

CIRCULAR DATED 10 AUGUST 2016

THIS CIRCULAR IS IMPORTANT AS IT CONTAINS THE RECOMMENDATION OF THE INDEPENDENT DIRECTORS (AS DEFINED HEREIN) AND THE ADVICE OF PROVENANCE CAPITAL PTE. LTD., THE INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT DIRECTORS. THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

This Circular is issued by Ellipsiz Ltd (the “Company”). If you are in any doubt in relation to this Circular or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

If you have sold or transferred all your Shares (as defined herein), you should immediately forward this Circular to the purchaser or transferee of the Shares or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

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



ELLIPSIZ LTD

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

CIRCULAR TO SHAREHOLDERS

in relation to the

MANDATORY CONDITIONAL CASH OFFER

by

CIMB BANK BERHAD (13491-P)

Singapore Branch

(Incorporated in Malaysia)

for and on behalf of

BEVRIAN PTE. LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 201502291H)

to acquire all of the issued and paid-up ordinary shares in the capital of the Company, other than those already owned, controlled or agreed to be acquired by Bevrian Pte. Ltd.

Independent Financial Adviser to the Independent Directors of the Company



PROVENANCECAPITAL

PROVENANCE CAPITAL PTE. LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 200309056E)

SHAREHOLDERS SHOULD NOTE THAT THE OFFER DOCUMENT (AS DEFINED HEREIN) STATES THAT THE OFFER (AS DEFINED HEREIN) WILL CLOSE AT 5.30 P.M. (SINGAPORE TIME) ON 25 AUGUST 2016 OR SUCH LATER DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE OFFEROR (AS DEFINED HEREIN)

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DEFINITIONS

In this Circular, the following definitions apply throughout unless the context otherwise requires or unless otherwise stated.

GENERAL

- “Board”** : The board of Directors of the Company as at the Latest Practicable Date
- “Business Day”** : A day (other than Saturday, Sunday or a public holiday) on which commercial banks are open for business in Singapore
- “Circular”** : This circular to Shareholders in relation to the Offer enclosing, *inter alia*, the recommendation of the Independent Directors and the IFA Letter
- “Closing Date”** : **5.30 p.m. (Singapore time) on 25 August 2016** or such later date(s) as may be announced from time to time by or on behalf of the Offeror, being the last day for the lodgement of acceptances for the Offer
- “Code”** : The Singapore Code on Take-overs and Mergers
- “Companies Act”** : The Companies Act (Chapter 50) of Singapore
- “Company Securities”** : (i) Shares; (ii) securities which carry voting rights in the Company; or (iii) convertible securities, warrants, options or derivatives in respect of the Shares or securities which carry voting rights in the Company
- “Constitution”** : The constitution of the Company comprising the memorandum and articles of association of the Company
- “CPF”** : Central Provident Fund
- “CPF Agent Banks”** : Agent banks included under the CPFIS
- “CPFIS”** : Central Provident Fund Investment Scheme
- “CPFIS Investors”** : Investors who have purchased Shares using their CPF contributions pursuant to the CPFIS
- “Directors”** : The directors of the Company as at the Latest Practicable Date
- “FAA”** : Form of Acceptance and Authorisation for Offer Shares, which forms part of the Offer Document and which is issued to Shareholders whose Offer Shares are deposited with CDP
- “FAT”** : Form of Acceptance and Transfer for Offer Shares, which forms part of the Offer Document and which is issued to Shareholders whose Shares are not deposited with CDP
- “FY”** : Financial year ended 30 June
- “IFA Letter”** : The letter dated 10 August 2016 from the IFA to the Independent Directors in relation to the Offer, as set out in **Appendix I** to this Circular

DEFINITIONS

- “Independent Directors”** : The Directors who are considered independent for the purposes of making the recommendation to the Shareholders in respect of the Offer, namely Mr. Chng Hee Kok, Mr. Melvin Chan Wai Leong, Ms. Ong Suat Lian, Mr. Jeffrey Staszak, Mr. Amos Leong Hong Kiat and Mr. Clement Leow Wee Kia
- “Interested Person”** : As defined in the Note on Rule 23.12 of the Code, an Interested Person, in relation to a company, is:
- (a) a director, chief executive officer, or substantial shareholder of the company;
 - (b) the immediate family of a director, the chief executive officer, or a substantial shareholder (being an individual) of the company;
 - (c) the trustees, acting in their capacity as such trustees, of any trust of which a director, the chief executive officer or a substantial shareholder (being an individual) and his immediate family is a beneficiary;
 - (d) any company in which a director, the chief executive officer or a substantial shareholder (being an individual) together and his immediate family together (directly or indirectly) have an interest of 30% or more;
 - (e) any company that is the subsidiary, holding company or fellow subsidiary of the substantial shareholder (being a company); or
 - (f) any company in which a substantial shareholder (being a company) and any of the companies listed in (e) above together (directly or indirectly) have an interest of 30% or more
- “Latest Practicable Date”** : 2 August 2016, being the latest practicable date prior to the printing of this Circular
- “Listing Manual”** : The listing manual of the SGX-ST
- “Management Incentive Bonus”** : Has the meaning ascribed to that term in Section 4.10 of **Appendix II** of this Circular
- “Market Day”** : A day on which the SGX-ST is open for trading of securities
- “NPAT Before Management Incentive Bonus”** : Has the meaning ascribed to that term in Section 4.10 of **Appendix II** of this Circular
- “Offer”** : The mandatory conditional cash offer made by CIMB, for and on behalf of the Offeror on 7 July 2016, to acquire all the Offer Shares other than those already owned, controlled or agreed to be acquired by the Offeror, on the terms and subject to the conditions set out in the Offer Document, the FAA and the FAT, as such offer may be amended, extended and revised from time to time by or on behalf of the Offeror
- “Offer Announcement”** : The announcement in relation to Offer released by CIMB, for and on behalf of the Offeror, on the Offer Announcement Date

DEFINITIONS

“Offer Announcement Date”	:	7 July 2016, being the date of the Offer Announcement
“Offer Document”	:	The offer document dated 28 July 2016 and any other document(s) which may be issued for and on behalf of the Offeror to amend, revise, supplement or update the Offer Document from time to time
“Offer Price”	:	S\$0.380 in cash for each Offer Share
“Offer Shares”	:	All the issued Shares to which the Offer relates, as more particularly described in Section 2.2 of the Offer Document and in Section 2.2 of this Circular
“Offeror Securities”	:	(a) shares of the Offeror; (b) securities which carry substantially the same rights as any shares of the Offeror to be issued as consideration for the Offer; and (c) convertible securities, warrants, options and derivatives in respect of (a) or (b)
“Overseas Shareholders”	:	Shareholders whose addresses are outside Singapore, as shown on the Register or the Depository Register
“Register”	:	The register of holders of Shares as maintained by the Registrar
“SFA”	:	The Securities and Futures Act (Chapter 289) of Singapore
“Shareholders”	:	Holders of Shares including persons whose Shares are deposited with CDP or who have purchased Shares on the SGX-ST
“Shares”	:	Issued and paid-up ordinary shares in the capital of the Company
“SRS”	:	Supplementary Retirement Scheme
“SRS Agent Banks”	:	Agent banks included under the SRS
“SRS Investors”	:	Investors who have purchased Shares using their SRS contributions pursuant to the SRS
“S\$” and “cents”	:	Singapore dollars, being the lawful currency of Singapore
“%” or “per cent.”	:	Per centum or percentage

COMPANIES / ORGANISATIONS

“CDP”	:	The Central Depository (Pte) Limited
“CIMB”	:	CIMB Bank Berhad, Singapore Branch
“Company”	:	Ellipsiz Ltd
“Group”	:	The Company and its subsidiaries
“IFA”	:	Provenance Capital Pte. Ltd., the independent financial adviser to the Independent Directors in respect of the Offer
“Offeror”	:	Bevrian Pte. Ltd.
“Registrar”	:	M & C Services Private Limited, in its capacity as the share registrar of the Company

DEFINITIONS

“SGX-ST” : Singapore Exchange Securities Trading Limited

“SIC” : Securities Industry Council of Singapore

Unless otherwise defined, the term “**acting in concert**” shall have the meaning ascribed to it in the Code.

The terms “**Depositor**”, “**Depository**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

The term “**treasury shares**” shall have the meaning ascribed to it in Section 4 of the Companies Act.

The terms “**subsidiary**” and “**related corporation**” shall have the meanings ascribed to them respectively in Section 5 and Section 6 of the Companies Act. The expression “**associated company**” shall have the meaning ascribed to it in the Code.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing one (1) gender shall include the other gender. References to persons shall, where applicable, include corporations.

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

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

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

Any discrepancies in figures in this Circular between the listed amounts and the 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.

Statements which are reproduced in their entirety from the Offer Document, the IFA Letter and the Constitution are set out in this Circular within quotes and in italics and capitalised terms used within these reproduced statements bear the meanings ascribed to them in the Offer Document, the IFA Letter and the Constitution respectively.

In this Circular, any reference to the total number of Shares is a reference to 167,128,185 Shares as at the Latest Practicable Date.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “aim”, “seek”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “potential”, “strategy”, “forecast”, “possible”, “probable” and similar expressions or future or conditional verbs such as “if”, “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Company’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information as at the Latest Practicable Date. Such forward-looking statements are not guarantees of future results, performance, events or achievements and involve known and unknown risks and uncertainties. Accordingly, actual results or outcomes may differ materially from those described in such forward-looking statements. Given the risks and uncertainties involved, Shareholders and investors should not place undue reliance on such forward-looking statements, and neither the Company nor the IFA assumes any obligation to update publicly or revise any forward-looking statement, subject to compliance with all applicable laws and regulations and/or rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

SUMMARY TIMETABLE

Date of despatch of Offer Document	:	28 July 2016
Closing Date ⁽¹⁾	:	5.30 p.m. (Singapore time) on 25 August 2016 or such later date(s) as may be announced from time to time by or on behalf of the Offeror
Date of settlement of consideration for valid acceptances of the Offer ⁽²⁾	:	(a) in respect of acceptances of the Offer which are complete and valid in all respects and are received on or before the date on which the Offer becomes or is declared to be unconditional in all respects in accordance with its terms, within seven (7) Business Days of that date; or (b) in respect of acceptances of the Offer which are complete and valid in all respects and are received after the Offer becomes or is declared to be unconditional in all respects in accordance with its terms, but before the Offer closes, within seven (7) Business Days of the date of such receipt.

Notes:

- (1) Please refer to Section 2.7 of the Offer Document for further details.
- (2) Please refer to paragraph 1 of Appendix 1 to the Offer Document for further details.

LETTER TO SHAREHOLDERS FROM THE BOARD OF DIRECTORS

ELLIPSIZ LTD

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

Board of Directors:

Mr. Chng Hee Kok (Chairman and Independent Director)
Mr. Melvin Chan Wai Leong (Director and Chief Executive Officer)
Mr. Kelvin Lum Wen-Sum (Executive Director)
Ms. Ong Suat Lian (Director and Chief Financial Officer)
Mr. Jeffrey Staszak (Independent Director)
Mr. Amos Leong Hong Kiat (Independent Director)
Mr. Clement Leow Wee Kia (Independent Director)

Registered Office:

54 Serangoon North
Avenue 4 #05-02
Singapore 555854

10 August 2016

To : The Shareholders of the Company

Dear Sir/Madam

MANDATORY CONDITIONAL CASH OFFER BY CIMB, FOR AND ON BEHALF OF THE OFFEROR, FOR THE OFFER SHARES

1. INTRODUCTION

1.1 Offer Announcement

On 7 July 2016, being the Offer Announcement Date, CIMB announced, for and on behalf of the Offeror that, prior to the Offer Announcement Date, the Offeror owned an aggregate of 49,051,330 Shares, representing approximately 29.35% of the total number of Shares. The Offeror had, on the Offer Announcement Date, acquired an aggregate of 7,932,000 additional Shares at S\$0.380 per Share. As a result of the acquisition, the Offeror owned, controlled or had agreed to acquire an aggregate of 56,983,330 Shares, representing approximately 34.10% of the total number of Shares. In accordance with Rule 14 of the Code, the Offeror is required to make a mandatory conditional cash offer for all the Shares other than those already owned, controlled or agreed to be acquired by the Offeror.

A copy of the Offer Announcement is available on the website of the SGX-ST at www.sgx.com.

1.2 Offer Document

Shareholders should have by now received a copy of the Offer Document setting out, *inter alia*, the terms and conditions of the Offer. **Shareholders are advised to read the terms and conditions of the Offer set out in the Offer Document carefully.**

A copy of the Offer Document is available on the website of the SGX-ST at www.sgx.com.

1.3 Independent Financial Adviser

Provenance Capital Pte. Ltd. has been appointed as the independent financial adviser to the Independent Directors in respect of the Offer. The advice of the IFA is set out in the IFA Letter in **Appendix I** to this Circular.

1.4 Purpose of this Circular

The purpose of this Circular is to provide Shareholders with relevant information pertaining to the Offer and to set out the recommendation of the Independent Directors and the advice of the IFA to the Independent Directors in respect of the Offer.

LETTER TO SHAREHOLDERS FROM THE BOARD OF DIRECTORS

Shareholders should read the Offer Document, this Circular and the IFA Letter set out in Appendix I to this Circular carefully and consider the recommendation of the Independent Directors and the advice of the IFA to the Independent Directors in respect of the Offer before deciding whether to accept or reject the Offer.

If you are in any doubt about the Offer, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

2. THE OFFER

The principal terms and conditions of the Offer, as extracted from the Offer Document, are set out below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated.

2.1 Offer Terms

Section 2.1 of the Offer Document states the following:

“2.1 Offer Terms. *In accordance with Rule 14 of the Code and on the terms and subject to the conditions set out in this Offer Document, the FAA and the FAT, CIMB, for and on behalf of the Offeror, hereby makes the Offer to acquire all the Offer Shares on the following basis:*

For each Offer Share: S\$0.380 in cash”

2.2 Offer Shares

Section 2.2 of the Offer Document states the following:

“2.2 Offer Shares. *The Offer is for all the Shares not already owned, controlled or agreed to be acquired by the Offeror (the “Offer Shares”) in accordance with Section 139 of the SFA and the Code.*

For the avoidance of doubt, the Offer is extended, on the same terms and conditions, to all the Shares (if any) owned, controlled or agreed to be acquired by parties acting or presumed to be acting in concert with the Offeror. For the purpose of the Offer, the expression “Offer Shares” shall include such Shares.”

2.3 No Encumbrances

Section 2.3 of the Offer Document states the following:

“2.3 No Encumbrances. *The Offer Shares will be acquired:*

- (a) fully paid;*
- (b) free from all liens, equities, mortgages, charges, pledges, claims, encumbrances, rights of pre-emption and any other third party rights or interests of any nature whatsoever (“Encumbrances”); and*
- (c) together with all rights, benefits, entitlements and advantages attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including but not limited to all voting rights, the right to receive and retain all dividends, rights, other distributions and return of capital (“Distribution”) (if any) announced, declared, paid or made by the Company on or after the Offer Announcement Date.*

If any Distribution is announced, declared, paid or made by the Company on or after the Offer Announcement Date to a Shareholder who accepts or has accepted the Offer, the Offeror reserves the right to reduce the Offer Price payable to such accepting Shareholder by the amount of such Distribution.”

LETTER TO SHAREHOLDERS FROM THE BOARD OF DIRECTORS

2.4 Minimum Acceptance Condition

Section 2.4 of the Offer Document states the following:

“2.4 Minimum Acceptance Condition. *The Offer is conditional upon the Offeror having received, by the Closing Date, valid acceptances (which have not been withdrawn) in respect of such number of Offer Shares which, when taken together with Shares owned, controlled or agreed to be acquired by the Offeror and parties acting or deemed to be acting in concert with the Offeror, will result in the Offeror and parties acting or deemed to be acting in concert with the Offeror holding such number of Shares carrying more than 50 per cent. of the total voting rights attributable to the issued Shares (excluding any Shares held in treasury) as at the Closing Date (the “Minimum Acceptance Condition”).*

The Offer is unconditional in all other respects.”

2.5 No Undertakings

Section 2.5 of the Offer Document states the following:

“2.5 No Undertakings. *As at the Latest Practicable Date, neither the Offeror nor any party acting in concert with the Offeror has received any irrevocable undertaking from any party (including any party acting in concert with the Offeror) to accept or reject the Offer.”*

2.6 Warranty

Section 2.6 of the Offer Document states the following:

“2.6 Warranty. *Acceptance of the Offer is deemed to constitute an unconditional and irrevocable warranty by the accepting Shareholder that each Offer Share tendered in acceptance of the Offer is sold by the accepting Shareholder as, or on behalf of, the beneficial owner(s) thereof and is:*

(a) fully paid;

(b) free from all Encumbrances; and

(c) together with all rights, benefits, entitlements and advantages attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including but not limited to all voting rights, the right to receive and retain all Distribution (if any) announced, declared, paid or made by the Company, on or after the Offer Announcement Date.”

2.7 Duration of the Offer

Section 2.7 of the Offer Document states the following:

“2.7 Duration of the Offer

(a) First Closing Date. The Offer is open for acceptance by Shareholders for at least 28 days from the date of posting of this Offer Document, unless the Offer is withdrawn with the consent of the SIC and every person released from any obligation incurred thereunder.

