

ELLIPSIZ LTD

Company Registration No. 199408329R
(Incorporated in the Republic of Singapore)

INTENDED RETIREMENT OF DIRECTORS

The Board of Directors (“**Board**”) of Ellipsiz Ltd (the “**Company**”) wishes to announce that two of its executive directors, Mr Melvin Chan Wai Leong and Ms Ong Suat Lian, have requested to retire as directors and employees of the Company. The Board has agreed to their requests.

Mr Melvin Chan Wai Leong will retire as Chief Executive Officer of the Company and will also step down as a Director on 31 January 2018. Ms Ong Suat Lian will retire as Chief Financial Officer of the Company and will also step down as a Director on 31 January 2018.

The Board would like to record their appreciation to Mr Melvin Chan Wai Leong and Ms Ong Suat Lian for their services rendered to the Company over the years.

Disclosures pursuant to Chapter 9 of the Listing Manual (the “**Listing Manual**”) issued by the Singapore Exchange Securities Trading Limited with respect to Mr Melvin Chan Wai Leong

In connection with his retirement, the Company will be paying Mr Melvin Chan Wai Leong an ex-gratia payment of S\$3,300,000 (the “**MC Ex-gratia Payment**”) in recognition of his past services to the Company, its subsidiaries and associated companies (the “**Ellipsiz Group**”).

The MC Ex-gratia Payment represents approximately 3.66% of the latest audited net tangible assets value (“**NTA**”) of the Ellipsiz Group as at 30 June 2017 of S\$90,059,000. The NTA is determined based on the audited net book value of the Ellipsiz Group as at 30 June 2017 of S\$131,484,000 less the value of intangible assets of the Ellipsiz Group of S\$41,425,000. In accordance with Chapter 9 of the Listing Manual, the MC Ex-gratia Payment is an interested person transaction (“**IPT**”), the aggregate transaction value of which is more than 3% but less than 5% of the latest audited NTA of the Group, and is hence subject to an immediate announcement to be made. An amount of S\$2,640,000 representing 80% of the MC Ex-gratia Payment will be paid by the Company on 31 January 2018 and the remaining S\$660,000 representing 20% of the MC Ex-gratia Payment will be paid on 31 January 2019.

Separately, the Company has also entered into an Advisory and Consultancy Agreement (the “**MC Advisory Agreement**”) with Mr Melvin Chan Wai Leong which will take effect only upon the cessation of his employment with the Company. Under the Advisory Agreement, he will be appointed as an advisor to the Board and management and will render, as an independent contractor (and not as an employee), advisory and consulting services to the Board and management particularly but without limitation advice relating to the semiconductor and electronics manufacturing businesses. The term of the appointment is one year commencing from 1 February 2018. Pursuant to the Advisory Agreement, Mr Melvin Chan Wai Leong will be paid an aggregate sum of S\$500,000 (the “**MC Advisory Fee**”) payable over 12 months for the duration of his appointment.

In aggregate, the MC Ex-gratia Payment and the MC Advisory Agreement represent approximately 4.22% of the latest audited NTA of the Ellipsiz Group as at 30 June 2017 of S\$90,059,000.

With respect to the terms of the MC Ex-gratia Payment, it is a recognition by the Board of the contributions of Mr Melvin Chan Wai Leong to the Ellipsiz Group. In arriving at the Ex-gratia Payment, the Board took into consideration his service of 15 years to the Ellipsiz Group (where he had been the Chief Executive Officer since 2008) and his key role in the growth and expansion of the Ellipsiz Group. Under his leadership as Chief Executive Officer, the Company has recorded 8 consecutive years of profits. In addition, over the past 52 weeks, the market capitalisation of the Company has grown from a low of approximately S\$60.17 million* to approximately S\$143.73 million* (as at 6 November 2017) with the share price increasing from a low of S\$0.36* to a high of S\$0.865* over the same period. *Source: www.sgx.com

With respect to the MC Advisory Agreement, the Board took into consideration that Mr Melvin Chan Wai Leong, with his experience and network built up over the years, will be a valuable resource to the Ellipsiz Group and he will be able to offer advice on the promotion, development and expansion of the business activities of the Ellipsiz Group going forward, particularly in the semiconductor and electronic manufacturing businesses.

Other than transactions less than S\$100,000, the MC Ex-gratia Payment and the MC Advisory Agreement, the Ellipsiz Group has not entered into any other IPTs in the current financial year.

The Audit Committee of the Company has reviewed the terms of the MC Ex-gratia Payment and the MC Advisory Agreement and are of the view that they are on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

By order of the Board

CHNG HEE KOK

Chairman

7 November 2017