

## CIRCULAR DATED 24 NOVEMBER 2016

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

This Circular is issued by Abundance International Limited (the “**Company**”). If you are in doubt about its contents or as to the action you should take, you should consult your accountant, bank manager, solicitor, stockbroker or other professional adviser immediately.

Unless otherwise stated, capitalised terms on this cover are defined in this Circular under the Section entitled “DEFINITIONS”.

If you have sold or transferred all your ordinary shares in the capital of the Company (“**Shares**”) held through The Central Depository (Pte) Limited (“**CDP**”), you need not forward this Circular to the purchaser or transferee as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your Shares which are not deposited with the 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.

This Circular has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, Stamford Corporate Services Pte. Ltd. (the “**Sponsor**”), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this Circular. The issue of a listing and quotation notice in respect of the Consideration Shares, Warrants and New Shares by the SGX-ST is not to be taken as an indication of the merits of the Proposed Acquisition, the Consideration Shares, the Rights Issue, the Warrants, the New Shares, the Company, its subsidiaries and their securities.

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 document, including the correctness of any of the statements or opinions made or reports contained in this Circular.

The contact person for the Sponsor is Mr Ng Joo Khin, at telephone no. (65) 6389 3000; email address [jookhin.ng@morganlewis.com](mailto:jookhin.ng@morganlewis.com).



## ABUNDANCE INTERNATIONAL LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration Number 197501572K)

### CIRCULAR TO SHAREHOLDERS

#### IN RELATION TO

- (1) THE PROPOSED ISSUANCE OF THE CONSIDERATION SHARES (AS DEFINED HEREIN) AT COMPLETION OF THE ACQUISITION OF REMAINING 49% INTEREST IN ORIENT-SALT CHEMICALS PTE. LTD.;
- (2) THE POSSIBLE TRANSFER OF CONTROLLING INTEREST IN THE COMPANY TO MR JIANG HAO PURSUANT TO THE ISSUANCE OF THE CONSIDERATION SHARES FOR THE ACQUISITION (AS DEFINED HEREIN);
- (3) THE PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO S\$12,855,000 IN PRINCIPAL AMOUNT OF ZERO COUPON BONDS DUE 2020 (THE “**BONDS**”), WITH PRINCIPAL AMOUNT OF S\$0.02 AND AT AN ISSUE PRICE OF S\$0.016 FOR EACH BOND, WITH UP TO 642,750,000 FREE DETACHABLE EUROPEAN WARRANTS (THE “**WARRANTS**”), EACH WARRANT CARRYING THE RIGHT TO SUBSCRIBE FOR ONE (1) NEW ORDINARY SHARE IN THE CAPITAL OF THE COMPANY (THE “**NEW SHARES**”) AT AN EXERCISE PRICE OF S\$0.02 FOR EACH NEW SHARE (THE “**EXERCISE PRICE**”), ON THE BASIS OF ONE (1) BOND OF PRINCIPAL AMOUNT S\$0.02 EACH WITH ONE (1) FREE DETACHABLE EUROPEAN WARRANT FOR EVERY ONE (1) EXISTING ORDINARY SHARE IN THE CAPITAL OF THE COMPANY, HELD BY THE ENTITLED SHAREHOLDERS (AS DEFINED HEREIN), AS AT THE BOOKS CLOSURE DATE (AS DEFINED HEREIN) TO BE DETERMINED BY THE DIRECTORS, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED (THE “**RIGHTS ISSUE**”); AND
- (4) THE PROPOSED ADOPTION OF A NEW CONSTITUTION OF THE COMPANY.

#### IMPORTANT DATES AND TIMES

Latest date and time for lodgement of Proxy Form	: 19 December 2016 at 10 a.m.
Date and time of Extraordinary General Meeting	: 21 December 2016 at 10 a.m.
Place of Extraordinary General Meeting	: 9 Joo Koon Circle, Singapore 629041

---

## TABLE OF CONTENTS

---

	<b>Page</b>
<b>DEFINITIONS</b> .....	3
<b>LETTER TO SHAREHOLDERS</b> .....	12
1. INTRODUCTION .....	12
2. THE PROPOSED ISSUANCE OF THE CONSIDERATION SHARES AT COMPLETION OF THE ACQUISITION OF REMAINING 49% INTEREST IN ORIENT-SALT CHEMICALS PTE. LTD. ....	14
3. THE POSSIBLE TRANSFER OF CONTROLLING INTEREST IN THE COMPANY TO MR JIANG HAO PURSUANT TO THE ISSUANCE OF THE CONSIDERATION SHARES FOR THE ACQUISITION .....	20
4. THE RIGHTS ISSUE .....	22
5. THE PROPOSED ADOPTION OF A NEW CONSTITUTION OF THE COMPANY .....	45
6. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS .....	52
7. DIRECTORS' RECOMMENDATION .....	53
8. EXTRAORDINARY GENERAL MEETING.....	53
9. ACTION TO BE TAKEN BY SHAREHOLDERS.....	53
10. DIRECTORS' RESPONSIBILITY STATEMENT .....	54
11. DOCUMENTS AVAILABLE FOR INSPECTION .....	54
<b>APPENDIX A – TABLES SHOWING THE CHANGES IN THE UNDERTAKING SHAREHOLDER'S SHAREHOLDING PURSUANT TO THE RIGHTS ISSUE</b> .....	55
<b>APPENDIX B – MATERIAL CONTRACTS AND MATERIAL LITIGATION</b> .....	57
<b>APPENDIX C – PRINCIPAL PROVISIONS IN THE NEW CONSTITUTION THAT ARE SIGNIFICANTLY DIFFERENT FROM EQUIVALENT PROVISIONS IN THE EXISTING CONSTITUTION</b> .....	58
<b>NOTICE OF EXTRAORDINARY GENERAL MEETING</b> .....	73
<b>PROXY FORM</b>	

---

## DEFINITIONS

---

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

- “Acquisition”** : The acquisition of 49% of the share capital of OSC, the terms of which are set out in the SPA
- “Act” or “Companies Act”** : The Companies Act, Chapter 50, of Singapore, as amended, modified or supplemented from time to time
- “Amendment Act”** : The Companies (Amendment) Act 2014, Act 36 of 2014
- “ARE”** : Application and acceptance form for Bonds with Warrants and Excess Bonds with Warrants to be issued to Entitled Depositors in respect of their provisional allotments of Bonds with Warrants under the Rights Issue
- “ARS”** : Application and acceptance form for Bonds with Warrants to be issued to Purchasers of the provisional allotments of Bonds with Warrants traded on the Catalist through the book-entry (scripless) settlement system
- “Associate”** : (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; or
- (b) in relation to a substantial shareholder or a 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 one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- “ATM”** : Automated teller machine(s) of a Participating Bank
- “Authority”** : Monetary Authority of Singapore
- “Board” or “Board of Directors”** : The board of directors of the Company as at the Latest Practicable Date
- “Bonds”** : Up to S\$12,855,000 in principal amount of zero coupon bonds due 2020 to be allotted and issued by the Company pursuant to the Rights Issue

---

## DEFINITIONS

---

<b>“Books Closure Date”</b>	: 5:00 p.m. on 4 January 2016 or at such other date as may be announced by the Company, being the time and date at and on which the Register of Members and Share Transfer Books of the Company will be closed to determine the provisional allotments of Bonds with Warrants of Entitled Shareholders under the Rights Issue
<b>“Catalist”</b>	: The Catalist Board of the SGX-ST
<b>“CDP”</b>	: The Central Depository (Pte) Limited
<b>“Central Provident Fund (Investment Schemes) Regulations”</b>	: Central Provident Fund (Investment Schemes) Regulations, Regulation 9, Chapter 36 of Singapore
<b>“Circular”</b>	: This circular to Shareholders dated 24 November 2016
<b>“Closing Date”</b>	: 5:00 p.m. on 23 January 2016 or at such other date as may be announced by the Company, being the last time and date for acceptance and/or excess application and payment of the Bonds with Warrants under the Rights Issue through the Share Registrar; or the last time and date for acceptance and/or excess application and payment of the Bonds with Warrants under the Rights Issue through the CDP or an Electronic Application
<b>“Companies Regulations”</b>	: Companies Regulations, Regulation 1, Chapter 50 of Singapore
<b>“Company”</b>	: Abundance International Limited
<b>“Completion Date”</b>	: The date of completion of the Acquisition
<b>“Compliance Placement”</b>	: The placement of 57,150,000 new ordinary shares of the Company to Mr Hong Yuming, Mr Yan Zhaorong, Mr Koh Boon Tong, Mr Goon Eu Jin Terence and Mr Thio Seng Tji pursuant to the placement agreements dated 17 June 2016 in order to satisfy the Public Float Requirement pursuant to Rule 724 of the Listing Manual, which was completed on 19 July 2016
<b>“Consideration”</b>	: The consideration for the Sale Shares, which shall be S\$5,880,000 and to be satisfied via the issue of the Consideration Shares
<b>“Consideration LQN”</b>	: The listing and quotation notice issued by the SGX-ST and received by the Company on 11 November 2016 for the listing of and quotation of the Consideration Shares on Catalist
<b>“Consideration Shares”</b>	: 117,600,000 new Shares to be issued by the Company to Mr Jiang Hao and/or such other parties as he may nominate at completion of the Acquisition, subject to Shareholders’ approval

---

## DEFINITIONS

---

- “Constitution of the Company” or “Constitution”** : The constitution of the Company, being its memorandum and articles of association, for the time being, and as at the Latest Practicable Date, shall refer to the Existing Constitution
- “Control”** : The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company
- “Controlling Interest”** : The interest of the Controlling Shareholder(s)
- “Controlling Shareholder”** : 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
- “CPF”** : The Central Provident Fund
- “CPFIS-OA”** : CPF Investment Scheme–Ordinary Account
- “CPF Approved Bank”** : Any bank appointed by the CPF Board to be a bank for the purposes of the Central Provident Fund (Investment Schemes) Regulations, as may be modified or amended from time to time
- “CPF Funds”** : Monies standing to the credit of the CPF savings account of CPF members under the CPFIS-OA
- “Deed Poll”** : The deed poll to be executed by the Company for the purpose of constituting the Warrants and containing, amongst others, provisions for the protection of the interests and rights of the Warranholders
- “Directors”** : The directors of the Company as at the Latest Practicable Date
- “EGM”** : The Extraordinary General Meeting of the Company, to be convened and held on 21 December 2016, the notice of which is set out on page 73 to 76 of this Circular (or any adjournment thereof)
- “Electronic Application”** : Acceptance of the Bonds with Warrants and (if applicable) application for Excess Bonds with Warrants made through an ATM in accordance with the terms and conditions of the Offer Information Statement and the relevant procedures for electronic application at ATMs as set out in the Offer Information Statement or on the ATM screens

---

## DEFINITIONS

---

- “Entitled Depositors”*** : Shareholders with Shares entered against their names in the Depository Register, maintained by CDP, as at the Books Closure Date and whose registered addresses with CDP 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 CDP with addresses in Singapore for the service of notices and documents
- “Entitled Scripholders”*** : 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 certificates relating thereto for registration up to the Books Closure Date and whose registered addresses with the Company 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 the Share Registrar with addresses in Singapore for the service of notices and documents
- “Entitled Shareholders”*** : Entitled Depositors and Entitled Scripholders
- “EPS”*** : Earnings per share
- “Excess Bonds with Warrants”*** : Bonds with Warrants which are available for application by the Entitled Shareholders subject to the terms and conditions in the Offer Information Statement, (if applicable) the Constitution of the Company and the PAL, ARE and ARS, comprising Bonds with Warrants that are not validly taken up by the Entitled Shareholders, the original allottee(s) or their respective renounee(s) or purchaser(s) of provisional allotments of the Bonds with Warrants, together with the aggregated fractional entitlements to the Bonds with Warrants (if any) and any Bonds with Warrants that are otherwise not allotted for whatever reason in accordance with the terms and conditions contained in the PAL, ARE, ARS and the Offer Information Statement and (if applicable) Constitution of the Company
- “Exercise Date”*** : The date on which the Warrants may be exercised being the day immediately preceding the fourth (4th) anniversary of the date of issue of the Warrants, unless such date is a date on which the Register of Members of the Company is closed or is not a Market Day, in which event the Warrants shall expire on the date prior to the closure of the Register of Members of the Company or on the date immediately preceding Market Day, as the case may be (but excluding such period(s) during which the Register of Warrantholders may be closed), subject to the terms and conditions of the Warrants to be set out in the Deed Poll. The right to exercise the Warrants will not be extended beyond the Exercise Date
- “Exercise Price”*** : The sum payable in respect of each New Share to which the Warrantholders will be entitled to subscribe upon the exercise of a Warrant, which shall be S\$0.02, subject to certain adjustments in accordance with the terms and conditions of the Warrants to be set out in the Deed Poll

---

## DEFINITIONS

---

<b><i>“Existing Constitution”</i></b>	: The Constitution of the Company as at the Latest Practicable Date
<b><i>“Existing Issued Share Capital”</i></b>	: The existing issued share capital (excluding treasury shares) of the Company comprising 525,150,000 Shares as at the Latest Practicable Date
<b><i>“Foreign Shareholders”</i></b>	: Shareholders whose registered addresses with the Company or CDP are outside Singapore as at the Books Closure Date and who had not, at least three (3) Market Days prior to the Books Closure Date, provided to CDP or the Share Registrar, as the case may be, addresses in Singapore for the service of notices and documents
<b><i>“FP2014”</i></b>	: The 15 months period from 1 October 2013 to 31 December 2014
<b><i>“FY2013”</i></b>	: Financial year ended 30 September 2013
<b><i>“FY2014”</i></b>	: Financial year ended 30 September 2014
<b><i>“FY2015”</i></b>	: Financial period from 1 October 2014 to 31 December 2015
<b><i>“FY2016”</i></b>	: Financial year ending 31 December 2016
<b><i>“General Mandate”</i></b>	: The existing general share issue mandate granted by Shareholders, pursuant to Section 161 of the Companies Act, at the Annual General Meeting of the Company for FY2015 held on 29 April 2016
<b><i>“Group”</i></b>	: The Company and its Subsidiaries, collectively, as at the Latest Practicable Date
<b><i>“HY2016”</i></b>	: The six months period ended 30 June 2016
<b><i>“HY2015”</i></b>	: The six months period ended 30 June 2015
<b><i>“Issue Price”</i></b>	: S\$0.016 for each Bond with Warrant
<b><i>“Joint Venture Agreement”</i></b>	: The joint venture agreement dated 1 June 2015 entered into between the Company and Mr Jiang Hao in respect of OSC
<b><i>“Latest Practicable Date”</i></b>	: 31 October 2016, being the latest practicable date prior to the printing of this Circular
<b><i>“Listing Manual”</i></b>	: The SGX-ST Listing Manual Section B: Rules of Catalist, as amended or modified from time to time
<b><i>“Market Day”</i></b>	: A day on which the SGX-ST is open for trading in securities
<b><i>“Maturity Date”</i></b>	: The date on which the Bonds will be redeemed, being the fourth (4 <sup>th</sup> ) anniversary of the date of issue of the Bonds

---

## DEFINITIONS

---

- “Maximum Net Proceeds”** : The Net Proceeds assuming the Maximum Subscription Scenario (for the avoidance of doubt, consisting only the proceeds from the issue of the Bonds and not taking into account the proceeds from any exercise of Warrants)
- “Maximum Subscription Scenario”** : Based on the Existing Share Capital and assuming that all of the Entitled Shareholders subscribe and pay for their *pro rata* entitlements of Bonds with Warrants under the Rights Issue
- “Minimum Subscription Scenario”** : Based on the Existing Share Capital and assuming that none of the Entitled Shareholders, other than the Undertaking Shareholder, subscribes for their *pro rata* entitlements of Bonds with Warrants under the Rights Issue
- “Ministry of Finance” or “MOF”** : The Ministry of Finance of Singapore
- “NAV”** : Net asset value
- “Net Proceeds”** : The proceeds obtained from the Rights Issue after deducting professional and related expenses, and after the offset of amounts owing to Mr Shi Jiangang and Mr Sam Kok Yin of approximately \$337,000 and \$1,686,000 respectively
- “New Constitution”** : The new Constitution proposed to be adopted by the Company at the EGM
- “New Shares”** : The New Shares to be issued by the Company, credited as fully paid, upon the exercise of the Warrants, including, where the context admits, such new Shares arising from the exercise of any additional Warrants as may be required or permitted to be issued in accordance with the terms and conditions of the Warrants as set out in the Deed Poll
- “NTA”** : Net tangible assets
- “Offer Information Statement”** : The offer information statement to be issued by the Company in connection with the Rights Issue and, where the context admits, the ARE, the ARS, the PAL and any supplementary or replacement document which may be issued by the Company in connection with the Rights Issue
- “OSC”** : Orient-Salt Chemicals Pte. Ltd.
- “PAL”** : The provisional allotment letter to be issued to the Entitled Scripholders, setting out the provisional allotment of Bonds with Warrants under the Rights Issue
- “Participating Bank”** : DBS Bank Ltd (including POSB)
- “Personal Data Protection Act”** : The Personal Data Protection Act 2012, Act 26 of 2012 of Singapore, as amended, modified or supplemented from time to time



---

## DEFINITIONS

---

- “Proposed Resolutions”*** : Collectively, the proposed issuance of Consideration Shares to Mr Jiang Hao, the possible transfer of Controlling Interest to Mr Jiang Hao, the Rights Issue and the proposed adoption of the New Constitution
- “Public Float Requirement”*** : The requirement under Rule 724 of the Listing Manual which requires the Company to ensure that at least 10% of the total number of issued Shares (excluding treasury shares, preference shares and convertible equity securities) in a class that is listed is at all times held by Public Shareholders
- “Public Shareholders”*** : Persons other than the Directors, chief executive officer, Substantial Shareholders or Controlling Shareholders of the Company and its Subsidiaries, as well as the Associates of such persons
- “Purchasers”*** : The purchasers of the provisional allotments of Bonds with Warrants traded on the Official List of the Catalist under the book-entry (scripless) settlement system
- “Record Date”*** : 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
- “Register of Bondholders”*** : Register of bondholders of the Company
- “Register of Directors’ Shareholdings”*** : Register of Directors’ shareholdings
- “Register of Members”*** : Register of members of the Company
- “Register of Substantial Shareholdings”*** : Register of Substantial Shareholders’ shareholdings
- “Register of Warranholders”*** : Register of warranholders of the Company
- “Rights Issue”*** : The renounceable non-underwritten rights issue by the Company of up to S\$12,855,000 in principal amount of zero coupon bonds due 2020, with principal amount of S\$0.02 and issue price of S\$0.016 for each Bond, with up to 642,750,000 free detachable European Warrants, each Warrant carrying the right to subscribe for one (1) New Ordinary Share at the Exercise Price, on the basis of one (1) Bond with one (1) free detachable European Warrant for every one (1) existing ordinary Share, held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded
- “Sale Shares”*** : 5,880,000 shares in the capital of OSC, representing 49% of the issued and paid-up share capital of OSC as at the Latest Practicable Date

---

## DEFINITIONS

---

<b>“Scripholders”</b>	: Shareholders whose Shares are registered in their own names and whose share certificates are not deposited with CDP
<b>“Securities Account”</b>	: Securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
<b>“SFA” or “Securities and Futures Act”</b>	: Securities and Futures Act, Chapter 289, of Singapore, as amended, modified or supplemented from time to time
<b>“SGX-ST”</b>	: The Singapore Exchange Securities Trading Limited
<b>“SGXNET”</b>	: The SGXNET Corporate Announcement System, being a system network used by listed companies to send information and announcements to the SGX-ST or any other system networks prescribed by the SGX-ST
<b>“Share Registrar”</b>	: B.A.C.S Private Limited
<b>“Shareholders”</b>	: Registered holders of Shares in the Register of Members, or where the registered holder is the CDP, the term <b>“Shareholders”</b> shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register maintained by the CDP whose Securities Accounts are credited with those Shares
<b>“Shares”</b>	: Ordinary shares in the issued and paid-up share capital of the Company, and each a <b>“Share”</b>
<b>“Singapore”</b>	: The Republic of Singapore
<b>“SPA”</b>	: The sale and purchase agreement dated 17 June 2016 entered into between the Company and Mr Jiang Hao in relation to the purchase of 49% interest in OSC by the Company from Mr Jiang Hao
<b>“SRS”</b>	: Supplementary Retirement Scheme
<b>“SRS Approved Banks”</b>	: Approved banks in which SRS Members hold their accounts under the SRS
<b>“SRS Funds”</b>	: Monies standing to the credit of the SRS accounts of SRS Members under the SRS
<b>“SRS Members”</b>	: Members under the SRS
<b>“Subsidiary”</b>	: A corporation which is for the time being a subsidiary of the Company within the meaning of Section 5 of the Companies Act
<b>“Substantial Shareholder”</b>	: A person who has an interest (directly or indirectly) of 5% or more of the total issued voting shares of the Company
<b>“S\$” and “cents”</b>	: Singapore dollars and cents respectively, being the lawful currency of Singapore

---

## DEFINITIONS

---

<b>“Takeover Code”</b>	: The Singapore Code on Takeovers and Mergers, as amended or modified from time to time
<b>“Undertaking Shareholder”</b>	: Mr Sam Kok Yin
<b>“US\$”</b>	: The lawful currency of the United States of America
<b>“Warrants”</b>	: Up to 642,750,000 free detachable European warrants in registered form to be allotted and issued by the Company together with the Bonds pursuant to the Rights Issue and (where the context so admits) such additional Warrants as may be required or permitted to be allotted and issued by the Company pursuant to the terms and conditions of the Warrants to be set out in the Deed Poll (any such additional Warrants to rank <i>pari passu</i> with the Warrants to be issued together with the Bonds for all purposes to form part of the same series of Warrants constituted by the Deed Poll), each Warrant entitling the holder thereof to subscribe for one (1) New Share at the Exercise Price, subject to the terms and conditions to be set out in the Deed Poll
<b>“Warrantholders”</b>	: Registered holders of the Warrants, except that where the registered holder is CDP, the term <b>“Warrantholders”</b> shall, in relation to such Warrants and where the context admits, mean the Entitled Depositors whose Securities Account are credited with such Warrants
<b>“Warrant Agent”</b>	: B.A.C.S Private Limited
<b>“%” or “per cent”</b>	: Percentage or per centum

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** have the same meanings ascribed to them in Section 81SF of the Securities and Futures 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 neuter genders and *vice versa*. References to persons shall include corporations where applicable.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Securities and Futures Act, the Companies Act, the Takeover Code or the Listing Manual or any statutory or regulatory modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Securities and Futures Act, the Companies Act, the Takeover Code or the Listing Manual or such statutory or regulatory modification thereof, as the case may be, unless otherwise provided.

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

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

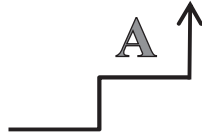
The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference to **“we”**, **“us”** and **“our”** in this Circular is a reference to the Group or any member of the Group as the context requires.

