

CIRCULAR DATED 12 JULY 2018

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

If you are in any doubt about the contents of this Circular (as defined herein) or the action that you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

If you have sold or transferred all your ordinary shares in the capital of ASTI Holdings Limited ("**ASTI**" or the "**Company**"), you should immediately forward this Circular together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form immediately to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

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



CIRCULAR TO SHAREHOLDERS

IN RELATION TO

**THE PROPOSED DISPOSAL OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF
SEMICONDUCTOR TECHNOLOGIES & INSTRUMENTS PTE LTD
AS A MAJOR TRANSACTION**

IMPORTANT DATES AND TIMES:

Last date and time for lodgement of Proxy Form : 25 July at 3.30 p.m.

Date and time of Extraordinary General Meeting : 27 July at 3.30 p.m.

Place of Extraordinary General Meeting : 25 Kallang Avenue
#06-01 Kallang Basin Industrial Estate
Singapore 339416

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DEFINITIONS

In this Circular, the following definitions apply throughout unless the context otherwise requires:

Companies within the Group

“Company”	: ASTI Holdings Limited
“Group”	: The Company and its subsidiaries collectively
“DGI”	: Dragon Group International Limited
“Eoplex Group”	: Means Eoplex Limited and EoPlex Inc.
“STI Group” and each an “STI Company”	: STI SG, STI Msia, STI Phils, STI TW and STI Korea
“STI Korea”	: STI Tech Korea Co., Ltd., a limited liability company incorporated and existing under the laws of the Republic of Korea and having its registered office address at S08Ho 5 th Floor, 1391 Sangga-Dong, Jungang-Ro Lisanseo-gu, Goyang-si, Gyeonggi-do, 10366, Korea
“STI Msia”	: Semiconductor Technologies & Instruments Sdn Bhd, a private company limited by shares incorporated and existing under the laws of Malaysia and having its registered office address at Level 8, Symphony House, Pusat Dagangan Dana 1, Jalan PJU 1A/46, 47301 Petaling Jaya, Selangor Darul Ehsan
“STI Phils”	: Semiconductor Technologies & Instruments Phils., Inc., a stock corporation company incorporated and existing under the laws of the Republic of the Philippines and having its registered office address at Unit 1607, Richville Corporate Tower, Madrigal Business Park, 1107 Alabang-Zapote Road, Muntinlupa City 1780, Philippines
“STI SG”	: Semiconductor Technologies & Instruments Pte Ltd, a private company limited by shares incorporated and existing under the laws of Singapore and having its registered office address at 25 Kallang Avenue, #06-01, Singapore (339416)
“STI TW”	: Semiconductor Technologies & Instruments (Taiwan), Inc. (in Chinese, 企开股份有限公司), a private company limited by shares incorporated and existing under the laws of Taiwan and having its registered office address at 17F/B, No. 167, Dunhua N. Rd., Taipei 105, Taiwan
“Telford Group”	: Means Telford Industries Pte Ltd, Reel Service Limited, Reel Service (Philippines), Inc., Telford Philippines, Inc., Telford Technologies (Shanghai) Pte Ltd, Telford Property Management Inc. (Philippines), Telford Service Sdn. Bhd., and TQS Manufacturing Sdn. Bhd., excluding dormant companies that are insignificant to the operations of the Group.
“Telford Philippines”	: Means Telford SVC. Phils., Inc.

DEFINITIONS

Other Corporations and Agencies

"Accountant"	:	Has the meaning ascribed to it in Section 3.2.4 of this Circular
"ASA"	:	Advanced Systems Automation Limited
"CDP"	:	The Central Depository (Pte) Limited
"Escrow Agent"	:	Shanghai Pudong Development Bank Co., Ltd. Singapore Branch
"Financial Adviser"	:	VSA Capital Shanghai Limited, a company incorporated in the People's Republic of China with its registered address in 31A, 899 Lingling Road, Cross Region Plaza, Shanghai, China
"Purchaser"	:	Shanghai Pudong Science and Technology Investment Co., Ltd
"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"Zhuhai Yinlong"	:	Means Zhuhai Yinlong Energy Co., Ltd

General

"2018 Audited Accounts"	:	Has the meaning ascribed to it in Section 3.2.5 of this Circular
"2019 Audited Accounts"	:	Has the meaning ascribed to it in Section 3.2.5 of this Circular
"Act"	:	The Companies Act, Chapter 50 of Singapore
"Accounting Principles"	:	Has the meaning ascribed to it in Section 3.2.4(a) of this Circular
"Actual NAV"	:	Has the meaning ascribed to it in Section 3.2.3(a) of this Circular
"Actual Profits"	:	Has the meaning ascribed to it in Section 3.2.5 of this Circular
"Adjusted Scenario"	:	Has the meaning ascribed to it in Section 5.3(b) of this Circular
"Agreement"	:	The conditional sale and purchase agreement dated 30 March 2018 entered into between the Company and the Purchaser
"Announcement"	:	The announcement by the Company dated 2 April 2018 that the Company had entered into the Agreement with the Purchaser in respect of the Proposed Disposal on the SGXNET
"Announcement Date"	:	2 April 2018
"ASTI Payables"	:	Has the meaning ascribed to it in Section 3.3.15 of this Circular
"ASTI Trade Debts"	:	Has the meaning ascribed to it in Section 3.3.15 of this Circular
"Board"	:	The board of Directors of the Company
"Business"	:	Has the meaning ascribed to it in Section 2.1 of this Circular

DEFINITIONS

"Business Day"	: Means a day (other than a Saturday, a Sunday or a gazetted public holiday in Singapore) when banks in Singapore are open for business and "Business Days" shall be construed accordingly
"Circular"	: This circular dated 12 July 2018 issued by the Company
"Closing"	: The closing of the Proposed Disposal in accordance with the terms of the Agreement
"Closing Accounts"	: Has the meaning ascribed to it in Section 3.2.4(i) of this Circular
"Closing Audit"	: Has the meaning ascribed to it in Section 3.2.4 of this Circular
"Closing Date"	: The closing date of the Proposed Disposal, which shall be the date falling 10 Business Days after the fulfilment (or, as the case may be, waiver by the Purchaser) of the last of the conditions precedent set out in the Agreement, whichever is earlier, or such other date as may be mutually agreed by the parties pursuant to the Agreement in relation to the Proposed Disposal
"Consideration"	: Has the meaning ascribed to it in Section 3.2.1 of this Circular
"Continuing Transactions"	: Has the meaning ascribed to it in Section 3.4.2 of this Circular
"Cut-off Date"	: Has the meaning ascribed to it in Section 3.2.2(b)(i) of this Circular
"Dato' Michael Loh"	: Dato' Michael Loh Soon Gnee, the Executive Chairman and Chief Executive Officer of the Company
"Directors"	: The directors of the Company for the time being
"EGM"	: The extraordinary general meeting to be convened for the approval by Shareholders of the Proposed Disposal
"EPS"	: Earnings per share
"Escrow Account"	: An escrow account to be opened jointly by the Company and the Purchaser with the Escrow Agent pursuant to the Escrow Agreement and which shall be operated in accordance with the Agreement
"Escrow Agreement"	: The escrow agreement to be entered into between the Escrow Agent, the Company and the Purchaser in respect of the operation of the Escrow Account in accordance with the Agreement
"FY"	: The financial year ended or ending 31 December
"FY 2017 Financial Statements"	: The audited consolidated financial statements of the Group for FY 2017

DEFINITIONS

"Intellectual Property"	: All algorithms, application programming interfaces, apparatus, clinical data, chemical compositions or structures, circuit designs and assemblies, databases and data collections, diagrams, formulae, gate arrays, IP cores, inventions (whether or not patentable), patents, industrial designs, utility models, know-how, logos, trademarks and other marks (including brand names, product names, logos, and slogans), methods, network configurations and architectures, net lists, photomasks, processes, proprietary information, protocols, schematics, specifications, software, software code (in any form including source code and executable or object code), copyright and similar rights, subroutines, test results, test vectors, user interfaces, techniques, URLs, web sites, works of authorship, and other forms of technology (whether or not embodied in any tangible form and including all tangible embodiments of the foregoing such as instruction manuals, laboratory notebooks, prototypes, samples, studies, and summaries and, whether or not registered or registrable)
"Intellectual Property Rights"	: All rights of the following types, which may exist or be created under the laws of any jurisdiction in the world: (a) rights associated with works of authorship, including exclusive exploitation rights, copyrights, moral rights, and mask works; (b) trademark and trade name rights and similar rights; (c) trade secret rights; (d) patents and other industrial property rights; (e) other proprietary rights in Intellectual Property of every kind and nature; and (f) all registrations, renewals, extensions, continuations, divisions, or reissues of, and applications for, any of the rights referred to in clauses (a) through (e) above.
"Inter-company Indebtedness"	: Has the meaning ascribed to it in Section 3.4.1 of this Circular
"Latest Practicable Date"	: The latest practicable date prior to the printing of this Circular, being 30 June 2018
"Listing Manual"	: The listing manual of the SGX-ST
"LPS"	: Loss per Share
"Market Day"	: A day on which the SGX-ST is open for trading in securities
"Maximum Scenario"	: Has the meaning ascribed to it in Section 5.3(a) of this Circular
"NAV"	: Net asset value, being total assets less total liabilities
"Net Asset Adjustments"	: Has the meaning ascribed to it in Section 3.2.3(b) of this Circular
"Net Disposal Gain"	: Has the meaning ascribed to it in Section 5.2 of this Circular
"Net Gearing"	: The ratio of the net debt to the total capital and net debt
"Net Proceeds"	: Has the meaning ascribed to it in Section 2.3.6 of this Circular
"NTA"	: Net tangible assets, being net assets less intangible assets
"Notice of EGM"	: The notice of the EGM set out on page 31 of this Circular