The Offer will close at 5.30 p.m. (Singapore time) on 25 August 2016 or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

LETTER TO SHAREHOLDERS FROM THE BOARD OF DIRECTORS

- (b) **Offer to Remain Open for 14 Days after Being Declared Unconditional as to Acceptances.** Pursuant to Rule 22.6 of the Code, if the Offer becomes or is declared to be unconditional as to acceptances, the Offer will remain open for acceptance for not less than 14 days after the date on which it would otherwise have closed, in order to give those Shareholders who have not accepted the Offer the opportunity to do so. This requirement does not apply if, before the Offer becomes or is declared to be unconditional as to acceptances, the Offeror has given notice in writing to the Shareholders at least 14 days before the specified Closing Date that the Offer will not be open for acceptance beyond that date, provided that such notice may not be given, or if already given, shall not be capable of being enforced in a competitive situation. If a declaration that the Offer is unconditional as to acceptances is confirmed in accordance with **Paragraph 3.3 of Appendix 1** to this Offer Document, such 14-day period referred to in Rule 22.6 of the Code will run from the date of such confirmation (if given), or the date on which the Offer would otherwise have expired, whichever is later.
- (c) **Final Day Rule.** Pursuant to Rule 22.9 of the Code, the Offer (whether revised or not) will not be capable of becoming or being declared to be unconditional as to acceptances after 5.30 p.m. (Singapore time) on the 60th day after the date of posting of this Offer Document or of being kept open after the expiry of such period, unless it has previously become or been declared to be unconditional as to acceptances, except with the prior approval of the SIC. The SIC will consider granting such permission in circumstances, including but not limited to, where a competing offer has been announced.
- (d) **Revision.** The Offeror reserves the right to revise the terms of the Offer in accordance with the Code. Pursuant to Rule 20.1 of the Code, the Offer, if revised, will remain open for acceptance for a period of at least 14 days from the date of posting of the written notification of the revision to Shareholders. In any case, where the terms are revised, the benefit of the Offer (as so revised) will be made available to each of the Shareholders, including those who had previously accepted the Offer.
- (e) **Subsequent Closing Date.** Pursuant to Rule 22.4 of the Code, any announcement of an extension of the Offer will state the next closing date or if the Offer is unconditional as to acceptances, a statement may be made that the Offer will remain open until further notice. In the latter case, those Shareholders who have not accepted the Offer will be notified in writing at least 14 days before the Offer is closed. The Offeror is not obliged to extend the Offer if the Minimum Acceptance Condition is not fulfilled by the Closing Date.”

2.8 Further details of the Offer

Further details on: (a) the settlement of the consideration for the Offer; (b) the requirements relating to the announcement of the level of acceptances of the Offer; and (c) the right of withdrawal of acceptances of the Offer, are set out in Appendix 1 to the Offer Document.

2.9 Procedures for Acceptance of the Offer

The procedures for acceptance of the Offer by a Shareholder are set out in Appendix 2 to the Offer Document.

LETTER TO SHAREHOLDERS FROM THE BOARD OF DIRECTORS

3. INFORMATION ON THE OFFEROR

Information on the Offeror set out in Section 3 of the Offer Document is reproduced below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated.

“3. DESCRIPTION OF THE OFFEROR

The Offeror is a company incorporated in Singapore on 23 January 2015 and its principal activity is that of an investment holding company. The registered address of the Offeror is at 14 Kung Chong Road, #08-01 Lum Chang Building, Singapore 159150.

As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of S\$1.00 comprising one (1) ordinary share held by Mr. David Lum Kok Seng. As at the Latest Practicable Date, the directors of the Offeror are Mr. David Lum Kok Seng, Mr. Kelvin Lum Wen-Sum and Mr. Adrian Lum Wen Hong. Mr. Kelvin Lum Wen-Sum and Mr. Adrian Lum Wen Hong are the sons of Mr. David Lum Kok Seng.”

Additional information on the Offeror may also be found in Appendix 3 to the Offer Document.

4. RATIONALE FOR THE OFFER AND THE OFFEROR'S INTENTIONS IN RELATION TO THE COMPANY

The full text of the rationale for the Offer and the Offeror's intentions in relation to the Company has been extracted from Section 5 and Section 6 of the Offer Document respectively, and is reproduced below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated.

“5. RATIONALE FOR THE OFFER

As at the Latest Practicable Date, the Offeror is the single largest Shareholder of the Company. As a result of the Acquisition, the Offeror is required to make the Offer in compliance with the requirements of the Code.

6. THE OFFEROR'S INTENTIONS IN RELATION TO THE COMPANY

6.1 Intention for the Company. *It is the present intention of the Offeror that the Group continues with its existing business activities and that the Company maintains its listing status on the SGX-ST. The Offeror currently has no plans for (a) any major changes to the business of the Company, (b) the redeployment of its core fixed assets, or (c) any material changes to the employment of the employees of the Company, in each case, other than in the ordinary course of business, following the Closing Date.*

Nonetheless, the Offeror retains the flexibility at any time to consider any options in relation to the Group which may present themselves and which the Offeror may regard to be in the interests of the Group.

6.2 Compulsory Acquisition. *Pursuant to Section 215(1) of the Companies Act, if the Offeror acquires not less than 90 per cent. of the total number of issued Shares as at the date of the Offer (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer and excluding treasury shares), the Offeror will be entitled to exercise the right to compulsorily acquire, at the Offer Price, all the Offer Shares held by Shareholders who have not accepted the Offer (the “**Non-Assenting Shareholders**”).*

*In such an event, the Offeror, depending on the outcome of its evaluation of options in connection with the listing of the Company on the SGX-ST (as described in **Section 6.3(b)** of this Offer Document), may also consider the option of exercising its right of compulsory acquisition pursuant to Section 215(1) of the Companies Act.*

LETTER TO SHAREHOLDERS FROM THE BOARD OF DIRECTORS

Non-Assenting Shareholders have the right under and subject to Section 215(3) of the Companies Act, to require the Offeror to acquire their Shares at the Offer Price in the event that the Offeror acquires such number of Shares which, together with the Shares held by the Offeror, its related corporations or their respective nominees, comprise 90 per cent. or more of the total number of issued Shares. Non-Assenting Shareholders who wish to exercise such right are advised to seek their own independent legal advice.

6.3 Listing Status.

(a) **Listing Status of the Company.** Pursuant to Rule 723 of the Listing Manual, the Company must ensure that at least 10 per cent. of the total number of issued Shares (excluding treasury shares) is at all times held by the public (the “**Free Float Requirement**”). Under Rule 1105 of the Listing Manual, in the event that the Offeror and parties acting in concert with the Offeror should, as a result of the Offer or otherwise, own or control more than 90 per cent. of the total number of issued Shares (excluding treasury shares), the SGX-ST may suspend the trading of the Shares on the SGX-ST until such time when the SGX-ST is satisfied that at least 10 per cent. of the total number of issued Shares (excluding treasury shares) are held by at least 500 shareholders of the Company who are members of the public. Rule 1303(1) of the Listing Manual also states that where the Offeror succeeds in garnering acceptances exceeding 90 per cent. of the total number of issued Shares (excluding treasury shares), thus causing the percentage of the total number of issued Shares (excluding treasury shares) held in public hands to fall below 10 per cent., the SGX-ST will suspend the trading of the Shares only at the close of the Offer.

In addition, under Rule 724(1) of the Listing Manual, if the Free Float Requirement is not complied with, the Company must, as soon as possible, announce that fact and the SGX-ST may suspend trading of all the Shares on the SGX-ST. Pursuant to Rule 724(2) of the Listing Manual, the SGX-ST may allow the Company a period of three (3) months, or such longer period as the SGX-ST may agree, to raise the percentage of Shares held by members of the public to at least 10 per cent., failing which the Company may be removed from the Official List of the SGX-ST.

(b) **Intention of the Offeror.** *It is the current intention of the Offeror to maintain the listing status of the Company on the SGX-ST following completion of the Offer. However, in the event the percentage of the total number of issued Shares (excluding treasury shares) held in public hands falls below 10 per cent. and the SGX-ST suspends trading of the Shares, the Offeror reserves the right to re-evaluate its position, including its right of compulsory acquisition (if applicable) under Section 215(1) of the Companies Act as described in **Section 6.2** of this Offer Document, taking into account, inter alia, the level of acceptances received by the Offeror and the prevailing market conditions at the relevant time. Accordingly, there is no assurance that the Offeror will take steps to preserve the listing status of the Company on the SGX-ST if the public float of the Company is less than 10 per cent..”*

5. DIRECTORS’ INTERESTS

Details of the Directors including, *inter alia*, the Directors’ direct and deemed interests in Shares and shares in the Offeror as at the Latest Practicable Date are set out in **Appendix II** to this Circular.

6. ADVICE AND RECOMMENDATION IN RELATION TO THE OFFER

The IFA has been appointed as the independent financial adviser to the Independent Directors in respect of the Offer.

Shareholders should read and consider carefully the recommendation of the Independent Directors and the advice of the IFA to the Independent Directors in respect of the Offer in their entirety before deciding whether to accept or reject the Offer.

LETTER TO SHAREHOLDERS FROM THE BOARD OF DIRECTORS

6.1 Independence of Directors

Save as disclosed below in respect of Mr. Kelvin Lum Wen-Sum, as at the Latest Practicable Date, all the Independent Directors are considered independent for the purposes of making a recommendation to Shareholders in respect of the Offer.

Mr. Kelvin Lum Wen-Sum, a Director of the Company is also a director of the Offeror. As at the Latest Practicable Date, the other directors of the Offeror are Mr. David Lum Kok Seng and Mr. Adrian Lum Wen Hong. Mr. Kelvin Lum Wen-Sum and Mr. Adrian Lum Wen Hong are the sons of Mr. David Lum Kok Seng, who is also the sole shareholder of the Offeror. Accordingly, Mr. Kelvin Lum Wen-Sum is of the view that he will face irreconcilable conflict of interests in relation to the Offer. Pursuant to a ruling obtained from SIC on 20 July 2016, Mr. Kelvin Lum Wen-Sum is exempted from the requirement to make a recommendation on the Offer to the Shareholders. Mr. Kelvin Lum Wen-Sum must, nevertheless, still assume responsibility for the accuracy of the facts stated or opinions expressed in the documents and advertisements issued by, or on behalf of, the Company in connection with the Offer.

6.2 The IFA's Advice to the Independent Directors on the Offer

The IFA Letter setting out the advice of the IFA to the Independent Directors in respect of the Offer is set out in **Appendix I** to this Circular and has been extracted and reproduced below. All terms and expressions used in the extract below shall have the same meanings as those defined in the IFA Letter, unless otherwise stated.

Shareholders should read and consider carefully the key considerations relied upon by the IFA in arriving at its advice to the Independent Directors in conjunction with, and in the context of, the full text of the IFA Letter.

"In arriving at our recommendation in respect of the Offer, we have taken into account, reviewed and deliberated on the following key considerations which we consider to be pertinent in our assessment of the Offer:

- (a) Market quotation and trading activity of the Shares;*
- (b) Financial performance of the Group;*
- (c) Net assets backing of the Group;*
- (d) Comparison with recently completed offers for companies listed on the SGX-ST;*
- (e) Comparison of valuation ratios of selected listed companies which are broadly comparable with the Group;*
- (f) Dividend track record of the Company; and*
- (g) Other relevant considerations in relation to the Offer which may have a significant bearing on our assessment.*

Overall, based on our analysis and after having considered carefully the information available to us as at the Latest Practicable Date, we are of the view that the financial terms of the Offer are not fair and not reasonable.

Accordingly, we advise the Independent Directors to recommend Shareholders to REJECT the Offer.

If Shareholders wish to realise their investments in the Company, they can choose to sell their Shares in the open market if they can obtain a price higher than the Offer Price (after deducting transaction costs)."

LETTER TO SHAREHOLDERS FROM THE BOARD OF DIRECTORS

6.3 Recommendation of the Independent Directors

The Independent Directors, having carefully considered the terms of the Offer and the advice given by the IFA to the Independent Directors in the IFA Letter, **concur with the IFA's advice and recommendation thereon in respect of the Offer, and accordingly, the Independent Directors recommend that Shareholders REJECT the Offer.**

Further, in making the above recommendation, the Independent Directors have not had regard to any general or specific investment objectives, financial situation, tax position, risk profiles or particular needs and constraints or other particular circumstances of any individual Shareholder. As different Shareholders would have different investment objectives and profiles, the Independent Directors recommend that any individual Shareholder who may require specific advice in relation to his Shares should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser.

Shareholders should read and consider carefully the recommendation of the Independent Directors and the advice of the IFA to the Independent Directors in respect of the Offer in their entirety before deciding whether to accept or reject the Offer. Shareholders are also urged to read the Offer Document carefully.

7. OVERSEAS SHAREHOLDERS

Overseas Shareholders should refer to Section 10 of the Offer Document, which is reproduced below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated.

"10. OVERSEAS SHAREHOLDERS

"This Offer Document does not constitute an offer to sell or a solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Offer Document in any jurisdiction in contravention of applicable law.

The release, publication or distribution of this Offer Document in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this Offer Document is released, published or distributed should inform themselves about and observe such restrictions.

*Copies of this Offer Document and any other formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the making of or the acceptance of the Offer would violate the law of that jurisdiction (a "**Restricted Jurisdiction**") and will not be capable of acceptance by any such use, instrumentality or facility within any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.*

The Offer (unless otherwise determined by the Offeror and permitted by applicable law and regulation) will not be made, directly or indirectly, in or into, or by the use of mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction, and the Offer will not be capable of acceptance by any such use, means, instrumentality or facilities.

*The availability of the Offer to Shareholders whose addresses are outside Singapore, as shown on the Register or, as the case may be, in the records of CDP (each, an "**Overseas Shareholder**"), may be affected by the laws of the relevant overseas jurisdictions in which they are located. Accordingly, Overseas Shareholders should inform themselves about and observe any applicable requirements in the relevant overseas jurisdictions.*

LETTER TO SHAREHOLDERS FROM THE BOARD OF DIRECTORS

For the avoidance of doubt, the Offer will be open to all Shareholders including those to whom the Offer Document and the FAAs and the FATs may not be sent.

It is the responsibility of Overseas Shareholders who wish to (a) request for this Offer Document, the FAA and/or the FAT and/or any related documents; and/or (b) accept the Offer, to satisfy himself as to the full observance of the laws of the relevant jurisdiction in that connection, including the obtaining of any governmental or other consent which may be required, and compliance with all necessary formalities or legal requirements and the payment of any taxes, imposts, duties or other requisite payments due in such jurisdiction. Such Overseas Shareholders shall be liable for any such taxes, imposts, duties or other requisite payments payable and the Offeror, its related corporations, CIMB, CDP, the Registrar and any person acting on their behalf shall be fully indemnified and held harmless by such Overseas Shareholders for any such taxes, imposts, duties or other requisite payments as the Offeror, its related corporations, CIMB, CDP, the Registrar and/or any person acting on its behalf may be required to pay. In (i) requesting for this Offer Document, the FAA and/or the FAT and any related documents; and/or (ii) accepting the Offer, each Overseas Shareholder represents and warrants to the Offeror and CIMB that he is in full observance of the laws of the relevant jurisdiction in that connection, and that he is in full compliance with all necessary formalities or legal requirements.

Any Overseas Shareholder who is in any doubt about his position should consult his professional adviser in the relevant jurisdiction.

Where there are potential restrictions on sending this Offer Document and the FAA and/or FAT to any overseas jurisdiction, the Offeror and CIMB each reserves the right not to send these documents to Overseas Shareholders in such overseas jurisdictions. Subject to compliance with applicable laws, any affected Overseas Shareholder may, nonetheless, attend in person and obtain copies of this Offer Document, the FAAs and/or the FATs and any related documents, during normal business hours and up to the Closing Date, from the office of the Registrar, M & C Services Private Limited at 112 Robinson Road, #05-01, Singapore 068902.

Alternatively, an Overseas Shareholder may, subject to compliance with applicable laws, write to the Offeror c/o the Registrar at the above-stated address to request for this Offer Document, the FAA and/or the FAT and any related documents to be sent to an address in Singapore by ordinary post at the Overseas Shareholder's own risk, up to five (5) Market Days prior to the Closing Date.

The Offeror and CIMB each reserves the right to notify any matter, including the fact that the Offer has been made, to any or all Shareholders (including Overseas Shareholders) by announcement to the SGX-ST or notice and if necessary, paid advertisement in a daily newspaper published and circulated in Singapore, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder to receive or see such announcement, notice or advertisement."

The Constitution provides that a member who (having no registered address within Singapore) has not supplied to the Company or (as the case may be) the Depository an address within Singapore for the service of notices shall not be entitled to receive notices from the Company.

Any affected Overseas Shareholder may nonetheless (subject to compliance with applicable laws) attend in person and obtain copies of this Circular during normal business hours up to 5.30 p.m. (Singapore time) on the Closing Date, from the office of the Registrar, M & C Services Private Limited, at 112 Robinson Road #05-01 Singapore 068902. Alternatively, any Overseas Shareholder may (subject to compliance with applicable laws) write to the Registrar at the above-stated address to request for this Circular to be sent to an address in Singapore by ordinary post at his own risk, up to five (5) Market Days prior to the Closing Date.

LETTER TO SHAREHOLDERS FROM THE BOARD OF DIRECTORS

In requesting for this Circular and any related documents, each of the Overseas Shareholders represents and warrants to the Company that each of them is in full observance of the laws of the relevant jurisdiction in that connection, and that each of them is in full compliance with all necessary formalities or legal requirements. **Any Overseas Shareholder who is in any doubt about his position should consult his professional adviser in the relevant jurisdiction.**

8. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who wish to accept the Offer, must do so not later than 5.30 p.m. (Singapore time) on 25 August 2016 or such later date(s) as may be announced from time to time by or on behalf of the Offeror and should follow the procedures for acceptance of the Offer set out in Appendix 2 to the Offer Document (and the FAA and/or the FAT).

Shareholders who do not wish to accept the Offer need not take further action in respect of the Offer Document (including the FAA and/or the FAT) which has been sent to them.

9. INFORMATION PERTAINING TO CPFIS INVESTORS AND SRS INVESTORS

CPFIS Investors and SRS Investors should receive further information on how to accept the Offer from their respective CPF Agent Banks and SRS Agent Banks directly. CPFIS Investors and SRS Investors are advised to consult their respective CPF Agent Banks and SRS Agent Banks should they require further information, and if they are in any doubt as to the action they should take, CPFIS Investors and SRS Investors should seek independent professional advice.