---

## LETTER TO SHAREHOLDERS

---



### ABUNDANCE INTERNATIONAL LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration Number 197501572K)

**Board of Directors:**

Shi Jiangang (*Executive Chairman*)  
Sam Kok Yin (*Managing Director*)  
Chan Cher Boon (*Lead Independent Director*)  
Tham Hock Chee (*Independent Director*)  
Francis Yau Thiam Hwa (*Independent Director*)

**Registered Office:**

9 Joo Koon Circle  
Singapore 629041

24 November 2016

To: **The Shareholders of Abundance International Limited**

Dear Sir/Madam

- (1) **THE PROPOSED ISSUANCE OF THE CONSIDERATION SHARES (AS DEFINED HEREIN) AT COMPLETION OF THE ACQUISITION OF THE REMAINING 49% INTEREST IN ORIENT-SALT CHEMICALS PTE. LTD.;**
- (2) **THE POSSIBLE TRANSFER OF CONTROLLING INTEREST IN THE COMPANY TO MR JIANG HAO PURSUANT TO THE ISSUANCE OF THE CONSIDERATION SHARES FOR THE ACQUISITION (AS DEFINED HEREIN);**
- (3) **THE PROPOSED RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO S\$12,855,000 IN PRINCIPAL AMOUNT OF ZERO COUPON BONDS DUE 2020 (THE "BONDS"), WITH PRINCIPAL AMOUNT OF S\$0.02 AND AT AN ISSUE PRICE OF S\$0.016 FOR EACH BOND, WITH UP TO 642,750,000 FREE DETACHABLE EUROPEAN WARRANTS (THE "WARRANTS"), EACH WARRANT CARRYING THE RIGHT TO SUBSCRIBE FOR ONE (1) NEW ORDINARY SHARE IN THE CAPITAL OF THE COMPANY (THE "NEW SHARES") AT AN EXERCISE PRICE OF S\$0.02 FOR EACH NEW SHARE (THE "EXERCISE PRICE"), ON THE BASIS OF ONE (1) BOND OF PRINCIPAL AMOUNT S\$0.02 EACH WITH ONE (1) FREE DETACHABLE EUROPEAN WARRANT FOR EVERY ONE (1) EXISTING ORDINARY SHARE IN THE CAPITAL OF THE COMPANY, HELD BY THE ENTITLED SHAREHOLDERS (AS DEFINED HEREIN), AS AT THE BOOKS CLOSURE DATE (AS DEFINED HEREIN) TO BE DETERMINED BY THE DIRECTORS, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED (THE "RIGHTS ISSUE"); AND**
- (4) **THE PROPOSED ADOPTION OF A NEW CONSTITUTION OF THE COMPANY,**  
**(COLLECTIVELY, THE "PROPOSED RESOLUTIONS").**

#### 1. INTRODUCTION

##### 1.1 Extraordinary General Meeting

The Directors are convening an Extraordinary General Meeting of the Company to be held on 21 December 2016 to seek the Shareholders' approval in respect of the Proposed Resolutions.

---

## LETTER TO SHAREHOLDERS

---

### 1.2 Purpose of this Circular

The purpose of this Circular is to provide Shareholders with information relating to the Proposed Resolutions and to seek the Shareholders' approval for the same at the EGM to be held at 9 Joo Koon Circle, Singapore 629041 on 21 December 2016 at 10 a.m. The notice of EGM is set out on page 73 of this Circular.

### 1.3 The Resolutions

#### 1.3.1 Resolution 1 – The Proposed Issuance of Consideration Shares at completion of the Acquisition

On 17 June 2016, the Company announced that it had entered into a sale and purchase agreement dated 17 June 2016 with Mr Jiang Hao to acquire his 49% shareholding in Orient-Salt Chemicals Pte. Ltd. Upon completion of the Acquisition, OSC will become a wholly-owned subsidiary of the Company. Pursuant to the terms of the Acquisition, the Company shall issue 117,600,000 new Shares at completion of the Acquisition to Mr Jiang Hao (and/or such other parties as he may nominate).

Section 161 of the Companies Act, the Constitution and Rules 805 and 806 of the Listing Manual provide that an issuer must obtain the prior approval of Shareholders in general meeting for the issue of new shares in the Company, unless such shares are issued under a general mandate obtained from Shareholders in general meeting. The issuance of the Consideration Shares at completion of the Acquisition would exceed the ambit of the existing general share issue mandate granted by Shareholders at the Annual General Meeting of the Company for the financial period ended 31 December 2015 held on 29 April 2016. As such, the Company will not be relying on the General Mandate and will instead be seeking specific approval of Shareholders for the issue of the Consideration Shares, for purposes of Section 161 of the Companies Act, the Constitution and Rules 805 and 806 of the Listing Manual.

#### 1.3.2 Resolution 2 – The Possible Transfer of Controlling Interest to Mr Jiang Hao pursuant to the issuance of the Consideration Shares for the Acquisition

Rule 803 of the Listing Manual provides that an issuer must not issue securities to transfer a Controlling Interest without prior approval of Shareholders in general meeting. The issue of the Consideration Shares to Mr Jiang Hao (and/or such other parties as he may nominate) may constitute a transfer of a Controlling Interest in the Company to Mr Jiang Hao, and is hence subject to the approval of the Shareholders for the purposes of Rule 803 of the Listing Manual.

#### 1.3.3 Resolution 3 – The Rights Issue

On 17 June 2016, the Company announced its intention to undertake a renounceable non-underwritten rights issue of up to S\$12,855,000 in principal amount of zero coupon bonds due 2020, with principal amount of S\$0.02 for each Bond, at an issue price of S\$0.016 for each Bond, with up to 642,750,000 free detachable European warrants, each Warrant carrying the right to subscribe for one (1) new ordinary share in the capital of the Company at an exercise price of S\$0.02 for each new Share, on the basis of one (1) Bond of principal amount S\$0.02 each with one (1) free detachable European Warrant for every existing Share in the capital of the Company, held by the Entitled Shareholders as at the Books Closure Date to be determined by the Directors, fractional entitlements to be disregarded.

Section 161 of the Companies Act, the Constitution and Rules 805 and 806 of the Listing Manual provide that an issuer must obtain the prior approval of Shareholders in general meeting for the issue of new shares in the Company, unless such shares are issued under a general mandate obtained from Shareholders in general meeting. The issuance of a maximum of 642,750,000 New Shares on the exercise of the Warrants would exceed the ambit of the General Mandate. As such, the Company will not be relying on the General Mandate and will instead be seeking specific approval of Shareholders for the Rights Issue, for purposes of Section 161 of the Companies Act, the Constitution and Rules 805 and 806 of the Listing Manual.

---

## LETTER TO SHAREHOLDERS

---

### 1.3.4 Resolution 4 - The Proposed Adoption of a New Constitution of the Company

The Company is proposing to adopt a New Constitution, which will replace the Existing Constitution and incorporate amendments to take into account the changes to the Companies Act introduced in 2015 and 2016. The Company will accordingly be seeking approval of Shareholders for the adoption of the New Constitution by way of a special resolution to be tabled at the EGM, pursuant to section 26 of the Companies Act.

**SHAREHOLDERS SHOULD NOTE THAT RESOLUTIONS 1 AND 2 ARE INTER-CONDITIONAL UPON ONE ANOTHER. IN THE EVENT THAT ANY OF RESOLUTIONS 1 OR 2 IS NOT APPROVED BY SHAREHOLDERS, NONE OF THE RESOLUTIONS 1 AND 2 WILL BE PASSED.**

**SHAREHOLDERS SHOULD NOTE THAT RESOLUTION 3 IS INDEPENDENT OF RESOLUTIONS 1, 2 AND 4, AND VICE VERSA.**

**SHAREHOLDERS SHOULD NOTE THAT RESOLUTION 4 IS INDEPENDENT OF RESOLUTIONS 1, 2 AND 3, AND VICE VERSA.**

## 2. **THE PROPOSED ISSUANCE OF THE CONSIDERATION SHARES AT COMPLETION OF THE ACQUISITION OF REMAINING 49% INTEREST IN ORIENT-SALT CHEMICALS PTE. LTD.**

The Company is seeking Shareholders' approval for the proposed issuance of the Consideration Shares by the ordinary resolution ("**Resolution 1**") as set out in the notice of EGM on page 73 of this Circular, for purposes of Section 161 of the Companies Act, the Constitution and Rules 805 and 806 of the Listing Manual.

### 2.1 **Background**

The Board refers to the Company's announcements dated 2 June 2015, 5 June 2015 and 22 October 2015 relating to, *inter alia*, the incorporation of a new joint venture company, OSC, and the Joint Venture Agreement. On 17 June 2016, the Company announced that it had entered into the SPA with Mr Jiang Hao to acquire his 49% shareholding in OSC. Upon completion of the Acquisition, OSC will become a wholly-owned subsidiary of the Company.

As the relative figures computed on the bases set out in Rule 1006(c) and Rule 1006(d) exceed 5% but do not exceed 75%, the Acquisition constitutes a discloseable transaction pursuant to Chapter 10 of the Listing Manual. Accordingly, Shareholders' approval is not required for the Acquisition under Chapter 10 of the Listing Manual. For further details on the relative figures in respect of the Acquisition computed on the bases set out in Rule 1006 of the Listing Manual, please refer to section 2.6 of this Circular.

### 2.2 **Proposed Issuance of Consideration Shares**

2.2.1 The consideration for the Sale Shares shall be S\$5,880,000 and was arrived at based on the amount contributed by Mr Jiang Hao to the issued share capital of OSC. No independent valuation was commissioned on the Sale Shares. Based on the audited consolidated financial statements of the Company and the Group for the financial period ended 31 December 2015, the NTA value of the Sale Shares was S\$5,821,415.

2.2.2 Pursuant to the terms of the Acquisition, the Consideration shall be satisfied on completion of the Acquisition by the issue and allotment by the Company to Mr Jiang Hao (and/or such other parties as he may nominate) of 117,600,000 Consideration Shares at an issue price of S\$0.05 per Consideration Share. The issue price of the Consideration Shares is equal to the weighted average price for trades done for the Shares on the SGX-ST on 29 April 2016, being the last full market day on which Shares were traded prior to the suspension of trading of the Shares.

---

## LETTER TO SHAREHOLDERS

---

2.2.3 On the issue and allotment of the Consideration Shares, the Consideration Shares shall be credited as fully-paid and shall rank *pari passu* in all respects with the then existing Shares in the Company, save for any dividends, rights, allotments or any distributions, the Record Date of which falls before the Completion Date.

2.2.4 The Consideration Shares represent approximately 22.39%<sup>(1)</sup> of the Existing Issued Share Capital and will represent approximately 18.30% of the enlarged issued share capital of the Company comprising 642,750,000 Shares on completion of the Acquisition (assuming the Company does not otherwise issue any new Shares from the Latest Practicable Date up to completion of the Acquisition).

**Note:**

(1) The Existing Issued Share Capital for the purposes of this Circular is 525,150,000, having taken into consideration the 57,150,000 new Shares that were issued pursuant to the Compliance Placement completed on 19 July 2016.

2.2.5 The issuance of the Consideration Shares at completion of the Acquisition would exceed the ambit of the existing General Mandate. As such, the Company will not be relying on the General Mandate and will instead be seeking Shareholders' approval for the issue of the Consideration Shares by Resolution 1, for purposes of Section 161 of the Companies Act, the Constitution and Rules 805 and 806 of the Listing Manual.

2.2.6 The Company has through the Sponsor applied to the SGX-ST, and on 11 November 2016 received the Consideration LQN for the listing of and quotation of the Consideration Shares on Catalist. The issue of the Consideration LQN by the SGX-ST is not to be taken as an indication of the merits of the Acquisition, the Consideration Shares, the Company, its subsidiaries and their securities.

### 2.3 Information on OSC

As previously announced by the Company, OSC was incorporated as a joint venture company on 5 June 2015, as part of the Group's diversification into the business of chemical trading.

As at the Latest Practicable Date, OSC has a paid-up and issued share capital of S\$12,000,000 divided into 12,000,000 ordinary shares. As at the Latest Practicable Date, Mr Jiang Hao holds 5,880,000 shares in OSC, representing 49% of the share capital of OSC, and the Company holds 6,120,000 shares in OSC, representing 51% of the share capital of OSC. As at the Latest Practicable Date, the directors of OSC are Mr Shi Jiangang, Mr Jiang Hao and Mr Sam Kok Yin. This board composition will remain unchanged upon completion of the Acquisition.

### 2.4 Rationale for the Acquisition

From January 2016, OSC has started the business of chemical trading. As at the Latest Practicable Date, OSC and its subsidiaries have done more than US\$53,000,000 in value of sales relying only on its paid-up and issued share capital of S\$12,000,000 and loans from Mr Shi Jiangang and Mr Sam Kok Yin. Management has been speaking to several banks in Singapore for letters of credit facilities for OSC and on 5 August 2016, the Company announced that OSC has accepted an uncommitted trade finance related facility (the "**Facility**") of up to S\$14,000,000 from an international bank.

The chemical trading business undertaken by OSC and its subsidiaries generates high revenue but has a low margin. For HY2016, revenue from the chemical trading business was approximately US\$24,000,000, whereas gross and net profit was approximately US\$1,000,000 and US\$500,000 respectively. Consequent to this, in order to achieve a scale that is sufficient to cover overhead costs and to achieve and maximise profitability, there must be sufficient revenue and business transactions. Therefore, in order to support OSC's trading business, OSC accepted the Facility, as it needs bank lines to issue letters of credit to its suppliers.

---

## LETTER TO SHAREHOLDERS

---

The Facility is subject to certain terms and conditions, one of which is the provision by the Company of a corporate guarantee and mortgage over its industrial property. As OSC was newly incorporated on 5 June 2015 and commenced trading activities only in January 2016, several banks approached could not process OSC's application for letters of credit facilities. Those banks that eventually gave OSC term sheets all required the Company to provide a corporate guarantee and mortgage. Eventually, OSC accepted the Facility as the terms were most suitable for the requirements of OSC and pursuant to this, the Company agreed to grant a corporate guarantee and mortgage over its industrial property to the bank.

In view of the foregoing, the Board is of the view that it is in the best interest of the Company to acquire the remaining 49% of the share capital of OSC and make OSC a wholly-owned subsidiary of the Company, given the operating track record so far, and taking into account the fact that the Company will have to fully stand behind the bank facilities granted to OSC. This would allow the Company to obtain the full benefit, instead of just 51%, of the financial performance of OSC.

### **2.5 Key Terms of the Acquisition**

#### **2.5.1 Consideration**

For further details on the Consideration, please refer to section 2.2 of this Circular above.

#### **2.5.2 Conditions Precedent**

Completion of the Acquisition shall be conditional upon, *inter alia*:

- (a) the resolution of the Board having been obtained for the entry into and completion of, the transactions contemplated to be entered into in the SPA;
- (b) to the extent required by the Listing Manual and/or applicable laws, the approval of the Shareholders having been obtained for the entry into and completion of, the transactions contemplated to be entered into in the SPA;
- (c) all necessary consents, approvals and waivers of the relevant authorities having jurisdiction over the transactions contemplated in the SPA (whether in Singapore or elsewhere), financial institutions or other third parties having been obtained, including without limitation the approval in-principle of SGX-ST being obtained by the Company for the listing and quotation of the Consideration Shares on the Catalist, such consents, approvals and waivers not having been amended or revoked before the Completion Date, and to the extent that such consents, approvals and waivers are subject to any conditions required to be fulfilled before the Completion Date, all such conditions having been duly so fulfilled;
- (d) the parties to the SPA not having received notice of any injunction or other order, directive or notice restraining or prohibiting the consummation of the transactions contemplated by the SPA, and there being no action seeking to restrain or prohibit the consummation thereof, or seeking damages in connection therewith, which is pending or any such injunction, other order or action which is threatened; and
- (e) there being no delisting of the existing Shares of the Company from the SGX-ST prior to the Completion Date.

#### **2.5.3 Termination of Joint Venture Agreement**

Pursuant to the SPA, in consideration of and subject to completion of the Acquisition, the Joint Venture Agreement shall automatically terminate and be of no further effect, and each of the Company and Mr Jiang Hao shall not have any claim against each other pursuant to the Joint Venture Agreement, save in respect of any accrued rights or liabilities under the Joint Venture Agreement and/or any claim arising from antecedent breach of the terms thereof.



## LETTER TO SHAREHOLDERS

Pursuant to the terms of the Joint Venture Agreement, call options in relation to an aggregate of 69,176,472 new Shares in the Company had been granted to Mr Jiang Hao. Upon the termination of the Joint Venture Agreement, such call options shall also be terminated.

### 2.6 Listing Manual

Under Chapter 10 of the Listing Manual, an acquisition will be classified as a “major transaction” if any of the relative figures calculated on the bases set out in Rule 1006 of the Listing Manual exceeds 75% but is less than 100% and if so, Shareholders’ approval must be obtained for the “major transaction”.

Assuming the Company is acquiring 100% shareholding in OSC and taking into aggregation the subscription amount of S\$6,120,000 injected into OSC for the Company’s initial subscription of its 51% shareholding and the Consideration of S\$5,880,000 payable for this Acquisition, the relative figures computed on the bases set out in Rule 1006 of the Listing Manual in respect of the Acquisition are set out below.

Rule	Relative Figure
Rule 1006(a) – the net asset value of the assets to be disposed of, compared with the Group’s net asset value	Not applicable as this is not a disposal of assets
Rule 1006(b) – the net profits attributable to the assets acquired, compared with the Group’s net profits	Not meaningful <sup>(1)</sup>
Rule 1006(c) – the aggregate value of the consideration given or received, compared with the Company’s market capitalisation based on the total number of issued shares excluding treasury shares	51.28% <sup>(2)</sup>
Rule 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	22.39% <sup>(3)</sup>
Rule 1006(e) – the aggregate volume or amount of proved and probable reserves to be disposed of, compared with the Group’s proved and probable reserves	Not applicable as the Company is not a mineral, oil and gas company.

**Notes:**

- (1) Based on the audited financial statements of the Company for FY2015, the net loss of the Group was approximately S\$9,294,000 and the net loss attributable to the assets acquired was approximately S\$59,000.
- (2) The aggregate consideration of S\$12,000,000, ie. the subscription amount of S\$6,120,000 injected into OSC for the Company’s initial subscription of its 51% shareholding in OSC and the Consideration of S\$5,880,000 payable for this Acquisition, is compared against the Company’s market capitalisation of S\$23,400,000, which is computed based on 468,000,000 Shares in issue and the closing price of S\$0.05 per share transacted on 29 April 2016, being the last market day on which trade in the Shares was recorded preceding the suspension of trade of the Company’s Shares on 9 May 2016. The value of the Consideration was used in this computation as the value of the Consideration is higher than the net asset value of the Sale Shares.
- (3) The number of Consideration Shares, being 117,600,000, is compared against the Existing Issued Share Capital of 525,150,000 Shares which takes into consideration the 57,150,000 new Shares issued pursuant to the Compliance Placement that was completed on 19 July 2016.

As the relative figures computed on the bases set out in Rule 1006(c) and Rule 1006(d) exceed 5% but do not exceed 75%, the Acquisition constitutes a discloseable transaction pursuant to Chapter 10 of the Listing Manual.

## LETTER TO SHAREHOLDERS

### 2.7 Financial Effects of the Acquisition

The *pro forma* financial effects of the Acquisition, based on the audited consolidated financial statements of the Company and the Group for the financial period ended 31 December 2015 are set out below. The *pro forma* financial effects are only presented for illustration purposes, and are not intended to reflect the actual future financial situation of the Company or the Group after the Acquisition.

#### 2.7.1 Share Capital

	<i>As at 31 December 2015</i>	<i>Immediately before the Acquisition</i>	<i>After the Acquisition</i>
Number of Shares	248,000,000	525,150,000 <sup>(1)</sup>	642,750,000

**Note:**

- (1) The number of issued shares in the Company increased to 525,150,000 pursuant to the issue of 220,000,000 ordinary shares on 24 March 2016 to Mr Shi Jiangang and Mr Sam Kok Yin, following the automatic conversion of S\$11,000,000 non-transferable bonds due 2016 and pursuant to the Compliance Placement.

#### 2.7.2 Net Tangible Assets

Assuming that the Acquisition had been completed on 31 December 2015, the effect on NTA per share of the Group as at 31 December 2015 would be as follows:

	<i>As at 31 December 2015</i>	<i>Immediately before the Acquisition</i>	<i>After the Acquisition</i>
Consolidated NTA attributable to the Shareholders (S\$'000)	17,451	21,434	27,250
Consolidated NTA per share attributable to the Shareholders (Singapore cents)	7.04	4.08 <sup>(1)</sup>	4.24

**Note:**

- (1) The number of issued shares in the Company increased to 525,150,000 pursuant to the issue of 220,000,000 ordinary shares on 24 March 2016 to Mr Shi Jiangang and Mr Sam Kok Yin, following the automatic conversion of S\$11,000,000 non-transferable bonds due 2016 and pursuant to the Compliance Placement.

#### 2.7.3 Earnings per Share

Assuming that OSC had been incorporated on 1 October 2014 and the Acquisition had been completed on 1 October 2014, the effect on the loss per share of the Group for the financial period ended 31 December 2015 would be as follows:

	<i>Before the Acquisition</i>	<i>After the Acquisition</i>
Consolidated loss attributable to Shareholders (net of tax) (S\$'000)	9,235	9,294
Weighted average number of Shares	525,150,000 <sup>(1)</sup>	642,750,000
Consolidated loss per share (Singapore cents)	1.76	1.45

**Note:**

- (1) Assuming the issue of 220,000,000 ordinary shares on 24 March 2016 to Mr Shi Jiangang and Mr Sam Kok Yin, following the automatic conversion of S\$11,000,000 non-transferable bonds due 2016 and the Compliance Placement had been completed on 1 October 2014.

---

## LETTER TO SHAREHOLDERS

---

### 2.8 Performance of Orient-Salt Chemicals Pte. Ltd.

#### 2.8.1 Statement of Comprehensive Income

The unaudited consolidated income statement of OSC for HY2016 is set out below:

	<b>HY2016</b>
	<b>US\$'000</b>
<b>Revenue</b>	23,959
<b>Costs and expenses</b>	
Raw materials and consumables used	(22,942)
Salaries and employee benefits	(167)
Other operating expenses	(353)
<b>(Loss)/ gain from operating activities</b>	497
Finance costs	(35)
<b>(Loss)/ gain before taxation</b>	462
Income tax expense	–
<b>(Loss)/ gain for the period</b>	462
<b>Other comprehensive income</b>	
Foreign currency translation difference	79
<b>Total comprehensive gain for the period</b>	541
<b>Income for the period attributable to:</b>	
Owners of the Company	477
Non-controlling interest	(15)
<b>Total income for the period</b>	462
<b>Total comprehensive gain/(loss) attributable to:</b>	
Owners of the Company	553
Non-controlling interest	(12)
<b>Total comprehensive gain</b>	541

---

## LETTER TO SHAREHOLDERS

---

### 2.8.2 Statement of Financial Position

The unaudited statement of financial position of OSC as at 30 June 2016 is set out below:

	Group 30 June 2016 US\$'000
<b>ASSETS</b>	
<b>Non-current Assets</b>	
Property, plant and equipment	38
<b>Current Assets</b>	
Trade receivables	9,487
Other receivables and deposit	88
Advances and prepayments	4,569
Amounts due from holding company	54
Cash and cash equivalents	2,522
	<u>16,720</u>
<b>Total Assets</b>	<u>16,758</u>
<b>Capital and Reserves</b>	
Share capital	8,531
Translation reserve	80
Accumulated gains	393
<b>Attributable to owner of the Company</b>	<u>9,004</u>
Non-controlling interest	28
<b>Total Equity</b>	<u>9,032</u>
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Trade payables	4,411
Other payables	86
Amount due to directors	3,229
<b>Total Liabilities</b>	<u>7,726</u>
<b>Total Equity and Liabilities</b>	<u>16,758</u>

### 2.9 Service Agreements

As at the Latest Practicable Date, no person is proposed to be appointed as a Director of the Company under the SPA in connection with the Acquisition. However, the Board may invite Mr Jiang Hao to join the Board as a Director given that he will be the main person in charge of operations for a key business segment of the Group.

### 3. THE POSSIBLE TRANSFER OF CONTROLLING INTEREST IN THE COMPANY TO MR JIANG HAO PURSUANT TO THE ISSUANCE OF THE CONSIDERATION SHARES FOR THE ACQUISITION

- 3.1 The Company is seeking Shareholders' approval for the possible transfer of Controlling Interest to Mr Jiang Hao by the ordinary resolution ("**Resolution 2**") as set out in the notice of EGM on page 73 of this Circular, pursuant to Rule 803 of the Listing Manual.

## LETTER TO SHAREHOLDERS

- 3.2** The 117,600,000 Consideration Shares represent approximately 22.39%<sup>(1)</sup> of the Existing Issued Share Capital and will represent approximately 18.30% of the enlarged issued share capital of the Company comprising 642,750,000 Shares on completion of the Acquisition (assuming the Company does not otherwise issue any new Shares from the Latest Practicable Date up to completion of the Acquisition).

**Note:**

- (1) The number of Consideration Shares, being 117,600,000, is compared against the Existing Issued Share Capital of 525,150,000 Shares which takes into consideration the 57,150,000 new Shares issued pursuant to the Compliance Placement that was completed on 19 July 2016.

- 3.3** Subsequent to the completion of the Acquisition, assuming the Company does not otherwise issue any new Shares from the date of this Circular up to completion of the Acquisition, the issuance of the Consideration Shares to Mr Jiang Hao (and/or such other parties as he may nominate) may constitute a transfer of a Controlling Interest in the Company to Mr Jiang Hao, pursuant to Rule 803 of the Listing Manual. In the event that all the Consideration Shares are issued to Mr Jiang Hao, Mr Jiang Hao's shareholding in the Company would increase from 0% of the Existing Issued Share Capital to approximately 18.30% of the enlarged issued share capital of the Company comprising 642,750,000 Shares on completion of the Acquisition.

- 3.4** Assuming the Company does not otherwise issue any new Shares from the Latest Practicable Date up to completion of the Acquisition, the Substantial Shareholders of the Company would be as follows:

Substantial Shareholder	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	% <sup>(1)(6)</sup>	No. of Shares	% <sup>(1)(6)</sup>	No. of Shares	% <sup>(1)(6)</sup>
Mr Shi Jiangang	238,405,706	37.09	— <sup>(2)</sup>	—	238,405,706	37.09
Mr Jiang Hao	117,600,000	18.30	—	—	117,600,000	18.30
Mr Sam Kok Yin	95,252,100	14.82	10,159,000 <sup>(3)</sup>	1.58	105,411,100	16.40
Chan & Ong Holdings Pte Ltd <sup>(4)</sup>	85,500,000	13.30	—	—	85,500,000	13.30
Mr Chan Charlie <sup>(5)</sup>	2,000,000	0.31	94,651,359	14.73	96,651,359	15.04
Mdm Ong Kwee Cheng (Dora) <sup>(5)</sup>	9,151,359	1.42	87,500,000	13.61	96,651,359	15.04

**Notes:**

- (1) Calculated based on 642,750,000 Shares in the enlarged issued share capital of the Company on completion of the Acquisition.
- (2) This table excludes Mr Shi Jiangang's deemed interest in 138,750,000 unissued Shares that will be issued to him in the event of the exercise of the call option granted to him. Such unissued Shares constitute 16.27% of the further enlarged share capital of the Company, being 852,750,000 Shares, assuming that the call options granted to both Mr Shi Jiangang and Mr Sam Kok Yin are exercised.
- (3) Mr Sam Kok Yin is deemed interested in 10,159,000 Shares held by his wife, Ms Tan Hui Har. This table excludes Mr Sam Kok Yin's deemed interest in 71,250,000 unissued Shares that will be issued to him in the event of the exercise of the call option granted to him. Such unissued Shares constitute 8.36% of the further enlarged share capital of the Company, being 852,750,000 Shares, assuming that the call options granted to both Mr Shi Jiangang and Mr Sam Kok Yin are exercised.
- (4) Mdm Ong Kwee Cheng (Dora) and Mr Chan Charlie have shareholding interests of 77% and 23% respectively in Chan & Ong Holdings Pte Ltd and accordingly are deemed to be interested in the 85,500,000 Shares held by Chan & Ong Holdings Pte Ltd.
- (5) Mdm Ong Kwee Cheng (Dora) and Mr Chan Charlie are deemed to be interested in each other's shareholdings as they are spouses.
- (6) Any discrepancies in figures between the amounts listed and their actual values are due to rounding.

---

## LETTER TO SHAREHOLDERS

---

### 4. THE RIGHTS ISSUE

The Company is seeking Shareholders' approval for the Rights Issue by the ordinary resolution ("**Resolution 3**") as set out in the notice of EGM on page 73 of this Circular, for purposes of Section 161 of the Companies Act, the Constitution and Rules 805 and 806 of the Listing Manual.

#### 4.1 Background

The Company announced on 17 June 2016 that the Company proposes to undertake a renounceable non-underwritten rights issue of up to S\$12,855,000 in principal amount of zero coupon bonds due 2020 with principal amount of S\$0.02 for each Bond, at an issue price of S\$0.016, with up to 642,750,000 free detachable European warrants, with each Warrant carrying the right to subscribe for one new Share at an exercise price of S\$0.02 for each New Share, on the basis (the "**Rights Issue Basis**") of one Bond of principal amount S\$0.02 each with one free Warrant for every existing Share in the capital of the Company held by the Entitled Shareholders as at a books closure date to be determined by the Directors, fractional entitlements to be disregarded. The aggregate issue price of the Bonds will comprise 80 per cent. of the principal amount and the gross proceeds from the issue of the Bonds is up to S\$10,284,000.

#### 4.2 The Proposed Principal Terms of the Rights Issue

Number of Bonds	:	Up to S\$12,855,000 in principal amount of Bonds will be issued.
Basis of Provisional Allotment	:	One (1) Bond for every one (1) existing Share held by Entitled Shareholders as at the Books Closure Date, fractional entitlements to be disregarded.
Issue Price	:	S\$0.016 for each Bond, payable in full on acceptance and/or application.
Maturity Date	:	The date on which the Bonds will be redeemed, being the fourth (4 <sup>th</sup> ) anniversary of the date of issue of the Bonds.
Non-underwritten	:	The Rights Issue will not be underwritten. In view of the savings in costs by the Company as a result of not having to pay any underwriting fees and the irrevocable undertaking and indication of non-binding intention provided by Mr Sam Kok Yin and Mr Shi Jiengang respectively, the Company has decided to proceed with the Rights Issue without having the Rights Issue being underwritten by any financial institution.
Status of the Bonds	:	The Bonds constitute direct, unconditional, unsubordinated and unsecured obligations of the Company and shall at all times rank <i>pari passu</i> and without any preference among themselves. The Company reserves the right to incur further debt and take on further borrowings which rank in priority to the Bonds.
Listing of the Bonds	:	The Bonds will not be listed and traded on the SGX-ST.
Trading of the Bonds	:	The Bonds will not be listed and traded on the SGX-ST.
Transferability of the Bonds	:	The Bonds are non-transferable.

---

## LETTER TO SHAREHOLDERS

---

Acceptance and excess/  
additional application : Entitled Shareholders will be at liberty to accept in full or in part, decline or otherwise renounce or in the case of Entitled Depositors, trade their provisional allotments of the Bonds with Warrants on the SGX-ST during the provisional allotment trading period prescribed by SGX-ST and will be eligible to apply for the Excess Bonds with Warrants.

Provisional allotments of Bonds with Warrants which are not taken up for any reason shall be aggregated and used to satisfy excess applications for Bonds with Warrants or otherwise dealt with in such manner as the Board may in its absolute discretion deem fit in the interests of the Company.

In the allotment of Excess Bonds with Warrants, preference will be given to Entitled Shareholders in satisfaction of their application for Excess Bonds with Warrants, if any, provided that where there are insufficient Excess Bonds with Warrants to allot to each application, the Company shall allot the Excess Bonds with Warrants to Entitled Shareholders such that 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, and the Undertaking Shareholder, will rank last in priority for the rounding of odd lots and allotment of Excess Bonds with Warrants.

The procedures for acceptance, payment and excess application by Entitled Depositors and the procedures for acceptance, payment, splitting, renunciation and excess application by Entitled Scripholders will be set out in the Offer Information Statement to be despatched to Entitled Shareholders in due course, subject to, *inter alia*, the Rights Issue being approved by the relevant Shareholders at the EGM.

Use of CPF Funds : The Bonds are not eligible for inclusion under the CPF Investment Scheme. Accordingly, Entitled Shareholders who are members under the CPF Investment Scheme-Ordinary Account may NOT use their CPF account savings ("**CPF Funds**") for the payment of the Issue Price to subscribe for the provisional allotments of Bonds with Warrants and/or apply for Excess Bonds with Warrants.

Members who have previously bought their Shares using CPF Funds and who wish to accept the provisional allotment of Bonds with Warrants and (if applicable) apply for Excess Bonds with Warrants will need to instruct their respective approved banks, where they hold their CPF Investment Accounts, to accept and (if applicable) apply for the Bonds with Warrants on their behalf using cash and in accordance with the terms and conditions of the Offer Information Statement. Any acceptance and (if applicable) application made directly to CDP or through Electronic Applications by such members who have previously bought their Shares using CPF Funds, will be rejected. The Bonds, the Warrants and, upon exercise of the Warrants, the New Shares arising therefrom, will not be held through the CPF Investment Account.

---

## LETTER TO SHAREHOLDERS

---

Use of SRS Funds : SRS investors who had purchased Shares using their SRS Accounts and who wish to accept their provisional allotments of Bonds with Warrants and (if applicable) apply for Excess Bonds with Warrants can only do so, subject to applicable SRS rules and regulations, using monies standing to the credit of their respective SRS Accounts. Such investors who wish to accept their provisional allotments of Bonds with Warrants and (if applicable) apply for Excess Bonds with Warrants using SRS monies, must instruct the relevant approved banks in which they hold their SRS Accounts to accept their provisional allotments of Bonds with Warrants and (if applicable) apply for Excess Bonds with Warrants on their behalf.

Such investors who have insufficient funds in their SRS Accounts may, subject to the SRS contribution cap, deposit cash into their SRS Accounts with their approved banks before instructing their respective approved banks to accept their provisional allotments of Bonds with Warrants and/or apply for Excess Bonds with Warrants. SRS investors are advised to provide their respective approved banks in which they hold their SRS Accounts with the appropriate instructions no later than the deadlines set by their respective approved banks in order for their respective approved banks to make the relevant acceptance and (if applicable) application on their behalf by the Closing Date. Any acceptance and/or application made directly through CDP, Electronic Applications at ATMs of the Participating Banks, the Share Registrar and/or the Company will be rejected. For the avoidance of doubt, monies in SRS Accounts may not be used for the purchase of the provisional allotments of the Bonds with Warrants directly from the market.

Eligibility to participate in the Rights Issue : Please refer to section 4.5 of this Circular.

Irrevocable Undertaking : Please refer to section 4.9 of this Circular.

Governing Law : Laws of the Republic of Singapore.

### 4.3 The Proposed Principal Terms of the Warrants

Number of Warrants and New Shares : Up to 642,750,000 Warrants will be issued.

Basis of Provisional Allotment : One (1) free detachable Warrant for every one (1) Bond subscribed, fractional entitlements to be disregarded.

Exercise Price : S\$0.02 is payable for each New Share, subject to adjustments under certain circumstances to be set out in the Deed Poll.



---

## LETTER TO SHAREHOLDERS

---

- Exercise Date : The Exercise Date of the Warrants will be at 5.00 p.m. on the date immediately preceding the fourth (4<sup>th</sup>) anniversary of the date of issue of the Warrants, unless such date is a date on which the Register of Members is closed or is not a Market Day, in which event the Warrants will expire on the date prior to the closure of the Register of Members or the immediate preceding Market Day, as the case may be (but excluding such period(s) during which the Register of Warrantholders may be closed), subject to the terms and conditions of the Warrants to be set out in the Deed Poll. Warrants remaining unexercised at the expiry of the Exercise Date shall lapse and cease to be valid for any purpose. The right to exercise the Warrants will not be extended beyond the Exercise Date.
- Form and subscription rights : The Warrants will be issued in registered form and will be constituted by the Deed Poll. Subject to the terms and conditions of the Warrants to be set out in the Deed Poll, every one (1) Warrant shall entitle the Warrantholder, on the Exercise Date, to subscribe for one (1) New Share at the Exercise Price.
- Detachability and trading : The Warrants are immediately detachable from the Bonds upon issue, and will be issued in registered form and will be listed and traded separately on the SGX-ST under the book-entry (scripless) settlement system, upon the listing of and quotation for the Warrants on the SGX-ST, subject to, amongst others, an adequate spread of holdings of the Warrants to provide for an orderly market in the Warrants. Each board lot of Warrants will consist of 100 Warrants or such other number as may be notified by the Company.
- Listing of the Warrants : On 11 November 2016, the Company obtained the approval in-principle of the SGX-ST for the listing of and quotation for the Warrants and the New Shares on Catalist, subject to certain conditions, details of which are set out under section 4.4 of this Circular.
- The approval in-principle granted by the SGX-ST is in no way reflective of and is not to be taken as an indication of the merits of the Rights Issue, the Bonds, the Warrants, the New Shares, the Company, its subsidiaries and their securities.
- In the event that permission is not granted by the SGX-ST for the listing of and quotation for the Warrants on SGX-ST due to an inadequate spread of holdings of the Warrants to provide for an orderly market in the trading of the Warrants, Warrantholders will not be able to trade their Warrants on SGX-ST.**
- Notification of Exercise Date : Not less than one (1) month prior to the Exercise Date, the Company shall, *inter alia*:
- (a) give notice to the Warrantholders in accordance with the terms and conditions set out in the Deed Poll of the Exercise Date and announce to the SGX-ST via an announcement on SGXNET; and

---

## LETTER TO SHAREHOLDERS

---

- (b) take all reasonable steps to despatch to the Warranholders notice in writing to their addresses recorded in the Register of Warranholders or the Depository Register, as the case may be, of the Exercise Date.

Without prejudice to the generality of the foregoing, Warranholders who acquire Warrants after the notice of the Exercise Date has been given in accordance with the aforementioned shall be deemed to have notice of the Exercise Date so long as such notice has been given in accordance with the terms and conditions to be set out in the Deed Poll.

- Mode of payment for exercise of Warrants : Warranholders who exercise their Warrants must pay the Exercise Price by way of (a) a remittance in Singapore currency by banker's draft or cashier's order drawn on a bank operating in Singapore in favour of the Company; or (b) subject to the Warrants being listed on the SGX-ST, by debiting the relevant Warranholder's CPF Investment Account with the specified CPF Approved Bank for the credit of the Special Account (each term as defined in the Deed Poll); or (c) subject to the Warrants being listed on the SGX-ST, partly in the form of remittance in Singapore currency by the banker's draft or cashier's order drawn on a bank in Singapore and/or partly by debiting such Warranholder's CPF Investment Account with the specified CPF Approved Bank.
- Adjustment to Exercise Price and/or the number of Warrants : The Exercise Price and/or the number of Warrants to be held by each Warranholder will, after their issue, be subject to adjustments under certain circumstances to be set out in the Deed Poll. Such circumstances include, without limitation, consolidation or subdivision of Shares, capitalisation issues, rights issues and certain capital distributions. Any additional Warrants issued shall rank *pari passu* with the Warrants issued under the Rights Issue and will for all purposes form part of the same series. Any such adjustments shall (unless otherwise provided under the Listing Manual from time to time) be announced by the Company on SGXNET.
- Status of the New Shares : The New Shares arising from the exercise of the Warrants, upon issue and allotment, will rank *pari passu* in all respects with the then existing Shares in issue, save for any dividends, rights, allotments or other distributions, the Record Date for which falls before the date of issue of the New Shares.
- Modification of rights of the Warranholders : The Company may, without the consent of the Warranholders but in accordance with the terms of the Deed Poll, effect any modification to the terms of the Deed Poll including the terms and conditions of the Warrants which, in the opinion of the Company is:
- (a) not materially prejudicial to the interests of the Warranholders;
  - (b) of a formal, technical or minor nature;

---

## LETTER TO SHAREHOLDERS

---

- (c) to correct a manifest error or to comply with mandatory provisions of Singapore law; or
- (d) to vary or replace provisions relating to the transfer or exercise of the Warrants including the issue of New Shares arising from the exercise thereof or meetings of the Warranholders in order to facilitate trading in or the exercise of the Warrants or in connection with the implementation and operation of the book-entry (scripless) settlement system in respect of trades of the Company's securities on the SGX-ST.

Any such modification shall be binding on the Warranholders and all persons having an interest in the Warrants. Upon any modification of the terms of the Deed Poll and/or the terms and conditions of the Warrants, notice shall be given to the Warranholders in accordance with the terms and conditions of the Warrants as set out in the Deed Poll as soon as practicable thereafter.

Without prejudice to any provision of the Deed Poll, any material alteration of the terms and conditions of the Warrants after the issue thereof to the advantage of the Warranholders and/or prejudicial to the Shareholders must be approved by the Shareholders in a general meeting, except where the alterations are made pursuant to the terms and conditions of the Warrants as set out in the Deed Poll.

Transfer and transmission : The Warrants may only be transferred in lots, such that the subscription of the New Shares by Warranholders may only be effected in whole numbers. A Warrant may only be transferred in the manner prescribed in the terms and conditions of the Warrants to be set out in the Deed Poll including, *inter alia*, the following:

- (a) Warrants not registered in the name of CDP — a Warranholder whose Warrants are registered otherwise than in the name of CDP (the “**Transferor**”) shall lodge, during normal business hours on any business day at the specified office of the Warrant Agent, the Transferor's warrant certificate(s) together with a transfer form as prescribed by the Company from time to time (the “**Transfer Form**”) duly completed and signed by or on behalf of the Transferor and the transferee and duly stamped in accordance with any law for the time being in force relating to stamp duty, provided that the Warrant Agent may dispense with requiring CDP to sign as transferee any Transfer Form for the transfer of Warrants to CDP. A Transferor shall be deemed to remain a holder of the Warrants until the name of the transferee is entered in the Register of Warranholders by the Warrant Agent;

---

## LETTER TO SHAREHOLDERS

---

- (b) Deceased Warrantholder — the executors or administrators of a deceased Warrantholder whose Warrants are registered otherwise than in the name of CDP (not being one of several joint holders) or, if the registered holder of the Warrants is CDP, of a deceased Depositor and, in the case of the death of one or more of several joint holders, the survivor or survivors of such joint holders shall be the only persons recognised by the Company as having any title to the Warrants registered in the name of the deceased Warrantholder. Such persons shall be entitled to be registered as Warrantholders and/or to make such transfer(s) as the deceased Warrantholder is entitled to make, upon the production by such persons to the Company and the Warrant Agent of such evidence as may be reasonably required by the Company and the Warrant Agent to prove their title and on payment of the fees and expenses to be set out in the Deed Poll; and
- (c) Warrants registered in the name of CDP — where the Warrants are registered in the name of CDP and the Warrants are to be transferred between Depositors, such Warrants must be transferred in the Depository Register by CDP by way of book entry. A Depositor shall be deemed to remain a Warrantholder of the Warrants until the name of the transferee is entered in the Depository Register by CDP.

### Winding Up

- : If an effective resolution is passed on or before the Exercise Date for a members' voluntary winding up of the Company, for the purpose of reconstruction or amalgamation pursuant to a scheme of arrangement approved by the Warrantholders, the terms of such scheme of arrangement shall be binding on all the Warrantholders and all persons having an interest in the Warrants.

In any other case, if notice is given by the Company to its members to convene a general meeting for the purposes of considering a members' voluntary winding-up of the Company, the Warrantholders may elect to be treated as if they had had immediately prior to the commencement of such winding-up exercised the Warrants and had on such date been the holders of the New Shares to which they would have become entitled pursuant to such exercise and the liquidator of the Company shall give effect to such election accordingly. The Company shall give notice to the Warrantholders in accordance with the terms and conditions as set out in the Deed Poll of the passing of any such resolution within seven (7) days after the passing thereof.

Subject to the foregoing, if the Company is wound up for any other reason, all the Warrants which have not been exercised at the date of the passing of such resolution for the winding-up of the Company shall lapse and cease to be valid for any purpose.

---

## LETTER TO SHAREHOLDERS

---

- Further Issues : Subject to the terms and conditions of the Warrants to be set out in the Deed Poll, the Company shall be at liberty to issue Shares to Shareholders either for cash or as a bonus distribution and further subscription rights upon such terms and conditions as the Company sees fit. However, the Warranholders shall not have any participation rights in any such issues of Shares by the Company unless otherwise resolved by the Company in a general meeting.
- Warrant Agent : B.A.C.S Private Limited.
- Governing Law : Laws of the Republic of Singapore.

The above terms and conditions of the Rights Issue are subject to such changes as the Directors may deem fit. The full details and final terms and conditions of the Rights Issue will be set out in the Offer Information Statement to be despatched to Entitled Shareholders in due course, subject to, amongst others, the approval of Shareholders for the Rights Issue at the EGM.

#### 4.4 Conditions for the Rights Issue

The Rights Issue is conditional upon, *inter alia*, the following:

- (a) the Rights Issue being approved by the Shareholders at the EGM;
- (b) obtaining of the approval in-principle of the SGX-ST (such approval not having been withdrawn or revoked on or prior to the closing date of the Rights Issue) for the listing of and quotation for the Warrants and the New Shares on the SGX-ST, and if such approval is granted subject to conditions, such conditions being acceptable to the Company; and
- (c) the lodgement of the Offer Information Statement together with all other accompanying documents by the Company with SGX-ST.

On 11 November 2016, the Company obtained the approval in-principle of the SGX-ST for the listing of and quotation for the Warrants and the New Shares on Catalist, subject to the following conditions:

- (a) Company's compliance with the SGX-ST's listing requirements;
- (b) submission of a confirmation that a sufficient spread in the Warrants as required under Rule 826 of the Listing Manual;
- (c) submission of paragraph 2 of Appendix 8B Part I upon lodgement of the Offer Information Statement; and
- (d) Shareholders' approval obtained for the issuance of Consideration Shares at the completion of the Acquisition and the Rights Issue at an EGM of the Shareholders to be convened.

The approval in-principle granted by the SGX-ST is in no way reflective of and is not to be taken as an indication of the merits of the Rights Issue, the Bonds, the Warrants, the New Shares, the Company, its subsidiaries and their securities.

---

## LETTER TO SHAREHOLDERS

---

### 4.5 Eligibility of Shareholders to Participate in the Rights Issue

The Company proposes to provisionally allot by way of rights to the Entitled Shareholders, which comprise Entitled Depositors and Entitled Scripholders.

Shareholders whose Shares are registered in the name of CDP and whose securities accounts with CDP are credited with Shares as at the Books Closure Date will be provisionally allotted their entitlements on the basis of the number of Shares standing to the credit of their securities account with CDP as at the Books Closure Date. To be “**Entitled Depositors**”, Depositors must have registered addresses with CDP in Singapore as at the Books Closure Date or must have, at least three (3) Market Days prior to the Books Closure Date, provided CDP with addresses in Singapore for the service of notices and documents.

Duly completed and stamped transfers (in respect of Shares not registered in the name of CDP) together with all relevant documents of title received up to the Books Closure Date by B.A.C.S Private Limited, will be registered to determine the provisional entitlements of the Scripholder. To be “**Entitled Scripholders**”, Scripholders must have registered addresses in Singapore as at the Books Closure Date or must have, 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.

For practical reasons and in order to avoid violation of relevant legislation applicable in countries other than Singapore, the Rights Issue is only made in Singapore and the Bonds with Warrants will not be offered to 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 the Company, the CDP or the Share Registrar, as the case may be, addresses in Singapore for the service of notices and documents. The Offer Information Statement to be issued for the Rights Issue and its accompanying documents will not be mailed outside Singapore. Accordingly, no provisional allotments of the Bonds with Warrants will be made to Foreign Shareholders and no purported acceptance thereof or application will be valid. Entitlements to the Bonds with Warrants which would otherwise accrue to Foreign Shareholders will, if practicable, be sold “nil-paid” on the SGX-ST after dealings in the provisional allotments of Bonds with Warrants commence.

Such sales may, 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 as at the Books Closure Date and sent to them at their own risk by ordinary post, where the amount of net proceeds to be distributed to any single Foreign Shareholder is not less than S\$10.00. In the event the amount 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 or CDP and their respective officers in connection therewith. Where such provisional allotments of Bonds with Warrants are sold “nil-paid” on the SGX-ST, 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 or CDP and their respective officers in respect of such sales or the proceeds thereof, the provisional allotments of Bonds and the Warrants represented by such provisional allotments.

For the avoidance of doubt, it is intended for completion of the Acquisition to take place before the Books Closure Date and therefore, holders of the Consideration Shares will be entitled to participate in the Rights Issue.

---

## LETTER TO SHAREHOLDERS

---

### 4.6 Purpose of the Rights Issue and Use of Proceeds

The Rights Issue has been proposed to raise funds for (a) repayment of amounts owing by the Group previously incurred in relation to its printing business; and (b) general working capital purposes for its new chemical and investment related businesses and future acquisitions.

The Directors note that after taking into consideration the Group's present cash holding and with the continued financial support of the Executive Chairman, Mr Shi Jiangang and the Managing Director, Mr Sam Kok Yin, the working capital available to the Group, while sufficient for it to meet its liabilities (including liabilities that have been incurred by the Group's printing business in the past) as they fall due, is however not sufficient to also fund the Group's plan to scale up its new chemical and investment related businesses. The Company is therefore proposing to undertake the Rights Issue to strengthen the Group's balance sheet and improve its cash flow position.

Assuming the Maximum Subscription Scenario, the Maximum Net Proceeds will be approximately S\$8,180,000<sup>(1)</sup> after deducting professionals and related expenses incurred in connection with the Rights Issue, and after the offset of amounts owing to Mr Shi Jiangang and Mr Sam Kok Yin of approximately \$337,000 and \$1,686,000 respectively.

Assuming the Minimum Subscription Scenario, the Rights Issue will not give rise to any proceeds as the aggregate payment for the subscription of the Undertaking Shareholder's Bonds with Warrants entitlements under the Rights Issue are to be fully offset from part of the outstanding amounts owed to him by the Company.

**Note:**

- (1) As disclosed in paragraphs 4.8 and 4.9 below, the aggregate payment for the subscription of Mr Shi Jiangang's and Mr Sam Kok Yin's Bonds with Warrants entitlements under the Rights Issue will be partially and fully offset from part of the outstanding amounts owed to them by the Company.

Assuming the Maximum Subscription Scenario and that all the Warrants are exercised and taking into consideration the proceeds from the Compliance Placement, the aggregate total proceeds from the Compliance Placement and the Rights Issue is approximately S\$25,016,000.

For illustrative purposes, the following is a breakdown of the percentage of aggregated proceeds attributable to the Compliance Placement and the Rights Issue:

<i>Fund Raising Exercise</i>	<i>Proceeds raised (S\$)</i>	<i>Percentage Allocation (%)</i>
	<i>Maximum Subscription Scenario</i>	<i>Maximum Subscription Scenario</i>
Compliance Placement	3,981,000	15.91%
Rights Issue (assuming that all the Warrants are exercised)	21,035,000	84.09%
<b>Total</b>	<b>25,016,000</b>	<b>100.00%</b>

For illustrative purposes only, the following is an estimate of the proportions of how the Company intends to use the Maximum Net Proceeds (for the avoidance of doubt, consisting only the proceeds from the issue of the Bonds and not taking into account the proceeds from any exercise of Warrants):

<i>Use of Net Proceeds</i>	<i>Percentage Allocation (%)</i> <i>Maximum Subscription Scenario</i>
Repayment of amounts owing incurred by the printing business	Approximately 20% to 30% <sup>(1)</sup>
For working capital for its new chemical and investment related businesses and future acquisitions	Approximately 70% to 80%

**Note:**

- (1) The repayment of the debt owing to Ms Dora Ong is included within the amount owing that were incurred by the printing business.

---

## LETTER TO SHAREHOLDERS

---

The total amount owing incurred by the printing business is approximately S\$2,614,000. In the event of a Maximum Subscription Scenario, the proceeds from the Rights Issue will be utilised to repay the amounts owing incurred by the printing business. In the event of a Minimum Subscription Scenario, after taking into account the Group's present cash holding and with the continued financial support of the Executive Chairman, Mr Shi Jiangang and the Managing Director, Mr Sam Kok Yin, the Company's current working capital will be sufficient to repay the amounts owing incurred by the printing business.

Assuming the Maximum Subscription Scenario and that all the Warrants issued under the Rights Issue are exercised, the estimated gross proceeds from the exercise of the Warrants will be up to S\$12,855,000 (the "**Warrants Exercise Proceeds**"). As and when the Warrants are exercised, the Warrants Exercise Proceeds raised may, at the discretion of the Directors, be applied towards the working capital for the Group's new chemical and investment related businesses and future acquisitions.

Pending the deployment of the net proceeds from the Rights Issue and the exercise of the Warrants, the net proceeds may be deposited with banks and/or financial institutions or invested in short-term money market instruments or used for any other purposes on a short-term basis as the Directors may deem appropriate in the interests of the Group.

The Company will make periodic announcements on the utilisation of the proceeds from the Rights Issue, as the funds from the Rights Issue are materially disbursed and provide a status report on the use of the proceeds from the Rights Issue in the Company's annual report.

In the event that any part of the Company's proposed uses of the Net Proceeds and/or Warrants Exercise Proceeds does not materialise or proceed as planned, the Directors will carefully evaluate the situation and may reallocate the proceeds to other purposes and/or hold such funds on short-term deposits for as long as the Directors deem it to be in the interest of the Company and the Shareholders. Any change in the use of the Net Proceeds and/or Warrants Exercise Proceeds will be subject to the requirements of the Listing Manual and appropriate announcements will be made by the Company on SGXNET.

### 4.7 Adequacy of working capital

As at the Latest Practicable Date, the Directors are of the reasonable opinion that, after taking into consideration:

- (a) the Group's present bank facilities, cash holding, internally generated funds and with the continued financial support of the Executive Chairman, Mr Shi Jiangang and the Managing Director, Mr Sam Kok Yin, the working capital available to the Group, while sufficient for it to meet its liabilities (including liabilities that have been incurred by the Group's printing business in the past) as they fall due, is however not sufficient to also fund the Group's plan to scale up its new chemical and investment related businesses; and
- (b) the Group's present bank facilities, cash holding, internally generated funds, the proceeds from the Rights Issue (if the Rights Issue is only subscribed by the Undertaking Shareholder which will give rise to a Minimum Subscription Scenario where no proceeds will be raised from the Right Issue), and with the continued financial support of the Executive Chairman, Mr Shi Jiangang and the Managing Director, Mr Sam Kok Yin, the working capital available to the Group, while sufficient for it to meet its liabilities (including liabilities that have been incurred by the Group's printing business in the past) as they fall due, is however not sufficient to also fund the Group's plan to scale up its new chemical and investment related businesses.

Consequently, in the event of a Minimum Subscription Scenario, the Company will look to internally generated funds, shareholders' loans, additional bank facilities and/or fund raising exercises to raise more monies to fund the scale up of its chemical and investment related businesses and any future acquisitions.



---

## LETTER TO SHAREHOLDERS

---

### 4.8 Non-binding intention by Mr Shi Jiangang

Mr Shi Jiangang, the Executive Chairman of the Company, has indicated to the Company his non-binding intention to, *inter alia*, subscribe for and/or procure subscriptions for, and pay and/or procure payment for all of his Bonds with Warrants entitlements under the Rights Issue. The aggregate payment for the subscription of his Bonds with Warrants entitlements under the Rights Issue are to be partially offset from an outstanding amount of approximately S\$337,000 owing to him by the Company as at the Latest Practicable Date. The amounts owing to Mr Shi Jiangang comprise accrued amounts owing by the Company pursuant to the terms of his service agreement.

### 4.9 Irrevocable Undertaking by the Undertaking Shareholder

Mr Sam Kok Yin, the Managing Director of the Company, has irrevocably undertaken to the Company, *inter alia*, to subscribe for and/or procure subscriptions for, and pay and/or procure payment for all of his Bonds with Warrants entitlements under the Rights Issue. The aggregate payment for the subscription of all his Bonds with Warrants entitlements under the Rights Issue are to be fully offset from an outstanding amount of approximately S\$1,686,000 owing to him by the Company as at the Latest Practicable Date. The amounts owing to the Undertaking Shareholder comprise shareholder's loans provided by the Undertaking Shareholder to the Company as well as accrued amounts owing by the Company to him pursuant to the terms of his service agreement.

For illustrative purposes only, the shareholding effects of the Rights Issue are set out in the tables attached to this Circular as Appendix A.

### 4.10 Offer Information Statement

An Offer Information Statement will be despatched to the Entitled Shareholders subject to, *inter alia*, the approval of Shareholders for the Rights Issue being obtained at the EGM. Acceptances and applications under the 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 PAL and ARE, or through the ATMs of the Participating Banks, in the case of the Entitled Depositors; and/or
- (iii) the PAL and ARS, or through the ATMs of the Participating Banks, in the case of persons purchasing provisional allotment of Bonds with Warrants through the book-entry (scripless) settlement whose registered addresses with CDP are in Singapore.

### 4.11 Books Closure Date

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

### 4.12 Financial Effects of the Rights Issue

The financial effects of the Rights Issue presented herein are purely for illustrative purposes only and do not purport to be a projection or an estimate of the financial results and financial positions of the Company and the Group immediately after the completion of the Rights Issue.

The financial effects have been prepared based on the last audited consolidated financial statements of the Group for FY2015. The financial effects of the Rights Issue are presented herein after taking into account the following assumptions:

- (a) completion of the issuance of 220,000,000 ordinary shares to Mr Shi Jiangang and Mr Sam Kok Yin following the automatic conversion of S\$11,000,000 non-transferable bonds, the Compliance Placement and the Acquisition as at 1 October 2014;

## LETTER TO SHAREHOLDERS

- (b) for the purpose of computing the financial effects of the Rights Issue on the NAV per Share and gearing of the Group, the Rights Issue is assumed to have been completed, due and repaid on 31 December 2015 and all the Warrants are assumed to have been exercised on 31 December 2015; and
- (c) for the purpose of computing the financial effects of the Rights Issue on the earnings and EPS of the Group, the Rights Issue is assumed to have been completed, due and repaid on 1 October 2014 and all the Warrants are assumed to have been exercised on 1 October 2014.

### Share Capital

As an illustration only, the financial effects of the Rights Issue on the share capital of the Group as at 31 December 2015 are as follows:

	Maximum Subscription Scenario		Minimum Subscription Scenario	
	No. of Shares	S\$	No. of Shares	S\$
Issued share capital as at 31 December 2015	642,750,000	45,305,262.10	642,750,000	45,305,262.10
Issued share capital as at the date of completion of the Rights Issue	642,750,000	45,305,262.10	642,750,000	45,305,262.10
Add: New Shares to be issued (assuming all the Warrants are exercised on 31 December 2015)	642,750,000	12,855,000	105,411,100	2,108,222
Resultant issued share capital	1,285,500,000	58,160,262.10	748,161,100	47,413,484.10

### NAV and NAV per share

As an illustration only, the financial effects of the Rights Issue on the NAV and NAV per Share of the Group based on the latest audited financial statements for FY2015 is as follows:

	Maximum Subscription Scenario	Minimum Subscription Scenario
<b>As at 31 December 2015</b>		
NAV before the Rights Issue (S\$ '000)	27,250	27,250
Number of Shares before the Rights Issue ('000)	642,750	642,750
NAV per Share before the Rights Issue (Singapore cents)	4.24	4.24
NAV after the Rights Issue (S\$'000)	24,604	26,753
Number of Shares after Rights Issue ('000)	642,750	642,750
NAV per Share after the Rights Issue (Singapore cents)	3.83	4.16
<b>Assuming all the Warrants are exercised on 31 December 2015 and assuming there are no expenses for the exercise of the Warrants</b>		
NAV after the Rights Issue and the exercise of all the Warrants (S\$'000)	37,459	28,861
Number of Shares after the Rights Issue and exercise of all the Warrants ('000)	1,285,500	748,161
NAV per Share after the Rights Issue and exercise of all the Warrants (Singapore cents)	2.91	3.86

## LETTER TO SHAREHOLDERS

### Earnings and EPS

As an illustration only, the financial effects of the Rights Issue on the losses and loss per Share of the Group based on the latest audited financial statements for FY2015 is as follows:

<b>FY2015</b>	<b>Maximum Subscription Scenario</b>	<b>Minimum Subscription Scenario</b>
Consolidated loss attributable to shareholders (net of tax) before the Rights Issue (S\$'000)	9,294	9,294
Weighted average number of Shares before the Rights Issue ('000)	642,750	642,750
Basic and diluted consolidated loss per Share before the Rights Issue (Singapore cents) <sup>(1)</sup>	1.45	1.45
Consolidated loss attributable to Shareholders (net of tax) after the Rights Issue	11,940	9,791
Weighted average number of Shares after the Rights Issue ('000)	642,750	642,750
Basic and diluted consolidated loss per Share after Rights Issue (Singapore cents) <sup>(1)</sup>	1.86	1.52
<b><u>Assuming the Warrants are exercised</u></b>		
Consolidated loss attributable to Shareholders (net of tax) after the Rights Issue and exercise of all the Warrants (S\$'000)	11,940	9,791
Weighted average number of Shares after the Rights Issue and the exercise of all the Warrants ('000)	1,285,500	748,161
Basic and diluted consolidated loss per Share after Rights Issue and the exercise of all the Warrants (Singapore cents) <sup>(1)</sup>	0.93	1.31

**Note:**

- (1) The 210,000,000 ordinary shares arising from the Call Option (pursuant to the Subscription Agreement dated 8 May 2014) have been excluded from the calculation of diluted loss per share as the Group incurred losses.

## LETTER TO SHAREHOLDERS

### Gearing

As an illustration only, the financial effects of the Rights Issue on the gearing of the Group based on the latest audited financial statements for FY2015 are as follows:

<b>As at 31 December 2015</b>	<b>Maximum Subscription scenario</b>	<b>Minimum Subscription Scenario</b>
Total liabilities before the Rights Issue (S\$'000)	13,413	13,413
Shareholders' equity before the Rights Issue (S\$'000)	27,250	27,250
Gearing before the Rights Issue (times)	<u>0.49</u>	<u>0.49</u>
Total liabilities after the Rights Issue but before the repayment of the Bonds and the exercise of all the Warrants (S\$'000)	24,246	13,835
Shareholders' equity after the Rights Issue but before the repayment of the Bonds and the exercise of all the Warrants (S\$'000)	21,604	26,753
Gearing after the Rights Issue but before the repayment of the Bonds and the exercise of all the Warrants (times)	<u>0.99</u>	<u>0.52</u>
<b>Assuming the Warrants are exercised</b>		
Total liabilities after the Rights Issue, repayment of the Bonds and the exercise of all the Warrants (S\$'000)	11,391	11,727
Shareholders' equity after the Rights Issue, repayment of the Bonds and the exercise of all the Warrants (S\$'000)	37,459	28,861
Gearing after the Rights Issue, repayment of the Bonds and the exercise of all the Warrants (times)	<u>0.30</u>	<u>0.41</u>

**SHAREHOLDERS ARE ADVISED TO READ THE ABOVE SECTION 4.12 OF THIS CIRCULAR ON THE FINANCIAL EFFECTS OF THE RIGHTS ISSUE CAREFULLY.**

### 4.13 REVIEW OF PAST PERFORMANCE OF THE GROUP

#### 4.13.1 Consolidated Statement of Comprehensive Income

The audited consolidated income statement of the Group for FY2013, FY2014 and FY2015, and the unaudited consolidated income statement of the Group for HY2015 and HY2016 are set out below:

	<b>Audited</b>			<b>Unaudited</b>	
	FY2013 S\$('000)	FY2014 (Restated) S\$('000)	FY2015 S\$('000)	HY2015 US\$('000)	HY2016 US\$('000)
<b>Continuing operations</b>					
Revenue	14,606	–	–	–	23,959
Other operating income	478	–	–	–	–
Changes in inventories of finished goods and work-in progress	(557)	–	–	–	–
Raw materials and consumables used	(6,568)	–	–	–	(22,943)
Employee benefits expense	(4,254)	–	(73)	–	(459)
Depreciation of property, plant and equipment	(1,585)	–	–	–	–
Freight and handling charges	(646)	–	–	–	–

## LETTER TO SHAREHOLDERS

	<b>Audited</b>			<b>Unaudited</b>	
	FY2013 S\$('000)	FY2014 (Restated) S\$('000)	FY2015 S\$('000)	HY2015 US\$('000)	HY2016 US\$('000)
Repair and maintenance	(465)	–	–	–	–
Operating lease expense	(1,484)	–	–	–	(35)
Sub-contractors costs	(250)	–	–	–	–
Utilities	(964)	–	–	–	(17)
Other expenses	(1,622)	–	(50)	–	(573)
<b>Results from operating activities</b>	<b>(3,311)</b>	<b>–</b>	<b>(123)</b>	<b>–</b>	<b>(68)</b>
Finance costs	(413)	–	–	–	(35)
Loss before taxation	(3,724)	–	(123)	–	(103)
Tax expense	(7)	–	–	–	–
<b>Loss for the year/period</b>	<b>(3,731)</b>	<b>–</b>	<b>(123)</b>	<b>–</b>	<b>(103)</b>
<b>Discontinued operations</b>					
Loss for the period from discontinued operations	–	(3,929)	(9,171)	(1,650)	73
<b>Profit for the year/period</b>	<b>(3,731)</b>	<b>(3,929)</b>	<b>(9,294)</b>	<b>(1,650)</b>	<b>(30)</b>
<b>Other comprehensive income</b>					
Surplus on revaluation of leasehold land and building (nil tax effect)	4,567	1,724	(4,133)	–	–
Foreign currency translation differences – foreign operations (nil tax effect)	(9)	8	2	(418)	379
<b>Other comprehensive income for the year/period, net of tax</b>	<b>4,558</b>	<b>1,732</b>	<b>(4,131)</b>	<b>(418)</b>	<b>379</b>
<b>Total comprehensive (loss)/income for the year/period</b>	<b>827</b>	<b>(2,197)</b>	<b>(13,425)</b>	<b>(2,068)</b>	<b>349</b>
<b>Loss for the year attributable to:</b>					
Owners of the Company					
- Loss from continuing operations, net of tax	(3,731)	–	(64)	–	(320)
- Loss from discontinued operations, net of tax	–	(3,929)	(9,171)	(1,650)	73
	<b>(3,731)</b>	<b>(3,929)</b>	<b>(9,235)</b>	<b>(1,650)</b>	<b>(247)</b>
<b>Loss for the year attributable to:</b>					
Non-controlling interests					
- Loss from continuing operations, net of tax	–	–	(59)	–	217
- Loss from discontinued operations, net of tax	–	–	–	–	–
	<b>(3,731)</b>	<b>(3,929)</b>	<b>(9,294)</b>	<b>(1,650)</b>	<b>(30)</b>
<b>Total comprehensive income attributable to:</b>					
Owners of the Company					
- Loss from continuing operations, net of tax	827	–	(64)	–	(281)
- Loss from discontinued operations, net of tax	–	(2,197)	(13,302)	(2,068)	376
	<b>827</b>	<b>(2,197)</b>	<b>(13,366)</b>	<b>(2,068)</b>	<b>95</b>

## LETTER TO SHAREHOLDERS

	Audited			Unaudited	
	FY2013 S\$('000)	FY2014 (Restated) S\$('000)	FY2015 S\$('000)	HY2015 US\$('000)	HY2016 US\$('000)
<b>Total comprehensive income attributable to:</b>					
Non-controlling interests					
- Loss from continuing operations, net of tax	-	-	(59)	-	254
- Loss from discontinued operations, net of tax	-	-	-	-	-
	827	(2,197)	(13,425)	(2,068)	349

**Earnings per shares attributable to owners of the Company  
(S\$ cents per share for FY2013, FY2014 and FY2015. US\$ cents per share for HY2015 and HY2016)**

From continuing and discontinued operations

Basic and diluted	(2.22)	(2.27)	(1.97)	(0.35)	(0.05)
-------------------	--------	--------	--------	--------	--------

From continuing operations

Basic and diluted	-	-	(0.01)	-	(0.07)
-------------------	---	---	--------	---	--------

The Group has changed its presentation currency from Singapore Dollars (“S\$”) to United States Dollars (“US\$”) with effect from 1 January 2016. As such, the Consolidated Statement of Comprehensive Income for HY2016 and HY2015 have been presented in US\$.

A review of the operations, business and financial performance of the Group is set out below.

### **HY2015 versus HY2016**

The Group ceased internal production in respect of the printing business on 31 December 2015. Starting from FY2016, any outstanding and new sales orders that have been or may be received in respect of the printing business will be outsourced to other printers to produce on behalf of the Group. Based on the requirements of FRS105, non-current assets held for sale and discontinued operations, all incomes and expenses relating to the printing business for FY2015 and FY2016 were classified as discontinued operations. In addition, all assets and liabilities relating to the printing business for FY2015 and FY2016 were classified as assets directly associated with discontinued operations and liabilities directly associated with discontinued operations respectively.

As the Group started the chemicals trading business subsequent to HY2015, no revenue, costs and expenses from continuing operations were recorded for HY2015.

Subsequent to the cessation of internal production in respect of the printing business, the Group focused more of its resources and efforts on the chemicals trading business. Arising from the chemicals trading business, the Group recorded US\$24 million of revenue and a corresponding US\$23 million of cost of goods sold for HY2016, thereby recording a gross margin of 4% for HY2016. Salaries and employee benefits of US\$0.5 million, finance costs of US\$0.04 million and other operating expenses of US\$0.6 million were also incurred, relating to the chemicals trading business. Other operating expenses include bank charges, entertainment expenses, legal and professional fees and exchange difference.

For HY2016, the Group recorded a US\$0.07 million gain from discontinued operations compared to a US\$1.7 million loss from discontinued operations for HY2015 as a result of the Group ceasing internal production in respect of the printing business on 31 December 2015.

## LETTER TO SHAREHOLDERS

### **FY2015 versus FY2014**

The Group announced on 30 December 2015 its intention to cease internal production in respect of the printing business by 31 December 2015. As a result, the printing business will be treated as discontinued operations for FY 2015 and FY2014. That is, the income and expenses of the printing business are reported separately from the continuing operations of the Group.

The results of the discontinued operations of the disposal group are as follows:

	<b>15 months period from 01/10/13 to 31/12/14 FP2014 S\$('000)</b>	<b>15 months period from 01/10/14 to 31/12/15 FY2015 S\$('000)</b>
Revenue	16,428	13,414
Other income	512	393
Total costs and expenses	(21,487)	(22,380)
<b>Loss from operating activities</b>	<b>(4,547)</b>	<b>(8,573)</b>
Loss before taxation	(5,010)	(9,171)
<b>Loss for the period/year</b>	<b>(4,968)</b>	<b>(9,171)</b>

For comparative purpose, the review is based on the unaudited restated figures for the 15 month period from 1 October 2013 to 31 December 2014 (“**FP2014**”) and the audited figures for the 15 month period from 01 October 2014 to 31 December 2015 for year ended 31 December 2015 (“**FY2015**”) due to the change in year end from 30 September to 31 December.

For FY2015, the Group’s discontinued operations recorded a revenue of S\$13.4 million, which was S\$3.0 million (18.3%) lower than the S\$16.4 million recorded in FP2014 mainly due to lower sales arising from the continuing challenges facing the printing industry. In line with lower sales, income received from sales of scrap paper decreased by S\$0.1 million, thereby resulting in a decrease in other income by S\$0.1 million. Total costs and expenses for FY2015 increased marginally by S\$0.9 million compared to FP2014. This was mainly due to (a) increase in write-down of paper inventory of S\$0.5 million and (b) increase in employee benefits expenses of S\$0.9 million due to retrenchment benefits paid in FY2015; offset by (a) decrease in freight and handling charges and repairs and maintenance expenses of S\$0.4 million, in line with decreased sales and (b) decrease in utilities expenses of S\$0.3 million as a result of lower tariff rates and lower consumption.

As a result of the above, the losses increased and the Group recorded a loss from operating activities of S\$8.6 million for FY2015, an increase of 88.5% from FP2014.

### **FY2014 versus FY2013**

For comparative purpose, the results from discontinued operations for FY2014 is used to compare with the results of FY2013 as they relate to the printing business.

	<b>12 months period from 01/10/12 to 30/9/13 FY2013 S\$('000)</b>	<b>12 months period from 01/10/13 to 30/9/14 FY2014 S\$('000)</b>
Revenue	14,606	13,299
Other income	478	374
Total costs and expenses	(18,395)	(17,272)
<b>Loss from operating activities</b>	<b>(3,311)</b>	<b>(3,599)</b>
Loss before taxation	(3,724)	(3,971)
<b>Loss for the period/year</b>	<b>(3,731)</b>	<b>(3,929)</b>

## LETTER TO SHAREHOLDERS

The review of the results is based on the 12 months' period from 01 October to 30 September for year ended 30 September 2013 ("FY2013") and 30 September 2014 ("FY2014") respectively.

For FY2014, the Group recorded revenue of S\$13.3 million, which was S\$1.3 million (8.9%) lower than the S\$14.6 million recorded in FY2013 mainly due to lower sales arising from the continuing challenges facing the printing industry. Other income for FY2013 was slightly higher than for FY2014 due to recovery of bad debts in FY2013. Total costs and expenses for FY2014 declined by S\$1.1 million (5.8%) compared to FY2013. This was mainly due to (a) decrease in raw materials cost and consumables used, freight and handling charges of S\$0.4 million; (b) decrease in operating lease expenses of S\$0.3 million due to expiry of a printing machinery lease; (c) decrease in utilities expenses of S\$0.1 million due to lower utilities rates; and (d) changes in inventories of finished goods and work in progress of S\$0.8 million; offset by increase in other expenses of S\$0.6 million mainly due to the Group incurred a loss on disposal of machinery and impairment of amount due from associate during the financial year.

As a result of the above, the Group recorded a loss from operating activities of S\$3.6 million for FY2014, an increase of 8.7% from FY2013.

### 4.13.2 Statement of Financial Position

The audited statement of financial position of the Group as at 30 September 2014 (in S\$) and 31 December 2014 (in S\$) and the unaudited statement of financial position of the Group as at 31 December 2015 (in US\$) and 30 June 2016 (in US\$) are set out below:

	30 September 2014 (Restated) S\$('000)	<b>Audited</b> 31 December 2015 S\$('000)	<b>Unaudited</b> 31 December 2015 US\$('000)	30 June 2016 US\$('000)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	24,873	–	–	38
Intangible assets	–	–	–	–
<b>Total non-current assets</b>	24,873	–	–	38
<b>Current assets</b>				
Inventories	3,170	–	–	–
Trade and other receivables	3,566	–	–	9,487
Deposits	127	75	53	88
Advances and prepayments	40	2,842	2,020	4,569
Amount due from related corporations	–	–	–	–
Cash and cash equivalents	14,087	9,430	6,703	2,768
<b>Total current assets</b>	20,990	12,347	8,776	16,912
Assets directly associated with discontinued operations	–	24,338	17,302	15,496
<b>Total assets</b>	45,863	36,685	26,078	32,446



## LETTER TO SHAREHOLDERS

	<b>Audited</b>		<b>Unaudited</b>	
	30 September 2014 (Restated)	31 December 2015	31 December 2015	30 June 2016
	S\$('000)	S\$('000)	US\$('000)	US\$('000)
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Trade payables	2,224	–	–	4,411
Other payables and accruals	1,601	449	319	543
Amounts due to directors	7,035	–	–	3,229
Amounts due to related corporations	–	–	–	–
Loans and borrowings	4,140	–	–	–
Finance lease liabilities	19	–	–	–
<b>Total current liabilities</b>	<b>15,019</b>	<b>449</b>	<b>319</b>	<b>8,183</b>
<b>Net current assets</b>	<b>5,971</b>	<b>11,898</b>	<b>8,457</b>	<b>8,729</b>
<b>Non-current liabilities</b>				
Loans and borrowings	–	–	–	–
Finance lease liabilities	12	–	–	–
Provision	15	–	–	–
<b>Total non-current liabilities</b>	<b>27</b>	<b>–</b>	<b>–</b>	<b>–</b>
Liabilities directly associated with discontinued operations	–	12,964	9,216	7,328
<b>Total liabilities</b>	<b>15,046</b>	<b>13,413</b>	<b>9,535</b>	<b>15,511</b>
<b>Net assets</b>	<b>30,817</b>	<b>23,272</b>	<b>16,543</b>	<b>16,935</b>
<b>EQUITY</b>				
Share capital	21,267	24,267	19,284	27,373
Other equity instruments	13,916	10,916	8,704	–
Reserves	(4,366)	(17,732)	(15,583)	(14,873)
<b>Equity attributable to owners of the Company</b>	<b>30,817</b>	<b>17,451</b>	<b>12,405</b>	<b>12,500</b>
<b>Non-controlling interests</b>	<b>–</b>	<b>5,821</b>	<b>4,138</b>	<b>4,435</b>
<b>Total equity</b>	<b>30,817</b>	<b>23,272</b>	<b>16,543</b>	<b>16,935</b>

The Group has changed its presentation currency from Singapore Dollars (“S\$”) to United States Dollars (“US\$”) with effect from 1 January 2016. As such, the Statement of Financial Position of the Group as at 31 December 2015 and 30 June 2016 have been presented in US\$. For review purpose, the Statement of Financial Position as at 31 December 2015 has also been presented in S\$.

A review of the financial positions of the Group for the relevant periods is set out below:

### **31 December 2015 versus 30 June 2016 (in US\$)**

During HY2016, the Group purchased US\$0.04 million of property, plant and equipment for its office in Japan. In line with the growth of the Group’s chemicals trading business, trade receivables, other receivables and deposits, prepayments relating to payments made to suppliers for the procurement of goods, and trade payables increased. Other payables and accruals increased by US\$0.2 million mainly due to salaries owing to the Executive Directors for the current period. Amounts due to Directors of US\$3.2 million relate to advances from the Executive Directors during the current period for working capital usage in relation to the chemicals trading business. As a result of the above, current assets increased by US\$8.1 million and current liabilities increased by US\$7.9 million.

---

## LETTER TO SHAREHOLDERS

---

Assets directly associated with discontinued operations decreased by US\$1.8 million mainly due to repayment from customers relating to the printing business and the sale of paper inventories to third parties. Liabilities directly associated with discontinued operations reduced by US\$1.9 million mainly due to repayments made for debts incurred in relation to the printing business, i.e. trade payables, amounts due to bankers, and amounts due to finance houses.

During HY2016, pursuant to the Subscription Agreement as defined in the Company's announcement dated 8 May 2014, the Company issued and allotted 220,000,000 ordinary shares in the capital of the Company to Mr Shi Jiangan and Mr Sam Kok Yin, following the automatic conversion of S\$11,000,000 outstanding Convertible Bonds due 2016. As a result, share capital increased and equity reserve decreased.

### **30 September 2014 (in S\$) versus 31 December 2015 (in S\$)**

As required by the Singapore Financial Reporting Standards, the Group had re-classified \$24.3 million of assets and \$13.0 million of liabilities as assets directly associated with discontinued operations and liabilities directly associated with discontinued operations at end of FY2015 respectively. This is in view of the cessation of its internal production in respect of the printing business and the sale of machinery and equipment which happened subsequent to the financial period end. The assets include \$21.0 million of property, plant and equipment, \$0.9 million of inventories, and \$2.3 million of trade and other receivables, whilst the liabilities include \$1.3 million of trade payables, \$2.2 million of other payables and accruals, \$4.4 million of amounts due to Directors, \$2.7 million of loans and borrowings, and \$2.4 million of deferred tax liabilities.

For comparative purpose, the review is made based on the assets and liabilities of continued operations and discontinued operations in aggregate.

Property, plant and equipment value was reduced by \$3.8 million (15.4%) in FY2015 due mainly to depreciation expenses incurred during the current financial period, reduction in fair value of the factory building and a reclassification of the machinery and equipment to asset held for sale.

The fair value of the Company's factory building located at 9 Joo Koon Circle Singapore 629041 was reduced to \$19.5 million as at year end of 2015 according to a recent valuation done. The Group reclassified machinery and equipment amounting to \$1.7 million to assets held for sale as the Group had contracted with a third party for the sale of these machinery and equipment subsequent to FY2015. Consequently, an impairment loss on assets held for sale of \$0.4 million was recognised for FY2015.

The decrease in inventories, trade receivables, and trade payables was mainly attributable to the Group ceasing internal production of its printing business. Advances and prepayments of \$2.8 million were mainly payment to suppliers for the procurement of goods relating to the chemical trading business which have since been received and sold after the end of the current financial period. Other payables and accruals increased mainly due to salaries owing to the Executive Directors.

Amount due to Directors, loans and borrowings and finance lease liabilities had decreased from \$11.2 million as at 30 September 2014 to \$7.1 million as at the end of FY2015 as a result of repayments made. This contributed to the decrease in cash and bank balances from \$14.1 million as at 30 September 2014 to \$9.4 million as at the end of FY2015. A net cash used in operations was recorded as the cash inflows generated from working capital changes were lower than the losses incurred for the current financial period.

In view of the fact that the Group had ceased internal production for its printing business, the Group had provided a deferred tax liability of \$2.4 million relating to the fair value of the Company's factory building located at 9 Joo Koon Circle Singapore 629041 as a matter of prudence. The provision of deferred tax liability and the fair value reduction of the building resulted in a \$4.1 million decrease in the asset revaluation reserve.

## LETTER TO SHAREHOLDERS

On 10 December 2014, pursuant to the Subscription Agreement (as defined in the Company's announcement dated 8 May 2014), Mr Sam Kok Yin exercised his right to convert a principal amount of S\$3,000,000 in Convertible Bonds (as defined in the Company's announcement dated 8 May 2014) and the Company issued and allotted 60,000,000 new ordinary shares to Mr Sam Kok Yin. This resulted in an increase in the share capital and a corresponding reduction in other equity instruments of the Company. Further details of the Subscription Agreement are set out in the Company's announcement dated 8 May 2014.

On 1 June 2015, the Company entered into a JV Agreement (as defined in the Company's announcement dated 2 June 2015) in relation to a new joint venture company, Orient-Salt Chemicals Pte. Ltd., pursuant to which, the Company holds 51% ownership and Mr Jiang Hao holds 49% interest in OSC. OSC was incorporated in the current financial period as a subsidiary of the Company. Further details of the JV Agreement are set out in the Company's announcement dated 2 June 2015. As a result of the JV Agreement, the Company recorded an investment in a subsidiary of \$6.1 million in the current financial period and a non-controlling interest of \$5.9 million was recorded in the Group's accounts. On 26 October 2015, OSC incorporated a wholly-owned subsidiary, Touen Japan Co., Ltd, in Japan. Subsequently on 21 December 2015, OSC incorporated a wholly-owned subsidiary, Dong Yan Chemical (Shanghai) Co., Ltd. in the People's Republic of China.

### 4.13.3 Cash Flow

The summary of the audited consolidated statement of cash flows of the Group for FY2013, FY2014 and FY2015, and the summary of the unaudited consolidated cash flow statement for HY2015 and HY2016 are set out below:

	Audited			Unaudited	
	FY2013	FY2014 (Restated)	FY2015	HY2015	HY2016
	S\$('000)	S\$('000)	S\$('000)	US\$('000)	US\$('000)
<b>Net cash (used in)/generated from operating activities</b>	1,884	(593)	(6,372)	(1,221)	(6,955)
<b>Net cash flows (used in)/generated from investing activities</b>	(302)	58	(36)	(775)	1,396
<b>Net cash flows generated from/ (used in) financing activities</b>	(1,740)	15,426	824	(2,072)	1,950
Net increase/(decrease) in cash and cash equivalents	(158)	14,891	(5,584)	(4,068)	(3,609)
Effect of changes in currency translation	(1)	(8)	2	(66)	(326)
Cash and cash equivalents as at beginning of the financial year/period	(637)	(796)	14,087	10,136	6,703
<b>Cash and cash equivalents as at end of the financial year/period</b>	(796)	14,087	8,505	6,002	2,768

The Group has changed its presentation currency from Singapore Dollars (“S\$”) to United States Dollars (“US\$”) with effect from 1 January 2016. As such, the Summary of Consolidated Statement of Cash flows of the Group for HY2015 and HY2016 have been presented in US\$.

---

## LETTER TO SHAREHOLDERS

---

A review of the cash flow of the Group for the relevant periods is set out below:

### **HY2016**

For HY2016, net cash used in operating activities was US\$7 million as OSC group has yet to obtain trade facilities with financial institutions for its chemicals trading operations. Cash flows from investing activities was a positive US\$1.4 million as a result of the sale of printing machineries during the current period. US\$2.0 million was generated from financing activities mainly attributable to the advances obtained from the Executive Directors.

### **FY2015**

A net cash used in operating activities was recorded in FY2015 as the cash inflows generated from working capital changes were lower than the losses incurred for the financial period.

Net cash flows generated from financing activities was a result of proceeds received from non-controlling interest which was partially offset with the repayments made for amount due to Directors, loans and borrowings and finance lease liabilities.

### **FY2014**

A net cash used in operations was recorded as the cash inflows generated from working capital changes was not sufficient to offset the loss incurred for the financial year.

Net cash flows generated from financing activities was mainly due to proceeds received from the placement of shares and the issuance of convertible bonds in FY2014.

### **FY2013**

A net cash generated from operations was recorded in FY2013 as the cash inflows generated from working capital changes were higher than the losses incurred for the financial year.

During FY2013, the Group purchased \$0.3 million of property, plant and equipment, resulting in a net cash flow used in investing activities.

A net cash used in financing activities of \$1.7 million was a result of repayments made for loans and borrowings which was partially offset by the advances received from a director.

#### **4.13.4 Working Capital**

The total current assets, total current liabilities and working capital of the Group as at 30 September 2013 (in S\$), 30 September 2014 (in S\$), 31 December 2015 (in S\$), 31 December 2015 (in US\$) and 30 June 2016 (in US\$) are as follows:

		<b>Audited</b>		<b>Unaudited</b>	
	30 September 2013 (S\$'000) (Restated)	30 September 2014 (S\$'000) (Restated)	31 December 2015 (S\$'000)	31 December 2015 (US\$'000)	30 June 2016 (US\$'000)
Total Current Assets	8,132	20,990	12,347	8,776	16,912
Total Current Liabilities	14,347	15,019	449	319	8,183
Working Capital	(6,215)	5,971	11,898	8,457	8,729

The Group has changed its presentation currency from Singapore Dollars (“S\$”) to United States Dollars (“US\$”) with effect from 1 January 2016. As such, the Working Capital of the Group as at 31 December 2015 and 30 June 2016 have been presented in US\$. For comparative purposes, the Working Capital of the Group as at 31 December 2015 has also been presented in S\$.

---

## LETTER TO SHAREHOLDERS

---

### 5. THE PROPOSED ADOPTION OF A NEW CONSTITUTION OF THE COMPANY

The Company is seeking Shareholders' approval for the proposed adoption of the New Constitution by the special resolution ("**Resolution 4**") as set out in the notice of EGM on page 73 of this Circular, pursuant to Section 26 of the Companies Act.

#### 5.1 The Companies (Amendment) Act 2014

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

#### 5.2 New Constitution

The Company is proposing to adopt the New Constitution in place of the Existing Constitution, to incorporate amendments to take into account the changes to the Companies Act introduced pursuant to the Amendment Act. At the same time, the existing objects clause will be replaced with a general provision giving the Company full capacity to carry on or undertake any business or activity, do any act or enter into any transaction. The New Constitution also contains updated provisions which are consistent with the prevailing listing rules of the SGX-ST in compliance with Rule 730 of the Listing Manual, as well as to take into account the provisions of the Personal Data Protection Act relating to the collection, use and disclosure of personal data, and to streamline and rationalise certain other provisions.

#### 5.3 Summary of Key Regulations in the New Constitution

The following is a summary of the key regulations of the New Constitution which are significantly different from the equivalent articles in the Existing Constitution. In line with the wording of Section 35 of the Companies Act, all references to "Article" or "Articles" in the Existing Constitution have been substituted with "Regulation" or "Regulations".

##### 5.3.1 Amendments in view of the Amendment Act

The following amendments to the Existing Constitution are in line with the Companies Act as amended pursuant to the Amendment Act:

- (a) Regulation 2 (Article 2 of Existing Constitution). Regulation 2 is the interpretation section of the New Constitution and includes the following additional/revised provisions:
  - (i) new definition of "Applicable Laws" that includes the Companies Act, the Securities and Futures Act and the Listing Manual. Regulations within the Constitution that provide for various rights that Directors and Shareholders may be granted have been described as being subject to Applicable Laws, and Regulations that place obligations on Directors and Shareholders have been described as being "as required by Applicable Laws". This provides for flexibility in the New Constitution to allow the Company to refrain from certain actions, or take certain actions allowed by changes in the applicable laws without having to make amendments to the New Constitution;
  - (ii) new definition of "Chief Executive Officer" as having the meaning ascribed to "chief executive officer" in the Companies Act. This is in line with the new provisions in the Amendment Act relating to chief executive officers;

---

## LETTER TO SHAREHOLDERS

---

- (iii) new definitions of “registered address” and “address” to make it clear that these expressions mean, in relation to any Shareholder, his physical address for the service or delivery of notices or documents personally or by post, except where otherwise expressly specified;
  - (iv) revised definition of “in writing” and a new definition of “written” to clarify that the terms “writing” and “written” include any representation or reproduction of words, symbols or other information which may be displayed in a visible form, whether in a physical document or in an electronic communication or form;
  - (v) new regulation stating that the expressions “current address”, “electronic communication” and “relevant intermediary” shall have the meanings ascribed to them respectively in the Companies Act, in light of the introduction of the new provisions facilitating electronic communication and the multiple proxies regime pursuant to the Amendment Act; and
  - (vi) revised regulation stating that the terms “Depositor”, “Depository”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them in the Securities and Futures Act as the provisions in relation to the Central Depository System in the Companies Act have migrated to the Securities and Futures Act.
- (b) New Regulation 4(B). Regulation 4(B) is a new provision which provides that the new shares may be issued for no consideration. This is in line with the new Section 68 of the Companies Act, which clarifies that a company having a share capital may issue shares for which no consideration is payable to the issuing company.
- (c) Regulations 8 and 9 (Articles 8 and 9 of Existing Constitution). Regulations 8 and 9, which relate to the Company’s power to alter its share capital, have new provisions which:
- (i) empower the Company, by ordinary resolution, to convert its share capital or any class of shares from one currency to another currency. This is in line with the new Section 73 of the Companies Act, which sets out the procedure for such re-denominations; and
  - (ii) empower the Company, by special resolution, to convert one class of shares into another class of shares. This is in line with the new Section 74A of the Companies Act, which sets out the procedure for such conversions.
- (d) Regulation 16 (Article 16 of Existing Constitution). The requirement to disclose the amount paid on the shares in the share certificate relating to those shares, has been removed from Article 16 of the Existing Constitution, which relates to share certificates. A share certificate need only state (*inter alia*) the number and class of the shares, whether the shares are fully or partly paid up, and the amount (if any) unpaid on the shares. This follows the amendments to Section 123(2) of the Companies Act pursuant to the Amendment Act.
- (e) Regulation 53 (Article 53 of Existing Constitution). Article 53, which relates to the routine business that is transacted at an annual general meeting, has been revised to substitute the references to “accounts” with “financial statements”, and references to “reports of the Directors” with “Directors’ statement”, for consistency with the updated terminology in the Companies Act.
- (f) Regulations 61(c) and 61(d) (Articles 61(c) and 61(d) of Existing Constitution). Articles 61(c) and 61(d), which relate to the method of voting at a general meeting where mandatory polling is not required, has been revised to reduce the threshold for eligibility to demand a poll from 10% to 5% of the total voting rights of the members having the right to vote at the meeting, or of the total sum paid up on all the shares conferring that right. This is in line with Section 178 of the Companies Act, as amended pursuant to the Amendment Act.

---

## LETTER TO SHAREHOLDERS

---

- (g) Regulations 65, 71 and 73 (Articles 65, 71 and 73 of Existing Constitution). Regulations 65, 71 and 73, which relate to the voting rights of Shareholders and the appointment and deposit of proxies, have new provisions which cater to the multiple proxies regime introduced by the Amendment Act. The multiple proxies regime allows “relevant intermediaries”, such as banks, capital markets services licence holders which provide custodial services for securities and the Central Provident Fund Board, to appoint more than two proxies to attend, speak and vote at general meetings. In particular:
- (i) a relevant intermediary (as defined in the Companies Act) may appoint more than two proxies to attend, speak and vote at general meetings of the Company;
  - (ii) the Company will be entitled and bound to reject an instrument of proxy lodged by a Depositor if he is not shown to have any shares entered against his name in the Depository Register as at 72 (previously 48) hours before the time of the relevant general meeting. Consequential changes have also been made in the Constitution to make it clear that the number of votes which a Depositor or his proxy can cast on a poll is the number of shares entered against his name in the Depository Register as at 72 hours before the time of the relevant general meeting. This is in line with new Section 81SJ(4) of the Securities and Futures Act;
  - (iii) the cut-off time for the deposit of proxies has been extended from 48 to 72 hours before the time appointed for holding the general meeting. This is in line with Section 178(1)(c) of the Companies Act, as amended pursuant to the Amendment Act.
- (h) Regulation 93(d) (Article 93(d) of Existing Constitution). Regulation 93(d), which relates to the filling of the office vacated by a retiring Director in default circumstances except in certain cases, no longer contains the event of a Director attaining any applicable retiring age as an exception to a deemed re-election to office. This follows the repeal of Section 153 of the Companies Act and removal of the 70-year age limit for directors of public companies and subsidiaries of public companies.
- (i) Regulation 110 (Article 110 of Existing Constitution). Regulation 110, which relates to the general powers of the Directors to manage the Company’s business, clarifies that the business and affairs of the Company are to be managed by, or under the direction of or, additionally, under the supervision of, the Directors. This is in line with Section 157A of the Companies Act, as amended pursuant to the Amendment Act.
- (j) Regulations 119, 135 and 136 (Articles 119, 135 and 136 of Existing Constitution). Regulation 135 which relate to the sending of the Company’s financial statements and related documents to Shareholders, additionally provides that such documents may, subject to the listing rules of the SGX-ST, be sent less than 14 days before the date of the general meeting with the agreement of all persons entitled to receive notices of general meetings. This is in line with new Section 203(2) of the Companies Act, which provides that the requisite financial statements and other related documents may be sent less than 14 days before the date of the general meeting at which they are to be laid if all the persons entitled to receive notice of general meetings of the company so agree. Notwithstanding this proviso, the Company is currently required to comply with Rule 707(2) of the Listing Manual, which provides that an issuer must issue its annual report to shareholders and the SGX-ST at least 14 days before the date of its annual general meeting.

The references to the Company’s “accounts”, “profit and loss account(s)” and Directors’ “reports” have also been updated/substituted in Regulations 119, 135 and 136 with references to “financial statements” and Directors’ “statements”, as appropriate, for consistency with the updated terminology in the Companies Act.

---

## LETTER TO SHAREHOLDERS

---

- (k) Regulation 139 (Article 139 of Existing Constitution). Regulation 139, which relates to the service of notices to Shareholders, has new provisions to facilitate the electronic transmission of notices and documents following the introduction of simplified procedures for the sending of notices and documents electronically pursuant to the new Section 387C of the Companies Act.

Under the new Section 387C, notices and documents may be given, sent or served using electronic communications with the express, implied or deemed consent of the member in accordance with the constitution of the company.

There is express consent if a shareholder expressly agrees with the company that notices and documents may be given, sent or served on him using electronic communications. There is deemed consent if the constitution (a) provides for the use of electronic communications and specifies the mode of electronic communications, and (b) specifies that shareholders will be given an opportunity to elect, within a specified period of time, whether to receive electronic or physical copies of such notices and documents, and the shareholder fails to make an election within the specified period of time. There is implied consent if the constitution (a) provides for the use of electronic communications and specifies the mode of electronic communications, and (b) specifies that shareholders agree to receive such notices or documents by way of electronic communications and do not have a right to elect to receive physical copies of such notices and documents. Certain safeguards for the use of the deemed consent and implied consent regimes are prescribed under new regulation 89C of the Companies Regulations.

The new Section 387C was introduced to give effect to recommendations by the Steering Committee for Review of the Companies Act to ease the rules for the use of electronic transmission and to make them less prescriptive, and these recommendations were accepted by the Ministry of Finance. In accepting these recommendations, the MOF noted the concerns of some shareholders who would prefer to have an option to receive physical copies of the notices and documents, notwithstanding that the company adopts the implied consent regime, and indicated that such shareholders could highlight their concerns when a company proposes amendments to its constitution to move to an implied consent regime.

Shareholders who are supportive of the new deemed consent and implied consent regimes for electronic communications may vote in favour of the adoption of the New Constitution, which incorporates new provisions (contained in Regulation 138) to facilitate these regimes, while Shareholders who are not supportive of the new regimes may vote against it.

Regulation 139 provides that:

- (i) notices and documents may be sent to Shareholders using electronic communications either to a Shareholder's current address (which may be an email address) or by making it available on a website;
- (ii) if permitted by the prevailing listing rules of any stock exchange upon which shares in the Company may be listed, for these purposes, a Shareholder is deemed to have agreed to receive such notice or document by way of electronic communications and shall not have a right to elect to receive a physical copy of such notice or document (this is the implied consent regime permitted under the new Section 387C); and
- (iii) if the Company is not permitted by the prevailing listing rules of any stock exchange upon which shares in the Company may be listed, to regard a member as having deemed to have agreed to receive such notice or document by way of such electronic communications in the manner prescribed under sub-paragraph (ii) above, for these purposes, Shareholders shall be given an opportunity to elect to opt out



---

## LETTER TO SHAREHOLDERS

---

of receiving such notice or document by way of electronic communications, and a Shareholder is deemed to have consented to receive such notice or document by way of electronic communications if he was given such an opportunity but failed to opt out within the specified time (this is the deemed consent regime permitted under the new Section 387C).

Regulation 139 additionally provides for when service is effected in the case of notices or documents sent by electronic communications. In particular, where a notice or document is made available on a website, it is deemed served on the date on which the notice or document is first made available on the website, unless otherwise provided under the Companies Act and/or other applicable regulations or procedures. Further, in the case of service on a website, the Company must give separate notice of the publication of the notice or document on that website and the manner in which the notice or document may be accessed by (1) sending such separate notice to Shareholders personally or by post, and/or (2) sending such separate notice to Shareholders' current addresses (which may be email addresses), and/or (3) by way of advertisement in an English daily newspaper in circulation in Singapore, and/or (4) by way of announcement on any stock exchange upon which shares in the Company may be listed.

Under new regulation 89D of the Companies Regulations, notices or documents relating to takeover offers and rights issues are excluded from the application of Section 387C and therefore cannot be transmitted by electronic means pursuant to Section 387C.

As at the Latest Practicable Date, the outcome of a public consultation by the SGX-ST on, *inter alia*, whether listed issuers should be allowed to send notices and documents to shareholders electronically under the new regimes permitted under the Companies Act is not known yet. In its consultation, the SGX-ST had also asked for comments on additional safeguards in relation to the new regimes.

If the SGX-ST's listing rules are amended to allow listed issuers to obtain their shareholders' consent to receive notices and documents by implied consent, the Company will transmit notices and documents electronically using the implied consent regime, subject to such safeguards as may be prescribed by the SGX-ST. Nevertheless, if any Shareholder would like to receive physical copies of such notices and documents and makes a request to the Company, the Company will provide the Shareholder with the physical copies requested.

There is, however, no certainty that the listing rules will be amended to allow electronic transmission of notices and documents under the new regimes. Going forward, for so long as the Company is listed on the SGX-ST, the Company will not make use of the new regimes to transmit notices or documents electronically to Shareholders unless the listing rules of the SGX-ST allow it, and the Company will comply with the listing rules of the SGX-ST on the subject.

- (l) Regulation 146 (Article 146 of Existing Constitution). Regulation 146, which relates to, *inter alia*, Directors' indemnification, has been expanded to permit the Company, subject to the provisions of and so far as may be permitted by the Companies Act, to indemnify a Director against losses "to be incurred" by him in the execution of his duties. This is in line with new Sections 163A and 163B of the Companies Act, which permit a company to lend, on specified terms, funds to a director for meeting expenditure incurred "or to be incurred" by him in defending court proceedings or regulatory investigations.

---

## LETTER TO SHAREHOLDERS

---

### 5.3.2 *Amendments in view of the Listing Manual*

Rule 730 of the Listing Manual provides that if an issuer amends its Articles of Association or other constituent documents, they must be made consistent with all the listing rules prevailing at the time of amendment.

The following amendments to the Existing Constitution are in line with the Listing Manual prevailing as at the Latest Practicable Date:

- (a) Regulation 4(A)(d) (Article 4(d) of Existing Constitution). Regulation 4(A)(d) clarifies that the rights attaching to shares of a class other than ordinary shares must be expressed in the constitution of the Company. This is in line with paragraph 1(b) of Appendix 4C of the Listing Manual.
- (b) Regulation 32 (Article 32 of Existing Constitution). Regulation 32, which relates to the Company's lien on shares, clarifies that such lien shall be restricted to unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid, in addition to such amounts as the Company may be called upon by law to pay in respect of those shares. This clarification is in line with paragraph (3)(a) of Appendix 4C of the Listing Manual.
- (c) Regulation 51 (Article 51 of Existing Constitution). Regulation 51, which relates to notice of general meetings, clarifies that the requirement for at least 14 days' notice of any general meeting to be given by advertisement in an English daily newspaper in circulation in Singapore and in writing to any stock exchange upon which shares in the Company may be listed only applies so long as the shares in the Company are listed on any stock exchange. This is in line with paragraph (7) of Appendix 2.2 of the Listing Manual.
- (d) Regulations 61, 62, 63, 64 and 65 (Articles 61, 62, 63, 64 and 65 of Existing Constitution). Regulation 61, which relates to the method of voting at general meetings, has new provisions to make it clear that, if required by the listing rules of any stock exchange upon which shares in the Company may be listed, all resolutions at general meetings shall be voted by poll (unless such requirement is waived by the stock exchange). Consequential changes have been made to Regulations 62, 63, 64 and 65. These changes are in line with Rule 730A of the Listing Manual.
- (e) Regulation 90 and 93 (Article 90 and 93 of Existing Constitution). Regulation 90, which relates to the vacation of office of a Director in certain events, additionally provides that a Director shall cease to hold office if he is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds. Consequential changes have been made to Regulation 93, which relates to the filling of the office vacated by a retiring Director in certain default events, to provide that a retiring Director is deemed to be re-elected in certain default circumstances except, additionally, where he is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds. These changes are in line with paragraph 9(m) of Appendix 4C of the Listing Manual.
- (f) Regulation 95 (Article 95 of Existing Constitution). Regulation 95, which relates to the notice of intention to appoint a Director other than a Director retiring at a meeting, clarifies that such notice of intention, or notice from the person to be proposed giving his consent to the nomination and signifying his candidature for the office, must be lodged at the registered office of the Company not less than 11 nor more than 42 clear days before the date appointed for the meeting. This is in line with paragraph (9)(h) of Appendix 4C of the Listing Manual.

---

## LETTER TO SHAREHOLDERS

---

### 5.3.3 *Objects Clauses*

The existing objects clauses contained in the Existing Constitution are proposed to be deleted and substituted with a general provision to be set out in Regulation 1 in the New Constitution to the effect that, subject to the provisions of the Companies Act and any other written law and its constitution, the Company has:

- (a) full capacity to carry on or undertake any business or activity, do any act or enter into any transaction; and
- (b) for the purposes of paragraph (a) above, full rights, powers and privileges.

This is in line with section 23 of the Companies Act, which provides that a company has full capacity to carry on or undertake any business or activity, do any act or enter into any transactions, subject to the law and to the provisions of its constitution.

By deleting the existing objects clauses (which sets out an extensive list of the activities which the Company has capacity or power to engage in) and taking advantage of the flexibility afforded by section 23, the Company will have all the powers of a natural person, with full capacity and ability to carry on or undertake any business or activity, and to enter into any transaction, subject to the restrictions imposed by the New Constitution, the Companies Act, the Listing Manual and any other applicable laws, rules and regulations.

### 5.3.4 *Amendments in view of the Personal Data Protection Act*

In general, under the Personal Data Protection Act, an organisation can only collect, use or disclose the personal data of an individual with the individual's consent, and for a reasonable purpose which the organisation has made known to the individual. The new Regulation 148 specifies, amongst others, the purposes for which the Company and/or its agents and service providers would collect, use and disclose personal data of Shareholders and their appointed proxies or representatives.

### 5.3.5 *General*

The following amendments to the Existing Constitution are to update, streamline and rationalise the New Constitution:

- (a) Regulation 49 (Article 49 of Existing Constitution). Regulation 49, which relates to the time-frame for holding annual general meetings, has been revised to make it clear that an annual general meeting shall be held once in every year within a period of not more than 15 months after the last preceding annual general meetings, but that this is save as otherwise permitted under the Companies Act. This will provide the Company with the flexibility, if the need to do so should arise, to apply for an extension of the 15-month period between annual general meetings in accordance with the provisions of the Companies Act, notwithstanding that the period may extend beyond the calendar year.
- (b) Regulation 53 (Article 53 of Existing Constitution). Article 53, which relates to the routine business that is transacted at an annual general meeting, has been revised to expand the routine business items to include, in addition to the re-appointment of the retiring auditor, the appointment of a new auditor.
- (c) Regulations 72 and 73 (Articles 72 and 73 of Existing Constitution). Regulation 72, which relates to the appointment of proxies, has new provisions to facilitate the appointment of a proxy through electronic means online. In particular, it provides that a Shareholder can elect to signify his approval for the appointment of a proxy via electronic communication, through such method and in such manner as may be approved by the Directors, in lieu of the present requirement of signing, or where applicable, the affixation of the corporate Shareholder's common seal.

## LETTER TO SHAREHOLDERS

For the purpose of accommodating the deposit by Shareholders, and receipt by the Company, of electronic proxy instructions by Shareholders who elect to use the electronic appointment process, Regulation 73, which relates to the deposit of proxies, has new provisions which authorise the Directors to prescribe and determine the manner of receipt by the Company of the instrument appointing a proxy through digital means.

- (d) Regulations 75 and 90 (Articles 75 and 90 of Existing Constitution). These regulations have been updated to substitute the references to insane persons and persons of unsound mind with references to persons who are mentally disordered and incapable of managing himself or his affairs, following the enactment of the Mental Health (Care and Treatment) Act, Chapter 178A, of Singapore which repealed and replaced the Mental Disorders and Treatment Act.
- (e) Regulation 91 (Article 91 of Existing Constitution). Regulation 91, which relates to the retirement of Directors by rotation, clarifies that the Directors who are to retire by rotation are to be selected in accordance with Regulation 92 and are in addition to any Director retiring pursuant to Regulation 97.

**5.4** Appendix C. The text of the principal provisions in the New Constitution which are significantly different from the equivalent provisions in the Existing Constitution, or which have been included in the New Constitution as new provisions, is set out in Appendix C to this Circular and the main differences are blacklined. The proposed adoption of the New Constitution is subject to Shareholders' approval.

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

The interests of the Directors and Substantial Shareholders in the Shares, as at the Latest Practicable Date, as recorded in the Register of Directors' Shareholdings and the Register of Substantial Shareholdings are as follows:

	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	% <sup>(1)(6)</sup>	No. of Shares	% <sup>(1)(6)</sup>	No. of Shares	% <sup>(1)(6)</sup>
<b>Director</b>						
Mr Shi Jiangang	238,405,706	45.40	— <sup>(2)</sup>	—	238,405,706	45.40
Mr Sam Kok Yin	95,252,100	18.14	10,159,000 <sup>(3)</sup>	1.93	105,411,100	20.07
Mr Chan Cher Boon	—	—	—	—	—	—
Mr Tham Hock Chee	—	—	—	—	—	—
Mr Francis Yau Thiam Hwa	—	—	—	—	—	—
<b>Substantial Shareholder</b>						
Mr Shi Jiangang	238,405,706	45.40	— <sup>(2)</sup>	—	238,405,706	45.40
Mr Sam Kok Yin	95,252,100	18.14	10,159,000 <sup>(3)</sup>	1.93	105,411,100	20.07
Chan & Ong Holdings Pte Ltd <sup>(4)</sup>	85,500,000	16.28	—	—	85,500,000	16.28
Mr Chan Charlie <sup>(5)</sup>	2,000,000	0.38	94,651,359	18.02	96,651,359	18.40
Mdm Ong Kwee Cheng (Dora) <sup>(5)</sup>	9,151,359	1.74	87,500,000	16.66	96,651,359	18.40

**Notes:**

- (1) Calculated based on the Existing Issued Share Capital of 525,150,000 Shares.
- (2) This table excludes Mr Shi Jiangang's deemed interest in 138,750,000 unissued Shares that will be issued to him in the event of the exercise of the call option granted to him. Such unissued Shares constitute 18.87% of the enlarged share capital of the Company, being 735,150,000 Shares, assuming that the call options granted to both Mr Shi Jiangang and Mr Sam Kok Yin are exercised.

---

## LETTER TO SHAREHOLDERS

---

- (3) Mr Sam Kok Yin is deemed interested in 10,159,000 Shares held by his wife, Ms Tan Hui Har. This table excludes Mr Sam Kok Yin's deemed interest in 71,250,000 unissued Shares that will be issued to him in the event of the exercise of the call option granted to him. Such unissued Shares constitute 9.69% of the enlarged share capital of the Company, being 735,150,000 Shares, assuming that the call options granted to both Mr Shi Jiengang and Mr Sam Kok Yin are exercised.
- (4) Mdm Ong Kwee Cheng (Dora) and Mr Chan Charlie have shareholding interests of 77% and 23% respectively in Chan & Ong Holdings Pte Ltd and accordingly are deemed to be interested in the 85,500,000 Shares held by Chan & Ong Holdings Pte Ltd.
- (5) Mdm Ong Kwee Cheng (Dora) and Mr Chan Charlie are deemed to be interested in each other's shareholdings as they are spouses.
- (6) Any discrepancies in figures between the amounts listed and their actual values are due to rounding.

### 7. DIRECTORS' RECOMMENDATION

- 7.1 The Directors, having considered, *inter alia*, the rationale for and/or the terms of the proposed issuance of the Consideration Shares at completion of the Acquisition, are of the opinion that the issuance of the Consideration Shares at completion of the Acquisition is in the interests of the Company and accordingly recommend that Shareholders vote in favour of Resolution 1.
- 7.2 The Directors, having considered, *inter alia*, the rationale for and/or the terms of the possible transfer of Controlling Interest in the Company to Mr Jiang Hao pursuant to the issuance of the Consideration Shares for the Acquisition, are of the opinion that the possible transfer of Controlling Interest in the Company to Mr Jiang Hao pursuant to the issuance of the Consideration Shares for the Acquisition is in the interests of the Company and accordingly recommend that Shareholders vote in favour of Resolution 2.
- 7.3 The Directors, having considered, *inter alia*, the rationale for and/or the terms of the Rights Issue, are of the opinion that the Rights Issue is in the interests of the Company and accordingly recommend that Shareholders vote in favour of Resolution 3.
- 7.4 The Directors, having considered, *inter alia*, the rationale for and/or the terms of the proposed adoption of the New Constitution, are of the opinion that the proposed adoption of the New Constitution is in the interests of the Company and accordingly recommend that Shareholders vote in favour of Resolution 4.

### 8. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 73 to 76 of this Circular, will be held on 21 December 2016 at 10 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the Ordinary and Special Resolutions set out in the notice of EGM.

### 9. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote on their behalf, should complete, sign and return the Proxy Form attached to this Circular in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the principal place of business of the Company at 9 Joo Koon Circle, Singapore 629041, not later than 48 hours before the time for holding 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. A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register 72 hours before the EGM.

---

## LETTER TO SHAREHOLDERS

---

### 10. 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 Resolutions, 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 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.

### 11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 9 Joo Koon Circle, Singapore 629041 during normal business hours from the date of this Circular up to and including the time and date of the EGM:

- (a) the Annual Report of the Company for FY2015;
- (b) the Existing Constitution of the Company;
- (c) the Proposed New Constitution of the Company;
- (d) the SPA;
- (e) deed of undertaking dated 17 June 2016 in respect of the SKY Irrevocable Undertaking given by the Undertaking Shareholder to the Company in relation to the Rights Issue;
- (f) the letter dated 17 June 2016 in respect of the SJG Intention indicated by Mr Shi Jiangang in relation to the Rights Issue; and
- (g) the material contracts referred to in Appendix B of this Circular.

Yours faithfully  
For and on behalf of the Board of Directors of  
**ABUNDANCE INTERNATIONAL LIMITED**

Shi Jiangang  
Executive Chairman  
24 November 2016

**APPENDIX A – TABLES SHOWING THE CHANGE IN THE SHAREHOLDERS’  
SHAREHOLDING (INCLUDING THE UNDERTAKING SHAREHOLDER) PURSUANT  
TO THE RIGHTS ISSUE**

**1. Maximum Subscription Scenario and all Entitled Shareholders exercise the Warrants after the completion of the Rights Issue**

Name	Before Rights Issue		After Rights Issue but before the exercise of all the Warrants			After Rights Issue and the exercise of all the Warrants	
	Number of Shares	%	Bonds with Warrants entitlements	Number of Shares	%	Number of Shares	%
<b>Undertaking Shareholder</b>	105,411,100	16.40	105,411,100	105,411,100	16.40	210,822,200	16.40
<b>Directors and/or Substantial Shareholders (other than Undertaking Shareholder)</b>							
Mr Shi Jiangang	238,405,706	37.09	238,405,706	238,405,706	37.09	476,811,412	37.09
Mr Jiang Hao	117,600,000	18.30	117,600,000	117,600,000	18.30	235,200,000	18.30
Chan & Ong Holdings Pte Ltd	85,500,000	13.30	85,500,000	85,500,000	13.30	171,000,000	13.30
Mr Chan Charlie	96,651,359	15.04	96,651,359	96,651,359	15.04	193,302,718	15.04
Mdm Ong Kwee Cheng (Dora)	96,651,359	15.04	96,651,359	96,651,359	15.04	193,302,718	15.04
<b>Other Non-Public Shareholders</b>	2,807,000	0.44	2,807,000	2,807,000	0.44	5,614,000	0.44
<b>Public Shareholders</b>	81,874,835	12.74	81,874,835	81,874,835	12.74	163,749,670	12.74
<b>TOTAL</b>	<b>642,750,000</b>	<b>100.00</b>	<b>642,750,000</b>	<b>642,750,000</b>	<b>100.00</b>	<b>1,285,500,000</b>	<b>100.00</b>

**Notes:**

- (1) For the purposes of illustrating the maximum and minimum subscription scenario, the “Number of Shares” includes direct and deemed interest.
- (2) The Maximum Subscription Scenario assumes that the Acquisition has been successfully completed.
- (3) In the event that all the Shareholders (including Undertaking Shareholder) exercise the Warrants, there will be no change in the shareholding for each Shareholder.
- (4) Mdm Ong Kwee Cheong (Dora) and Mr Chan Charlie have shareholding interests of 77% and 23% respectively in Chan & Ong Holdings Pte Ltd and accordingly are deemed to be interested in the 85,500,000 Shares held by Chan & Ong Holdings Pte Ltd.

**APPENDIX A – TABLES SHOWING THE CHANGE IN THE SHAREHOLDERS’  
SHAREHOLDING (INCLUDING THE UNDERTAKING SHAREHOLDER) PURSUANT  
TO THE RIGHTS ISSUE**

**2. Minimum Subscription Scenario**

Name	Before Rights Issue		After Rights Issue but before the exercise of all the Warrants			After Rights Issue and the exercise of the Warrants	
	Number of Shares	%	Bonds with Warrants entitlements	Number of Shares	%	Number of Shares	%
<b>Undertaking Shareholder</b>	105,411,100	16.40	105,411,100	105,411,100	16.40	210,822,200	28.18
<b>Directors and/or Substantial Shareholders (other than Undertaking Shareholder)</b>							
Mr Shi Jiangang	238,405,706	37.09	238,405,706	238,405,706	37.09	238,405,706	31.87
Mr Jiang Hao	117,600,000	18.30	117,600,000	117,600,000	18.30	117,600,000	15.72
Chan & Ong Holdings Pte Ltd	85,500,000	13.30	85,500,000	85,500,000	13.30	85,500,000	11.43
Mr Chan Charlie	96,651,359	15.04	96,651,359	96,651,359	15.04	96,651,359	12.92
Mdm Ong Kwee Cheng (Dora)	96,651,359	15.04	96,651,359	96,651,359	15.04	96,651,359	12.92
<b>Other Non-Public Shareholders</b>	2,807,000	0.44	2,807,000	2,807,000	0.44	2,807,000	0.38
<b>Public Shareholders</b>	81,874,835	12.74	81,874,835	81,874,835	12.74	81,874,835	10.94
<b>TOTAL</b>	<b>642,750,000</b>	<b>100.00</b>	<b>642,750,000</b>	<b>642,750,000</b>	<b>100.00</b>	<b>748,161,100</b>	<b>100.00</b>

**Notes:**

- (1) For the purposes of illustrating the maximum and minimum subscription scenario, the “Number of Shares” includes direct and deemed interest.
- (2) The Minimum Subscription Scenario assumes that the Acquisition has been successfully completed.
- (3) Mdm Ong Kwee Cheong (Dora) and Mr Chan Charlie have shareholding interests of 77% and 23% respectively in Chan & Ong Holdings Pte Ltd and accordingly are deemed to be interested in the 85,500,000 Shares held by Chan & Ong Holdings Pte Ltd.



---

## **APPENDIX B – MATERIAL CONTRACTS AND MATERIAL LITIGATION OF THE GROUP**

---

### **A. MATERIAL CONTRACTS**

Saved as disclosed herein, neither the Company nor any of its subsidiaries have entered into any material contract (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Company or any of its subsidiaries) during the two (2) years preceding the Latest Practicable Date:

- (a) Joint Venture Agreement dated 1 June 2015 entered into between the Company and Mr Jiang Hao in respect of a new joint venture company, OSC, which was incorporated on 5 June 2016;
- (b) placement agreements dated 17 June 2016 entered into between the Company and each of Mr Hong Yuming, Mr Yan Zhaorong, Mr Koh Boon Tong, Mr Goon Eu Jin Terence and Mr Thio Seng Tji in relation to the Compliance Placement; and
- (c) sale and purchase agreement dated 17 June 2016 entered into between the Company and Mr Jiang Hao in relation to the Acquisition.

### **B. MATERIAL LITIGATION**

As at the Latest Practicable Date, the Board is not aware of any legal or arbitration proceedings pending or threatened or known to be contemplated by or against the Group which might or which have had in the twelve (12) months immediately preceding the date of this Circular, a material effect on the financial position or profitability of the Company or the Group taken as a whole or of any facts likely to give rise to such litigation or arbitration claim.

---

## APPENDIX C – PRINCIPAL PROVISIONS IN THE NEW CONSTITUTION THAT ARE SIGNIFICANTLY DIFFERENT FROM EQUIVALENT PROVISIONS IN THE EXISTING CONSTITUTION

---

Set out below are the principal provisions in the New Constitution which are significantly different from the equivalent provisions in the Existing Constitution, or which have been included into the New Constitution as new provisions, or which have been removed in the New Constitution, with the main differences blacklined.

### Regulation 1

- 1(A) Subject to the provisions of the Act and any other written law and this Constitution, the Company has:
- (a) full capacity to carry on or undertake any business or activity, do any act or enter into any transaction; and
  - (b) for the purposes of paragraph (a) above, full rights, powers and privileges.
- (B) The Company is a company limited by shares and the liability of the Members is limited.

### Regulation 2

2. In this Constitution these presents (if not inconsistent with the subject or context) the words and expressions set out in the first column below shall bear the meanings set opposite to them respectively.

“Applicable Laws” means all laws, bye-laws, regulations, orders and/or official directions for the time being in force affecting the Company and its subsidiaries, including but not limited to the Act, the Securities and Futures Act, Cap. 289 and the listing rules of the Singapore Exchange Securities Trading Limited (or any other stock exchange upon which the shares in the Company may be listed). Provided always that a waiver granted in connection to any such law shall be treated as due compliance with such relevant law.

“Act” means the Companies Act, Chapter 50.

“Chief Executive Officer” means any one or more persons, by whatever name described, who:

- (a) is in direct employment of, or acting for or by arrangement with, the Company; and
- (b) is principally responsible for the management and conduct of the business of the Company, or part of the business of the Company, as the case may be.

“Directors” means the directors of the Company, for the time being, as a body, or unless the context otherwise requires, as constituting a quorum necessary for the transaction of the business of the directors of the Company.

“Listing Manual” means the SGX-ST Listing Manual Section B: Rules of Catalist or the Listing Manual of the SGX-ST, whichever is applicable to the Company from time to time.

“Month” means a calendar month.

“Office” means the registered office of the Company for the time being.

“Paid” means paid or credited as paid.

“Registered address” or “address” means in relation to any Member, his physical address for the service or delivery of notices or documents personally or by post, except where otherwise expressly provided in this Constitution.

---

## APPENDIX C – PRINCIPAL PROVISIONS IN THE NEW CONSTITUTION THAT ARE SIGNIFICANTLY DIFFERENT FROM EQUIVALENT PROVISIONS IN THE EXISTING CONSTITUTION

---

“Seal” means the Common Seal of the Company.

“SGX-ST” means the Singapore Exchange Securities Trading Limited.

“Statutes” means the Act and every other Act for the time being in force concerning companies and affecting the Company.

“This Constitution” means this Constitution or other regulations of the Company for the time being in force.

“These articles” means these Articles of Association as from time to time altered.

“Year” means calendar year.

“in Writing” and “Written” includes, except where expressly specified herein or the context otherwise requires, and subject to any limitations, conditions or restrictions contained in any Applicable Laws, any printing, lithography, typewriting and any other mode of representing or reproducing words, symbols or other information which may be displayed in visible form, whether in a physical document or in an electronic communication or form or otherwise howsoever.

“in Writing” Written or produced by any substitute for writing or partly one and partly another.

The expressions “current address”, “electronic communication”, “ordinary resolution”, “relevant intermediary”, “special resolution” and “treasury shares” shall have the meanings ascribed to them respectively in the Act.

The expressions “Depositor”, “Depository”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them respectively in the Securities and Futures Act, Cap. 289.

References in this Constitution ~~these presents~~ to “holders” of shares or a class of shares shall:

- (a) exclude the Depository or its nominee (as the case may be) except where otherwise expressly provided in this Constitution ~~these presents~~ or where the term “registered holders” or “registered holder” is used in this Constitution ~~these presents~~; and
- (b) where the context so requires, be deemed to include references to Depositors whose names are entered in the Depository Register in respect of those shares,

and “holding” and “held” shall be construed accordingly.

The expression “Secretary” shall include any person appointed by the Directors to perform any of the duties of the Secretary and where two or more persons are appointed to act as Joint Secretaries, shall include any one of those persons.

All such of the provisions of this Constitution ~~these presents~~ as are applicable to paid-up shares shall apply to stock, and the words “share” and “shareholder” shall be construed accordingly.

Words denoting the singular shall include the plural and vice versa.

Words denoting the masculine shall include the feminine. Words denoting persons shall include corporations.

Subject as aforesaid, any words or expressions defined in the Act shall (if not inconsistent with the subject or context) bear the same meanings in this Constitution ~~these presents~~.

---

## APPENDIX C – PRINCIPAL PROVISIONS IN THE NEW CONSTITUTION THAT ARE SIGNIFICANTLY DIFFERENT FROM EQUIVALENT PROVISIONS IN THE EXISTING CONSTITUTION

---

A Special Resolution shall be effective for any purpose for which an Ordinary Resolution is expressed to be required under any provision of this Constitution ~~these presents~~.

### Regulation 4

4(A) Subject to the Statutes Act and this Constitution, no shares may be issued by the Directors without the prior approval of the Company in General Meeting but subject thereto and to Regulation Article 8, and to any special rights attached to any shares for the time being issued, the Directors may allot or grant options over or otherwise dispose of the same to such persons on such terms and conditions and for such consideration and at such time and subject or not to the payment of any part of the amount thereof in cash as the Directors may think fit, and any shares may be issued with such preferential, deferred, qualified or special rights, privileges or conditions as the Directors may think fit, and preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors,

Provided always that:

- (a) no shares shall be issued to transfer a controlling interest in the Company without the prior approval of the members in a General Meeting;
- (b) no shares shall be issued at a discount except in accordance with the Statutes Act;
- (c) (subject to any direction to the contrary that may be given by the Company in a General Meeting) any issue of shares for cash to members holding shares of any class shall be offered to such members in proportion as nearly as may be to the number of shares of such class then held by them and the provisions of the second sentence of Regulation Article 8(A) with such adaptations as are necessary shall apply; and
- (d) the rights attaching to shares of a class other than ordinary shares shall be expressed in the resolution creating the same.

(B) The Company may issue shares for which no consideration is payable to the Company.

### Regulation 8

8(A) Subject to any direction to the contrary that may be given by the Company in a General Meeting or except as permitted under the Listing Manual Stock Exchange of Singapore Limited listing rules (or the rules of any other stock exchange upon which the shares in the Company may be listed), all new shares shall, before issue, be offered to such persons who as at the date of the Offer are entitled to receive notices from the Company of general meetings in proportion, as far as the circumstances admit, to the amount of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this Regulation Article 8(A).

(B) Notwithstanding Regulation 8(A), the Company may pursuant to Section 161 of the Act by Ordinary Resolution in General Meeting give to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the Ordinary Resolution, to issue:

- (a) shares in the capital of the Company (whether by way of bonus, rights or otherwise);

---

## APPENDIX C – PRINCIPAL PROVISIONS IN THE NEW CONSTITUTION THAT ARE SIGNIFICANTLY DIFFERENT FROM EQUIVALENT PROVISIONS IN THE EXISTING CONSTITUTION

---

- (b) convertible securities;
  - (c) additional convertible securities arising from adjustments made to the number of convertible securities previously issued in the event of rights, bonus or capitalisation issues (notwithstanding that the general authority may have ceased to be in force at the time the securities are issued) Provided that the adjustment does not give the holder a benefit that a shareholder does not receive; or
  - (d) shares arising from the conversion of convertible securities in (b) and (c) above (notwithstanding that the general authority may have ceased to be in force at the time the securities are to be issued), at any time and upon such terms and conditions for such purposes as the Directors may in their absolute discretion deem fit Provided that the aggregate number of shares and convertible securities to be issued pursuant to such authority does not exceed such limit(s) as may be prescribed or permitted by the Singapore Exchange Securities Trading Limited (or any other stock exchange upon which the shares in the Company may be listed); and unless previously revoked or varied by the Company in General Meeting, such authority to issue shares and convertible securities does not continue beyond the conclusion of the Annual General Meeting of the Company next following the passing of the Ordinary Resolution or the date by which such Annual General Meeting is required to be held, or the expiration of such other period as may be prescribed by the Act (whichever is the earliest).
- (BC) Except so far as otherwise provided by the conditions of issue or by this Constitution these presents, all new shares shall be subject to the provisions of the StatutesApplicable Laws and of this Constitution these presents with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture and otherwise.

### Regulation 9

- 9(A) The Company may by Ordinary Resolution:
- (a) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;
  - (b) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken, by any person and diminish the amount of its capital by the amount of the shares so cancelled;
  - (c) subject to the Applicable Laws, sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Constitution Memorandum of Association (subject, nevertheless, to the provisions of the StatutesAct), and so that the resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights, or be subject to any such restrictions, as the Company has power to attach to unissued or new shares; or
  - (d) subject to the Applicable Laws, convert its share capital or any class of shares from one currency to another currency.
- (dB) The Company may by Special Resolution, subject to and in accordance with the Applicable Laws provisions of the Statutes, convert one any class of shares into another any other class of shares.

---

## APPENDIX C – PRINCIPAL PROVISIONS IN THE NEW CONSTITUTION THAT ARE SIGNIFICANTLY DIFFERENT FROM EQUIVALENT PROVISIONS IN THE EXISTING CONSTITUTION

---

### Regulation 16

16. Every share certificate shall be issued under the Seal and shall specify the number and class of shares to which it relates, whether the shares are fully or partly paid up, and the amount (if any) and the amount paid up thereon. No certificate shall be issued representing shares of more than one class.

### Regulation 32

32. The Company shall have a first and paramount lien on every share (not being a fully paid share) and on the dividends from time to time declared or payable in respect of such shares. Such lien shall be restricted to unpaid calls and instalments upon the specific shares in respect of which moneys are due and unpaid, thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such share and for all moneys as the Company may be called upon by law to pay in respect of the shares of the member or deceased member. The Directors may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this Regulation Article.

### Regulation 49

49. Save as otherwise permitted under the Act, An Annual General Meeting shall be held once in every year, at such time (within a period of not more than fifteen months after the holding of the last preceding Annual General Meeting) and place as may be determined by the Directors. All other General Meetings shall be called Extraordinary General Meetings.

### Regulation 51

51. Any General Meeting at which it is proposed to pass a Special Resolution or (save as provided by the Statutes Act) a resolution of which special notice has been given to the Company, shall be called by twenty-one days' notice in writing at the least and an Annual General Meeting and any other Extraordinary General Meeting by fourteen days' notice in writing at the least. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day on which the meeting is to be held and shall be given in manner hereafter mentioned to all members other than such as are not under the provisions of this Constitution these presents entitled to receive such notices from the Company; Provided that a General Meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:

- (a) in the case of an Annual General Meeting, by all the members entitled to attend and vote thereat; and
- (b) in the case of an Extraordinary General Meeting, by a majority in number of the members having a right to attend and vote thereat, being a majority together holding not less than ninety-five per cent in nominal value of the shares giving that right,

Provided also that the accidental omission to give notice to or the non-receipt of notice by any person entitled thereto shall not invalidate the proceedings at any General Meeting. So long as the shares in the Company are listed on any stock exchange, at At least fourteen days' notice of any General Meeting shall be given by advertisement in the daily press and in writing to any sStock eExchange upon which the Company may be listed.

### Regulation 53

53. Routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say:
- (a) declaring dividends;

---

## APPENDIX C – PRINCIPAL PROVISIONS IN THE NEW CONSTITUTION THAT ARE SIGNIFICANTLY DIFFERENT FROM EQUIVALENT PROVISIONS IN THE EXISTING CONSTITUTION

---

- (b) receiving and adopting the financial statements accounts, the ~~reports of the Directors' statement, the and Auditors' report~~ and other documents required to be attached or annexed to the financial statements accounts;
- (c) appointing or re-appointing Directors to fill vacancies arising at the meeting on retirement whether by rotation or otherwise;
- (d) ~~appointing or re-appointing the retiring Auditors (unless they were last appointed otherwise than by the Company in General Meeting);~~
- (e) fixing the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed; and
- (f) fixing the fees of the Directors proposed to be passed under Regulation Article 79.

### Regulation 61

- 61(A) If required by the listing rules of any stock exchange upon which the shares in the Company may be listed, all resolutions at General Meetings shall be voted by poll, unless such requirement is waived by the stock exchange.
- (B) Subject to Regulation 61(A), ~~At~~ any General Meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:
- (a) the chairman of the meeting; or
  - (b) not less than two members present in person or by proxy and entitled to vote; or
  - (c) a member or members present in person or by proxy and representing not less than five percent one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
  - (d) a member or members present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting and being shares on which an aggregate sum has been paid up equal to not less than five percent one-tenth of the total sum paid on all the shares conferring that right,

~~Provided always that no poll shall be demanded on the choice of a chairman or on a question of adjournment.~~

### Regulation 62

62. A demand for a poll made pursuant to Regulation 61(B) may be withdrawn only with the approval of the chairman of the meeting and any such demand shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded. ~~Unless a poll is demanded required,~~ a declaration by the chairman of the meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution. ~~Where a poll is taken If a poll is required,~~ it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the chairman of the meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was ~~taken demanded~~. The chairman of the meeting may (and if so directed by the meeting or if required by the listing rules of any stock exchange upon which shares in the Company may be listed shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

---

## APPENDIX C – PRINCIPAL PROVISIONS IN THE NEW CONSTITUTION THAT ARE SIGNIFICANTLY DIFFERENT FROM EQUIVALENT PROVISIONS IN THE EXISTING CONSTITUTION

---

### Regulation 63

63. In the case of an equality of votes, whether on a poll or on a show of hands ~~or on a poll~~, the chairman of the meeting at which the poll or the show of hands takes place ~~or at which the poll is demanded~~ shall be entitled to a casting vote.

### Regulation 64

64. A poll on the choice of the chairman or on a question of adjournment shall be taken immediately. A poll on any other question demanded, ~~on any question~~ shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the meeting) and place as the chairman may direct. No notice need be given of a poll not taken immediately.

~~The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded.~~

### Regulation 65

65. Subject and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the company, each member entitled to vote may vote in person or by proxy. Every ~~On a show of hands,~~ every member who is present in person or by proxy shall: ~~have one vote and~~

(a) on a poll, every member who is present in person or by proxy shall have one vote for every share which he holds or represents; and

(b) on a show of hands, have one vote, Provided always that:

(i) in the case of a member who is not a relevant intermediary and who is represented by two proxies, only one of the two proxies as determined by that member or, failing such determination, by the chairman of the meeting (or by a person authorised by him) in his sole discretion shall be entitled to vote on a show of hands; and

(ii) in the case of a member who is a relevant intermediary and who is represented by two or more proxies, each proxy shall be entitled to vote on a show of hands.

For the purpose of determining the number of votes which a member, being a Depositor, or his proxy may cast at any General Meeting on a poll, the reference to shares held or represented shall, in relation to shares of that Depositor, be the number of shares entered against his name in the Depository Register as at seventy-two forty-eight hours before the time of the relevant General Meeting as certified by the Depository to the Company.

### Regulation 71

71(A) Save as otherwise provided in the Act:

(a) a ~~A~~ member who is not a relevant intermediary may appoint not more than two proxies to attend, speak and vote at the same General Meeting. Where each member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy; if no proportion is specified, the Company shall be entitled to deem the appointment to be in the alternative; and



---

## APPENDIX C – PRINCIPAL PROVISIONS IN THE NEW CONSTITUTION THAT ARE SIGNIFICANTLY DIFFERENT FROM EQUIVALENT PROVISIONS IN THE EXISTING CONSTITUTION

---

- (b) a member who is a relevant intermediary may appoint more than two proxies to attend, speak and vote at the same General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.
- (B) In any case where ~~Provided that~~ if the member is a Depositor, the Company shall be entitled and bound:
- (a) to reject any instrument of proxy lodged if the Depositor is not shown to have any shares entered against his name in the Depository Register as at seventy-two ~~forty-eight~~ hours before the time of the relevant General Meeting as certified by the Depository to the Company; and
- (b) to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by the Depositor is or are able to cast on a poll a number which is the number of shares entered against the name of that Depositor in the Depository Register as at seventy-two ~~forty-eight~~ hours before the time of the relevant General Meeting as certified by the Depository to the Company, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor.
- (C) ~~(B)~~The Company shall be entitled and bound, in determining rights to vote and other matters in respect of a completed instrument of proxy submitted to it, to have regard to the instructions (if any) given by and the notes (if any) set out in the instrument of proxy.
- ~~(C)~~ In any case where a form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
- (D) A proxy need not be a member of the Company.

### Regulation 72

- 72(A) An instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the Directors may approve, subject to the listing rules of any stock exchange upon which shares in the Company may be listed and:
- (a) in the case of an individual, shall be:
- (i) signed by the appointor or his attorney if the instrument is delivered personally or by post; or
- (ii) authorised by that individual through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication; and
- (b) in the case of a corporation, shall be:
- (i) shall be either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation if the instrument is delivered personally or by post; or
- (ii) authorised by that corporation through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication.

---

## APPENDIX C – PRINCIPAL PROVISIONS IN THE NEW CONSTITUTION THAT ARE SIGNIFICANTLY DIFFERENT FROM EQUIVALENT PROVISIONS IN THE EXISTING CONSTITUTION

---

The Directors may, for the purpose of Regulation 72(A)(a)(ii) and 72(A)(b)(ii) designate procedures for authenticating any such instrument, and any such instrument not so authenticated by use of such procedures shall be deemed not to have been received by the Company.

(B) The signature on or authorisation of such instrument need not be witnessed. Where an instrument appointing a proxy is signed or authorised on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to Regulation Article 73A, failing which the instrument may be treated as invalid.

(C) The Directors may, in their absolute discretion:

(a) approve the method and manner for an instrument appointing a proxy to be authorised; and

(b) designate the procedure for authenticating an instrument appointing a proxy.

as contemplated in Regulations 72(A)(a)(ii) and 72(A)(b)(ii) for application to such members or class of members as they may determine. Where the Directors do not so approve and designate in relation to a member (whether of a class or otherwise), Regulation 72(A)(a)(i) and/or, as the case may be, Regulation 72(A)(b)(i) shall apply.

### Regulation 73

73(A) An instrument appointing a proxy:

(a) if sent personally or by post must be left at such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified, at the Office); or

(b) if submitted by electronic communication, must be received through such means as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the meeting.

and in either case, not less than ~~seventy-two~~ ~~forty-eight~~ hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used, and in default shall not be treated as valid. The instrument shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates; Provided that an instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered in accordance with the provisions of this Constitution for the purposes of any meeting shall not be required again to be delivered for the purposes of any subsequent meeting to which it relates.

(B) The Directors may, in their absolute discretion, and in relation to such members or class of members as they may determine, specify the means through which instruments appointing a proxy may be submitted by electronic communications, as contemplated in Regulation 72(A)(b). Where the Directors do not so specify in relation to a member (whether of a class or otherwise), Regulation 72(A)(a) shall apply.

---

## APPENDIX C – PRINCIPAL PROVISIONS IN THE NEW CONSTITUTION THAT ARE SIGNIFICANTLY DIFFERENT FROM EQUIVALENT PROVISIONS IN THE EXISTING CONSTITUTION

---

### Regulation 75

75. A vote cast by proxy shall not be invalidated by the previous death or mental disorder ~~insanity~~ of the principal or by the revocation of the appointment of the proxy or of the authority under which the appointment was made Provided that no intimation in writing of such death, mental disorder ~~insanity~~ or revocation shall have been received by the Company at the Office at least one hour before the commencement of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.

### Regulation 90

90. The office of a Director shall be vacated in any of the following events, namely:
- (a) if he shall become prohibited by law from acting as a Director; or
  - (b) if (not being a Director holding any executive office for a fixed term) he shall resign by writing under his hand left at the Office or if he shall in writing offer to resign and the Directors shall resolve to accept such offer; or
  - (c) if he becomes a bankrupt or shall make any arrangement or composition ~~compound~~ with his creditors generally; or
  - (d) if he becomes mentally disordered and incapable of managing himself or his affairs of ~~unsound mind~~ or if in Singapore or elsewhere, an order shall be made by any court claiming jurisdiction in that behalf on the ground (however formulated) of mental disorder for his detention or for the appointment of a guardian or for the appointment of a receiver or other person (by whatever name called) to exercise powers with respect to his property or affairs; or
  - (e) if he is removed by the Company in a General Meeting pursuant to this Constitution ~~these presents~~; or
  - (f) if he is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds.

### Regulation 91

91. At each Annual General Meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third), selected in accordance with Regulation 92, shall retire from office by rotation (in addition to any Director retiring pursuant to Regulation 97) Provided that no Director holding office as Managing or Joint Managing Director shall be subject to retirement by rotation or be taken into account in determining the number of Directors to retire.

### Regulation 93

93. The Company at the meeting at which a Director retires under any provision of the Constitution ~~these presents~~ may by Ordinary Resolution fill the office being vacated by electing thereto the retiring Director or some other person eligible for appointment. In default, the retiring Director shall be deemed to have been re-elected except in any of the following cases:
- (a) where at such meeting, it is expressly resolved not to fill such office or a resolution for the re-election of such Director is put to the meeting and lost;
  - (b) where such Director has given notice in writing to the Company that he is unwilling to be re-elected;

---

## APPENDIX C – PRINCIPAL PROVISIONS IN THE NEW CONSTITUTION THAT ARE SIGNIFICANTLY DIFFERENT FROM EQUIVALENT PROVISIONS IN THE EXISTING CONSTITUTION

---

- (c) where the default is due to the moving of a resolution in contravention of Regulation Article 94; or
- (d) where such Director is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds ~~has attained any retiring age applicable to him as Director.~~

The retirement shall not have effect until the conclusion of the meeting except where a resolution is passed to elect some other person in the place of the retiring Director or a resolution for his re-election is put to the meeting and lost and accordingly a retiring Director who is re-elected or deemed to have been re-elected will continue in office without a break.

### Regulation 95

95. No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for appointment as a Director at any General Meeting unless not less than eleven nor more than forty-two clear days (~~exclusive~~ inclusive of the date on which the notice is given) before the date appointed for the meeting, there shall have been lodged at the Office notice in writing signed by some member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election or and also a notice in writing signed by the person to be proposed giving his consent to the nomination and signifying his candidature of the office, of his willingness to be elected ~~Provided that in the case of a person recommended by the Directors for election, not less than nine clear days' notice shall be necessary and notice of each and every such person shall be served on the members at least seven days prior to the meeting at which the election is to take place.~~

### Regulation 110

110. The business and affairs of the Company shall be managed by or under the direction or supervision of the Directors, who may exercise all such powers of the Company as are not by the Statutes or ~~by these presents~~ by this Constitution required to be exercised by the Company in a General Meeting, but subject nevertheless to any regulations of ~~these present this Constitutions~~, to the provisions of the ~~Statutes~~ Act and to such regulations, being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by Special Resolutions of the Company, but no regulation so made by the Company shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made; Provided that the Directors shall not carry into effect any proposals for selling or disposing of the whole or substantially the whole of the Company's undertaking unless such proposals have been approved by the Company in a General Meeting. The general powers given by this Regulation Article shall not be limited or restricted by any special authority or power given to the Directors by any other Regulation Article.

### Regulation 119

119. Any Director or the Secretary or any person appointed by the Directors for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any resolutions passed by the Company or the Directors or any committee, and any books, records, documents, ~~and accounts~~ and financial statements relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and where any books, records, documents, ~~or accounts~~ or financial statements are elsewhere than at the Office, the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid. A document purporting to be a copy of a resolution, or an extract from the minutes of a meeting, of the Company or of the Directors or any committee which is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such resolution has been duly passed, or as the case may be, that any minutes so extracted is a true and accurate record of proceedings

---

## APPENDIX C – PRINCIPAL PROVISIONS IN THE NEW CONSTITUTION THAT ARE SIGNIFICANTLY DIFFERENT FROM EQUIVALENT PROVISIONS IN THE EXISTING CONSTITUTION

---

at a duly constituted meeting. Any authentication or certification made pursuant to Regulation 119 may be made by any electronic means approved by the Directors from time to time for such purpose incorporating, if the Directors deem necessary, the use of security and/or identification procedures or devices approved by the Directors.

### Regulation 135

135. In accordance with the provisions of the Act, the Directors shall cause to be prepared and to be laid before the Company in General Meeting such financial statements profit and loss accounts, balance sheets, consolidated financial statements group accounts (if any) and reports as may be necessary. The interval between the close of a financial year of the Company and the issue of financial statements accounts-relating thereto shall not exceed six months.

### Regulation 136

136. A copy of the every balance sheet and financial statements and if required, the balance sheet profit and loss account which is to be laid before a General Meeting of the Company (including every document required by law to be comprised therein or attached or annexed thereto), which is duly audited and which is to be laid before the Company in General meeting accompanied by a copy of the Auditor's report thereon, shall not less than fourteen days before the date of the meeting be sent to every member of, and every holder of debentures of, the Company and to every other person who is entitled to receive notices of meetings from the Company under the provisions of the Statutes or of this Constitution ~~these presents~~;

Provided that:

- (a) these documents may, subject to the listing rules of any stock exchange upon which shares in the Company may be listed be sent less than 14 days before the date of the meeting if all persons entitled to receive notices of meetings from the Company so agree;  
and
- (b) this Regulation Article-shall not require a copy of these documents to be sent to more than one of any joint holders or to any person whose address the Company is not aware, but any member or holder of debentures to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office.

### Regulation 139

- 139(A) Any notice or document (including a share certificate) may be served on or delivered to any member by the Company either personally or by sending it through the post in a prepaid cover addressed to such member at his registered address appearing in the Register of Members or (as the case may be) the Depository Register, or (if he has no registered address within Singapore) to the address, if any, within Singapore supplied by him to the Company or (as the case may be) supplied by him to the Depository as his address for the service of notices, or by delivering it to such address as aforesaid. Where a notice or other document is served or sent by post, service or delivery shall be deemed to be effected at the expiration of twenty-four hours after the time when the cover containing the same is posted and in proving such service or delivery, it shall be sufficient to prove that such cover was properly addressed, stamped and posted.
- (B) Without prejudice to the provisions of Regulation 139(A), but subject otherwise to the Act and any regulations made thereunder and (where applicable) the listing rules of any stock exchange upon which shares in the Company may be listed, relating to electronic communications, any notice or document (including, without limitation, any accounts, balance-sheet, financial statements or report) which is required or permitted to be given, sent or served under the Act or under this Constitution by the Company, or the Directors, to a member may be given, sent or served using electronic communications:
- (a) to the current address of that person; or

---

## APPENDIX C – PRINCIPAL PROVISIONS IN THE NEW CONSTITUTION THAT ARE SIGNIFICANTLY DIFFERENT FROM EQUIVALENT PROVISIONS IN THE EXISTING CONSTITUTION

---

- (b) by making it available on a website prescribed by the Company from time to time,  
in accordance with the provisions of this Constitution, the Applicable Laws and/or any other applicable regulations or procedures.
- (C) If permitted by the prevailing listing rules of any stock exchange upon which shares in the Company may be listed, for the purpose of Regulation 139(B) above, a member shall be deemed to have agreed to receive such notice or document by way of such electronic communications and shall not have a right to elect to receive a physical copy of such notice or document.
- (D) For the purposes of Regulation 139(B) above, if the Company is not permitted by the prevailing listing rules of any stock exchange upon which shares in the Company may be listed, to regard a member as having deemed to have agreed to receive such notice or document by way of such electronic communications in the manner prescribed under Regulation 139(C), a member shall, at the Directors' discretion, be given an opportunity to elect within a specified period of time whether to receive such notice or document by way of electronic communications or as a physical copy, and a member shall be deemed to have consented to receive such notice or document by way of electronic communications if he was given such an opportunity and he failed to make an election within the specified time, and he shall not in such an event have a right to receive a physical copy of such notice or document.
- (E) Where a notice of document is given, sent or served by electronic communications:
- (a) to the current address of a person pursuant to Regulation 139(B)(a), it shall be deemed to have been duly given, sent or served at the time of transmission of the electronic communication by the email server or facility operated by the Company or its service provider to the current address of such person (notwithstanding any delayed receipt, non-delivery or "returned mail" reply message or any other error message indicating that the electronic communication was delayed or not successfully sent), unless otherwise provided under the Act and/or any other applicable regulations or procedures; and
- (b) by making it available on a website pursuant to Regulation 139(B)(b), it shall be deemed to have been duly given, sent or served on the date on which the notice or document is first made available on the website, unless otherwise provided under the Act and/or any other applicable regulations or procedures.
- (F) Where a notice or document is given, sent or served to a member by making it available on a website pursuant to Regulation 139(B)(b), the Company shall give separate notice to the member of the publication of the notice or document on that website and the manner in which the notice or document may be accessed by any one or more of the following means:
- (a) by sending such separate notice to the member personally or through the post pursuant to Regulation 139(A);
- (b) by sending such separate notice to the member using electronic communications to his current address pursuant to Regulation 139(B)(a);
- (c) by way of advertisement in the daily press; and/or
- (d) by way of announcement on any stock exchange upon which shares in the Company may be listed.

---

## APPENDIX C – PRINCIPAL PROVISIONS IN THE NEW CONSTITUTION THAT ARE SIGNIFICANTLY DIFFERENT FROM EQUIVALENT PROVISIONS IN THE EXISTING CONSTITUTION

---

### Regulation 146

146. Subject to the provisions of and so far as may be permitted by the ~~Statutes Act~~, every Director, Auditor, Secretary or other officer of the Company shall be entitled to be indemnified by the Company against any liability all costs, charges, losses, expenses and liabilities incurred or to be incurred by him in the execution and discharge of his duties or in relation thereto including any liability by him in defending any proceedings, civil or criminal, which relate to any-thing done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgment is given in his favour (or the proceedings otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the court. Without prejudice to the generality of the foregoing, no Director, Manager, Secretary or other officer of the Company shall be liable for the acts, receipts, neglects or defaults of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any moneys, securities or effects shall be deposited or left or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto unless the same shall happen through his own negligence, wilful default, breach of duty or breach of trust.

### Regulation 148

148(A) A member who is a natural person is deemed to have consented to the collection, use and disclosure of his personal data (whether such personal data is provided by that member or is collected through a third party) by the Company (or its agents or service providers) from time to time for any of the following purposes:

- (a) implementation and administration of any corporate action by the Company (or its agents or service providers);
- (b) internal analysis and/or market research by the Company (or its agents or service providers);
- (c) investor relations communications by the Company (or its agents or service providers);
- (d) administration by the Company (or its agents or service providers) of that member's holding of shares in the Company;
- (e) implementation and administration of any service provided by the Company (or its agents or service providers) to its members to receive notices of meetings, annual reports and other shareholder communications and/or for proxy appointment, whether by electronic means or otherwise;
- (f) processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for any General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance list, minutes and other documents relating to any General Meeting (including any adjournment thereof);
- (g) implementation and administration of, and compliance with, any provision of this Constitution;
- (h) compliance with any applicable laws, listing rules, take-over rules, regulations and/or guidelines; and
- (i) purposes which are reasonably related to any of the above purpose.

---

## APPENDIX C – PRINCIPAL PROVISIONS IN THE NEW CONSTITUTION THAT ARE SIGNIFICANTLY DIFFERENT FROM EQUIVALENT PROVISIONS IN THE EXISTING CONSTITUTION

---

- (B) Any member who appoints a proxy and/or representative for any General Meeting and/or any adjournment thereof is deemed to have warranted that where such member discloses that personal data of such proxy and/or representative to the Company (or its agents or service providers), that member has obtained the prior consent of such proxy and/or representative for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy and/or representative for the purposes specified in Regulations 148(A)(f) and 148(A)(h), and is deemed to have agreed to indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of such member's breach of warranty.

### Regulation 149

1498. ~~Where these presents have this Constitution has been approved by any Sstock Eexchange upon which the shares in the Company may be listed, no provisions of these presents this Constitution shall be deleted, amended or added without the prior written approval of such Sstock eExchange which had previously approved these presents this Constitution.~~



---

## NOTICE OF EXTRAORDINARY GENERAL MEETING

---

### ABUNDANCE INTERNATIONAL LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration no. 197501572K)

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting of the Company will be held at 9 Joo Koon Circle, Singapore 629041 on 21 December 2016 (Wednesday) at 10 a.m. for the purpose of considering and, if thought fit, passing with or without amendment, the following resolutions:

All capitalised terms in the resolutions below and defined in the Circular dated 24 November 2016 to the shareholders of the Company (the “**Circular**”) shall, unless otherwise defined herein, have the respective meanings ascribed thereto in the Circular.

#### ORDINARY RESOLUTIONS:

#### **RESOLUTION 1 – THE PROPOSED ISSUANCE OF THE CONSIDERATION SHARES AT COMPLETION OF THE ACQUISITION OF REMAINING 49% INTEREST IN ORIENT-SALT CHEMICALS PTE. LTD.**

That, subject to and contingent upon Resolution 2 being passed:

- (a) approval be and is hereby given for the allotment and issue of 117,600,000 Consideration Shares, whereby such Consideration Shares shall be credited as fully-paid and shall rank *pari passu* in all respects with the then existing Shares in the Company, save for any dividends, rights, allotments or any distributions, the Record Date of which falls before the Completion Date, pursuant to Section 161 of the Companies Act, the Constitution and Rules 805 and 806 of the Listing Manual, on the terms and subject to the conditions of the SPA; and
- (b) the Directors of the Company and each of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or each of them may consider expedient, necessary to give effect to the transactions contemplated and/or authorised by this Resolution 1 as they or each of them may in their or each of their absolute discretion deem fit in the interests of the Group.

#### **RESOLUTION 2 – THE POSSIBLE TRANSFER OF CONTROLLING INTEREST IN THE COMPANY TO MR JIANG HAO PURSUANT TO THE ISSUANCE OF THE CONSIDERATION SHARES FOR THE ACQUISITION**

That, subject to and contingent upon Resolution 1 being passed:

- (a) approval be and is hereby given for the allotment and issuance by the Company of 117,600,000 Consideration Shares to Mr Jiang Hao at completion of the Acquisition, such issuance of the Consideration Shares constituting the possible transfer of a Controlling Interest in the Company to Mr Jiang Hao pursuant to Rule 803 of the Listing Manual; and
- (b) the Directors of the Company and each of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or each of them may consider expedient, necessary to give effect to the transactions contemplated and/or authorised by this Resolution 2 as they or each of them may in their or each of their absolute discretion deem fit in the interests of the Group.

---

## NOTICE OF EXTRAORDINARY GENERAL MEETING

---

### RESOLUTION 3 – THE RIGHTS ISSUE

That:

- (a) a renounceable non-underwritten Rights Issue (the “**Rights Issue**”) by the Company of up to S\$12,855,000 in principal amount of zero coupon bonds (the “**Bonds**”) with principal amount of S\$0.02 for each Bond and an issue price of S\$0.016 for each Bond, with up to 642,750,000 free detachable warrants (the “**Warrants**”), each Warrant carrying the right to subscribe for one (1) new ordinary share in the capital of the Company (the “**New Share**”) at the exercise price of S\$0.02 for each New Share, on the basis of one (1) Bond with one (1) free detachable Warrant for every one (1) Share held by shareholders of the Company (the “**Shareholders**”), fractional entitlements to be disregarded, as at the books closure date to be determined (the “**Books Closure Date**”), be and is hereby approved; and
- (b) the Board of Directors be and is hereby authorised to:
  - (i) create and issue:
    - (aa) such number of Bonds as the Directors may determine up to a maximum principal amount of S\$12,855,000 at an issue price of S\$0.016 for each Bond;
    - (bb) such number of free detachable Warrants as the Directors may determine, subject to a maximum of 642,750,000 free Warrants to be issued together with the Bonds, each Warrant carrying the right to subscribe for one (1) New Share at an exercise price of S\$0.02 for each New Share, exercisable only at 5.00 p.m. on the day preceding the fourth (4<sup>th</sup>) anniversary of the date of issue of the Warrants, subject to the terms and conditions of the Deed Poll constituting the Warrants to be executed by the Company on such terms and conditions as the Directors may deem fit; and
    - (cc) such further Warrants as may be required or permitted to be issued in accordance with the terms and conditions of the Deed Poll (any such further Warrants to rank *pari passu* with the Warrants and for all purposes to form part of the same series, save as may otherwise be provided in the terms and conditions of the Deed Poll); and
  - (ii) provisionally allot and issue up to S\$12,855,000 in principal amount of zero coupon Bonds with up to 642,750,000 free Warrants, at an issue price of S\$0.016 for each Bond, on the basis of one (1) Bond with one (1) free detachable Warrant for every one (1) Share held by Shareholders as at the Books Closure Date to be determined, fractional entitlements to be disregarded, on the terms and conditions set out below and/or otherwise on such terms and conditions as the Directors may think fit:
    - (aa) the provisional allotments of the Bonds with Warrants under the Rights Issue shall be made on a renounceable basis to Shareholders whose names appear in the Register of Members of the Company or the records of the Central Depository (Pte) Limited (“**CDP**”) as at the Books Closure Date and who have not, at least three (3) Market Days prior thereto, provided to CDP or the share registrar of the Company (the “**Share Registrar**”), as the case may be, addresses in Singapore for the service of notices and documents;
    - (bb) no provisional allotment of the Bonds with Warrants shall be made in favour of, and no application form or other documents in respect thereof shall be issued or sent to Shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not, at least three (3) Market Days prior thereto, provided to CDP or the Share Registrar, as the case may be, addresses in Singapore for the service of notices and documents (the “**Foreign Shareholders**”);

---

## NOTICE OF EXTRAORDINARY GENERAL MEETING

---

- (cc) the entitlements to the Bonds with Warrants 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 SGX-ST and to pool and thereafter distribute the net proceeds thereof, if any (after deducting all expenses), proportionately among such Foreign Shareholders in accordance with their respective shareholdings as at the Books Closure Date provided that if the amount to be distributed to any single Foreign Shareholder is less than S\$10.00, such amount shall instead be dealt with as the Directors may, in their absolute discretion, deem fit in the interests of the Company;
  - (dd) provisional allotments of the Bonds with Warrants not taken up or cannot be sold or are not sold on the SGX-ST for any reason, or which represent fractional entitlements disregarded in accordance with the terms of the Rights Issue, shall be used to satisfy excess applications or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company;
  - (ee) the Bonds when issued and fully paid-up will constitute direct, unconditional, unsubordinated and unsecured obligations of the Company and shall at all times rank *pari passu* and without any preference among themselves. The Company reserves the right to incur further debt and take on further borrowings which rank in priority to the Bonds; and
  - (ff) the New Shares to be issued on exercise of the Warrants will rank *pari passu* in all respects with the then existing Shares save for any dividends, rights, allotments or other distribution, the Record Date for which falls before the date of issue of the New Shares; and
- (c) allot and issue, notwithstanding that the issue thereof may take place after the next or any ensuing annual or other general meeting of the Company:
- (i) a maximum of 642,750,000 New Shares on the exercise of the Warrants, credited as fully paid, subject to and otherwise in accordance with the terms and conditions of the Deed Poll, such New Shares (when issued and paid) to rank *pari passu* in all respects with the then existing Shares (save as may otherwise be provided in the terms and conditions of the Deed Poll) save for any dividends, rights, allotments or other distributions the Record Date for which falls before the date of issue of the New Shares; and
  - (ii) on the same basis as paragraph (c)(i) above, such further New Shares as may be required to be allotted and issued on the exercise of any of the Warrants referred to in paragraph (b) above; and
- (d) the Directors be and are hereby authorised to take such steps, enter into all such transactions, arrangements and agreements and execute all such documents as may be advisable, necessary or expedient for the purposes of giving effect to the Rights Issue, with full power to assent to any condition, amendment, alteration, modification or variation as may be required by the relevant authorities or as such Directors or any of them may deem fit or expedient or to give effect to this Resolution 3 or the transactions contemplated pursuant to or in connection with the Rights Issue.

### SPECIAL RESOLUTION:

#### RESOLUTION 4 – THE PROPOSED ADOPTION OF A NEW CONSTITUTION OF THE COMPANY

That the regulations contained in the new Constitution submitted to this Meeting and, for the purpose of identification, subscribed to by the Chairman thereof, be approved and adopted as the new Constitution of the Company in substitution for, and to the exclusion of, the existing Constitution.

---

## NOTICE OF EXTRAORDINARY GENERAL MEETING

---

SHAREHOLDERS SHOULD NOTE THAT RESOLUTIONS 1 AND 2 ARE INTER-CONDITIONAL UPON ONE ANOTHER. IN THE EVENT THAT ANY OF RESOLUTIONS 1 OR 2 IS NOT APPROVED BY SHAREHOLDERS, NONE OF THE RESOLUTIONS 1 AND 2 WILL BE PASSED.

SHAREHOLDERS SHOULD NOTE THAT RESOLUTION 3 IS INDEPENDENT OF RESOLUTIONS 1, 2 AND 4, AND VICE VERSA.

SHAREHOLDERS SHOULD NOTE THAT RESOLUTION 4 IS INDEPENDENT OF RESOLUTIONS 1, 2 AND 3, AND VICE VERSA.

### By Order of the Board

Shi Jiangan  
Executive Chairman  
24 November 2016

#### Notes:

- (a) A member who is not a relevant intermediary (as defined in Section 181 of the Companies Act) is entitled to appoint not more than two proxies to attend, speak and vote on his/her behalf at the Extraordinary General Meeting. Where a member appoints more than one proxy, he/she shall specify the proportion of his/her shares to be represented by each such proxy, failing which the nomination shall be deemed to be alternative.
  - (b) A member who is a relevant intermediary (as defined in Section 181 of the Companies Act) is entitled to appoint more than two proxies to attend, speak and vote at the Extraordinary General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.
- A proxy need not be a member of the Company.
- The instrument appointing a proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.
- The instrument appointing a proxy must be deposited at the Registered Office of the Company at **9 Joo Koon Circle, Singapore 629041** not less than forty-eight (48) hours before the time appointed for holding the Extraordinary General Meeting.
- A depositor shall not be regarded as a member of a Company entitled to attend, speak and vote at the Extraordinary General Meeting unless his name appears on the Depository Register 72 hours before the time fixed for the Extraordinary General Meeting.

#### Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Extraordinary General Meeting 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 Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Extraordinary General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

# ABUNDANCE INTERNATIONAL LIMITED

(Incorporated in the Republic of Singapore)

## PROXY FORM EXTRAORDINARY GENERAL MEETING

### IMPORTANT

#### CPF Investors

1. For investors who have used their CPF moneys to buy shares in the capital of Abundance International Limited (the "Company"), this Circular is forwarded to them at the request of their CPF Approved Nominees ("Agent Banks") and is sent solely for information only.
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF Investors who wish to attend the Extraordinary General Meeting as OBSERVERS have to submit their requests through their respective Agent Banks so that their Agent Banks may register, in the required format, with the Company, (Agent Banks: please see note 8 on the required format.)

#### Multiple Proxies

4. Relevant intermediaries (as defined in Section 181 of the Companies Act, Cap. 50) may appoint more than two proxies to attend, speak and vote at the Extraordinary General Meeting.

I/We \_\_\_\_\_ (Name), NRIC/Passport Number\* \_\_\_\_\_

of \_\_\_\_\_ (Address)

being a member/members of **ABUNDANCE INTERNATIONAL 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			

whom failing, the Chairman of the Extraordinary General Meeting, as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the Extraordinary General Meeting of the Company to be held at 9 Joo Koon Circle, Singapore 629041 on 21 December 2016 at 10 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the Extraordinary General Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the Extraordinary General Meeting.

	ORDINARY RESOLUTIONS	For*	Against*
1.	To approve the proposed issuance of Consideration Shares		
2.	To approve the possible transfer of Controlling Interest		
3.	To approve the proposed Rights Issue		
	SPECIAL RESOLUTION		
4.	To approve the proposed adoption of a new Constitution of the Company		

\* If you wish to exercise all your votes "For" or "Against", please indicate your vote "For" or "Against" with "X" within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2016

Total Number of Shares Held

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

IMPORTANT: PLEASE READ NOTES ON THE REVERSE.



**Notes:**

1. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register maintained by The Central Depository (Pte) Limited (“**CDP**”), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert that number of shares. If the member has shares entered against his name in the said Depository Register and registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.
2. (a) A member who is not a relevant intermediary (as defined in Section 181 of the Companies Act, Cap. 50) is entitled to appoint not more than two proxies to attend, speak and vote on his/her behalf at the Extraordinary General Meeting. Where a member appoints more than one proxy, he/she shall specify the proportion of his/her shares to be represented by each such proxy, failing which the nomination shall be deemed to be alternative.  
  
(b) A member who is a relevant intermediary (as defined in Section 181 of the Companies Act, Cap. 50) is entitled to appoint more than two proxies to attend, speak and vote at the Extraordinary General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.
3. A proxy need not be a member of the Company.
4. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at **9 Joo Koon Circle, Singapore 629041** not less than 48 hours before the time appointed for the Extraordinary General Meeting.
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 either under its seal or under the hand of an officer or attorney duly authorised. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the 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. 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 Extraordinary General Meeting, in accordance with Section 179 of the Companies Act, Cap. 50.
7. The submission of an instrument or form appointing a proxy by a member of the Company does not preclude him from attending and voting in person at the Extraordinary General Meeting if he is able to do so.
8. Agent Banks acting on the request of CPF Investors who wish to attend the Extraordinary General Meeting as Observers are required to submit in writing, a list with details of the investors' name, NRIC/Passport numbers, addresses and numbers of Shares held. The list, signed by an authorised signatory of the agent bank, should reach the Company Secretary, at the registered office of the Company not later than 48 hours before the time appointed for holding the Extraordinary General Meeting

**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 Extraordinary General Meeting, as certified by CDP to the Company.

**Personal Data Protection:**

By attending the Extraordinary General Meeting 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 Extraordinary General Meeting.