DEFINITIONS

"Potential Total Transaction Value"	:	Has the meaning ascribed to it in Section 2.4 of this Circular
"Pre-Closing Dividend"	:	Has the meaning ascribed to it in Section 3.3.23 of this Circular
"Profit Guarantee"	:	Has the meaning ascribed to it in Section 3.2.5 of this Circular
"Proposed Disposal"	:	Has the meaning ascribed to it in Section 1.1 of this Circular
"Proposed Disposal Resolution"	:	The ordinary resolution relating to the Proposed Disposal in the Notice of EGM, to be proposed at the EGM
"Proxy Form"	:	The proxy form in respect of the EGM as set out in this Circular
"Remaining Businesses"	:	The remaining operating businesses of the Group upon the completion of the Proposed Disposal
"Restructuring"	:	Has the meaning ascribed to it in Section 2.1 of this Circular
"Sale Shares"	:	The Company's entire shareholding interest in STI SG, representing 100% of the share capital of the Company
"Second Payment"	:	Has the meaning ascribed to it in Section 3.2.2(b) of this Circular
"Securities Account"	:	A securities account maintained by a Depositor with CDP (but does not include a securities sub-account)
"Securities and Futures Act" or "SFA"	:	Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time or re-enactment thereof for the time being in force
"SGXNET"	:	The corporate announcement system maintained by the SGX-ST for the submission of announcements by listed companies
"Shareholders"	:	The registered holders of the Shares, except that where the registered holder is CDP, the term "Shareholders" shall, in the relation to such Shares, mean the Depositors in the Depository Register and whose Securities Accounts maintained with CDP are credited with those Shares
"Shares"	:	Ordinary shares in the issued share capital of the Company
"Shortfall"	:	Has the meaning ascribed to it in Section 3.2.5(iii) of this Circular
"STI Group Book Value"	:	The book value of the STI Group
"STI IP"	:	(a) all Intellectual Property Rights in or pertaining to an STI Company's Business, and (b) all other Intellectual Property Rights owned by or licensed to an STI Company.
"STI Payables"	:	Has the meaning ascribed to it in Section 3.3.12 of this Circular
"STI Trade Debts"	:	Has the meaning ascribed to it in Section 3.3.12 of this Circular
"Success Fee"	:	Has the meaning ascribed to it in Section 2.4 of this Circular

DEFINITIONS

"Target Profits"	: Has the meaning ascribed to it in Section 3.2.5 of this Circular
"Telford Debt"	: Has the meaning ascribed to it in Section 3.3.15 of this Circular
"Third Payment"	: Has the meaning ascribed to it in Section 3.2.2(c) of this Circular
"S\$" and "cents"	: Singapore dollars and cents respectively, being the lawful currency of Singapore
"%" or "per cent."	: Percentage or per centum

The terms **"Depositor"**, **"Depository Agent"** and **"Depository Register"** shall have the meanings ascribed to them respectively in Section 81SF of the SFA. The term **"treasury shares"** and **"subsidiary"** shall have the meanings ascribed to it under Section 4 and Section 5 of the Act respectively.

The terms **"associate"** and **"controlling shareholders"** shall have the meanings ascribed to them respectively in the Listing Manual.

The terms **"subsidiaries"**, **"Substantial Shareholders"** and **"related corporations"** shall have the meanings ascribed to them respectively in the Act.

Except where specifically defined, the terms **"we"**, **"us"** and **"our"** in this Circular refer to the Group.

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall, where applicable, include corporations.

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

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

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act, Securities and Futures Act and the Mainboard Rules or any modification thereof and used in this Circular shall, where applicable, have the meaning ascribed to it under the Act, Securities and Futures Act and the Mainboard Rules or modification as the case may be, unless otherwise provided.

Any reference to a time of day and date in this Circular is made by reference to Singapore time and date unless otherwise stated.

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "seek", "expect", "anticipate", "estimate", "believe", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "will", "would", "should", "could", "may" and "might". These statements reflect the current expectations, beliefs, hopes, intentions or strategies of the party making the statements regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders should not place undue reliance on such forward-looking statements, and the Company undertakes no obligation to update publicly or revise any forward-looking statements.

LETTER TO SHAREHOLDERS

ASTI HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number 199901514C)

Directors:

Dato' Michael Loh Soon Gnee
(Executive Chairman and Chief Executive Officer)
Mr. Timothy Lim Boon Liat
(Group Administrative Officer and Executive Director)
Dr. Daniel Yeoh Ghee Chong
(Lead Independent Director)
Professor Dr Kriengsak Chareonwongsak
(Independent Director)
Mr. Mandie Chong Man Sui
(Independent Director)
Mr. Mohd. Sopiyan B. Mohd. Rashdi
(Independent Director)

Registered Office:

1 Robinson Road
#18-00 AIA Tower
Singapore 048542

12 July 2018

To: The Shareholders of ASTI Holdings Limited

Dear Sir/Madam

THE PROPOSED DISPOSAL OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF SEMICONDUCTOR TECHNOLOGIES & INSTRUMENTS PTE LTD AS A MAJOR TRANSACTION

1. INTRODUCTION

- 1.1 **Proposed Disposal.** On the Announcement Date, the Board announced that the Company had, on 30 March 2018, entered into the Agreement with Shanghai Pudong Science and Technology Investment Co., Ltd (the "**Purchaser**") in respect of the proposed disposal by the Company of 100% of the entire issued and paid-up capital of its wholly-owned subsidiary, Semiconductor Technologies & Instruments Pte Ltd (the "**Proposed Disposal**"). The Proposed Disposal will be effected via the disposal of the Sale Shares for an aggregate sum of S\$90,000,000 in the manner as set out in Section 3.2 of this Circular.
- 1.2 **Major Transaction.** The Proposed Disposal constitutes a "major transaction" under Chapter 10 of the Listing Manual and is subject to the approval of Shareholders being obtained at an extraordinary general meeting to be convened. Please refer to Section 4 of this Circular for further details on the relative figures in respect of the Proposed Disposal computed on the bases set out in Rule 1006 of the Listing Manual.
- 1.3 **Circular.** The purpose of this Circular is to provide Shareholders with relevant information relating to the Proposed Disposal and to seek Shareholders' approval at the EGM for the Proposed Disposal Resolution, the notice of which is set out on page 31 of this Circular.

2. THE PROPOSED DISPOSAL AS A MAJOR TRANSACTION

2.1 Information on the STI Group

STI SG is a private company limited by shares incorporated in the Republic of Singapore on 15 May 1997. As at the Latest Practicable Date, STI SG has an issued and paid-up share capital of S\$1,500,000 comprising 1,500,000 ordinary shares.

LETTER TO SHAREHOLDERS

Each of STI Msia, STI Phils, STI TW and STI Korea are currently wholly owned subsidiaries of the Company. It is a condition precedent to the Proposed Disposal that the ownership of each of STI Msia, STI Phils, STI TW and STI Korea be transferred from the Company to STI SG, such that STI SG will own 100% of the issued share capital of each of STI Msia, STI Phils, STI TW and STI Korea (the “**Restructuring**”). Upon completion of the Restructuring, STI SG, STI Msia, STI Phils, STI TW and STI Korea shall be known as the “**STI Group**” and each an “**STI Company**”.

Upon completion of the Proposed Disposal, the STI Group will cease to be subsidiaries of the Company. Please refer to Appendix A of this Circular for the Group’s structure as at the Latest Practicable Date and post-Closing.

The STI Group is principally engaged in the business of research, design, development, manufacturing and marketing of semiconductor equipment (the “**Business**”).

2.2 Information on the Purchaser

The Purchaser is Shanghai Pudong Science and Technology Investment Co., Ltd. The Purchaser was established in 1999 and is a Shanghai-based investment company specialising in domestic and overseas investments in high-tech industries. Well-known for its mergers and acquisitions strategy in the semiconductor space, the Purchaser has recently led the launch of a 10 billion Renminbi investment fund with primary focus on semiconductor manufacturing equipment and material. The fund sets out strategy to invest in global opportunities, as well as help optimise the business and enhance the value of its portfolio companies in the Chinese semiconductor market.

The shareholders of the Purchaser as at the Latest Practicable Date are set out below:

Name of Shareholder	Percentage Shareholding held in the Purchaser (%)
Shanghai Hong Tian Yuan Venture Investment Partnership (LLP) ¹	51
SIIC Assets Operation Co., Ltd ²	25
Shanghai Pudong Investment Holding Co. Ltd ³	24

Notes:

- (1) 32.26% of Shanghai Hong Tian Yuan Venture Investment Partnership (LLP) is held by a general partner, Shanghai Hong Tian Investment Management Co., Ltd, which is in turn held by 14 individuals who are employees of the Purchaser. The remaining 67.74% of Shanghai Hong Tian Yuan Venture Investment Partnership (LLP) is held by limited partners comprising CITIC Investments Holdings Limited holding a stake of 22.5%, Shanghai Guosheng Group Investment Co., Ltd holding a stake of 19.3%, and 6 other limited partners holding minority interests.
- (2) SIIC Assets Operation Co., Ltd, is owned by Shanghai Industrial Investment (Holding) Co., Ltd, which is in turn wholly owned by the Shanghai Government.
- (3) Shanghai Pudong Investment Holding Co. Ltd is wholly owned by the Shanghai Pudong Government.

The directors of the Purchaser are Mr. Xudong Zhu, Mr. Yongjun Li, Mr. Zhiqiang Guan, Mr. Junyi Ni, Mr. Xinyu Luo, Ms. Qingwei Wu and Ms. Xiaohui Yan.

In recent years, the Purchaser has been actively involved in cross-border mergers and acquisitions, especially in the semiconductor space. The Purchaser has confirmed that the directors and/or substantial shareholders of the Purchaser are not related to the directors and/or substantial shareholders of the Company and the STI Group.

LETTER TO SHAREHOLDERS

2.3 Rationale for and Use of Proceeds from the Proposed Disposal

- 2.3.1 The Board believes that while the current core business activities (which includes those of the STI Group) is likely to sustain the Group in the short term, for the purposes of Shareholders' long-term interests, there is a need to identify and engage in other industries which demonstrate more growth prospects.
- 2.3.2 Subject to the success of the Company's future business plans, the Board is of the view that the Proposed Disposal will allow the Company to unlock the value of the assets in the STI Group and re-strategise its financial and capital resources. With the Proposed Disposal, the Company will substantially reduce its liabilities¹, improve its gearing and have more working capital to fund its operations, expand into other businesses and undertake the new investment opportunities that may arise in the future, which may result in higher value to Shareholders. Some of the potential future plans of the Company are set out below for reference purposes only.
- 2.3.3 After the completion of the Proposed Disposal, the Remaining Businesses are:

Subsidiary of the Company	Place of Incorporation	Business(es)	Percentage Shareholding by the Company (%)
Telford Industries Pte Ltd	Singapore	Provision of semiconductor manufacturing services for surface mount technology components	100
Telford SVC. Phils., Inc.	Philippines	Provision of semiconductor manufacturing services for surface mount technology components	100
Telford Technologies (Shanghai) Pte Ltd	People's Republic of China	Provision of semiconductor manufacturing services for surface mount technology components	100
Telford Property Management Inc. (Philippines)	Philippines	Property investment	100
Reel Service Limited	United Kingdom	Investment holding, manufacturing and distribution of carrier tapes and plastic reels and provision of semiconductor manufacturing	100
Reel Service (Philippines), Inc.	Philippines	Manufacturing and distribution of carrier tapes and plastic reels and provision of semiconductor manufacturing services for surface mount technology components	100
Dragon Group International Limited	Singapore	Investment holding and acting as corporate manager and advisor to its subsidiaries	41
Eoplex Limited	Hong Kong	Development of advanced chip packaging and related technologies	85

¹ The total liabilities of the STI Group based on the FY 2017 Financial Statements is S\$36,004,000. The total liabilities of the STI Group based on the FY2017 Financial Statements.

LETTER TO SHAREHOLDERS

<i>Held by Eoplex Limited</i>			
EoPlex Inc.	United States of America	Development of advanced chip packaging and related technologies	100
<i>Held by Telford Industries Pte Ltd</i>			
Telford Service Sdn. Bhd.	Malaysia	Provision of semiconductor manufacturing services for surface mount technology components	100
TQS Manufacturing Sdn. Bhd.	Malaysia	Provision of semiconductor manufacturing services for surface mount technology components	100
<i>Held by DGI</i>			
Sooner Technology Pte Ltd	Singapore	Trading in electronic components, computer peripherals and acting as commission agent	100
Dragon Equipment & Materials Technology Ltd	Hong Kong	Sale, distribution and acting as commission agent in equipment, materials and electronic components	100
DTB Limited	Hong Kong	Investment holding	100
EoCell Limited	Hong Kong	Development of battery and storage solutions	93
<i>Held by EoCell Limited</i>			
EoCell Inc.	United States of America	Development of battery and storage solutions	100
<i>Held by DTB Limited</i>			
Nanjing DTB Development Co., Ltd	People's republic of China	Construction of antique wooden sea boat, communication of culture, exhibition and conference etc.	60
Dragon Ventures Limited	Hong Kong	Investment holding	100
<i>Held by Dragon Ventures Limited</i>			
Dragon Tourism Management Company Limited	People's republic of China	Develop and manage a mixed-used property	100

LETTER TO SHAREHOLDERS

- (a) In FY 2017, the Telford Group recorded a profit before tax of S\$6.7 million, and is expected to be profitable in the FY 2018.
- (b) The Eoplex Group will continue to work towards the commercialisation of its products.
- (c) DGI is in the midst of negotiations with Zhuhai Yinlong to complete Zhuhai Yinlong's investment in DGI's subsidiary, EoCell Limited. The Board is of the view that such strategic partnership may create a wider market access to further develop EoCell Limited's business. For further information, please refer to the announcements made by DGI on 10 August 2017 and 22 January 2018.

2.3.4 The STI Group's business is one which requires intensive research and development, is prone to the cyclical nature of the semiconductor industry, and requires a significant amount of working capital. As such, there is no assurance that these profits can be maintained on an ongoing basis for the long term. After due consideration, the Board believes that the Company, being an investment holding company, should invest in and operate in multiple businesses with favourable prospects. Moving forward, the Company, as an investment holding company, will continue to operate the Remaining Businesses and tap on the flexibility to expand into different industry sectors and develop in areas of business which show potential growth opportunities, and which are less subject to the variable and capital intensive factors which the STI Group's business is subject to, as well as take advantage of the quick-shifting global business environment. In particular, the Company is exploring opportunities to invest in, develop and/or manage, *inter alia*, residential, commercial and township properties, new energy and transport technologies, as well as the mining, resources and materials industries. The Board is of the view that these proposed new businesses could possibly enhance the long-term interests of Shareholders.

The Company will, wherever feasible, use its existing management team and manpower to manage and undertake any proposed new businesses, but will also look to hire the requisite personnel wherever possible and/or required. As the proposed new businesses expand, the Company will, as and when necessary, recruit additional qualified personnel to manage the proposed new businesses, or outsource part of the work to third party service providers who have the expertise in the relevant area, such as marking and contract procurement, with the Company's management overseeing the overall business process. The Board also believes that the expertise required for the proposed new businesses can be acquired and developed over time as the proposed new businesses grow. The Company continues to remain cautious about the management of its business and intends to explore opportunities which would improve its financial position and increase shareholder value.

2.3.5 The Company is considering its options in relation to other business ventures and more information will be provided to Shareholders at the appropriate juncture. As at the Latest Practicable Date, there are no concrete plans and no definitive agreements entered into by the Company. Notwithstanding the above, the Directors are of the view that the Proposed Disposal is in the best interests of Shareholders on the basis that while the business of the STI Group is still profitable, it requires significant working capital and the increase in cash arising from the proceeds of the Proposed Disposal would allow the Company to focus its resources on the Remaining Businesses and undertake new businesses. Shareholders should note that the potential future plans of the Company set out above may change along the way and the Board intends to continue seeking opportunities which offer potential growth for the Group.

LETTER TO SHAREHOLDERS

2.3.6 The estimated net proceeds from the Proposed Disposal, after deducting estimated expenses to be incurred in connection with the Proposed Disposal of approximately S\$17,200,000, is approximately S\$72,800,000 (the **"Net Proceeds"**). The Company intends to utilise the Net Proceeds for general working capital requirements of the Group and to fund future business expansions, investments and acquisitions when suitable opportunities arise. Pending the deployment of the Net Proceeds for the purposes mentioned, such proceeds may be deposited with financial institutions, invested in short term money markets and/or marketable securities, or for any purposes on a short-term basis, as the Directors may deem appropriate in the interests of the Group.

2.3.7 Please also refer to Section 5.6 below for an illustration of the financial effects of the Proposed Disposal on the Net Gearing of the Group for FY 2017.

2.4 Information on the Financial Adviser and the Success Fee

The transaction expenses amounting to S\$17,200,000 is the success fee payable to the Financial Adviser to the Company, VSA Capital Shanghai Limited, for the Proposed Disposal (the **"Success Fee"**), representing (before adjustments) approximately (i) 19.11% of the Consideration (as defined below) and (ii) 13.43% of the Potential Total Transaction Value (as defined below).

The Financial Adviser, whose sole shareholder and director is Feifei Zheng, is not related to any directors or controlling shareholders of the Company.

The role of the Financial Adviser includes identifying potential buyers, evaluating, negotiating and advising on the Proposed Disposal. While the Success Fee is not in line with the typical market rate, it was based on a tiered formula to incentivise the Financial Adviser to achieve a better commercial deal for the Company, which is the case with regard to the Proposed Disposal. Under the circumstances, considering the total transaction value is potentially up to S\$128,000,000 (i.e. the Consideration of S\$90,000,000 (as described in Section 3.2 below) and the Pre-Closing Dividend of S\$38,000,000 (as described in Section 3.3.23 below)) (the **"Potential Total Transaction Value"**), the Company is of the view that the Financial Adviser has been successful in assisting the Company with the disposal of the STI Group. In addition, by way of reference, the offer for the STI Group by the Purchaser is significantly better than previous offers by other parties received by the Company, even after taking into consideration the deduction of the Success Fee. Please refer to Section 3.3.23 of this Circular for information on the Pre-Closing Dividend, which will be used entirely to offset a portion of the ASTI Payables, being certain amounts owing by the Group to the STI Group as described in Section 3.4 of this Circular.

None of the Directors or Substantial Shareholders of the Company has any interest, direct or indirect, in the Success Fee.

3. SALIENT TERMS OF THE AGREEMENT

3.1 Restructuring and Proposed Disposal

3.1.1 As each STI Company is currently held by the Company directly, the Company will be undertaking the Restructuring to transfer STI Msia, STI Phils, STI TW and STI Korea to its wholly-owned subsidiary, STI SG, as a condition precedent to Closing.

3.1.2 The consideration payable to the Company by STI SG in connection with the Restructuring shall be in the form of ordinary shares in the issued and paid-up share capital of STI SG, to be credited as fully-paid, to the Company.

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- 3.1.2 Subject to the terms and conditions of the Agreement and the fulfilment and/or waivers of the conditions precedent set out in Section 3.3 of this Circular, the Company shall sell, and the Purchaser shall buy, the entire issued and paid up share capital of STI SG free of all encumbrances and together with all rights of any nature which are now or which may at any time become attached thereto or accrue in respect thereof (including all dividends / shares on profit and distributions declared, paid or made in respect thereof) as from the Closing Date.

3.2 Consideration

- 3.2.1 The aggregate consideration for the Proposed Disposal shall be S\$90,000,000 (the “**Consideration**”), subject to the adjustment mechanism set out in the Agreement and as described below. The Consideration was arrived at pursuant to arm’s length negotiations between the Company and the Purchaser on a willing-buyer and willing-seller basis, taking into account a number of factors including, *inter alia*, the historical performance and business prospects of the STI Group.

- 3.2.2 The Consideration shall be satisfied by the Purchaser in cash in the following manner:

- (a) S\$72,000,000 (being 80% of the Consideration) shall be payable by the Purchaser on the Closing Date;
- (b) S\$9,000,000 (being 10% of the Consideration), as adjusted pursuant to the adjustment mechanism set out in Section 3.2.3 of this Circular (the “**Second Payment**”) shall be payable by the Purchaser:
 - (i) if Closing occurs before 30 June 2018 (the “**Cut-off Date**”), within ten (10) Business Days upon the date of completion of the Closing Audit (as defined in Section 3.2.4 of this Circular); or
 - (ii) if the completion of the Closing Audit occurs before Closing, on the Closing Date; and
- (c) S\$9,000,000 (being 10% of the Consideration) (the “**Third Payment**”) shall be payable by the Purchaser on or prior to Closing, to a bank account to be jointly opened by the Parties with the Escrow Agent to be dealt with in accordance with the terms of the Agreement and the Escrow Agreement and as further set out in Section 3.2.5 of this Circular below.

- 3.2.3 The Second Payment shall be adjusted as follows:

- (a) if the amount of the actual aggregate NAV of the STI Group, computed on the basis of total assets minus total liabilities in compliance with generally accepted accounting principles, standards and practices in the jurisdiction in Singapore and other applicable jurisdictions as at the date of the Agreement (the “**Actual NAV**”) as at the Cut-off Date is equal to or higher than the amount of S\$69,000,000, then the Second Payment shall be equal to 10% of the Consideration without any adjustments; and
- (b) if the Actual NAV as at the Cut-off Date is less than the amount of S\$69,000,000, then the Second Payment shall be equal to 10% of the Consideration minus a number equal to the difference between the amount of the Actual NAV and the amount of S\$69,000,000 (the “**Net Asset Adjustments**”).

If 10% of the Consideration is less than the Net Asset Adjustments, then the Purchaser does not need to make the Second Payment to the Company. Instead, the Company shall make the payment in cash equal to the aforementioned shortfall, being the difference between the Net Asset Adjustments and 10% of the Consideration, to the Purchaser within ten (10) Business Days upon the date of completion of the Closing Audit.

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The figure of S\$69,000,000 as set out in Sections 3.2.3(a) and 3.2.3(b) is based on the NAV before the Pre-Closing Dividend (as defined below). As at 31 December 2017, the NAV of the STI Group is S\$62,700,000. For the avoidance of doubt, the Pre-Closing Dividend will not be taken into consideration when calculating the minimum NAV as at the Cut-off Date. While there is no cap on the maximum potential amount regarding shortfall in NAV, on the foregoing basis, based on STI Group's performance for the first two calendar months of FY 2018 and the existing order book, the Company is of the view that the minimum NAV of S\$69,000,000 as at the Cut-off Date is achievable and, even if not met for unforeseen circumstances, any shortfall should not be excessive (barring any extreme unforeseen circumstances).

3.2.4 As soon as practicable after the Cut-off Date and in any event within thirty (30) Business Days after the Cut-off Date, the Parties will procure that the Company prepare and deliver to the Purchaser's accountant, PricewaterhouseCoopers International Limited (the "**Accountant**"):

- (i) the consolidated financial statements of the STI Group as at the Cut-off Date (the "**Closing Accounts**");
- (ii) the calculation of the Actual NAV, determined on the basis of the Closing Accounts; and
- (iii) the amount of the Net Asset Adjustments, in accordance with the provisions of the Agreement.

The Purchaser shall direct the Accountant to, within twenty (20) Business Days upon its receipt of the Closing Accounts, conduct an audit on the Closing Accounts:

- (a) in accordance with the accounting principles and methodologies as consistently applied by each STI Company in compliance with the generally accepted accounting principles, standards and practices in the jurisdiction in Singapore and other applicable jurisdictions as at the date of the Agreement ("**Accounting Principles**"); and
- (b) to the extent not covered or inconsistent with sub-paragraph (a) above, on the basis consistent with the accounting methods, practice, principles, policies and procedures, with consistent classifications, judgments and valuation and estimation methodologies, that were used in the preparation of the consolidated and audited financial statements of the STI Group as at 31 December 2017 as if the Closing Accounts were prepared as of a financial year end,

and based on the result of such audit, determine the amount of the Actual NAV and the Net Asset Adjustments in accordance with the provisions of the Agreement (the "**Closing Audit**").

The Company will make further announcements on the amount of the Second Payment as soon as the Closing Audit has been completed.

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- 3.2.5 The Company undertakes that the aggregated amount of profits (before payment of taxes) of the STI Group (the “**Actual Profits**”) in 2018 and 2019 is not less than S\$17,000,000 (the “**Target Profits**”) based on STI SG’s audited financial statements for FY 2018 and FY 2019 respectively (the “**2018 Audited Accounts**” and “**2019 Audited Accounts**” respectively) (referred to as the “**Profit Guarantee**”), provided always that the Profit Guarantee shall be based on the prevailing management and operation structures and the expenses are incurred by the STI Group in the conduct of the Business in the ordinary course of business. The Purchaser agrees that it shall maintain an accounting system that enables the Company to readily identify each STI Company’s assets, expenses, costs of goods and use of funds for the period of the Profit Guarantee. In order to satisfy itself as to the Profit Guarantee, the Company shall be entitled, at the end of the period of the Profit Guarantee, to engage one of the big-four accounting firms (i.e. member firms of Deloitte Touche Tohmatsu Limited, PricewaterhouseCoopers International Limited, KPMG International Cooperative and Ernst & Young) to inspect and perform an audit over the books and records relating to the business conducted by the STI Group and the Purchaser shall provide all such information and explanations as the Company may require, provided that the Company shall bear customary non-disclosure obligations to the reasonable satisfaction of the Purchaser. If it shall be determined as a result of such audit that there is any increase in capital expenditure or costs (including on research and development) in comparison to the averages of the same FY 2016 and FY 2017 incurred by the STI Group, the Parties shall discuss in good faith the appropriate adjustment(s) to be made to the Target Profits.

In connection with the Profit Guarantee, save as otherwise provided in this Section 3.2.5:

- (i) in the event that the Actual Profits in 2018 is not less than S\$8,000,000 based on the 2018 Audited Accounts, the Parties shall jointly instruct the Escrow Agent to release an amount equal to half of the Third Payment to the bank account of the Company, within ten (10) Business Days upon issuance of the 2018 Audited Accounts;
- (ii) in the event that the Actual Profits are equal to or more than the Target Profits, the Parties shall jointly instruct the Escrow Agent to release an amount equal to the balance Third Payment to the bank account of the Company, within ten (10) Business Days upon issuance of the 2019 Audited Accounts;
- (iii) in the event that the Actual Profits are less than the Target Profits (the “**Shortfall**”), the Parties shall jointly instruct the Escrow Agent to release an amount equal to the balance Third Payment and (if the Shortfall is more than such balance Third Payment) the Company shall pay in cash an amount equal to the Shortfall minus such balance Third Payment, to the bank account of the Purchaser within ten (10) Business Days upon issuance of the 2019 Audited Accounts, provided always that if the Actual Profits are negative, any such losses shall not be taken into account and the Actual Profits shall be deemed as zero; and
- (iv) any and all interest accrued on the Third Payment, if any, shall be released to the Company or the Purchaser together with the principal amount to be released to such Party (pro rata) pursuant to the Agreement at the same time as payment of the corresponding principal.

The Company will make further announcements as and when any Shortfall is determined, as well as if any part of the Third Payment is released to the Company in accordance with the provisions described in this Section 3.2.5.

For the purposes of determining if the Target Profits are met, the Actual Profits for each of FY 2018 and FY 2019 would not take into account corporate expenses/charges by the Company to the STI Group which were historically charged. As an illustration, the average net profit before tax (and excluding such historical corporate expenses/charges by the Company) for the STI Group for each financial year between FY 2015, FY 2016 and FY 2017 is S\$10,200,000 per annum. This gives the Company confidence that the aggregated Target Profits of S\$17 million for both FY 2018 and FY 2019 can be met.

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Based on the foregoing, the maximum Shortfall will be S\$17,000,000 and accordingly, the maximum amount the Company potentially needs to pay back to the Purchaser for the purposes of the Profit Guarantee is S\$17,000,000. On the basis that the Consideration is S\$90,000,000 and assuming that there are no adjustments in relation to the Second Payment, the adjusted Consideration will be S\$73,000,000, and the adjusted net Consideration after deducting the Success Fee, will be S\$55,800,000.

3.3 Conditions Precedent

Closing is conditional upon the fulfilment (or waiver) of, *inter alia*, the following conditions being fulfilled or done on or prior to the Closing Date:

- 3.3.1 save as duly disclosed, all of the representations and warranties made by the Company in the Agreement (considered collectively), and each of said representations and warranties (considered individually), shall have been true, accurate and complete in all respects as of the date of the Agreement, and shall be true, accurate and complete in all respects as of the Closing Date as if made on the Closing Date, except for any representation and warranty which is expressly indicated as being made as at any specified date, which shall be true and accurate as at such date only;
- 3.3.2 each of the agreements, instruments and documents contemplated in connection with the Agreement having been duly executed by the relevant parties and each of them being valid and enforceable;
- 3.3.3 all governmental approvals and consents from any competent governmental body (including from the SGX-ST) that are required in connection with the transactions contemplated hereby shall have been duly obtained and shall continue to be in full force and effect;
- 3.3.4 the approval of (a) the board of directors and, if applicable, shareholders of STI SG being obtained for transactions contemplated under the Proposed Disposal, and (b) the shareholders of the Company being obtained, at a general meeting held by the Company, for transactions contemplated under the Proposed Disposal;
- 3.3.5 since the date of the Agreement, there shall not have been commenced or threatened in writing against the Company or the STI Group, or against any person affiliated with the Company or the STI Group, any legal proceeding (a) involving any material challenge to, or seeking material damages or other material relief in connection with the Proposed Disposal, or (b) that may have the effect of preventing, delaying, making illegal or otherwise interfering with the Proposed Disposal;
- 3.3.6 no temporary restraining order, preliminary or permanent injunction or other order issued by any court of competent jurisdiction or other legal or regulatory restraint or prohibition preventing the consummation of the Proposed Disposal shall be in effect, nor shall any action have been taken by any governmental body seeking any of the foregoing, and no statute, rule, regulation or order shall have been enacted, entered, enforced or deemed applicable to the Proposed Disposal;
- 3.3.7 the Company shall have duly completed the Restructuring;
- 3.3.8 save as duly disclosed, there shall have been no material adverse change since the date of the Agreement;
- 3.3.9 the Company shall have obtained all third party consents and/or waivers in connection with the Proposed Disposal;
- 3.3.10 all landlords to the real properties leased by the STI Group have given their respective acknowledgements or unconditional consents (where necessary) to the Proposed Disposal;

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- 3.3.11 a new sub-lease agreement shall have been duly executed by and between STI SG and the Company with respect to the office premise currently leased by STI SG to the reasonable satisfaction of the Purchaser;
- 3.3.12 all loan or indebtedness owing by the STI Group to the Company and its affiliates (not including the STI Group) (the “**STI Payables**”), but excluding any and all trade debts (the “**STI Trade Debts**”), having been settled to the reasonable satisfaction of the Purchaser. Please refer to Section 3.4 for more details on the STI Payables and the STI Trade Debts;
- 3.3.13 new insurance policies having been secured for the STI Group to the reasonable satisfaction of the Purchaser;
- 3.3.14 the transfer of the STI IP having been legally completed in accordance with the terms set out in the Agreement to the reasonable satisfaction of the Purchaser. In this regard, the Purchaser will be conducting additional due diligence on the STI IP that is being transferred during the pre-Closing period and the Parties have agreed that, only such STI IP that is determined to be necessary for the operation of the Business will be transferred to the STI Group. The Purchaser agrees and undertakes to procure that the STI IP not relating to the operation of the Business which is used or required by the Company, its affiliates and ASA shall be licensed to such persons as the Company, its affiliates and ASA may nominate on a perpetual, royalty-free and world-wide basis (see Section 3.3.25 below);
- 3.3.15 (a) all payables (on a non-trading basis) of the Company, and/or its affiliates, its shareholders and/or any of their affiliates (other than any STI Company) to the STI Group as recorded and reflected in the financial statements as at Closing (the “**ASTI Payables**”), but excluding any and all trade debts (the “**ASTI Trade Debts**”), and (b) the trade debt payable by Telford Philippines (a group company of the Group) to the STI Group of S\$1,387,000 as the Latest Practicable Date (the “**Telford Debt**”), shall have been fully paid back and settled pursuant to the terms set out in the Agreement, to the reasonable satisfaction of the Purchaser. It was commercially agreed between the Company and the Purchaser that the Telford Debt shall be settled on or prior to the completion of the Proposed Disposal. Please refer to Section 3.4 for more details on the ASTI Payables, the ASTI Trade Debts and the Telford Debt;
- 3.3.16 the discharge of any charges registered against the STI Group;
- 3.3.17 the number of employees of the STI Group shall not be reduced by more than 10% since the date of the Agreement, provided that the Company may at its sole discretion procure replacements of any employee at the relevant STI Company’s cost;
- 3.3.18 the unconditional and irrevocable discharge of the STI Group in relation to any guarantee, letter of comfort or support, indemnification or similar document or undertaking with respect to the obligations, liabilities or indebtedness of the Company or any of its affiliates, that may have granted by the STI Group to any third party;
- 3.3.19 the transfer of assets and employees pursuant to terms and conditions to be agreed by the Parties prior to the Closing Date having been completed to the reasonable satisfaction of the Purchaser;
- 3.3.20 registration with the provincial branch of Chinese National Development and Reform Commission;
- 3.3.21 registration with the provincial branch of Ministry of Commerce of the People’s Republic of China;

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- 3.3.22 the approval/clearance for the Proposed Disposal and the circular to be addressed to Shareholders relating to the Proposed Disposal, from the SGX-ST having been received and not withdrawn or revoked as at the Closing, and if approval is subject to any conditions or restrictions being imposed by the SGX-ST, such conditions or restrictions being reasonably acceptable to the Company;
- 3.3.23 the declaration and payment of a pre-Closing dividend amounting to S\$38 million to the Company, which shall be used to offset a portion of the ASTI Payables (the **"Pre-Closing Dividend"**);
- 3.3.24 the consultancy agreement between Dato' Michael Loh and STI SG having been duly executed by and between Dato' Michael Loh and STI SG, on such terms as may be satisfactory to the Company. Please refer to Section 7 of this Circular for details on the consultancy agreement;
- 3.3.25 the entry into an arrangement between the relevant STI Company and the Company, its affiliates or ASA (or their nominee) for the licence of the STI IP not relating to the operation of the Business which is used or required by the Company or its affiliates or ASA, on a perpetual, royalty-free and worldwide basis in accordance with the terms of the Agreement; and
- 3.3.26 the unconditional and irrevocable discharge of the Company or any of its affiliates in relation to any guarantee, letter of comfort or support, indemnification or similar document or undertaking with respect to the obligations, liabilities or indebtedness of any STI Company, that have been granted by the Company or any of its affiliates to any third party.

Once the Proposed Disposal Resolution in this Circular is passed, the condition precedent in Section 3.3.4 (in respect of the approval of Shareholders for the disposal of the Sale Shares) would be fulfilled. Save as aforesaid, as at the Latest Practicable Date, the other conditions precedent remain to be fulfilled or obtained on or prior to Closing and wherever necessary, the Company has taken steps to fulfil these conditions precedent. In the event that any of the abovementioned conditions precedent is waived by the Company and/or the Purchaser, the Company shall make an announcement of such waiver.

3.4 **Indebtedness between the Company and/or its affiliates and the STI Group**

- 3.4.1 As at the Latest Practicable Date, there remains outstanding between (a) the Company and/or its affiliates, and (b) the STI Group, the following indebtedness (the **"Inter-company Indebtedness"**):
 - (i) the ASTI Payables, being amounts owing by the Company and/or its affiliates to the STI Group that are non-trade in nature;
 - (ii) the ASTI Trade Debts, being amounts owing by the Company and/or its affiliates to the STI Group that are trade in nature (but excluding the Telford Debt);
 - (iii) the STI Payables, being amounts owing by the STI Group to the Company and/or its affiliates that are non-trade in nature;
 - (iv) the STI Trade Debts, being amounts owing by the STI Group to the Company and/or its affiliates that are trade in nature; and
 - (v) the Telford Debt.

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3.4.2 As disclosed under Section 3.3, the settlement and full repayment of the STI Payables and the ASTI Payables are conditions precedent to Closing, since the STI Group will no longer be part of the Group after Closing. As the ASTI Trade Debts and STI Trade Debts arise from certain transactions between the STI Group and the Company (and its affiliates) which will continue to operate after Closing (the “**Continuing Transactions**”), the Company and the Purchaser have agreed that such debts need not be repaid as a condition precedent to Closing, save for the Telford Debt which is the only trade-related debt (for the purchase of goods from the STI Group) which they have agreed to settle as at Closing. The Company confirms that the Continuing Transactions are undertaken on an arm’s length basis and on normal commercial terms. The sale and purchase of goods under the Continuing Transactions are on a purchase order basis in the normal course of business.

3.4.3 The amounts outstanding in respect of the Inter-company Indebtedness and the related Continuing Transactions (for the ASTI Trade Debts and the STI Trade Debts) are set out as follows:

(a) ASTI Payables (i.e. non-trade amounts owing by the Company and/or its affiliates to the STI Group)

ASTI Payables	Amounts outstanding as at the Latest Practicable Date in S\$
Payable by the Company to the STI Group	52,233,000
Payable by Telford Service Sdn Bhd to the STI Group	30,000
Payable by Microfits Pte Ltd to the STI Group	5,000

(b) ASTI Trade Debts (i.e. trade amounts owing by the Company and/or its affiliates to the STI Group, but excluding the Telford Debt)

ASTI Trade Debts	Amounts outstanding as at the Latest Practicable Date in S\$	Continuing Transaction
Payable by Telford Industries Pte Ltd to the STI Group	4,000	Purchase of goods
Payable by Telford Service Sdn Bhd to the STI Group	133,000	Purchase of goods
Payable by Telford Technologies (Shanghai) Pte Ltd to the STI Group	10,000	Purchase of goods
Payable by Reel Services Limited to the STI Group	66,000	Purchase of goods
Payable by Reel Service Philippines, Inc. to the STI Group	232,000	Purchase of goods
Payable by Microfits Pte Ltd to the STI Group	8,000	Purchase of goods

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- (c) STI Payables (i.e. non-trade amounts owing by the STI Group to the Company and/or its affiliates)

STI Payables	Amounts outstanding as at the Latest Practicable Date in S\$
Receivable by the Company from the STI Group	(203,000)
Receivable by FE Global (Shanghai) Ltd from the STI Group	(21,000)
Receivable by Telford Industries Pte Ltd from the STI Group	(1,000)
Receivable by Telford Philippines from the STI Group	(6,906,000)
Receivable by Emerald Precision Engineering Sdn Bhd from the STI Group	(3,000)

- (d) STI Trade Debts (i.e. trade amounts owing by the STI Group to the Company and/or its affiliates)

STI Trade Debts	Amounts outstanding as at the Latest Practicable Date in S\$	Continuing Transaction
Receivable by Emerald Precision Engineering Sdn Bhd from the STI Group	(437,000)	Sale of goods

- (e) the Telford Debt (i.e. trade amount owing by Telford Philippines (a group company of the Group) to the STI Group)

Telford Debt	Amounts outstanding as at the Latest Practicable Date in S\$
Payable by Telford Philippines to the STI Group	1,387,000

3.4.4 The ASTI Payables which are owed by the Company to the STI Group amounting to S\$52,233,000 as at the Latest Practicable Date, will be repaid by the Company as follows:

- (a) an amount of S\$38,000,000 will be repaid by way of set-off against the Pre-Closing Dividend;
- (b) an amount of S\$7,109,000 will be repaid by way of set-off against the STI Payables which are owed to the Company and to Telford Philippines; and
- (c) the remaining S\$7,124,000 will be repaid in cash, funded by the Company's internal resources.

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- 3.4.5 The Telford Debt amounting to S\$1,387,000 as at the Latest Practicable Date, will be repaid by Telford Philippines to the STI Group prior to completion of the Proposed Disposal in cash, funded by Telford Philippine's internal resources.

4. RELATIVE FIGURES UNDER CHAPTER 10 OF THE LISTING MANUAL IN RELATION TO THE PROPOSED DISPOSAL

Rule 1014(1) of the Listing Manual states that where any of the relative figures as computed on the bases set out in Rule 1006 of the Listing Manual exceeds 20%, a transaction is classified as a "major transaction". Rule 1014(2) of the Listing Manual further states that such a "major transaction" must be made conditional upon approval by Shareholders at a general meeting to be convened.

Based on the FY 2017 Financial Statements, the relative figures computed in respect of the Proposed Disposal on the bases set out in Rule 1006 of the Listing Manual are as follows:

Rule	Bases of computation	Relative figure computed in accordance with the bases set out in Rule 1006 of the Listing Manual (%)
1006(a)	NAV of assets being disposed of compared with the Group's NAV.	123.9% ⁽¹⁾
1006(b)	Net profits ⁽²⁾ attributable to the assets disposed, compared with the Group's net profits.	(17.3)% ⁽³⁾
1006(c)	The aggregate value of consideration given, compared with the Company's market capitalisation based on the total number of issued shares excluding treasury shares.	191.5% ⁽⁴⁾
1006(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 ⁽⁵⁾
1006(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. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company.	Not applicable ⁽⁶⁾

Notes:

- (1) Based on the aggregate NAV of the STI Group as at 31 December 2017 of S\$62,724,000, divided by the Group's NAV as at 31 December 2017 of S\$50,616,000.
- (2) Net profits refer to profit before income tax, minority interests and exceptional items.
- (3) Based on the aggregate unaudited net profits attributable to the STI Group for FY 2017 of S\$2,280,000, divided by the Group's unaudited net loss for FY 2017 of S\$13,216,000.
- (4) The market capitalisation of the Company as at 29 March 2018 (based on the volume weighted average price of S\$0.07180 per share of the Company on such date), being the last market day on which shares of the Company were traded on the SGX-ST prior to the date of signing of the Agreement, is S\$47,010,000.
- (5) Not applicable as this basis is not applicable to a disposal of assets, as is the case here.
- (6) Not applicable as the Company is not a mineral, oil and gas company.

As the relative figures computed on the basis set out in Rule(s) 1006(a) and (c) exceed 20%, the Proposed Disposal constitutes a "major transaction" under Chapter 10 of the Listing Manual and is conditional upon the approval of Shareholders at the EGM.

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5. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

- 5.1 Based on the FY 2017 Financial Statements, the STI Group Book Value and net tangible asset value of the STI Group as at 31 December 2017 are approximately S\$62,724,000 respectively.
- 5.2 Based on the FY 2017 Financial Statements, the excess of the Net Proceeds of S\$72,800,000 over the STI Group Book Value of S\$62,724,000 is approximately S\$10,076,000. Aggregated with the Pre-Closing Dividend, the Group would expect to realise a total attributable net disposal gain of S\$48,076,000 (the “**Net Disposal Gain**”).
- 5.3 For illustration purposes only and based on FY 2017 Financial Statements, the financial effects of the Proposed Disposal on the NTA per Share, EPS/LPS and Net Gearing of the Group based on the following scenarios are set out below:
- (a) consideration for the Proposed Disposal of S\$90,000,000.00, being the Consideration payable by the Purchaser prior to any adjustments (the “**Maximum Scenario**”); and
 - (b) consideration for the Proposed Disposal of S\$73,000,000, being the Consideration payable by the Purchaser:
 - (i) assuming there are no adjustments in relation to the Second Payment; and
 - (ii) deducting the maximum amount of Shortfall of S\$17,000,000 in relation to the Third Payment as set out in Section 3.2.5 above,
- (the “**Adjusted Scenario**”).
- 5.4 The *pro forma* financial effects analysis of the Proposed Disposal have been prepared solely for illustrative purposes and do not purport to be indicative or a projection of the actual financial position of the Group immediately after completion of the Proposed Disposal, and have been prepared based on the following key assumptions:
- (a) for the purposes of computing the NTA per Share of the Group, assuming that the Proposed Disposal had been completed on 31 December 2017, being the end of FY 2017; and
 - (b) for the purposes of computing the EPS/LPS of the Group, assuming that the Proposed Disposal had been completed on 1 January 2017, being the beginning of FY 2017.

5.5 NTA per Share

The illustrative financial effects of the Proposed Disposal on the NTA per Share of the Group for FY 2017 are as follows:

	Maximum Scenario		Adjusted Scenario	
	Before the Proposed Disposal	After the Proposed Disposal	Before the Proposed Disposal	After the Proposed Disposal
NTA (S\$) ⁽¹⁾	46,446,000	94,522,000	46,446,000	77,522,000 ⁽³⁾
Number of issued Shares ⁽²⁾	654,731,486	654,731,486	654,731,486	654,731,486
NTA per Share (Singapore cents)	7.09	14.44	7.09	11.84

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Notes:

- (1) NTA is derived from total tangible assets minus total liabilities.
- (2) Based on the existing share capital of the Company comprising 654,731,486 Shares as at 31 December 2017.
- (3) Computed by taking the aggregate of (i) the NTA before the Proposed Disposal of S\$46,446,000, and (ii) the Net Disposal Gain of S\$48,076,000, and deducting the maximum Shortfall of S\$17,000,000.

5.6 EPS/LPS

The illustrative financial effects of the Proposed Disposal on the EPS/LPS of the Group for FY 2017 are as follows:

	Maximum Scenario		Adjusted Scenario	
	Before the Proposed Disposal	After the Proposed Disposal ⁽¹⁾	Before the Proposed Disposal	After the Proposed Disposal ⁽¹⁾
(Loss) / Profits attributable to Shareholders (S\$)	(4,397,000)	43,545,000 ⁽²⁾	(4,397,000)	26,545,000 ⁽³⁾
Weighted average number of Shares	654,731,486	654,731,486	654,731,486	654,731,486
(Loss) / Earnings per Share (cents)	(0.67)	6.65	(0.67)	4.05

Notes:

- (1) Comprises an amount of S\$50,222,000 attributable to a one-off gain on disposal and a loss of S\$2,280,000 in profit from the STI Group for FY 2017, resulting in a net disposal gain as at 1 January 2017 of S\$47,942,000.
- (2) Computed by deducting the loss attributable to Shareholders of S\$4,397,000 from the net disposal gain as at 1 January 2017 of S\$47,942,000.
- (3) Computed by deducting the loss attributable to Shareholders of S\$4,397,000 from the net disposal gain as at 1 January 2017 of S\$47,942,000, and deducting the maximum Shortfall of S\$17,000,000.

5.7 Gearing

The illustrative financial effects of the Proposed Disposal on the Net Gearing of the Group for FY 2017 are as follows:

	Maximum Scenario		Adjusted Scenario	
	Before the Proposed Disposal	After the Proposed Disposal	Before the Proposed Disposal	After the Proposed Disposal
Net Debt ⁽¹⁾ (S\$)	20,303,000	7,980,000	20,303,000	7,980,000
Total Capital ⁽²⁾ (S\$)	58,567,000	106,645,000	58,567,000	89,645,000
Gearing ratio (times)	0.26	0.08	0.26	0.10

Notes:

- (1) Net debt refers to all of the loans and borrowings, trade payables and other payables of the Group less cash and short-term deposits.
- (2) Total Capital refers to equity attributable to owners of the Company minus fair value reserve

LETTER TO SHAREHOLDERS

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and Substantial Shareholders in the issued share capital of the Company as at the Latest Practicable Date, as recorded in the register of director's shareholdings and the register of substantial shareholders kept by the Company, are as follows:

	Direct Interest Number of Shares	%(⁽¹⁾)	Deemed Interest Number of Shares	%
Directors				
Dato' Michael Loh	130,209,600	19.89	0	0.00
Timothy Lim Boon Liat	0	0.00	99,000 ⁽²⁾	0.02
Daniel Yeoh Ghee Chong	0	0.00	0	0.00
Professor Dr Kriengsak Chareonwongsak	0	0.00	0	0.00
Mandie Chong Man Sui	0	0.00	136,800 ⁽³⁾	0.02
Mohd. Sopiyan B. Mohd. Rashdi	0	0.00	0	0.00
Substantial Shareholders				
Dato' Michael Loh	130,209,600	19.89	0	0.00
Soh Pock Kheng	57,000,000	8.71	28,596,000 ⁽⁴⁾	4.37
Heah Theare Haw	-	-	41,484,000 ⁽⁵⁾	6.34

Notes:

(1) Based on 654,731,486 Shares (excluding treasury shares) as at the Latest Practicable Date.

(2) Mr. Timothy Lim Boon Liat is deemed interested in the 99,000 Shares held by his wife.

(3) Mr. Mandie Chong Man Sui is deemed interested in 136,800 Shares held by nominees.

(4) Mr. Soh Pock Kheng is deemed interested in 28,596,000 held by nominees.

(5) Mr. Heah Theare Haw is deemed interested in 41,484,000 Shares held by nominees

Subject to Section 7 below, none of the Directors or Substantial Shareholders of the Company has any interest, direct or indirect, in the Proposed Disposal, save for their interests by virtue of their shareholdings and/or directorships, as the case may be, in the Company.

7. DETAILS OF ANY SERVICE CONTRACTS

7.1 No person is proposed to be appointed as a director of the Company in connection with the Proposed Disposal.

7.2 Dato' Michael Loh, a Director of the Company, is to enter into a consultancy agreement with the Purchaser, as one of the conditions precedent to the Proposed Disposal. This is because the Purchaser is of the view that Dato' Michael Loh's experience and guidance is critical for the STI Group, especially during the pre-Closing period and period of the Profit Guarantee. The entry into this consultancy agreement is also of benefit to the Company as it allows for continuity of the management direction of the STI Group which the Company believes will allow the Profit Guarantee to be more readily met.

LETTER TO SHAREHOLDERS

7.3 The key terms of Dato' Michael Loh's service agreement are as follows:

Term of appointment:	2 years from the Closing Date
Remuneration:	S\$24,000 per year
Roles and Responsibilities:	Advise the board of STI SG on the following matters <ul style="list-style-type: none">i) vision, mission, corporate strategies of the STI Group with regards to operation;ii) employees incentive plan;iii) managing the management team; andiv) outbound mergers and acquisition.

8. DIRECTORS' RECOMMENDATIONS

Proposed Disposal Resolution. Having considered the terms of and the rationale for the Proposed Disposal, the Directors, save for Dato' Michael Loh, are of the opinion that the Proposed Disposal is in the best interest of Shareholders. Accordingly, the Directors, save for Dato' Michael Loh, recommend that Shareholders vote in favour of the Proposed Disposal Resolution set out in the Notice of EGM.

To avoid any potential conflicts of interest, Dato' Michael Loh as well as his associates, if a Shareholder, shall abstain from voting on the Proposed Disposal Resolution as a Shareholder.

9. EXTRAORDINARY GENERAL MEETING

The EGM, the notice of which is given on page 31 of this Circular, will be held at 25 Kallang Avenue, #06-01 Kallang Basin Industrial Estate, Singapore 339416 on 27 July 2018 at 3.30 p.m., for the purpose of considering and, if thought fit, passing with or without any modifications, the Proposed Disposal Resolution set out in the Notice of EGM.

10. ACTIONS TO BE TAKEN BY SHAREHOLDERS

10.1 **Appointment of Proxies.** If a Shareholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the attached Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company not later than 48 hours before the time appointed for the EGM. Completion and return of the Proxy Form by a Shareholder will not prevent him from attending and voting at the EGM if he so wishes. An appointment of a proxy or proxies shall be deemed to be revoked if a Shareholder attends the EGM in person and, in such event, the Company reserves the right to refuse to admit any person or persons appointed under the Proxy Form to the EGM.

10.2 **When Depositor regarded as Shareholder.** A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least 72 hours before the EGM.

11. RESPONSIBILITY STATEMENT BY THE DIRECTORS

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, as at the Latest Practicable Date, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Disposal and the Group and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

LETTER TO SHAREHOLDERS

12. DOCUMENTS AVAILABLE FOR INSPECTION

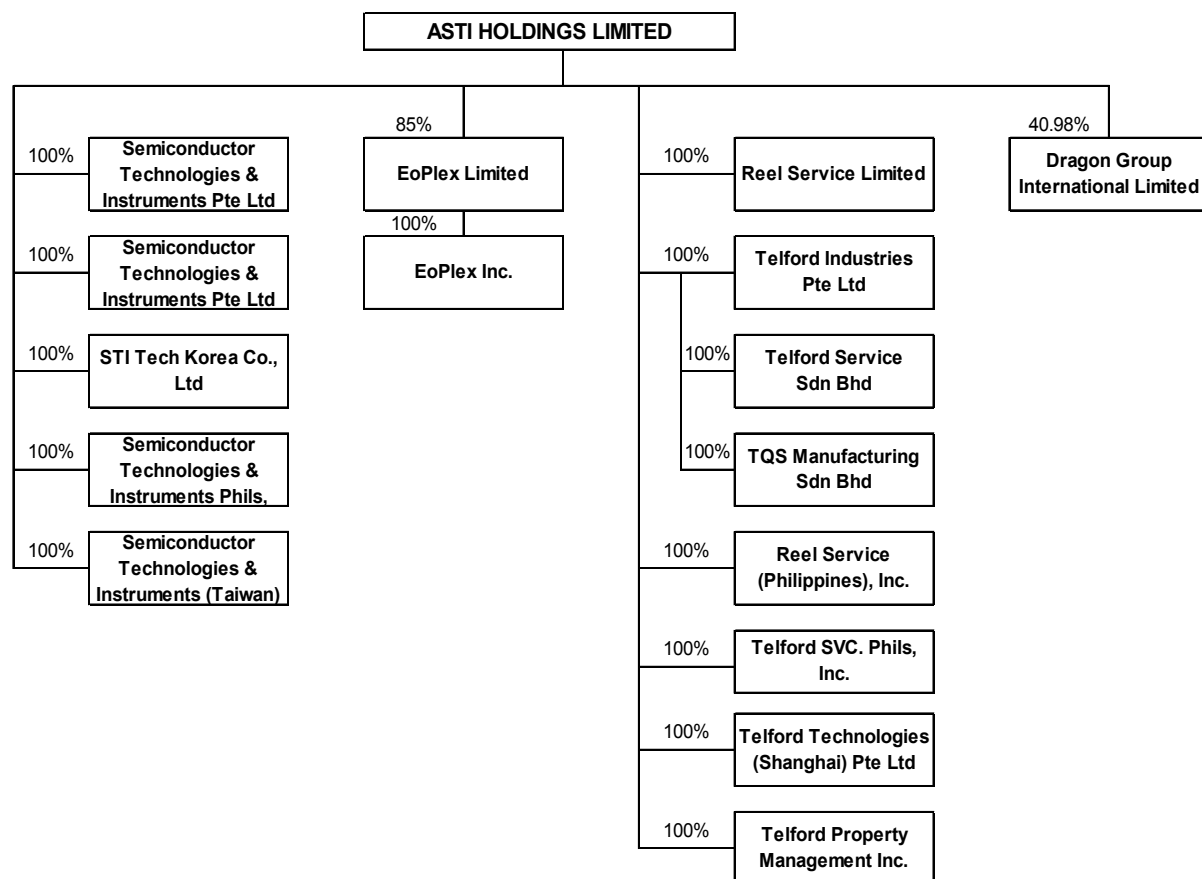
A copy of the Agreement is available for inspection during normal business hours at the Company's office at 25 Kallang Avenue, #06-01 Kallang Basin Industrial Estate, Singapore 339416 for a period of three (3) months commencing from the Announcement Date/from the date of this Circular up to and including the date of the EGM.

Yours faithfully
For and on behalf of
the Board of Directors of
ASTI HOLDINGS LIMITED

Dr. Daniel Yeoh Ghee Chong
Non-Executive and Lead Independent Director

APPENDIX A

GROUP STRUCTURE¹ AS AT THE LATEST PRACTICABLE DATE

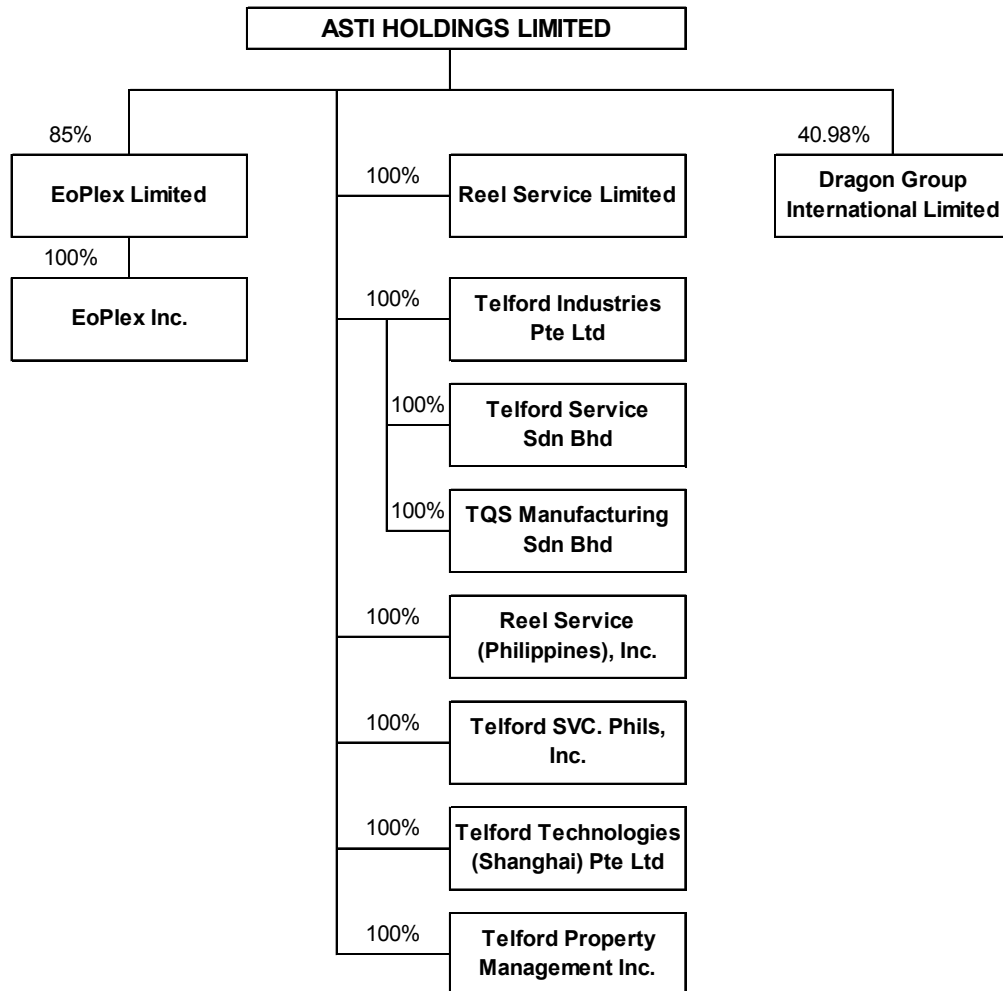


Note:

(1) This group structure chart excludes dormant companies.

APPENDIX A

GROUP STRUCTURE¹ POST-CLOSING



Note:

(1) This group structure chart excludes dormant companies.

NOTICE OF EXTRAORDINARY GENERAL MEETING

ASTI HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number 199901514C)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an Extraordinary General Meeting of **ASTI HOLDINGS LIMITED** (the "**Company**") will be held at 25 Kallang Avenue, #06-01 Kallang Basin Industrial Estate, Singapore 339416 on 27 July 2018 at 3.30 p.m., for the purpose of considering, and if thought fit, passing with or without modifications, the following resolution:

*All capitalised terms in this Notice which are not defined herein shall have the same meanings ascribed to them in the circular to shareholders of the Company dated 12 July 2018 (the "**Circular**").*

AS SPECIAL BUSINESS

ORDINARY RESOLUTION

APPROVAL OF THE PROPOSED DISPOSAL BY THE COMPANY OF THE ENTIRE ISSUED AND PAID-UP SHARE CAPITAL OF SEMICONDUCTOR TECHNOLOGIES & INSTRUMENTS PTE LTD AS A MAJOR TRANSACTION

That:-

- (a) the entry by the Company into the Agreement with the Purchaser in connection with the Proposed Disposal be approved, confirmed and ratified, and adopted as the act and deed of the Company;
- (b) the sale of Sale Shares by the Company to the Purchaser pursuant to, and in accordance with, the terms of the Agreement be and is hereby approved; and
- (c) the Directors of the Company and each of them be and is hereby authorised to complete and do all such acts and things (including executing all such documents and ancillary agreements and to make all such amendments thereto as may be required in connection with the Proposed Disposal) as they or he may consider necessary, desirable or expedient or in the interests of the Company to give effect to this Ordinary Resolution and to the Agreement as they or he may deem fit.

BY ORDER OF THE BOARD

Dayne Ho Chung Wei
Company Secretary
Singapore, 12 July 2018

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. A member entitled to attend and vote at the EGM is entitled to appoint no more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
2. Where a member appoints two proxies, he shall specify the proportion of his shareholding to be represented by each proxy in the instrument appointing the proxies. A proxy need not be a member of the Company.
3. If the member is a corporation, the instrument appointing a proxy or proxies must be under its common seal or the hand of its attorney or a duly authorised officer.
4. Pursuant to Section 181 of the Companies Act (Cap.50) of Singapore, any member who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at the EGM. Relevant intermediary is either:
 - (a) a banking corporation licensed under the Banking Act (Cap. 19) of Singapore or its wholly-owned subsidiary which provides nominee services and holds shares in that capacity;
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) of Singapore and who holds shares in that capacity; or
 - (a) the Central Provident Fund (“CPF”) Board established by the Central Provident Fund Act (Cap. 36) of Singapore (“CPF Act”), in respect of shares purchased under the subsidiary legislation made under that CPF Act providing for the making of investments from the contributions and interest standing to the credit of members of the CPF, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
5. The instrument appointing a proxy or proxies must be deposited at **25 Kallang Avenue #06-01, Kallang Basin Industrial Estate, Singapore 339416** not less than forty-eight (48) hours before the time appointed for holding the Meeting.

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) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “Purposes”), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warrant.

ASTI HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 199901514C)

PROXY FORM EXTRAORDINARY GENERAL MEETING

IMPORTANT:

1. A relevant intermediary may appoint more than two proxies to attend the EGM and vote (please see Note 4 for the definition of "relevant intermediary").
2. For investors who have used their CPF monies to buy shares in the Company, this Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or is purported to be used by them.

3. PLEASE READ THE NOTES TO THE PROXY FORM.

*I/We _____ (Name) _____ (NRIC/Passport Number)
of _____ (Address)

being a member/members of ASTI Holdings Limited (the "Company"), hereby appoint:

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

and/or (delete as appropriate)

Name	NRIC/ Passport Number	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 Extraordinary General Meeting (the "EGM") as my/our* proxy/proxies* to vote for me/us* on my/our* behalf at the EGM to be held at Block 25, Kallang Avenue, #06-01, Kallang Basin Industrial Estate, Singapore 339416 on **27 July 2018 at 3.30 p.m.** and at any adjournment thereof. I/We direct my/our* proxy/proxies* to vote for or against the Resolutions proposed at the EGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the proxy/proxies* will vote or abstain from voting at his/her* discretion.

(Please indicate your vote "For" or "Against" with a tick [✓] within the box provided)

	No. of Votes For*	No. of Votes Against*
Ordinary Resolution To approve the Proposed Disposal		

*If you wish to exercise all your votes "For" or "Against" the relevant resolution, please tick [✓] within the relevant box. Alternatively, if you wish to exercise your votes for both "For" and "Against" the relevant resolution, please indicate the number of Shares in the boxes provided.

Dated this _____ day of _____ 2018

Total number of Shares held	No. of Shares
(a) Depository Register	
(b) Register of Members	

Signature of Member(s)/Common Seal of Corporate Shareholder

* Delete where inapplicable

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 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxy/proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire shareholding and any second named proxy as an alternate to the first named or at the Company's option to treat this proxy form as invalid.
4. A member who is a relevant intermediary entitled to attend and vote at the EGM is entitled to appoint more than two proxies to attend and vote at the EGM instead of such member, but each such proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of shares in relation to which each proxy has been appointed.
5. **"relevant intermediary"** means:
 - (a) a banking corporation licensed under the Banking Act, Cap. 19 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Cap. 289 of Singapore, and who holds shares in that capacity; or
 - (c) the Central Provident Fund Board established by the Central Provident Fund Act, Cap. 36 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
6. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the EGM. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the EGM.
7. The instrument appointing a proxy or proxies must be deposited at **25 Kallang Avenue #06-01, Kallang Basin Industrial Estate, Singapore 339416**, not less than 48 hours before the time appointed for the EGM.
8. 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 either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which this proxy form shall be treated as invalid.
9. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

PERSONAL DATA PRIVACY:

By attending the EGM and/or any adjournment thereof or submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 12 July 2018.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his 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.