CPFIS Investors and SRS Investors who wish to accept the Offer are to reply to their respective CPF Agent Banks and SRS Agent Banks by the deadline stated in the letters from their respective CPF Agent Banks and SRS Agent Banks. Subject to the Offer becoming or being declared to be unconditional as to acceptances, CPFIS Investors and SRS Investors who accept the Offer will receive the Offer Price payable in respect of their Offer Shares in their CPF investment accounts and SRS accounts.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including any Director who may have delegated detailed supervision of this Circular) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Circular (other than the IFA Letter set out in **Appendix I** to this Circular) are fair and accurate and, where appropriate, no material facts have been omitted from this Circular, the omission of which would make any statement in this Circular misleading. The Directors jointly and severally accept responsibility accordingly.

The recommendation of the Independent Directors to Shareholders in respect of the Offer set out in Section 6.3 of this Circular is the sole responsibility of the Independent Directors.

In respect of the IFA Letter set out in **Appendix I** to this Circular, the sole responsibility of the Directors has been to ensure that the facts stated therein with respect to the Group are fair and accurate in all material respects.

Where any information has been extracted or reproduced from published or otherwise publicly available sources (including, without limitation, the Offer Document) or obtained from the Offeror, the sole responsibility of the Directors has been to ensure, through reasonable enquiries, that such information is accurately extracted from such sources or, as the case may be, accurately reflected or reproduced in this Circular.

LETTER TO SHAREHOLDERS FROM THE BOARD OF DIRECTORS

11. ADDITIONAL GENERAL INFORMATION

Additional general information is provided in **Appendix II** to this Circular. The attention of Shareholders is also drawn to **Appendix III**, which forms part of this Circular.

Yours faithfully
For and on behalf of the Board

Melvin Chan Wai Leong
Director and Chief Executive Officer

APPENDIX I – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RELATION TO THE OFFER

PROVENANCE CAPITAL PTE. LTD.

(Company Registration Number: 200309056E)
(Incorporated in the Republic of Singapore)
96 Robinson Road #13-01 SIF Building
Singapore 068899

10 August 2016

To: The Independent Directors of Ellipsiz Ltd
(deemed to be independent in respect of the Offer)

Mr Chng Hee Kok	(Chairman and Independent Director)
Mr Melvin Chan Wai Leong	(Director and Chief Executive Officer)
Ms Ong Suat Lian	(Director and Chief Financial Officer)
Mr Jeffrey Staszak	(Independent Director)
Mr Amos Leong Hong Kiat	(Independent Director)
Mr Clement Leow Wee Kia	(Independent Director)

Dear Sirs / Madam,

MANDATORY CONDITIONAL CASH OFFER BY CIMB BANK BERHAD, SINGAPORE BRANCH FOR AND ON BEHALF OF BEVRIAN PTE. LTD., TO ACQUIRE ALL THE ISSUED AND PAID-UP ORDINARY SHARES IN THE CAPITAL OF ELLIPSIZ LTD OTHER THAN THOSE ALREADY OWNED, CONTROLLED OR AGREED TO BE ACQUIRED BY BEVRIAN PTE. LTD.

Unless otherwise defined or the context otherwise requires, all terms used herein have the same meanings as defined in the circular to the shareholders of Ellipsiz Ltd (“Shareholders”) dated 10 August 2016 (“Circular”).

1. INTRODUCTION

On 7 July 2016 (“Offer Announcement Date”), CIMB Bank Berhad, Singapore Branch announced, for and on behalf of Bevrian Pte. Ltd. (“Offeror”), that the Offeror intends to make a mandatory conditional cash offer (“Offer”) for all issued and paid-up ordinary shares (“Shares”) in the capital of Ellipsiz Ltd (“Company”, and together with its subsidiaries, “Group”) other than those already owned, controlled or agreed to be acquired by the Offeror (“Offer Announcement”).

Prior to the Offer Announcement Date, the Offeror owned an aggregate of 49,051,330 Shares, representing approximately 29.35% of the total number of Shares. The Offeror had, on the Offer Announcement Date, acquired an aggregate of 7,932,000 additional Shares at S\$0.380 per Share, resulting in the Offeror owning an aggregate of 56,983,330 Shares, representing 34.10% of the total number of Shares. Accordingly, pursuant to Rule 14 of the Singapore Code on Takeovers and Mergers (“Code”), the Offeror is required to make a mandatory conditional cash offer for all the Shares other than those already owned, controlled or agreed to be acquired by the Offeror (“Offer Shares”).

The Offer will be made at the offer price of S\$0.380 in cash for each Offer Share (“Offer Price”).

On 28 July 2016, CIMB Bank Berhad, Singapore Branch announced, for and on behalf of the Offeror, that the offer document (“Offer Document”) setting out, *inter alia*, the terms and conditions of the Offer has been despatched to Shareholders on 28 July 2016.

In connection with the Offer, the Company has appointed Provenance Capital Pte. Ltd. (“Provenance Capital”) as the independent financial adviser (“IFA”) to the directors of the Company (“Directors”) who are considered independent in respect of the Offer (“Independent Directors”), for the purpose of making their recommendation to the Shareholders in relation to the Offer.

APPENDIX I – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RELATION TO THE OFFER

The Executive Director of the Company, Mr Lum Wen-Sum Kelvin (“**Mr Kelvin Lum**”) is not deemed independent in respect of the Offer as he is a director of the Offeror and the son of Mr David Lum Kok Seng (“**Mr David Lum**”), who is the sole shareholder and a director of the Offeror. Pursuant to a ruling obtained from the Securities Industry Council on 20 July 2016, Mr Kelvin Lum is exempted from the requirement to make a recommendation on the Offer to the Shareholders.

The Company has confirmed to us that all the remaining Directors of the Company, namely, Mr Chng Hee Kok, Mr Melvin Chan Wai Leong, Ms Ong Suat Lian, Mr Jeffrey Staszak, Mr Amos Leong Hong Kiat and Mr Clement Leow Wee Kia, are deemed Independent Directors for the purpose of the Offer.

This letter (“**Letter**”) is addressed to the Independent Directors and sets out, *inter alia*, our evaluation and advice on the financial terms of the Offer and our recommendations on the Offer. This Letter forms part of the Circular which provides, *inter alia*, the details of the Offer and the recommendations of the Independent Directors on the Offer.

2. TERMS OF REFERENCE

Provenance Capital has been appointed as the IFA to advise the Independent Directors in respect of their recommendation to the Shareholders in relation to the Offer.

We have confined our evaluation and assessment to the financial terms of the Offer, and have not taken into account the commercial risks or commercial merits of the Offer. In addition, we have not been requested to, and we do not express any advice or give any opinion on the merits of the Offer relative to any other alternative transaction. We were not involved in the negotiations pertaining to the Offer nor were we involved in the deliberations leading up to the decision to put forth the Offer to the Shareholders.

The scope of our appointment does not require us to express, and we do not express, any view on the future growth prospects, financial position or earnings potential of the Company and/or the Group. Such evaluation or comments remain the responsibility of the Directors although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion. The opinion set forth herein is based solely on publicly available information as well as information provided by the Directors, and is predicated upon the economic and market conditions prevailing as at 2 August 2016, being the Latest Practicable Date as referred to in the Circular. This Letter therefore does not reflect any projections on the future financial performance of the Company and/or the Group and we do not express any views as to the prices at which the Shares may trade after the completion of the Offer.

We have not been requested or authorised to solicit, and we have not solicited, any indications of interest from any third party with respect to the Shares. In that regard, we have not addressed the relative merits of the Offer in comparison with any alternative transaction the Company may consider in the future. Therefore, we do not express any views in these areas in arriving at our recommendation.

In formulating our opinion and recommendation, we have held discussions with the Directors and the management of the Company (“**Management**”) and have relied to a considerable extent on the information set out in the Circular, other public information collated by us and the information, representations, opinions, facts and statements provided to us, whether written or verbal, by the Company and its professional advisers. Whilst care has been exercised in reviewing the information we have relied upon, we have not independently verified the information, both written and verbal, and accordingly cannot and do not make any representation or warranty, expressly or impliedly, in respect of, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information. Nonetheless, we have made reasonable enquiries and exercised our judgement on the reasonable use of such information and have found no reason to doubt the accuracy or reliability of such information.

APPENDIX I – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RELATION TO THE OFFER

The Directors have confirmed, having made all reasonable enquiries and to the best of their respective knowledge, information and belief, all material information in connection with the Offer and the Company have been disclosed to us, that such information is true, complete and accurate in all material respects and that there is no other material information or fact, the omission of which would cause any information disclosed to us or the facts of or in relation to the Company and/or the Group stated in the Circular to be inaccurate, incomplete or misleading in any material respect. The Directors have jointly and severally accepted full responsibility for such information described herein. Accordingly, no representation or warranty, expressed or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of such information.

We have not made an independent evaluation or appraisal of the assets and liabilities of the Company and/or the Group (including without limitation, property, plant and equipment). As such, we will be relying on the disclosures and representations made by the Company on the value of the assets and liabilities and profitability of the Company and/or the Group. We have not been furnished with any such evaluation or appraisal. We also have not relied on any financial projections or forecasts in respect of the Group for the purpose of our evaluation of the Offer.

The information we had relied on in the assessment of the Offer was based on market, economic, industry, monetary and other conditions prevailing as at the Latest Practicable Date, which may change significantly over a relatively short period of time. We assume no responsibility to update, revise or reaffirm our opinion or assumptions in light of any subsequent development after the Latest Practicable Date that may affect our opinion or assumptions contained herein. Shareholders should take note of any announcements relevant to their consideration of the Offer, as the case may be, which may be released after the Latest Practicable Date.

In rendering our advice and giving our recommendation, we have not had regard to the general or specific investment objectives, financial situation, risk profiles, tax position or particular needs and constraints of any Shareholder. As each Shareholder may have different investment profiles and objectives, we advise the Directors to recommend that any Shareholder who may require specific advice in relation to his investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

The Company has been separately advised by their own professional advisers in the preparation of the Circular. We have had no role or involvement and have not and will not provide any advice (financial or otherwise) in the preparation, review and verification of the Circular. Accordingly, we take no responsibility for and express no view, whether expressed or implied, on the contents of the Circular.

Whilst a copy of this Letter may be reproduced in the Circular, neither the Company nor the Directors may reproduce, disseminate or quote this Letter (or any part thereof) for any other purposes at any time and in any manner, without the prior written consent of Provenance Capital in each specific case.

Our opinion is addressed to the Independent Directors for their benefit and deliberation of the Offer. The recommendation made to the Shareholders in relation to the Offer, as the case may be, shall remain the sole responsibility of the Independent Directors.

Our recommendation to the Independent Directors in relation to the Offer should be considered in the context of the entirety of this Letter and the Circular.

3. THE OFFER

The detailed terms and conditions of the Offer are set out in Section 2 to the Offer Document dated 28 July 2016. The key terms of the Offer are set out below for your reference.

APPENDIX I – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RELATION TO THE OFFER

3.1 Offer Price

The consideration for each Offer Share is:

For each Offer Share: S\$0.380 in cash.

3.2 Offer Shares

The Offer is extended, on the same terms and conditions, to all the Offer Shares.

3.3 Rights and Encumbrances

The Offer Shares will be acquired:

- (a) fully paid-up;
- (b) free from all liens, equities, mortgages, charges, pledges, claims, encumbrances, rights of pre-emption and any other third party rights or interests of any nature whatsoever ("**Encumbrances**"); and
- (c) together with all rights, benefits and advantages attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including but not limited to all voting rights, the right to receive and retain all dividends, rights, other distributions and return of capital ("**Distribution**") (if any) announced, declared, paid or made by the Company on or after the Offer Announcement Date.

If any Distribution is announced, declared, paid or made by the Company on or after the Offer Announcement Date to a Shareholder who accepts or has accepted the Offer, the Offeror reserves the right to reduce the Offer Price payable to such accepting Shareholder by the amount of such Distribution.

On 2 August 2016, in connection with the announcement of the Group's unaudited financial results for the financial year ended 30 June 2016, the Company had proposed a final dividend of S\$0.008 per Share and a special dividend of S\$0.010 per Share for the full year ended 30 June 2016 (collectively, "**Final Dividends**"). The proposed Final Dividends, if approved at the Company's annual general meeting ("**AGM**"), will be payable on 18 November 2016. The Company had also stated that the book closure date for the Final Dividends will be after 5.00 p.m. on 28 October 2016.

3.4 Conditional Offer

The Offer is conditional upon the Offeror having received, by the close of the Offer, valid acceptances (which have not been withdrawn) in respect of such number of Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror and parties acting or deemed to be acting in concert with the Offeror, will result in the Offeror and parties acting or deemed to be acting in concert with the Offeror holding such number of Shares carrying more than 50% of the total voting rights attributable to the Shares (excluding any Shares held in treasury) as at the close of the Offer ("**Minimum Acceptance Condition**").

Save for the Minimum Acceptance Condition, the Offer will be unconditional in all other respects.

3.5 No Undertakings

Neither the Offeror nor any party acting in concert with the Offeror has received any irrevocable undertaking from any party (including any party acting in concert with the Offeror) to accept or reject the Offer as at 21 July 2016, being the latest practicable date of the Offer Document.

APPENDIX I – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RELATION TO THE OFFER

3.6 Warranty

A Shareholder who tenders his Offer Shares in acceptance of the Offer will be deemed to unconditionally and irrevocably warrant that he sells such Offer Shares as, or on behalf of, the beneficial owner(s) thereof (i) fully paid, (ii) free from all Encumbrances, and (iii) together with all rights, benefits and entitlements attached thereto as at the Offer Announcement Date and thereafter attaching thereto, including but not limited to all voting rights, the right to receive and retain all Distribution (if any) announced, declared, paid or made by the Company on or after the Offer Announcement Date.

3.7 Duration of the Offer

- (a) **First Closing Date.** The Offer will close at 5.30 p.m. (Singapore time) on 25 August 2016 or such later date(s) as may be announced from time to time by or on behalf of the Offeror (“Closing Date”).
- (b) **Offer to Remain Open for 14 Days after Being Declared Unconditional as to Acceptances.** If a declaration that the Offer is unconditional as to acceptances is confirmed in accordance with Paragraph 3.3 of Appendix 1 of the Offer Document, such 14-day period referred to in Rule 22.6 of the Code will run from the date of such confirmation (if given), or the date on which the Offer would otherwise have expired, whichever is later.
- (c) **Final Day Rule.** Pursuant to Rule 22.9 of the Code, the Offer (whether revised or not) will not be capable of becoming or being declared to be unconditional as to acceptances after 5.30 p.m. (Singapore time) on the 60th day after the date of posting the Offer Document or of being kept open after the expiry of such period, unless it has previously become or been declared to be unconditional as to acceptances, except with the prior approval of the SIC. The SIC will consider granting such permission in circumstances, including but not limited to, where a competing offer has been announced.
- (d) **Revision.** The Offeror reserves the right to revise the terms of the Offer in accordance with the Code. Pursuant to Rule 20.1 of the Code, the Offer, if revised, will remain open for acceptance for a period of at least 14 days from the date of posting of the written notification of the revision to Shareholders. In any case, where the terms are revised, the benefit of the Offer (as so revised) will be made available to each of the Shareholders, including those who had previously accepted the Offer.
- (e) **Subsequent Closing Date.** Pursuant to Rule 22.4 of the Code, any announcement of an extension of the Offer will state the next closing date or if the Offer is unconditional as to acceptances, a statement may be made that the Offer will remain open until further notice. In the latter case, those Shareholders who have not accepted the Offer will be notified in writing at least 14 days before the Offer is closed. The Offeror is not obliged to extend the Offer if the Minimum Acceptance Condition is not fulfilled by the Closing Date.

Further information on the duration of the Offer is set out in Section 2.7 of the Offer Document.

3.8 Further details of the Offer

Further details of the Offer, including details on (a) the settlement of the consideration for the Offer; (b) the requirements relating to the announcement of the level of acceptances; (c) the right of withdrawal of acceptances of the Offer; and (d) the procedures for acceptance of the Offer are set out in Appendices 1 and 2 of the Offer Document.

APPENDIX I – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RELATION TO THE OFFER

4. INFORMATION ON THE OFFEROR AND ITS CONCERT PARTIES

Details on the Offeror

As disclosed in Section 3 of the Offer Document, the Offeror is a company incorporated in Singapore on 23 January 2015 and its principal activity is that of an investment holding company. The registered address of the Offeror is at 14 Kung Chong Road, #08-01 Lum Chang Building, Singapore 159150.

As at 21 July 2016, being the latest practicable date of the Offer Document, the Offeror has an issued and paid-up share capital of S\$1.00 comprising one ordinary share held by Mr David Lum. The directors of the Offeror are Mr David Lum, Mr Kelvin Lum and Mr Adrian Lum Wen Hong ("**Mr Adrian Lum**"). Mr Kelvin Lum and Mr Adrian Lum are the sons of Mr David Lum.

As set out in the audited financial statements of the Offeror for the financial period from 23 January 2015 (date of incorporation) to 31 December 2015 in Note 2.1 "Going concern basis" in Appendix 6 to the Offer Document, the Offeror incurred a net loss of S\$5.15 million during the financial period and as at 31 December 2015, the Offeror's total liabilities exceeded its total assets by S\$5.15 million. The Offeror's sole shareholder, Mr David Lum, who is also the director of the Offeror, will, *inter alia*, provide adequate funds to the Offeror to enable it to continue its operations.

Further details on the Offeror are set out in Appendices 3 and 6 of the Offer Document.

Mr Kelvin Lum is the Executive Director of the Company.

Based on publicly available information, we note that Mr David Lum became the single largest shareholder and a controlling shareholder of the Company on 5 April 2015 when he acquired 100 million shares of the Company through an off-market transaction which increased his shareholding interest in the Company from 2.35% to 20.44%. On an adjusted basis, taking into consideration the 3 for 10 share consolidation exercise ("**Share Consolidation**") which became effective on 30 October 2015, Mr David Lum's acquisition of the 100 million shares at S\$0.15 each is equivalent to 30 million Shares at S\$0.50 each.

Mr David Lum's holdings of the Shares were subsequently transferred to the Offeror. Mr David Lum's direct and indirect shareholdings in the Company continued to increase to 29.35% through open market purchases and off-market transactions at prices of up to S\$0.36 (share prices adjusted for the Share Consolidation) before the Offer Announcement Date.

On the Offer Announcement Date, the Offeror made a further off-market purchase which increased its shareholding in the Company from 29.35% to 34.10%, thereby triggering the Offer pursuant to Rule 14 of the Code.

Rationale for the Offer and the Offeror's intentions on the Company

The Offeror is making the Offer in compliance with the requirements of Rule 14 of the Code, as the Offeror had acquired Shares resulting in it holding 30% or more of the total number of Shares.

The Offeror had stated its intention for the Group to continue with its existing business activities and for the Company to maintain its listing status on the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Offeror currently has no plans for (i) any major changes to the business of the Company; (ii) the re-deployment of its core fixed assets; or (iii) any material changes to the employment of the employees of the Company, in each case, other than in the ordinary course of business, following the close of the Offer. Nonetheless, the Offeror retains the flexibility at any time to consider any options in relation to the Group which may present themselves and which the Offeror may regard to be in the interests of the Group.

As stated above, it is the current intention of the Offeror to maintain the listing status of the Company on the SGX-ST following the completion of the Offer.

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Pursuant to Section 215(1) of the Companies Act (Chapter 50) of Singapore (“**Companies Act**”), if the Offeror acquires not less than 90% of the total number of Shares as at the date of the Offer (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer and excluding treasury shares), the Offeror will be entitled to exercise the right to compulsorily acquire, at the Offer Price, all the Offer Shares held by Shareholders who have not accepted the Offer.

Pursuant to Rule 723 of the listing manual of the SGX-ST (“**Listing Manual**”), the Company must ensure that at least 10% of the total number of Shares (excluding treasury shares) is at all times held by the public (“**Free Float Requirement**”). Under Rule 1105 of the Listing Manual, in the event that the Offeror and parties acting in concert with it should, as a result of the Offer or otherwise, own or control more than 90% of the Shares (excluding treasury shares), the SGX-ST may suspend the trading of the Shares on the SGX-ST until such time when the SGX-ST is satisfied that at least 10% of the Shares (excluding treasury shares) are held by at least 500 Shareholders who are members of the public.

Although it is the current intention of the Offeror to maintain the listing status of the Company on the SGX-ST, the Offeror has also stated in Section 6.3 of the Offer Document that it reserves the right to re-evaluate its position, including its right of compulsory acquisition, in the event that the Free Float Requirement is not met and the SGX-ST suspends trading of the Shares. The Offeror will take into account, *inter alia*, the level of acceptances received by the Offeror and the prevailing market conditions at the relevant time.

Accordingly, there is no assurance that the Offeror will take steps to preserve the listing status of the Company on the SGX-ST if the public float of the Company is less than 10%.

Further details in relation to the Offeror’s intentions on the Company are set out in Section 6 of the Offer Document.

5. INFORMATION ON THE COMPANY

The Company is incorporated in Singapore in 1994 and listed on the Mainboard of the SGX-ST in 2000. It was formerly known as SingaTrust Limited and changed its name to Ellipsiz Ltd in 2001.

The Group is a probe card and distribution and service solutions provider serving the semiconductor and electronics manufacturing industries. The Company is headquartered in Singapore and has operations in countries including China, Japan, Malaysia, Singapore, Taiwan, Thailand, United States of America and Vietnam.

The Group is principally involved in two core businesses:

(a) Probe card solutions (“**PCS**”)

The PCS division, which is in the probe card business, is operated by the Group’s wholly-owned subsidiary, SV Probe Pte Ltd, and its subsidiaries. It is one of the top 10 global manufacturers of custom semiconductor test products and services according to the VLSIresearch in April 2015. The PCS division is also one of the few probe card vendors that offer full turnkey services for probe cards, final test and direct dock applications.

(b) Distribution and service solutions (“**DSS**”)

The DSS division provides a comprehensive range of solutions to the semiconductor and electronics manufacturing services industries. Its customers include the wafer fabs and electronics manufacturers in the Asia-Pacific region. In recent years, the Group has also expanded its customers to include medical institutions as the Group continues to diversify its business activities to include the healthcare, food service and other commercial markets.

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As at the Latest Practicable Date, the Board of Directors of the Company comprises:

- (i) Mr Chng Hee Kok, Chairman and Independent Director
- (ii) Mr Melvin Chan Wai Leong, Director and Chief Executive Officer (“**Mr Melvin Chan**”)
- (iii) Ms Ong Suat Lian, Director and Chief Financial Officer
- (iv) Mr Kelvin Lum, Executive Director
- (v) Mr Jeffrey Staszak, Independent Director
- (vi) Mr Amos Leong Hong Kiat, Independent Director
- (vii) Mr Clement Leow Wee Kia, Independent Director

The Company had carried out the Share Consolidation exercise which became effective on 30 October 2015. The Share Consolidation involves the consolidation of every 10 shares into 3 consolidated Shares.

As at the Latest Practicable Date, the issued share capital of the Company comprises 167,128,185 Shares. The Company does not have any treasury shares, outstanding options, rights, warrants or other instruments convertible into, exercisable for or redeemable with, any Shares.

Based on the Offer Price of S\$0.380 and the total number of Shares as at the Latest Practicable Date of 167,128,185 Shares, the implied market capitalisation of the Company is approximately S\$63.5 million.

Additional information on the Company is set out in Appendix II to the Circular.

6. ASSESSMENT OF THE FINANCIAL TERMS OF THE OFFER

In evaluating and assessing the financial terms of the Offer, we have taken into account the pertinent factors set out below which we consider to have a significant bearing on our assessment:

- (a) Market quotation and trading activity of the Shares;
- (b) Financial performance of the Group;
- (c) Net assets backing of the Group;
- (d) Comparison with recently completed offers for companies listed on the SGX-ST;
- (e) Comparison of valuation ratios of selected listed companies which are broadly comparable with the Group;
- (f) Dividend track record of Company; and
- (g) Other relevant considerations in relation to the Offer which may have a significant bearing on our assessment.

6.1 Market quotation and trading activity of the Shares

In order to provide a meaningful and comparable basis, our analysis set out below and wherever applicable in this Letter, in particular, in relation to the Share price and volume of Shares transacted, is based on an adjusted basis after taking into consideration the Share Consolidation exercise which was effected by the Company on 30 October 2015 as described in Section 4 of this Letter.

The Offer Announcement was released after trading hours on 7 July 2016, being the Offer Announcement Date. We have therefore compared the Offer Price against the historical market price performance of the Shares and considered the historical trading volume of the Shares

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from 8 July 2015, being the 1-year period prior to the release of the Offer Announcement, and up to the Latest Practicable Date (“**Period Under Review**”).

Share Price Chart for the Period Under Review

We set out below a chart showing the Offer Price relative to the daily last transacted prices and trading volume of the Shares (excluding off market transactions) for the Period Under Review.

**Price movement and trading volume of the Shares
for the Period Under Review**



Source: Bloomberg L.P.

As can be seen from the Share price chart above, the Shares have mostly been trading below the Offer Price of S\$0.380 for the last 1-year period prior to the Offer Announcement save for the period in July 2015 when the Shares had traded slightly above the Offer Price. Trading volume on the Shares was low although the Shares were frequently traded on most trading days.

Following the Offer Announcement Date and up to the Latest Practicable Date, the Shares had mostly traded at or close to the Offer Price, as the market Share price may have been supported by the Offer Price.

The trading volume on the Shares had been relatively higher on the Offer Announcement Date (2 million Shares transacted) and on the day immediately after the Offer Announcement Date (7 million Shares transacted). The Shares were traded to an intra-day high of S\$0.390 and S\$0.405 respectively on these two days. Thereafter, trading volume on the Shares had remained low. As at the Latest Practicable Date, the Shares were last traded at S\$0.375.

Market Statistics

In addition to the Share price chart above, we have tabulated below selected statistical information on the price performance and trading liquidity of the Shares for the Period Under Review.

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Reference period	Highest traded price (S\$)	Lowest traded price (S\$)	VWAP ⁽¹⁾ (S\$)	Premium / (Discount) of Offer Price over / (to) VWAP (%)	Number of traded days ⁽²⁾	Average daily trading volume ⁽³⁾ ('000)	Average daily trading volume as a percentage of free float ⁽⁴⁾ (%)
<u>Prior to the release of the Offer Announcement</u>							
Last 1 year	0.400	0.270	0.340	11.8	232	344	0.29
Last 6 months	0.390	0.280	0.332	14.5	114	230	0.19
Last 3 months	0.390	0.310	0.352	8.0	57	290	0.24
Last 1 month	0.390	0.340	0.362	5.0	17	237	0.20
7 July 2016 (being the last trading day prior to the release of the Offer Announcement)	0.390	0.360	0.374	1.6	1	2,082	1.73
<u>After the Offer Announcement Date</u>							
8 July 2016 to the Latest Practicable Date	0.405	0.370	0.391	(2.8)	16	601	0.50
Latest Practicable Date	0.380	0.375	0.376	1.1	1	176	0.15

Source: Bloomberg L.P.

Notes:

- (1) The volume-weighted average price (“VWAP”) for the respective periods are calculated based on the daily VWAP turnover divided by VWAP volume as extracted from Bloomberg L.P.. VWAP turnover is computed based on the aggregate daily turnover value of the Shares and VWAP volume is computed based on the aggregate daily trading volume of the Shares for the respective periods. Off market transactions are excluded from the calculation;
- (2) Traded days refer to the number of days on which the Shares were traded on the SGX-ST during the period;
- (3) The average daily trading volume of the Shares is computed based on the total volume of Shares traded on the SGX-ST (excluding off market transactions) during the relevant periods, divided by the number of days when the SGX-ST was open for trading (excluding days with full day trading halts on the Shares) during that period; and
- (4) Free float refers to the Shares other than those directly and deemed held by the Directors and substantial Shareholders. For the purpose of computing the average daily trading volume as a percentage of free float, we have used the free float of approximately 120.2 million Shares based on the free float of approximately 71.9% of the total number of Shares as disclosed in the Company’s FY2015 annual report.

We observe the following with regard to the Share price performance for the Period Under Review:

- (a) Over the 1-year period prior to the release of the Offer Announcement, the Shares had traded between a low of S\$0.270 and a high of S\$0.400. The Offer Price represents a premium of S\$0.11 (or 40.7%) above the lowest transacted price and a discount of S\$0.02 (or 5.0%) to the highest transacted price of the Shares respectively;
- (b) The Offer Price represents a premium of approximately 11.8%, 14.5%, 8.0% and 5.0% above the VWAP of the Shares for the 1-year, 6-month, 3-month and 1-month periods prior to the release of the Offer Announcement respectively;
- (c) The Offer Price represents a premium of approximately 2.7% above the last transacted Share price of S\$0.370 on the Offer Announcement Date prior to the release of the Offer Announcement after trading hours on the same day;
- (d) Since the Offer Announcement Date and up to the Latest Practicable Date, the Shares had traded at or close to the Offer Price except for the trading day immediately after the

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Offer Announcement when the Shares were traded to a high of S\$0.405. As at the Latest Practicable Date, the Shares were last transacted at S\$0.375.

We observe the following with regard to the trading liquidity of the Shares:

- (i) Over the 1-year period prior to the Offer Announcement Date, the Shares were frequently traded on a daily basis throughout the period but the trading liquidity on the Shares was low as compared to the free float of the Shares. The average daily trading volume of the Shares for the 1-year, 6-month, 3-month and 1-month periods prior to the release of the Offer Announcement represented approximately 0.29%, 0.19%, 0.24% and 0.20% of the free float of the Shares respectively; and
- (ii) During the period following the Offer Announcement Date and up to the Latest Practicable Date, the average daily trading volume on the Shares remained low except for the trading day immediately after the Offer Announcement Date when 7 million Shares were transacted on 8 July 2016. Average daily trading volume following the Offer Announcement Date and up to the Latest Practicable Date represented 0.50% of the free float of the Shares.

Share Price Chart for the 5-year Period

To assess whether the higher trading prices of the Shares at the start of the Period Under Review were unusual, we have extended our observation of the Share price performance over a longer period of five years, from 8 July 2011, being the 5-year period prior to the release of the Offer Announcement (“5-year Period”).

We set out below a chart showing the Offer Price relative to the daily last transacted prices and trading volume of the Shares for the 5-year Period.

**Price movement and trading volume of the Shares
for the 5-year Period**



Source: Bloomberg L.P.

As can be observed from the chart above, the Shares were mostly trading at or below the Offer Price of S\$0.380 for the 5-year Period, save for the period between late March 2015 and June 2015 when the Shares were trading above the Offer Price. During this period, the Shares had traded to an intra-day high of S\$0.50 on 6 April 2015. The Company had released separate notifications via the SGXNET on 6 April 2015 before trading hours that on 5 April 2015, Mr David Lum had acquired, and Mr Melvin Chan had sold, 30 million Shares at S\$0.50 per Share via an off-market transaction. This had resulted in Mr David Lum becoming the single largest

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Shareholder and controlling Shareholder, and Mr Melvin Chan ceasing to be a controlling Shareholder. Controlling Shareholder being defined as, *inter alia*, a person who holds, directly or indirectly, 15% or more of the total number of Shares.

The VWAP of the Shares for the 5-year Period is S\$0.377. The Offer Price represents a slight premium of 0.8% above the VWAP of S\$0.377.

6.2 Financial performance of the Group

We set out below a summary of the audited profit and loss statements of the Group for the last three financial years ended 30 June 2013 (“FY2013”), 30 June 2014 (“FY2014”) and 30 June 2015 (“FY2015”), and the latest unaudited profit and loss statement of the Group for the financial year ended 30 June 2016 (“FY2016”).

S\$'000	← FY2013	Audited FY2014	FY2015 →	Unaudited FY2016
Revenue	124,232	144,474	112,515	118,735
Cost of revenue	(93,506)	(105,671)	(72,384)	(76,863)
Gross profit	30,726	38,803	40,131	41,872
Other income	910	14,559	1,355	2,936
Distribution expenses	(11,732)	(13,697)	(12,335)	(13,362)
Administrative expenses	(13,761)	(16,964)	(17,051)	(17,245)
Research and development expenses	(1,754)	(2,389)	(3,309)	(3,616)
Other expenses	(885)	(6,721)	(407)	(588)
Profit from operating activities	3,504	13,591	8,384	9,997
Finance income	387	248	73	99
Finance expenses	(242)	(364)	(240)	(163)
Net finance income/(expenses)	145	(116)	(167)	(64)
Share of results of associates (net of tax)	598	665	1,171	981
Share of results of joint ventures (net of tax)	(200)	(284)	(112)	54
Profit before income tax	4,047	13,856	9,276	10,968
Income tax credit/(expenses)	906	(1,070)	(2,612)	(1,365)
Profit for the year	4,953	12,786	6,664	9,603
Profit for the year attributable to:				
Owners of the Company	4,767	13,513	6,663	9,598
Non-controlling interests	186	(727)	1	5
	4,953	12,786	6,664	9,603
Adjusted profit for the year attributable to owners of the Company (excluding one-time income and expenses)	5,019	6,452	7,423	8,248
Adjusted profit annual growth rate	14.5%	28.6%	15.0%	11.1%
Adjusted net profit margin	4.0%	4.5%	6.6%	6.9%

Source: The Company's annual reports for FY2014 and FY2015, the Company's announcements of the unaudited results for FY2014, FY2015 and FY2016 and the Management.

Overview

The Group has been profitable for the last four financial years.

We note that in each of the financial years for FY2013, FY2014, FY2015 and FY2016, the Group had reported one-time income and expenses which could affect the reported profit attributable to the owners of the Company from year to year. Hence, based on the Company's disclosure in its results announcements, we have also shown in the table above the adjusted profit attributable to the owners of the Company which excludes these one-time income and expenses.

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Based on the Group's adjusted profit attributable to owners of the Company from FY2013 to FY2016, we note that the Group had achieved a compounded annual profit growth of 18.0% over the last four financial years. Based on the adjusted profit attributable to owners of the Company, the Group had achieved increasing adjusted net profit margin from 4.0% in FY2013 to 6.9% in FY2016.

Review of Operating Results

FY2014 vs FY2013

Revenue increased by S\$20.3 million (or 16.3%) from S\$124.2 million in FY2013 to S\$144.5 million in FY2014. This was mainly attributable to a 83.3% increase in revenue from the PCS segment from S\$34.3 million in FY2013 to S\$62.9 million in FY2014. The increase was driven by stronger demand for the Group's probe card products as well as its additional product offerings and expansion into the Japanese probe card market following the acquisition of the business and assets from Tokyo Cathode Laboratory Co., Ltd ("**TCL**"), a Japanese probe card manufacturer. In contrast, the DSS segment recorded a drop of 9.3% in revenue.

Overall, gross profit increased by S\$8.1 million (or 26.3%) and gross profit margin increased from 24.7% in FY2013 to 26.9% in FY2014 as the PCS segment generally has higher gross profit margin.

Other income increased substantially by S\$13.7 million (or 1,499.9%) from S\$0.9 million in FY2013 to S\$14.6 million in FY2014. This was due mainly to the recognition of S\$13.2 million of negative goodwill from the acquisition of the business and assets from TCL and dividend income of S\$0.4 million from financial investment.

Operating expenses increased by 41.4% from S\$28.1 million in FY2013 to S\$39.8 million in FY2014. These include one-time costs like acquisition cost of S\$1.1 million, post-acquisition integration and restructuring costs of S\$4.6 million, loss on disposal of investments in subsidiaries of S\$0.1 million and certain severance cost of S\$0.3 million to streamline its operating structure. Excluding these one-time costs, operating expenses increased by 20.7% due mainly to additional expenses incurred by the newly acquired operations and the increase in research and development expenses.

Profit for the year attributable to the owners of the Company increased by S\$8.7 million (or 183.5%) from S\$4.8 million in FY2013 to S\$13.5 million in FY2014. Excluding the one-off income and expenses, the adjusted profit attributable to owners of the Company for FY2014 would be S\$6.5 million from its operating activities, an increase of 28.6% over the adjusted profit attributable to owners of the Company of S\$5.0 million for FY2013.

FY2015 vs FY2014

Revenue decreased by S\$32.0 million (or 22.1%) from S\$144.5 million in FY2014 to S\$112.5 million in FY2015 due mainly to the 43.9% drop in revenue from the DSS segment and partially offset by the 6.1% increase in revenue from the PCS segment. Revenue from the DSS segment fell as the Group had divested two of its DSS activities, namely facilities and communications activities, towards the end of FY2014.

Despite the decrease in revenue, gross profit increased by S\$1.3 million (or 3.4%) from S\$38.8 million in FY2014 to S\$40.1 million in FY2015. The change in revenue mix resulted in the improvement in the gross profit margin from 26.9% in FY2014 to 35.7% in FY2015.

Other income fell by S\$13.2 million (or 90.7%) from S\$14.6 million in FY2014 to S\$1.4 million in FY2015 due mainly to the absence of the one-off negative goodwill of S\$13.2 million. Other income in FY2015 was due mainly to foreign exchange gain.

Operating expenses decreased by 16.8% from S\$39.8 million in FY2014 to S\$33.1 million in FY2015 due mainly to the absence of the one-time costs incurred in FY2014. One-time costs in FY2015 were lower and consisted only those relating to loss on disposal of investment in an

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associate of S\$0.3 million. Excluding these one-time costs, operating expenses decreased by 2.7% from S\$33.7 million in FY2014 to S\$32.8 million in FY2015. The decrease was due mainly to lower distribution expenses, partially offset by the increase in administrative and research and development expenses during FY2015.

Profit for the year attributable to the owners of the Company decreased by S\$6.8 million (or 50.7%) from S\$13.5 million in FY2014 to S\$6.7 million in FY2015. In FY2014, the higher profit was due mainly to the recognition of the one-off negative goodwill as mentioned above. In addition, in FY2015, the Group had one-off loss of S\$0.3 million from the disposal of an associate and additional tax of S\$0.4 million tax in relation to certain insurance compensation received for a fire incident that took place in FY2009. Excluding the one-time costs, the Group would have made an adjusted profit attributable to the owners of the Company of S\$7.4 million from its operating activities in FY2015.

Excluding the one-time income and expenses in both FY2014 and FY2015, the adjusted profit attributable to owners of the Company for FY2015 would be an increase of 15.0% over that of FY2014.

FY2016 vs FY2015

Revenue increased by S\$6.2 million (or 5.5%) from S\$112.5 million in FY2015 to S\$118.7 million in FY2016 due mainly to an improvement of 14.7% in revenue from the PCS segment despite a 7.8% decrease in revenue from the DSS segment.

Gross profit for FY2016 increased by S\$1.8 million (or 4.3%) from S\$40.1 million in FY2015 to S\$41.9 million in FY2016 while gross profit margin decreased marginally from 35.7% in FY2015 to 35.3% in FY2016.

Other income increased by S\$1.5 million (or 116.7%) from S\$1.4 million in FY2015 to S\$2.9 million in FY2016 due mainly to the recovery of bad debts previously written off.

Operating expenses increased by 5.2% from S\$33.1 million in FY2015 to S\$34.8 million in FY2016. In FY2015, one-time expenses were S\$0.3 million. In FY2016, one-time expenses were S\$0.5 million due to impairment loss on financial assets and loss on disposal of its joint venture. Higher distribution costs and increase in administrative expenses contributed to the increase in operating expenses in FY2016.

Profit for the year attributable to the owners of the Company increased significantly by S\$2.9 million (or 44.0%) from S\$6.7 million in FY2015 to S\$9.6 million in FY2016. Excluding the one-time costs, the Group achieved adjusted profit attributable to the owners of the Company of S\$8.2 million from its operating activities in FY2016, an improvement of 11.1% over that of FY2015.

Historical Price-Earnings Ratio (“PER”) implied by the Offer Price

PER illustrates the valuation ratio of the current market value of a company’s shares relative to its consolidated basic earnings per share as stated in its financial statements. The PER is affected by, *inter alia*, the capital structure of a company, its tax position as well as its accounting policies relating to depreciation and intangible assets. The historical PER is commonly used for the purpose of illustrating the profitability and hence the valuation of a company as a going concern.

Based on the Offer Price of S\$0.380 and the total number of Shares as at the Latest Practicable Date of 167,128,185 Shares, the implied market capitalisation of the Company is S\$63.5 million.

Based on our analysis of the financial performance of the Group, we note that the Group has been profitable, had achieved annual growth in its adjusted profit attributable to owners to the Company and year-to-year improvement in its adjusted net profit margin over the last four financial years.

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Hence, we have evaluated the PER of the Group as follows:

- (a) 6.62 times based on the profit attributable to owners of the Company of S\$9.60 million for FY2016;
- (b) 7.70 times based on the adjusted profit attributable to owners of the Company of S\$8.25 million for FY2016; and
- (c) 9.36 times based on the average adjusted profit attributable to owners of the Company of S\$6.79 million for the last four financial years, from FY2013 to FY2016.

For the purpose of our analysis and evaluation in comparing against the statistics of the listed peer companies in Section 6.5 of this Letter, we have used the PER of 6.62 and 7.70 times based on the latest financial results of the Group before and after adjusting for the one-time items respectively.

6.3 Net assets backing of the Group

The audited financial position of the Group as at 30 June 2015 and the unaudited financial position of the Group as at 30 June 2016 are set out below:

S\$'000	Audited As at 30 June 2015	Unaudited As at 30 June 2016
<u>Non-current assets</u>		
Property, plant and equipment	11,365	11,840
Intangible assets	41,974	41,213
Subsidiaries	-	-
Associates	6,350	8,385
Joint ventures	118	68
Financial assets	7,687	5,203
Deferred tax assets	3,403	3,374
Total non-current assets	<u>70,897</u>	<u>70,083</u>
<u>Current assets</u>		
Inventories	11,185	9,115
Trade and other receivables	30,466	37,157
Amounts due from related parties	117	-
Assets classified as held for sale	991	-
Cash and cash equivalents	40,279	40,036
Total current assets	<u>83,038</u>	<u>86,308</u>
Total assets	<u>153,935</u>	<u>156,391</u>
<u>Non-current liabilities</u>		
Provisions	-	214
Interest-bearing borrowings	511	471
Deferred tax liabilities	580	581
Total non-current liabilities	<u>1,091</u>	<u>1,266</u>
<u>Current liabilities</u>		
Trade and other payables	21,965	22,572
Provisions	100	231
Amounts due to related parties	116	72
Interest-bearing borrowings	7,783	3,347
Current tax payable	1,023	781
Total current liabilities	<u>30,987</u>	<u>27,003</u>
Total liabilities	<u>32,078</u>	<u>28,269</u>
Equity attributable to owners of the Company		
Share capital	89,566	89,566
Reserves	31,893	38,171
	<u>121,459</u>	<u>127,737</u>
Non-controlling interests	398	385
Total equity	<u>121,857</u>	<u>128,122</u>
Total equity and liabilities	<u>153,935</u>	<u>156,391</u>

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	Audited As at 30 June 2015	Unaudited As at 30 June 2016
NAV of the Group (excluding non-controlling interests)	S\$121,459,000	S\$127,737,000
NTA of the Group (excluding non-controlling interests)	S\$79,485,000	S\$86,524,000
Number of Shares	167,128,185	167,128,185
NAV per Share	S\$0.727	S\$0.764
NTA per Share	S\$0.476	S\$0.518

Source: The Company's annual report for FY2015 and the Company's results announcement for FY2016.

Overview

The profile of the balance sheet of the Group as at 30 June 2015 and 30 June 2016 is similar except that the net asset value (“NAV”) and net tangible asset (“NTA”) of the Group has strengthened as at 30 June 2016 compared to a year ago due mainly to the profit achieved for FY2016.

The Group has substantial intangible assets of approximately S\$41.2 million as at 30 June 2016. Excluding these intangible assets, the NTA of the Group will be approximately one-third lower than its NAV.

In addition, the Group is in a net cash position with low interest-bearing borrowings. Compared to the preceding year, the Group's total interest-bearing borrowings have reduced from S\$8.3 million as at 30 June 2015 to S\$3.8 million as at 30 June 2016. In contrast, the Group has approximately S\$40.0 million of cash and cash equivalents as at these two balance sheet dates.

Analysis of the financial position the Group

As at 30 June 2015, the Group's assets comprised mainly intangible assets of S\$42.0 million (or 27.3% of total assets), cash and cash equivalents of S\$40.3 million (or 26.2% of total assets), trade and other receivables of S\$30.5 million (or 19.8% of total assets), property, plant and equipment of S\$11.4 million (or 7.4% of total assets). The Group also has financial assets of S\$7.7 million (or 5.0% of total assets).

The Group's liabilities comprised mainly trade and other payables of S\$22.0 million (or 68.5% of total liabilities).

As at 30 June 2016, the Group's asset and liabilities composition remained largely similar compared to those prevailing as at 30 June 2015. The Group's assets still comprised mainly intangible assets of S\$41.2 million (or 26.4% of total assets), cash and cash equivalents of S\$40.0 million (or 25.6%), trade and other receivables of S\$37.2 million (or 23.8%), property, plant and equipment of S\$11.8 million (or 7.6%). The Group's financial assets fell by S\$2.5 million (or 32.3%) from S\$7.7 million in FY2015 to S\$5.2 million in FY2016 due mainly to the adverse movements in the fair value of quoted investments.

The Group's liabilities comprised mainly trade and other payables of S\$22.6 million (or 79.8% of total liabilities).

The Group's NAV as at 30 June 2016 amounted to S\$127.7 million, representing NAV per Share of S\$0.764 based on the 167,128,185 number of Shares outstanding as at the Latest Practicable Date. After deducting intangible assets of S\$41.2 million, the NTA of the Group is S\$86.5 million, representing NTA per Share of S\$0.518.

Intangible Assets – Goodwill, technology licence and intellectual property

Of the total amount of intangible assets of S\$41.2 million as at 30 June 2016, the intangible assets comprised mainly goodwill of S\$27.4 million, intellectual property and technology licence of S\$7.8 million, and development expenditure of S\$5.8 million.

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The Group's goodwill arose from the acquisition of subsidiaries in the past years. The Group's accounting policy on goodwill is to state them at cost less accumulated impairment losses. Goodwill is tested for impairment in each financial year. There were no impairment losses recorded for FY2015 and FY2016.

Technology licence and intellectual property represent patents, registered designs, technical data, know-how, and other intellectual property rights related to or connected with the processing, manufacturing, repair, rework and sale of probe cards. They are amortised over 20 years.

Development expenditure relates to cost of materials, direct labour and overhead costs that are attributable to the development of asset(s) which is intended for use or sale. They are amortised over a period of 20 years.

Property, Plant and Equipment

The Group's property, plant and equipment ("**PPE**") of S\$11.8 million as at 30 June 2016 is relatively insignificant and comprised mainly plant and machinery of S\$5.6 million, freehold land and building of S\$1.8 million, leasehold land and building of S\$1.7 million and leasehold improvement of S\$1.6 million.

The Group owns three plots of freehold lands in Hokkaido (Japan), two of which are vacant and the third is where the Group's manufacturing plant is located.

The Group owns six floors out of a ten-storey high freehold commercial building in Osaka, which is partially occupied by the Group for its office use. The remaining commercial units which the Group owns but are not used by the Group are presently either left vacant or rented out. The Group also owns a leasehold land and building in Vietnam which houses its manufacturing plant.

The Company has explained that these freehold and leasehold lands and buildings are primarily used for the core operations of the Group in the ordinary course of business. In relation to the vacant land and unoccupied commercial premises, they are presently left vacant and the Group does not have any re-development plans for the land or intention to dispose of these properties.

Financial assets

As at 30 June 2016, the Group's financial assets amounted to S\$5.2 million compared to S\$7.7 million as at 30 June 2015 due mainly to adverse movements of the fair value of these financial assets.

These financial assets relate to mainly SGX-ST quoted equity securities, namely ordinary shares in JEP Holdings Ltd. ("**JEP**"), which are classified in the financial statements as financial assets available for sale. The Group's holdings in JEP as at 30 June 2016 was measured at fair value based on the market share price of S\$0.028 per share. The Group owns approximately 16.7% of the total issued shares of JEP as at 30 June 2016, which represents a fair value of approximately S\$4.9 million.

As at the Latest Practicable Date, JEP was last transacted at S\$0.025 on 1 August 2016. Based on the Group's shareholding of 16.7% of the total issued shares of JEP as at the Latest Practicable Date, the fair value of the Group's holdings in JEP would amount to S\$4.4 million, representing a decrease of S\$0.5 million from its fair value as at 30 June 2016. The reduction in the fair value of the Group's holdings in JEP of S\$0.5 million represents 0.41% of the Group's NAV of S\$127.7 million and 0.61% of the Group's NTA of S\$86.5 million as at 30 June 2016. Accordingly, we have assessed the impact of the change in fair value of JEP to be immaterial to the Group's net assets.

Net asset backing per Share and price-to-book value implied by the Offer Price

The net asset backing and the book value of the Group is measured by its NAV or NTA value.

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The NAV and NTA based valuation approach provides an estimate of the value of a company assuming the hypothetical sale of all its assets over a reasonable period of time and would be more relevant for asset-based companies or where the subject company intends to realise or convert the uses of all or most of its assets. Such a valuation approach would be particularly appropriate when applied in circumstances where the business is to cease operations or where the profitability of the business being valued is not sufficient to sustain an earnings-based valuation.

The NAV based valuation approach shows the extent to which the value of each Share is backed by both the Group's tangible and intangible assets. NTA is derived by deducting intangible assets from the NAV and the NTA based valuation approach shows the extent to which the value of each Share is backed by the Group's net tangible assets.

As analysed above, the Group has significant intangible assets which give rise to a significant difference between the NAV and NTA value of the Group as at 30 June 2016. NTA per Share of S\$0.518 is approximately one-third lower than the NAV per Share of S\$0.764.

Price-to-book ratios

We have therefore evaluated the price-to-book value implied by the Offer Price as follows:

- (i) Price-to-NAV ("**P/NAV**") ratio of the Group is 0.50 times based on the unaudited NAV per Share of S\$0.764 as at 30 June 2016, that is, the Offer Price is at a discount of 50.3% to the NAV per Share; and
- (ii) Price-to NTA ("**P/NTA**") ratio of the Group is 0.73 times based on the unaudited NTA per Share of S\$0.518 as at 30 June 2016, that is, the Offer Price is at a discount of 26.6% to the NTA per Share.

Price-to-book (ex-cash) ratios

We also note that the Group has significant net cash balance of S\$36.2 million (after deducting total interest-bearing borrowings of S\$3.8 million), representing S\$0.217 per Share, out of the NAV per Share of S\$0.764 and NTA per Share of S\$0.518. The net cash component represents 28.4% of the NAV per Share and 41.9% of the NTA per Share as at 30 June 2016.

On the basis that the Offer Price for the cash component per Share is at face value, after excluding the cash component from the Offer Price, the NAV per Share and NTA per Share, our evaluation of the price-to-book value (ex-cash) implied by the Offer Price is as follows:

- (i) P/NAV (ex-cash) ratio of the Group is 0.30 times based on the ex-cash NAV per Share of S\$0.547 as at 30 June 2016, that is, the Offer Price (ex-cash) of S\$0.163 is at a discount of 70.2% to the ex-cash NAV per Share; and
- (ii) P/NTA (ex-cash) ratio of the Group is 0.54 times based on the ex-cash NTA per Share of S\$0.301 as at 30 June 2016, that is, the Offer Price (ex-cash) is at a discount of 45.8% to the ex-cash NTA per Share.

The discount of the Offer Price to the book value of the Shares, on an ex-cash basis, is more distinct.

In our evaluation of the financial terms of the Offer, we have also considered whether there is any other asset which should be valued at an amount that is materially different from that which was recorded in the statement of financial position of the Group as at 30 June 2016, and whether there are any factors which have not been otherwise disclosed in the financial statements of the Group that are likely to impact the NAV and/or NTA of the Group as at 30 June 2016.

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In respect of the above, we have sought the following confirmation from the Directors and the Management, and they have confirmed to us that as at the Latest Practicable Date, to the best of their knowledge and belief, save as disclosed above:

- (a) there are no material differences between the realisable values of the Group's assets and their respective book values as at 30 June 2016 which would have a material impact on the NTA of the Group;
- (b) there are no other contingent liabilities, bad or doubtful debts or material events which are likely to have a material impact on the NTA of the Group as at the Latest Practicable Date;
- (c) there is no litigation, claim or proceeding pending or threatened against the Company or any of its subsidiaries or of any fact likely to give rise to any proceedings which might materially and adversely affect the financial position of the Company and its subsidiaries taken as a whole;
- (d) there are no other intangible assets which ought to be disclosed in the statement of financial position of the Group in accordance with the Singapore Financial Reporting Standards and which have not been so disclosed and where such intangible assets would have had a material impact on the overall financial position of the Group; and
- (e) there are no material acquisitions or disposals of assets by the Group between 30 June 2016 and the Latest Practicable Date nor does the Group have any plans for any such impending material acquisition or disposal of assets, conversion of the use of its material assets or material change in the nature of the Group's business.

6.4 Comparison with recently completed offers for companies listed on the SGX-ST

We note that the Offeror is making the Offer in compliance with the requirements of Rule 14 of the Code, as the Offeror had acquired Shares which triggered the take-over threshold of 30.0% or more of the total number of Shares. In addition, the Offer being made is a conditional offer subject to the Minimum Acceptance Condition.

While the intention of the Offeror is for the Company to maintain its listing status on the SGX-ST, the Offeror also reserves the right to re-evaluate its position, including its right of compulsory acquisition, in the event that the Free Float Requirement is not met and the SGX-ST suspends trading of the Shares. Accordingly, there is no assurance that the Offeror will take steps to preserve the listing status of the Company on the SGX-ST if the public float of the Company is less than 10%.

In view of the Offeror's intentions, we have compared the financial terms of the Offer with:

- (i) selected non-privatisation transactions comprising completed take-over offers for companies listed on the SGX-ST (excluding real estate investment trusts ("**REITs**") and business trusts) that were announced since January 2015 and up to the Latest Practicable Date where the offeror has not stated its intention to privatise or delist the companies ("**Non-Privatisation Transactions**"); and
- (ii) selected privatisation transactions comprising completed offers for companies listed on the SGX-ST (excluding REITs and business trusts) that were announced since January 2015 and up to the Latest Practicable Date where the offeror has stated its intention to privatise and delist the companies ("**Privatisation Transactions**"). These transactions could be carried out by way of either a voluntary delisting exit offer under Rule 1307 of the Listing Manual, a scheme of arrangement under Section 210 of the Companies Act or general take-over offer under the Code.

This analysis serves as a general indication of the relevant premium/discount that the offerors had paid in order to acquire the target companies without having regard to their specific industry characteristics or other considerations, and the comparison sets out:

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- (a) the premium or discount represented by each of the respective offer prices to the last transacted prices and VWAPs over the 1-month and 3-month periods prior to the announcement of the respective transactions; and
- (b) the premium or discount represented by each of the respective offer prices to the net assets value of the respective target companies. We note that certain transactions had undertaken revaluations and/or adjustments to their assets which may have a material impact on their latest announced book values. In this respect, we have compared the offer price with the revalued NAV, revalued NTA or adjusted NAV or NTA of the Privatisation Transactions and Non-Privatisation Transactions, where applicable.

We wish to highlight that the target companies listed in the Privatisation Transactions and Non-Privatisation Transactions as set out in the analysis below may not be directly comparable to the Group in terms of market capitalisation, size of operations, composition of business activities, asset base, geographical spread, track record, operating and financial leverage, risk profile, liquidity, accounting policies, future prospects and other relevant criteria. Each transaction must be judged on its own commercial and financial merits. The premium or discount that an offeror pays in any particular Privatisation Transaction or Non-Privatisation Transaction varies in different specific circumstances depending on, *inter alia*, factors such as the intention of the offeror, the potential synergy the offeror can gain by acquiring the target, the prevailing market conditions and sentiments, attractiveness and profitability of the target's business and assets, the possibility of a significant revaluation of the assets to be acquired, the availability of substantial cash reserves, the liquidity in the trading of the target company's shares, the presence or absence of competing bids for the target company, and the existing and desired level of control in the target company. The list of the Privatisation Transactions and Non-Privatisation Transactions is by no means exhaustive and as such any comparison made only serves as an illustration. Conclusions drawn from the comparisons made may not necessarily reflect the perceived or implied market valuation of the Company.

Based on the list of the relevant transactions since January 2015, we note that the list of Non-Privatisation Transactions is much shorter than the Privatisation Transactions as, amongst other things, the Non-Privatisation Transactions are only made by way of general take-over offers whereas the Privatisation Transactions includes voluntary delisting offers and schemes of arrangement, besides the general take-over offers.

Non-Privatisation Transactions

Name of company	Sector	Date of announcement	Premium/(Discount) of offer price over / (to):			P/NTA (times)
			Last transacted price prior to announcement (%)	1-month VWAP prior to announcement (%)	3-month VWAP prior to announcement (%)	
LCD Global Investments Ltd.	Property developer and hotelier	12 Jan 15	10.0	11.5	13.4	1.2 ⁽¹⁾
Xyec Holdings Co., Ltd	Provision of integrated engineering and IT consultancy and services	30 Jan 15	20.0	31.0	34.5	1.4 ⁽²⁾
IPC Corporation Ltd	Property development	1 Apr 15	2.4	4.5	5.5	0.7 ⁽³⁾
Jasper Investments Limited	Provision of vessel management services	18 Sep 15	(93.3)	(93.1)	(96.6)	n.m. ⁽⁴⁾
Novo Group Ltd.	Distribution of iron ore, coal and steel products and metal packaging	24 Sep 15	161.5	188.1	151.9	5.2 ⁽⁵⁾⁽⁹⁾
Jacks International Limited	Distribution and retailing of health food and supplements	6 Oct 15	90.5	103.5	103.5	1.9 ⁽⁶⁾
Starland Holdings Limited	Property development and wholesale import and export	13 Jan 16	25.5	45.7	60.5	0.5 ⁽⁷⁾
Abundance International Limited	Businesses of chemical trading, investments and commercial printing.	24 Mar 16	72.4	65.6	67.5	1.3 ⁽⁸⁾

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Name of company	Sector	Date of announcement	Premium/(Discount) of offer price over / (to):			P/NTA (times)
			Last transacted price prior to announcement (%)	1-month VWAP prior to announcement (%)	3-month VWAP prior to announcement (%)	
High			161.5	188.1	151.9	1.9
Low			(93.3)	(93.1)	(96.6)	0.5
Mean			36.4	42.4	40.8	1.3
Median			25.5	31.0	34.5	1.3
Company (implied by the Offer Price)		7 Jul 16	1.6	5.0	8.0	0.50 (based on NAV)
						0.73 (based on NTA)

Source: SGX-ST announcements and circulars to shareholders in relation to the Non-Privatisation Transactions.

Notes:

- (1) Based on NTA per share of LCD Global Investments Ltd. as at 31 December 2014;
- (2) Based on NAV per share of Xyec Holdings Co., Ltd as at 30 September 2014;
- (3) Based on the revalued NAV per share of IPC Corporation Limited as at 31 December 2014;
- (4) Jasper Investments Limited has a net liability position as at 30 June 2015;
- (5) Based on revalued NAV per share of Novo Group Ltd. as at 31 July 2015;
- (6) Based on the unaudited NTA per share of Jacks International Limited as at 31 July 2015;
- (7) Based on the revalued NAV per share of Starland Holdings Limited as at 30 September 2015;
- (8) Based on NTA per share of Abundance International Limited as at 31 December 2015 and enlarged share capital pursuant to the share issuance on 24 March 2016; and
- (9) Excluded as statistical outlier in the mean and median computations.

Based on the above, we note that:

- (a) The premia implied by the Offer Price over the last transaction price prior to the Offer Announcement, the VWAP for 1-month period and 3-month period prior to the Offer Announcement are all within the range but below the mean and median of the Non-Privatisation Transactions; and
- (b) The P/NTA and P/NAV ratios of the Group are within but at the lower end of the range of the P/NTA ratios of the Non-Privatisation Transactions and hence lower than the mean and the median of the Non-Privatisation Transactions.

Shareholders should note that the above comparison with the Non-Privatisation Transactions is purely for illustrative purposes only.

Privatisation Transactions

Name of company	Sector	Date of announcement	Premium/(Discount) of offer price over / (to):			P/NTA (times)
			Last transacted price prior to announcement (%)	1-month VWAP prior to announcement (%)	3-month VWAP prior to announcement (%)	
Popular Holdings Limited	Property development, retail and distribution of publishing and e-learning	14 Jan 15	39.1	39.7	37.3	1.2 ⁽¹⁾
Action Asia Limited	Manufacturing and assembling of mobile audio and video entertainment products	27 Feb 15	69.6	67.6	66.7	0.8 ⁽²⁾

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Name of company	Sector	Date of announcement	Premium/(Discount) of offer price over / (to):			P/NTA (times)
			Last transacted price prior to announcement (%)	1-month VWAP prior to announcement (%)	3-month VWAP prior to announcement (%)	
Junma Tyre Cord Company Limited	Production and sale of Nylon 6 industrial yarn and Nylon 6 dipped tyre cords	10 Mar 15	222.6	162.3	174.7	0.9 ⁽³⁾
Sinotel Technologies Ltd.	Investment holding and telecommunications	12 Mar 15	100.0	117.8	122.7	0.5 ⁽⁴⁾
Lizhong Wheel Group Limited	Manufacturer of aluminium wheels	17 Aug 15	96.1	87.3	79.2	0.6 ⁽⁵⁾
Chosen Holdings Limited	Product design and development, mould design and fabrication, plastic injection moulding and secondary processes and final product assembly	1 Sep 15	21.2	26.3	27.0	0.8 ⁽⁶⁾
Eastern Holdings Ltd	Property development and publishing	22 Sep 15	41.7	67.3	34.1	0.8 ⁽⁷⁾
Biosensors International Group, Ltd.	Develops, manufactures and markets innovative medical devices	28 Oct 15	23.5 ⁽⁸⁾	23.0 ⁽⁸⁾	21.0 ⁽⁸⁾	2.3 ⁽⁸⁾
Zagro Asia Limited	Investment holding and manufacturing and distribution of crop care and animal health products	3 Nov 15	15.4	19.1	20.0	1.0 ⁽⁹⁾
Tiger Airways Holdings Limited	Airline and aircraft management in aviation	6 Nov 15	45.2	48.5	56.3	5.4 ⁽¹⁰⁾⁽²⁴⁾
Sinotel Technologies Ltd.	Investment holding and telecommunications	30 Nov 15	50.6	30.6	45.5	0.8 ⁽¹¹⁾
Neptune Orient Lines Limited	Container shipping and transportation	7 Dec 15	48.6	51.0	32.9	1.0 ⁽¹²⁾
Li Heng Chemical Fibre Technologies Limited	Manufacture and sale of high end nylon yarn products	22 Dec 15	115.1	100.8	104.5	0.4 ⁽¹³⁾
Interplex Holdings Ltd.	Precision engineering	23 Dec 15	15.5	11.1	13.1	1.7 ⁽¹⁴⁾
China Dairy Group Ltd.	Manufactures and trades in milk and related products	30 Dec 15	87.7	96.4	82.5	1.1 ⁽¹⁵⁾
Lantrovision (S) Ltd	Supply, design, install and provide IT consultancy services	27 Jan 16	47.7	42.8	46.2	1.5 ⁽¹⁶⁾
China Yongsheng Limited	Production and supply of concrete and related products	24 Feb 16	52.4	67.4	62.4	0.7 ⁽¹⁷⁾
Xinren Aluminium Holdings Limited	Smelting, sale, production and trading of aluminium and related products	25 Feb 16	25.1	49.6	50.0	1.48 ⁽¹⁸⁾
OSIM International Ltd	Distributes, sells and franchises healthy lifestyle products	7 March 16	27.0	40.9	42.5	2.6 ⁽¹⁹⁾
Select Group Limited	Food catering and management services	23 March 16	23.5	37.9	43.4	3.90 ⁽²⁰⁾
Xyec Holdings Co., Ltd.	Provision of integrated engineering and IT consultancy and services	29 March 16	50.0	49.3	49.3	1.30 ⁽²¹⁾
Pteris Global Limited	Provision of airport facility equipment	21 April 16	33.9	38.0	44.1	1.2 ⁽²²⁾
China Merchants Holdings (Pacific) Limited	Toll road operator	9 May 16	22.9	21.8	25.3	1.1 ⁽²³⁾
High			222.6	162.3	174.7	3.9
Low			15.4	11.1	13.1	0.4
Mean			55.4	56.4	55.7	1.2
Median			45.2	48.5	45.5	1.0

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Name of company	Sector	Date of announcement	Premium/(Discount) of offer price over / (to):			P/NTA (times)
			Last transacted price prior to announcement (%)	1-month VWAP prior to announcement (%)	3-month VWAP prior to announcement (%)	
Company (implied by the Offer Price)		7 Jul 16	1.6	5.0	8.0	0.50 (based on NAV) 0.73 (based on NTA)

Source: SGX-ST announcements and circulars to shareholders in relation to the Privatisation Transactions.
Notes:

- (1) Based on the revalued NAV per share of Popular Holdings Limited as at 31 October 2014;
- (2) Based on the revalued NAV per share of Action Asia Limited as at 31 March 2015;
- (3) Based on the revalued NTA per share of Junma Tyre Cord Company Limited as at 31 December 2014;
- (4) Based on the NTA per share of Sinotel Technologies Ltd. as at 31 December 2014;
- (5) Based on revalued NTA per share of Lizhong Wheel Group Limited as at 30 June 2015;
- (6) Based on the revalued NAV per share of Chosen Holdings Limited as at 30 June 2015;
- (7) Based on the revalued NTA per share of Eastern Holdings Limited as at 30 September 2015;
- (8) Offer price refers to the cash consideration; price reference for Biosensors International Group, Ltd. are based on periods prior to 23 October 2015 being the Unaffected Share Price Date as defined in the IFA letter; and P/NTA is based on the NTA per share of the company as at 31 December 2015;
- (9) Based on the revalued NTA per share of Zagro Asia Limited as at 30 June 2015;
- (10) Based on the NAV per share of Tiger Airways Holdings Limited as at 30 September 2015 and the final offer price;
- (11) Based on the NTA per share of Sinotel Technologies Ltd. as at 30 September 2015 (this is a voluntary delisting exercise which is a separate exercise to the previous general offer announced on 12 March 2015);
- (12) Based on the NAV per share of Neptune Orient Lines Limited as at 31 March 2016;
- (13) Based on the revalued NAV per share of Li Heng Chemical Fibre Technologies Limited as at 30 September 2015;
- (14) Based on the unaudited NAV per share of Interplex Holdings Ltd. as at 31 December 2015;
- (15) Based on the unaudited RNAV per share of China Dairy Group Ltd. as at 31 December 2015;
- (16) Based on NTA per share of Lantrovision (S) Ltd as at 31 December 2015;
- (17) Based on the revalued NAV per share of China Yongsheng Limited as at 31 December 2015;
- (18) Based on the revalued NAV per share of Xinren Aluminium Holdings Limited as at 31 December 2015;
- (19) Based on the final offer price of S\$1.39 per share announced on 5 April 2016 and the audited NAV per share of OSIM International Ltd as at 31 December 2015;
- (20) Based on NTA per share of Select Group Limited as at 31 December 2015;
- (21) Based on the NAV per share of Xyec Holdings Co., Ltd. as at 30 September 2015;
- (22) Based on the final offer and RNTA per share of Pteris Global Limited as at 31 March 2016;
- (23) Based on the revalued NAV per share of China Merchants Holdings (Pacific) Limited as at 31 March 2016; and
- (24) Excluded as statistical outlier in the mean and median computations.

Based on the above, we note that:

- (a) The premia implied by the Offer Price over the last transaction price prior to the Offer Announcement, VWAP for 1-month period and 3-month period prior to the Offer

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Announcement Date are all below the lower end of the range, and hence significantly lower than the mean and median of the corresponding premia of the Privatisation Transactions; and

- (b) The P/NTA and P/NAV ratios of the Group are within the range of the P/NTA ratios of the Privatisation Transactions but are still lower than the mean and the median of the corresponding P/NTA ratios of the Privatisation Transactions.

Shareholders should note that the above comparison with the Privatisation Transactions is purely for illustrative purposes only.

Take-over Offers of Comparable Companies

To provide for a more comparable basis, we have also looked at selected completed take-over offers for companies whose business activities are broadly similar to the Group, that is, companies engaged in the electronics sector, since January 2014 and up to the Latest Practicable Date (“**Comparable Take-over Transactions**”).

Name of company	Sector	Date of announcement	Premium/(Discount) of Offer Price over / (to):			P/NTA (times)	PER (times)
			Last transacted price prior to announcement (%)	1-month VWAP prior to announcement (%)	3-month VWAP prior to announcement (%)		
ASJ Holdings Limited ⁽¹⁾	Manufactures and sells resistors and distributes electronic and non-electronic components	7 May 14	18.2	43.7	55.4	0.7	n.m.
Fischer Tech Ltd ⁽²⁾	Manufactures precision plastic injection moulds	20 Aug 14	2.6	1.5	6.8	0.6	6.6
Stats ChipPac Ltd. ⁽³⁾	Semiconductor packaging design, assembly, test and distribution solution provider	30 Dec 14	39.0	24.5	27.6	0.9	n.m.
Action Asia Limited ⁽⁴⁾	Manufactures and assembles mobile audio and video entertainment products	27 Feb 15	69.6	67.6	66.7	0.8	n.a.
Chosen Holdings Limited ⁽⁵⁾	Product design and development, mould design and fabrication, plastic injection moulding and secondary processes and final product assembly	1 Sep 15	21.2	26.3	27.0	0.8	17.4
Interplex Holdings Ltd. ⁽⁶⁾	Precision engineering	23 Dec 15	15.5	11.1	13.1	1.7	9.1
High			69.6	67.6	66.7	1.7	17.4
Low			2.6	1.5	6.8	0.6	6.6
Mean			27.7	29.1	32.8	0.9	11.0
Median			19.7	25.4	27.3	0.8	9.1
Company (implied by the Offer Price)		7 Jul 16	1.6	5.0	8.0	0.50 (based on NAV) 0.73 (based on NTA)	6.62 (based on reported profits ⁽⁷⁾) 7.70 (based on adjusted profits ⁽⁸⁾)

Source: SGX-ST announcements and circulars to shareholders in relation to the Comparable Take-over Transactions.

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Notes:

- (1) P/NTA is based on RNTA per share of ASJ Holdings Limited as at 31 December 2013 and PER is not meaningful because of net losses incurred for the financial year ended 31 December 2013;
- (2) P/NTA is based on the NTA per share of Fischer Tech Ltd as at 31 March 2014 and PER is based on net profit attributable to owners of the company for the financial year ended 31 March 2014;
- (3) Date of announcement is based on pre-conditional offer announcement date; price references are based on prior to SGX-ST query date as detailed in the IFA letter of Stats ChipPac Ltd; P/NTA is based on the proforma NAV per share (excluding the value of the perpetual securities) of Stats ChipPAC Ltd as at 29 March 2015; and PER is not meaningful because of net losses based on the proforma financials for the trailing 12 months ended 29 March 2015;
- (4) P/NTA is based on RNAV per share of Action Asia Limited as at 31 March 2015 and PER is not available as the analysis in the circular to shareholders was based on sum-of-parts valuation analysis which breaks down the operations of the group into 2 main businesses, one of which made net losses (thereby the PER is not meaningful) and the other reflects a PER of 32.0 times based on the mean of valuation ratio;
- (5) P/NTA is based on the RNAV per share of Chosen Holdings Limited as at 30 June 2015 and PER is based on net profit attributable to owners of the company for the financial year ended 30 June 2015;
- (6) Date of announcement is based on pre-conditional offer announcement date; P/NTA is based on the unaudited NAV per share of Interplex Holdings Ltd. as at 31 December 2015 and PER is based on trailing 12 months profits attributable to equity holders of the company ended 31 December 2015;
- (7) Based on the reported profit attributable to the owners of the Company for FY2016; and
- (8) Based on the adjusted profit attributable to the owners of the Company for FY2016.

Based on the above, we note that:

- (a) The premia implied by the Offer Price over the last transaction price prior to the Offer Announcement is below the lower end of the range of the corresponding premia of the Comparable Take-over Transactions. The premia implied by the Offer Price over the VWAP for 1-month period and 3-month period prior to the Offer Announcement are within but at the lower end of the range of the corresponding premia of the Comparable Take-over Transactions;
- (b) The P/NAV and P/NTA ratios of the Group are near the lower end of the range of the P/NTA ratios of the Comparable Take-over Transactions, and below the mean and median of the P/NTA ratios of the Comparable Take-over Transactions; and
- (c) The PER ratios of 6.62 times and 7.70 times of the Group are within but at the lower end of the range of the PER ratios of the Comparable Take-over Transactions, and hence below the mean and median PERs of the Comparable Take-over Transactions.

We note the above Comparable Take-over Transactions had been opined by the respective IFAs that the financial terms of the offer were fair and reasonable, save for Fischer Tech Ltd which was opined by the IFA that the financial terms of the offer were not fair and not reasonable.

6.5 Comparison of valuation ratios of selected listed companies which are broadly comparable with the Group

For the purpose of assessing the Offer Price, we have also made a comparison against the valuation ratios of selected listed companies which are broadly comparable with the Group.

There are no listed companies listed on the SGX-ST which are engaged in similar business activities as the Group. We have therefore identified selected listed companies on the SGX-ST which are classified under the semiconductors and semiconductor equipment industry in the SGX-ST website as broad comparable companies to the Group ("**Comparable Peer Companies**"). In this regard, we have had discussions with the Management on these Comparable Peer Companies. For a more meaningful comparison, we have selected companies with a market capitalisation of S\$200 million and below as broad proxies to the Group. There are 10 such Comparable Peer Companies listed on the SGX-ST.

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Relevant information has been extracted from Bloomberg L.P., publicly available annual reports and/or public announcements of the Comparable Peer Companies. We make no representations or warranties, expressed or implied, as to the accuracy or completeness of such information. The accounting policies of the Comparable Peer Companies with respect to the values for which the assets, revenue or cost are recorded may differ from that of the Group.

We wish to highlight that the selected Comparable Peer Companies are not exhaustive and it should be noted that there may not be any listed company that is directly comparable to the Group in terms of location, business activities, customer base, size of operations, asset base, geographical spread of activities, geographical markets, track record, financial performance, operating and financial leverage, future prospects, liquidity, quality of earnings, accounting policies, risk profile and other relevant criteria. As such, any comparison made herein is necessarily limited and it may be difficult to place reliance on the comparison of valuation statistics for the selected Comparable Peer Companies. Therefore, any comparison made serves only as an illustrative guide.

A brief description of the Comparable Peer Companies, as extracted from Bloomberg L.P., is set out below:

Name	Principal business
Micro-Mechanics (Holdings) Ltd. ("MMH")	MMH designs and manufactures precision tools. The company also provides effective solutions and total support services to its customers.
CDW Holding Limited ("CDW")	CDW manufactures and supplies precision components, metal and plastic LCD frames, LCD backlight units and related components. The company's products are designed for use in office equipment and electrical appliances.
Global Testing Corporation Limited ("GTC")	GTC offers testing services for the semiconductor manufacturing industry. The company offers wafer sorting and final testing services for logic and mixed signal semiconductors used in consumer electronics and communications devices.
Avi-Tech Electronics Limited ("Avi-Tech")	Avi-Tech provides services and products to the semi-conductor industry. The company designs and manufactures Burn-In boards and boards related products. It also offers engineering services and equipment distribution.
Manufacturing Integration Technology Ltd ("MIT")	MIT designs, develops, manufactures and distributes automated equipment for the semiconductor industry. The company also designs and manufactures vision inspection system and precision engineering.
Sunright Limited ("Sunright")	Sunright provides management services and research and development in burn-in and test-related activities. The company also manufactures burn-in equipment and substrates, assembles electronic, and electrical components, as well as provides semiconductor testing services. In addition, it also trades and distributes high-technology electronic products.
Smartflex Holdings Ltd. ("Smartflex")	Smartflex assembles integrated circuits. The company assembles and tests smart card modules, and loads onto them customer specific data or software. Smartflex produces smart cards for the telecommunications, banking, financial services and pay television industries.
AEM Holdings Limited ("AEM")	AEM designs and manufactures semiconductor manufacturing equipment and related tooling parts and precision machining of components for semiconductor industry. The company also manufactures and distributes electronics, engineering, chemical and related products. AEM also provides engineering services.
ASTI Holdings Limited ("ASTI")	ASTI designs, develops, manufactures, and markets semiconductor manufacturing equipment and machine vision system. The company also manufactures and markets carrier tapes and plastic reels, provides semiconductor manufacturing services for surface mount technology components, and fabricates tooling, dies, and related molding of spare parts.

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Name	Principal business
Advanced Systems Automation Limited (“ASA”)	ASA designs and manufactures automatic molding machines and other back-end assembly equipment for the semiconductor industry. The company also manufactures precision tools, dies, and encapsulation molds, and provides wafer bumping services and packaging technology consulting.

Source: Bloomberg L.P.

For the purpose of our evaluation and for illustration, we have made comparison between the Group and the Comparable Peer Companies using the following bases:

- (i) The PER is commonly used for the purpose of illustrating the profitability and hence the valuation of a company as a going concern;
- (ii) The P/NAV ratio or NAV approach is used to show the extent the value of each share is backed by all assets. The NAV approach of valuing a group of companies is based on the aggregate value of all the assets of the group in their existing condition, after deducting the sum of all liabilities of the group; and
- (iii) The P/NTA ratio or NTA approach is used to show the extent the value of each share is backed by net tangible assets. The NTA approach of valuing a group of companies is based on the aggregate value of all the assets of the group in their existing condition, after deducting the sum of all liabilities and intangibles of the group.

Name	Last financial year end	Market capitalisation as at the Offer Announcement Date (\$\$'million)	Historical PER ⁽¹⁾ (times)	Historical P/NAV ratio ⁽²⁾ (times)	Historical P/NTA ratio ⁽²⁾ (times)
MMH	30 Jun 2015	109.8	9.24	2.29 ⁽³⁾	2.29 ⁽³⁾
CDW ⁽⁴⁾	31 Dec 2015	66.8	7.74	0.74	0.74
GTC ⁽⁴⁾	31 Dec 2015	41.7	8.35	0.62	0.62
Avi-Tech ⁽⁵⁾	30 Jun 2015	41.0	7.60 ⁽⁶⁾	0.93	0.93
MIT	31 Dec 2015	39.3	2.55	0.76	0.76
Sunright	31 Jul 2015	30.7	9.60	0.43	0.43
Smartflex ⁽⁴⁾	31 Dec 2015	27.2	6.98 ⁽⁷⁾	1.01	1.30
AEM	31 Dec 2015	22.3	3.84	0.92	0.93
ASTI	31 Dec 2015	18.4	n.m. ⁽⁸⁾	0.31	0.31
ASA	31 Dec 2015	5.3	n.m. ⁽⁸⁾	4.21 ⁽³⁾	4.37 ⁽³⁾

High	9.60	4.21	4.37
Low	2.55	0.31	0.31
Mean	6.99	0.71	0.75
Median	7.67	0.75	0.75

Company (implied by the Offer Price)	30 Jun 2016	63.5	6.62 (based on reported profits⁽⁹⁾)	0.50 (based on NAV)	0.73 (based on NTA)
			7.70 (based on adjusted profits⁽¹⁰⁾)		

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Notes:

- (1) The historical PERs of the Comparable Peer Companies are computed based on their respective latest published full year earnings or trailing twelve months earnings, where applicable and available as at the Offer Announcement Date;
- (2) The P/NAV and P/NTA ratios of the Comparable Peer Companies are computed based on their respective NAV or NTA value as set out in their latest published financial statements available as at the Offer Announcement Date;
- (3) Excluded as statistical outlier in the mean and median computations;
- (4) The PER, P/NAV and P/NTA ratios for CDW, GTC and Smartflex are computed based on the foreign exchange rate of US\$1.00:S\$1.3498 as at the Offer Announcement Date as the reporting currency of CDW, GTC and Smartflex is in US\$;
- (5) Avi-Tech is on the Watch-list of the SGX-ST;
- (6) The historical PER for Avi-Tech is computed based on its trailing twelve months earnings adjusted for a one-off income recognised from discontinued operations;
- (7) The historical PER for Smartflex is computed based on its latest published full year earnings adjusted for a one-off income recognised from gain on investment;
- (8) Denotes not meaningful as these Comparable Peer Companies reported losses;
- (9) Based on the reported profit attributable to the owners of the Company for FY2016; and
- (10) Based on the adjusted profit attributable to the owners of the Company for FY2016.

Based on the above, we note that:

- (a) the PER of the Company of 6.62 times based on reported profits is within the range but below the mean and the median of the historical PER ratios of the Comparable Peer Companies. The PER of the Company of 7.70 times based on adjusted profits is within the range and above the mean and close to the median of the historical PER ratios of the Comparable Peer Companies;
- (b) the P/NAV of the Company of 0.50 times as implied by the Offer Price is near the lower end of the range and hence below the mean and median of the historical P/NAV ratios of the Comparable Peer Companies; and
- (c) the P/NTA of the Company of 0.73 times as implied by the Offer Price is within the range, and close to the mean and median of the historical P/NTA ratios of the Comparable Peer Companies.

Comparable Peer Companies – P/NAV (ex-cash) and P/NTA (ex-cash)

We have in Section 6.3 of this Letter under the caption “*Price-to-book (ex-cash) ratios*” evaluated the terms of the Offer on a price-to-book value (ex-cash) basis to illustrate the extent to which the value of each Share is backed by the Group’s NAV and NTA after excluding the net cash component. As such, we have also made a comparison against the P/NAV (ex-cash) and P/NTA (ex-cash) ratios of selected Comparable Peer Companies which have been profitable in the last 3 financial years and have a strong net cash component (after deducting interest-bearing borrowings) in their respective balance sheet. There are three such Comparable Peer Companies.

Name	% of NAV represented by net cash component	Market capitalisation as at the Offer Announcement Date (S\$’million)	Market capitalisation (ex-cash) ⁽¹⁾ (S\$’million)	P/NAV (ex-cash) ⁽²⁾ (times)	P/NTA (ex-cash) ⁽²⁾ (times)
MMH	35.6%	109.8	92.8	3.01 ⁽³⁾	3.01 ⁽³⁾
CDW ⁽⁴⁾	67.8%	66.8	5.8	0.20	0.20
MIT	30.3%	39.3	23.6	0.65	0.65

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Name	% of NAV represented by net cash component	Market capitalisation as at the Offer Announcement Date (S\$'million)	Market capitalisation (ex-cash) ⁽¹⁾ (S\$'million)	P/NAV (ex-cash) ⁽²⁾ (times)	P/NTA (ex-cash) ⁽²⁾ (times)
High				3.01	3.01
Low				0.20	0.20
Mean				0.42	0.42
Median				0.42	0.42
Company	28.4%	63.5 (implied by the Offer Price)	27.3 (ex-cash)	0.30 (based on ex-cash NAV)	0.54 (based on ex-cash NTA)

Notes:

- (1) The market capitalisation (ex-cash) of the Comparable Peer Companies as at the Offer Announcement Date is computed after deducting their respective net cash component;
- (2) The P/NAV (ex-cash) and P/NTA (ex-cash) ratios of the Comparable Peer Companies are computed based on their respective market capitalisation (ex-cash) divided by the respective NAV (ex-cash) or NTA (ex-cash) value. The NAV, NTA and ex-cash component of the Comparable Peer Companies are obtained from their respective latest published financial statements available as at the Offer Announcement Date;
- (3) Excluded as statistical outlier in the mean and median computations; and
- (4) The NAV, NTA and net cash component for CDW are converted based on the foreign exchange rate of US\$1.00:S\$1.3498 as at the Offer Announcement Date as the reporting currency of CDW is in US\$.

Based on the above, we note that the P/NAV (ex-cash) and P/NTA (ex-cash) ratios of the Company implied by the Offer Price (ex-cash) are between the two remaining Comparable Peer Companies after excluding the outlier. The NAV and NTA of the respective Comparable Peer Companies are similar and hence the statistics for their P/NAV (ex-cash) and P/NTA (ex-cash) ratios are the same.

6.6 Dividend track record of the Company

We set out below the information on the dividends per Share declared by the Company in respect of the last five financial years:

Dividends declared	FY2012	FY2013	FY2014	FY2015	FY2016
Total dividends per Share (S\$)	0.0053 ⁽¹⁾	0.0067 ⁽¹⁾	0.0180 ⁽¹⁾	0.0200 ⁽¹⁾	0.0250
Average Share price ⁽²⁾ (S\$)	0.3101	0.2870	0.2963	0.3571	0.3241
Dividend yield ⁽³⁾ (%)	1.71	2.33	6.07	5.60	7.71

Source: Bloomberg L.P. and Company's annual reports and announcements.

Notes:

- (1) Adjusted for the Share Consolidation which became effective on 30 October 2015, that is, during FY2016;
- (2) Average daily closing price of the Shares for each respective financial year (adjusted for the Share Consolidation); and
- (3) Computed based on total dividends per Share divided by the average Share price.

The Company had declared an interim dividend of S\$0.007 per Share for the half year ended 31 December 2015 which was paid out to Shareholders on 16 March 2016. As disclosed in the Company's results announcement on 2 August 2016, the Company has proposed the Final Dividends of S\$0.018 per Share comprising the final dividend of S\$0.008 per Share and a special dividend of S\$0.010 per Share. This represents an aggregate dividend of S\$0.025 per

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Share for FY2016. The proposed Final Dividends, if approved at the Company's AGM, will be payable on 18 November 2016. The book closure date for the Final Dividends will be after 5.00 p.m. on 28 October 2016.

We note that the Company had regularly declared dividends over the last 5 financial years, representing dividend yields of between 1.71% and 7.71% per annum and the dividend yields for FY2014, FY2015, and FY2016 are significantly higher than FY2012 and FY2013.

The Directors have confirmed that the Company does not have a fixed dividend policy. In considering the level of dividend payments, the Board takes into account various factors including but not limited to the performance and financial position of the Company as well as projected levels of capital expenditure and other investment plans. The Group's policy aims to balance cash return to Shareholders and investment for sustainable growth while maintaining an efficient capital structure.

We wish to highlight that the above dividend analysis of the Company serves only as an illustrative guide and is not an indication of the Company's future dividend policy. There is no assurance that the Company will continue to pay dividends in future and/or maintain the level of dividends paid in the past periods.

As disclosed in Section 3.3 of this Letter, pursuant to the terms of the Offer, the Offeror will acquire all the Offer Shares together with all rights to the Distribution (if any) announced, declared, paid or made by the Company on or after the Offer Announcement Date. **If any Distribution (which includes the Final Dividends) is announced, declared, paid or made by the Company on or after the Offer Announcement Date to a Shareholder who accepts or has accepted the Offer, the Offeror reserves the right to reduce the Offer Price payable to such accepting Shareholder by the amount of such Distribution.**

As at the Latest Practicable Date, the Offeror has not made any announcement on this matter. In this regard, Shareholders should take note of any announcement that may be made by the Offeror on any adjustment to the Offer Price.

6.7 Other relevant considerations in relation to the Offer which may have a significant bearing on our assessment

6.7.1 Likelihood of competing offers

The Directors have confirmed that, as at the Latest Practicable Date, apart from the Offer being made by the Offeror, no alternative offer or proposal from any third party has been received. We also note that there is no publicly available evidence of any alternative offer for the Offer Shares from any third party.

In the event that the Offer becomes unconditional in all respects, the likelihood of a competing offer will be remote as the Offeror would have majority control of the Company.

In the event that the Offer does not become or is not declared unconditional in all respects by the close of the Offer, all acceptances to the Offer will be returned to the Shareholders not later than 14 days from the lapse of the Offer.

6.7.2 Intention of the Offeror regarding listing status

We note that the Offeror is making the Offer in compliance with the requirements of Rule 14 of the Code, as the Offeror had acquired Shares which triggered the take-over threshold of 30.0% or more of the total number of Shares.

While it is the current intention of the Offeror to maintain the listing status of the Company on the SGX-ST following completion of the Offer, the Offeror also reserves the right to re-evaluate its position, including its right of compulsory acquisition, in the event that the Free Float Requirement is not met and the SGX-ST suspends trading of the Shares. The Offeror will take into account, *inter alia*, the level of acceptances received by the Offeror and the prevailing

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market conditions at the relevant time. Accordingly, there is no assurance that the Offeror will take steps to preserve the listing status of the Company on the SGX-ST if the public float of the Company is less than 10%.

6.7.3 Independent Directors' intention with regards to their Shares

As at the Latest Practicable Date, the shareholdings of the Independent Directors are as follows:

Name	Number of Shares held	% Shareholding ⁽¹⁾
Mr Melvin Chan	6,278,753	3.76
Mr Jeffrey Staszak	30,000	0.02
Mr Amos Leong Hong Kiat	30,000	0.02
Ms Ong Suat Lian	178,899	0.11

Note:

(1) As a percentage of the total number of Shares as at the Latest Practicable Date comprising 167,128,185 Shares.

All the above Independent Directors concur with our recommendation as set out in Section 7 of this Letter and accordingly, intend to reject the Offer in respect of their Shares.

7. OUR RECOMMENDATIONS TO THE INDEPENDENT DIRECTORS ON THE OFFER

In arriving at our recommendation in respect of the Offer, we have taken into account, reviewed and deliberated on the following key considerations which we consider to be pertinent in our assessment of the Offer:

- (a) Market quotation and trading activity of the Shares;
- (b) Financial performance of the Group;
- (c) Net assets backing of the Group;
- (d) Comparison with recently completed offers for companies listed on the SGX-ST;
- (e) Comparison of valuation ratios of selected listed companies which are broadly comparable with the Group;
- (f) Dividend track record of the Company; and
- (g) Other relevant considerations in relation to the Offer which may have a significant bearing on our assessment.

Overall, based on our analysis and after having considered carefully the information available to us as at the Latest Practicable Date, we are of the view that the financial terms of the Offer are not fair and not reasonable.

Accordingly, we advise the Independent Directors to recommend Shareholders to REJECT the Offer.

If Shareholders wish to realise their investments in the Company, they can choose to sell their Shares in the open market if they can obtain a price higher than the Offer Price (after deducting transaction costs).

In rendering the above advice, we have not given regard to any specific investment objectives, financial situation, tax position, risk profiles or particular needs and constraints of any individual Shareholder. As each individual Shareholder would have different investment objectives and profiles, we would advise that any individual Shareholder who may require specific advice in relation to his investment objectives or portfolio should consult his legal, financial, tax or other professional adviser immediately. The Independent Directors should advise Shareholders that

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the opinion and advice of Provenance Capital should not be relied upon by any Shareholder as the sole basis for deciding whether or not to accept the Offer, as the case may be.

Our recommendation is addressed to the Independent Directors for their benefit, in connection with and for the purposes of their consideration of the Offer, as the case may be, and may not be used or relied on for any other purposes (other than for the purpose of the Offer) without the prior written consent of Provenance Capital. The recommendation to be made by the Independent Directors to Shareholders in respect of the Offer, as the case may be, shall remain the sole responsibility of the Independent Directors.

This Letter is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully
For and on behalf of
PROVENANCE CAPITAL PTE. LTD.

Wong Bee Eng
Chief Executive Officer

APPENDIX II – ADDITIONAL GENERAL INFORMATION

1. DIRECTORS

The names, addresses and appointments of the Directors as at the Latest Practicable Date are set out below:

Name	Address	Appointment
Mr. Chng Hee Kok	c/o 54 Serangoon North Avenue 4, #05-02 Singapore 555854	Chairman and Independent Director
Mr. Melvin Chan Wai Leong	c/o 54 Serangoon North Avenue 4, #05-02 Singapore 555854	Director and Chief Executive Officer
Mr. Kelvin Lum Wen-Sum	c/o 54 Serangoon North Avenue 4, #05-02 Singapore 555854	Executive Director
Ms. Ong Suat Lian	c/o 54 Serangoon North Avenue 4, #05-02 Singapore 555854	Director and Chief Financial Officer
Mr. Jeffrey Staszak	c/o 54 Serangoon North Avenue 4, #05-02 Singapore 555854	Independent Director
Mr. Amos Leong Hong Kiat	c/o 54 Serangoon North Avenue 4, #05-02 Singapore 555854	Independent Director
Mr. Clement Leow Wee Kia	c/o 54 Serangoon North Avenue 4, #05-02 Singapore 555854	Independent Director

2. PRINCIPAL ACTIVITIES

The Company is incorporated in Singapore on 15 November 1994 and listed on the Mainboard of SGX-ST since 6 July 2000.

The Group is a probe card and distribution and service solutions provider serving the semiconductor and electronics manufacturing industries. The customers of the Group include global semiconductor companies such as integrated design manufacturers and foundries as well as the electronics contract manufacturers. The Group is headquartered in Singapore and has operations in countries including China, Japan, Malaysia, Singapore, Taiwan, Thailand, United States of America and Vietnam.

3. SHARE CAPITAL

3.1 Issued Share Capital

The Company has only one (1) class of shares, being the Shares.

As at the Latest Practicable Date, the issued share capital of the Company is S\$89,588,161.50 comprising 167,128,185 Shares. The Shares are listed and quoted on the Main Board of the SGX-ST.

The Company does not have any treasury shares.

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3.2 Rights in respect of Capital, Voting and Dividends

The rights of Shareholders in respect of capital, voting and dividends are contained in the Constitution. The provisions in the Constitution relating to the rights of Shareholders in respect of capital, voting and dividends are reproduced in **Appendix III** to this Circular. Capitalised terms and expressions not defined in the extracts have the meanings ascribed to them in the Constitution.

3.3 Number of Shares issued since the end of the last financial year

As at the Latest Practicable Date, no new Shares have been issued since the end of FY2016, being the last financial year of the Company.

3.4 Outstanding Instruments Convertible into Shares

As at the Latest Practicable Date, there are no outstanding instruments convertible into, rights to subscribe for, or options in respect of, securities being offered for or which carry voting rights affecting the Shares.

4. DISCLOSURE OF INTERESTS

4.1 Interests of the Company in Offeror Securities

The Company does not have any direct or deemed interest in any Offeror Securities as at the Latest Practicable Date.

4.2 Dealings in Offeror Securities by the Company

The Company has not dealt for value in any Offeror Securities during the period commencing six (6) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

4.3 Interests of the Directors in Offeror Securities

None of the Directors has any direct or deemed interest in any Offeror Securities as at the Latest Practicable Date.

4.4 Dealings in Offeror Securities by the Directors

None of the Directors has dealt for value in any Offeror Securities during the period commencing six (6) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

4.5 Interests of the Directors in Company Securities

Save as disclosed below, none of the Directors has any direct or deemed interest in the Company Securities as at the Latest Practicable Date.

Shares

Name of Director	No. of Shares			%(⁽¹⁾)
	Direct interest	Deemed interest	Total interest	
Mr. Melvin Chan Wai Leong	6,278,753	–	6,278,753	3.76
Mr. Jeffrey Staszak	30,000	–	30,000	0.02
Mr. Amos Leong Hong Kiat	–	30,000	30,000	0.02
Ms. Ong Suat Lian	178,899	–	178,899	0.11

Note:

(1) As a percentage of the total number of Shares as at the Latest Practicable Date comprising 167,128,185 Shares.

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4.6 Dealings in Company Securities by the Directors

None of the Directors has dealt for value in any Company Securities during the period commencing six (6) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

4.7 Company Securities owned or controlled by the IFA

As at the Latest Practicable Date, none of the IFA, its related corporations or any funds whose investments are managed by the IFA on a discretionary basis owns or controls any Company Securities.

4.8 Dealings in Company Securities by the IFA

As at the Latest Practicable Date, none of the IFA, its related corporations or any funds whose investments are managed by the IFA on a discretionary basis has dealt for value in any Company Securities during the period commencing six (6) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

4.9 Directors' Intentions

The Directors who hold (and have beneficial interest in) Shares have indicated their intention in respect of accepting or rejecting the Offer in respect of their Shares as follows:

- (a) As at the Latest Practicable Date, Mr. Melvin Chan Wai Leong has a direct interest in 6,278,753 Shares, representing approximately 3.76% of the issued share capital of the Company. Mr. Melvin Chan Wai Leong has informed the Company that he does not intend to accept the Offer.
- (b) As at the Latest Practicable Date, Mr. Jeffrey Staszak has a direct interest in 30,000 Shares, representing approximately 0.02% of the issued share capital of the Company. Mr. Jeffrey Staszak has informed the Company that he does not intend to accept the Offer.
- (c) As at the Latest Practicable Date, Mr. Amos Leong Hong Kiat has a deemed interest in 30,000 Shares, representing approximately 0.02% of the issued share capital of the Company. Mr. Amos Leong Hong Kiat has informed the Company that he does not intend to accept the Offer.
- (d) As at the Latest Practicable Date, Ms. Ong Suat Lian has a direct interest in 178,899 Shares, representing approximately 0.11% of the issued share capital of the Company. Ms. Ong Suat Lian has informed the Company that she does not intend to accept the Offer.

4.10 Directors' Service Contracts

Mr. Melvin Chan Wai Leong entered into a service agreement with the Company for an initial term of three (3) years commencing from 1 July 2015 to 30 June 2018. Thereafter, the employment shall be automatically renewed for further periods of one (1) year each unless terminated in accordance with the terms of the service agreement. Pursuant to the service agreement, the Company shall pay to Mr. Melvin Chan Wai Leong during his employment a salary of S\$540,000 per annum, an annual wage supplement of one (1) month for every 12 months of service and a car allowance of S\$72,000 per annum. Mr. Melvin Chan Wai Leong is also entitled under the service agreement to other benefits including medical, hospital and dental benefits in Singapore, subject to the existing policies of the Company.

In addition, as a senior member of management of the Company, Mr. Melvin Chan Wai Leong shall be entitled to an incentive bonus under a management incentive scheme (the "**Management Incentive Bonus**"). The Management Incentive Bonus shall be calculated with respect to the audited consolidated net profit after tax of the Group as shown or derived from the audited consolidated financial statements of the Group for the financial year in question ("**NPAT Before Management Incentive Bonus**") and shall be paid on an annual basis. The amount of the

APPENDIX II – ADDITIONAL GENERAL INFORMATION

Management Incentive Bonus shall be equivalent to 5% of the NPAT Before Management Incentive Bonus for the financial year in question commencing from the financial year in which the initial term of the service agreement commences. Where the NPAT Before Management Incentive Bonus for the financial year in question is nil or negative, no Management Incentive Bonus shall be payable.

Save as disclosed above, as at the Latest Practicable Date, there are no service contracts between any of the Directors or proposed directors with the Company or any of its subsidiaries which have more than 12 months to run and which cannot be terminated by the employing company within the next 12 months without paying any compensation, and there are no such service contracts entered into or amended by the Company or any of its subsidiaries during the period commencing six (6) months prior to the Offer Announcement Date and ending on the Latest Practicable Date.

4.11 Other Disclosures

- (a) As at the Latest Practicable Date, it is not proposed that any payment or other benefit shall be made or given to any Director or director of any other corporation which is by virtue of Section 6 of the Companies Act deemed to be related to the Company, as compensation for loss of office or otherwise in connection with the Offer.
- (b) As at the Latest Practicable Date, there are no agreements or arrangements made between any Director and any other person in connection with or conditional upon the outcome of the Offer.
- (c) As at the Latest Practicable Date, none of the Directors has a material personal interest, whether direct or indirect, in any material contract entered into by the Offeror. Notwithstanding, for completeness, in respect of Mr. Kelvin Lum Wen-Sum, as disclosed in Section 8.3 of the Offer Document, the Offeror has entered into a facility agreement with CIMB to obtain financing for the purpose of the Offer. Pursuant to the terms of the facility agreement, the Offeror has granted a share charge over all existing Shares held by the Offeror as at the Offer Announcement Date and all Shares to be acquired by the Offeror pursuant to the Offer or otherwise during the period of the Offer in favour of CIMB as security under the facility agreement.

5. MATERIAL CONTRACTS WITH INTERESTED PERSONS

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries has entered into material contracts with persons who are Interested Persons (other than those entered into in the ordinary course of business) during the period commencing three (3) years before the Offer Announcement Date.

6. MATERIAL LITIGATION

As at the Latest Practicable Date, none of the Company or its subsidiaries is engaged in any material litigation, either as plaintiff or defendant, which might materially and adversely affect the financial position of the Company or the Group, taken as a whole. The Directors are not aware of any material litigation, claims or proceedings pending or threatened against, or made by, the Company or any of its subsidiaries or any facts likely to give rise to any such material litigation, claims or proceedings, which might materially and adversely affect the financial position of the Company or the Group, taken as a whole.

7. FINANCIAL INFORMATION

7.1 Consolidated Statements of Comprehensive Income

A summary of the audited consolidated financial statements of comprehensive income of the Group for FY2013, FY2014 and FY2015 and the unaudited consolidated financial statements of comprehensive income of the Group for FY2016 is set out below. The summary below should be read together with the annual reports of the Company for the relevant financial years and their respective accompanying notes. Copies of the annual reports are available for inspection at the registered office of the Company at 54 Serangoon North Avenue 4 #05-02 Singapore 555854 during normal business hours for the period during which the Offer remains open for acceptance.

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	← (Audited) →		(Unaudited)	
	FY2013 (S\$'000)	FY2014 (S\$'000)	FY2015 (S\$'000)	FY2016 (S\$'000)
Consolidated Statement of Comprehensive Income				
Revenue	124,232	144,474	112,515	118,735
Cost of revenue	(93,506)	(105,671)	(72,384)	(76,863)
Gross profit	30,726	38,803	40,131	41,872
Other income	910	14,559	1,355	2,936
Distribution expenses	(11,732)	(13,697)	(12,335)	(13,362)
Administrative expenses	(13,761)	(16,964)	(17,051)	(17,245)
Research and development expenses	(1,754)	(2,389)	(3,309)	(3,616)
Other expenses	(885)	(6,721)	(407)	(588)
Results from operating activities	3,504	13,591	8,384	9,997
Finance income	387	248	73	99
Finance expenses	(242)	(364)	(240)	(163)
Net finance income/(expenses)	145	(116)	(167)	(64)
Share of results of associates (net of tax)	598	665	1,171	981
Share of results of joint ventures (net of tax)	(200)	(284)	(112)	54
Profit before income tax	4,047	13,856	9,276	10,986
Income tax credit/(expenses)	906	(1,070)	(2,612)	(1,365)
Profit for the year	4,953	12,786	6,664	9,603
Other comprehensive income				
<i>Items that are or may be reclassified subsequently to profit or loss</i>				
Exchange difference on liquidation of a subsidiary reclassified to profit or loss	(18)	–	(16)	–
Exchange difference arising from disposal of subsidiaries reclassified to profit or loss	103	84	–	–
Exchange differences arising from disposal of an associate reclassified to profit or loss	–	–	248	–
Exchange differences arising from disposal of a joint venture reclassified to profit or loss	–	–	–	137
Exchange differences on monetary items forming part of net investments in foreign operations	(54)	(89)	74	(185)
Exchange differences on translation of financial statements of foreign operations	(1,373)	(1,547)	2,079	2,260
Net change in fair value of available-for-sale financial assets	333	2,390	(1,881)	(2,553)
Net change in fair value of available-for-sale financial assets, reclassified to profit or loss, net of tax	–	–	–	401
Other comprehensive income for the year, net of income tax	(1,009)	838	504	60
Total comprehensive income for the year	3,944	13,624	7,168	9,663
Profit/(Loss) attributable to:				
Owners of the Company	4,767	13,513	6,663	9,598
Non-controlling interests	186	(727)	1	5
Profit for the year	4,953	12,786	6,664	9,603
Total comprehensive income attributable to:				
Owners of the Company	3,790	14,347	7,148	9,676
Non-controlling interests	154	(723)	20	(13)
Total comprehensive income for the year	3,944	13,624	7,168	9,663
Earnings per share*				
- Basic earnings per share (cents)	2.87	8.15	4.01	5.74
- Diluted earnings per share (cents)	2.87	8.15	4.01	5.74

* On 30 October 2015, the Group completed a share consolidation of 10 existing Shares into 3 Shares. Accordingly, retrospective adjustments have been made to the earnings per share for FY2013, FY2014 and FY2015.

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7.2 Consolidated Statement of Financial Position

A summary of the audited consolidated statement of financial position of the Group as at 30 June 2015 and the unaudited consolidated statement of financial position of the Group as at 30 June 2016 is set out below. The summary below should be read together with the annual report of the Company for FY2015 and their respective accompanying notes, a copy of which is available for inspection at the registered office of the Company at 54 Serangoon North Avenue 4 #05-02 Singapore 555854 during normal business hours for the period during which the Offer remains open for acceptance.

	(Audited) As at 30 June 2015 (S\$'000)	(Unaudited) As at 30 June 2016 (S\$'000)
Consolidated Statement of financial position		
Non-current assets		
Property, plant and equipment	11,365	11,840
Intangible assets	41,974	41,213
Subsidiaries	–	–
Associates	6,350	8,385
Joint ventures	118	68
Financial assets	7,687	5,203
Deferred tax assets	3,403	3,374
	70,897	70,083
Current assets		
Inventories	11,185	9,115
Trade and other receivables	30,466	37,157
Amounts due from related parties	117	–
Assets classified as held for sale	991	–
Cash and cash equivalents	40,279	40,036
	83,038	86,308
Total assets	153,935	156,391
Equity attributable to Owners of the Company		
Share capital	89,566	89,566
Reserves	31,893	38,171
	121,459	127,737
Non-controlling interests	398	385
Total equity	121,857	128,122
Non-current liabilities		
Provisions	–	214
Interest-bearing borrowings	511	471
Deferred tax liabilities	580	581
	1,091	1,266
Current liabilities		
Trade and other payables	21,965	22,572
Provisions	100	231
Amounts due to related parties	116	72
Interest-bearing borrowings	7,783	3,347
Current tax payable	1,023	781
	30,987	27,003
Total liabilities	32,078	28,269
Total equity and liabilities	153,935	156,391

APPENDIX II – ADDITIONAL GENERAL INFORMATION

8. MATERIAL CHANGES

- (a) As at the Latest Practicable Date, save as disclosed in this Circular and any other information on the Company which is publicly available (including, without limitation, the announcements released by the Company on SGX-ST), there has been no known material change in the financial position of the Company since 30 June 2015, being the date of the last published audited accounts of the Company.
- (b) