) The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or signed on its behalf by an officer or attorney duly authorised in writing.
- (5) Where an instrument appointing a proxy is signed on behalf of the appointor by the 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, failing which the instrument may be treated as invalid.
- (6) The duly executed instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 80 Robinson Road, #02-00, Singapore 068898 not less than forty-eight (48) hours before the time appointed for holding the EGM.
- (7) Shareholders who have used their CPF account savings to buy shares in the capital of the Company and who wish to attend the Extraordinary General Meeting as observers are to register with their respective CPF agent banks.
- (8) The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.
- (9) The resolutions put to vote at the EGM shall be decided by way of poll.

### PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) 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 or service providers), 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 or service providers) 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.

This page is intentionally left blank.

**INFINIO GROUP LIMITED**

Company Registration No. 199801660M  
(Incorporated in the Republic of Singapore)

**PROXY FORM**

(Please see notes overleaf  
before completing this Form)

IMPORTANT:	
1.	Pursuant to Section 181(1C) of the Companies Act, Chapter 50 of Singapore, Relevant Intermediaries may appoint more than two proxies to attend, speak and vote at the Extraordinary General Meeting ("EGM").
2.	An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investors") and/or the Supplementary Retirement Scheme ("SRS Investors") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy. In which case, the CPF and SRS investors shall be precluded from attending the Meeting.
3.	This proxy Form is not valid for use by CPF and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We, \_\_\_\_\_,  
(Name) (NRIC/Passport/Company Registration No.)  
of \_\_\_\_\_,  
(Address)

being a member/members of **INFINIO GROUP LIMITED** (the "Company"), hereby appoint:

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

and/or (delete as appropriate)

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

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Extraordinary General Meeting (the "Meeting") of the Company to be held at Meyer & Frankel Rooms, Level 3 of Grand Mercure Singapore Roxy 50 East Coast Road, Roxy Square, Singapore 428769 on 28 March 2018 at 3.00 p.m. and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion.

All resolutions at the EGM shall be decided by way of poll.

No.	Ordinary Resolutions relating to:	Number of votes For*	Number of votes Against*
1	PROPOSED DIVERSIFICATION		
2	PROPOSED ACQUISITION		
3	PROPOSED RIGHTS ISSUE		
4	PROPOSED RENEWAL OF SHARE ISSUE MANDATE		

No.	Special Resolution relating to:	Number of votes For*	Number of votes Against*
1	PROPOSED CHANGE IN THE NAME OF THE COMPANY		

\*Note: If you wish to exercise all your votes "For" or "Against" the above resolutions, please tick "√" within the box provided. Otherwise, please indicate the number of votes as appropriate.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2018

\_\_\_\_\_  
Signature of Shareholder(s) and Common Seal of  
Corporate Shareholder

<b>Total Number of Shares held (see Note 1)</b>

**IMPORTANT: PLEASE READ NOTES OVERLEAF**

**Notes:**

- (1) Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, 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. If no number is inserted, this proxy form shall be deemed to relate to all the shares held by you.
- (2) Unless otherwise permitted under the Companies Act, Chapter 50 of Singapore (the "Companies Act"), a member of the Company entitled to attend and vote at the EGM may appoint not more than two (2) proxies to attend and vote in his stead. A proxy need not be a member of the Company.
- (3) Where a member appoints more than one (1) proxy, he shall specify the proportion of his shareholding to be represented by each proxy in the instrument appointing the proxies. If no percentage is specified, the first named proxy shall be deemed to represent 100 per cent of his shareholding and any second named proxy shall be deemed to be an alternate to the first named proxy.
- (4) A member who is a relevant intermediary (as defined in the Companies Act) may appoint more than two (2) proxies. Where such member appoints more than one (1) proxy, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.
- (5) The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or signed on its behalf by an officer or attorney duly authorised in writing.
- (6) Where an instrument appointing a proxy is signed on behalf of the appointor by the 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, failing which the instrument may be treated as invalid.
- (7) The duly executed instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 80 Robinson Road, #11-02, Singapore 068898 not less than forty-eight (48) hours before the time appointed for holding the EGM.
- (8) The Company shall be entitled to reject a proxy form which 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 proxy form. In addition, in the case of shares entered in the Depository Register, the Company may reject a proxy form if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.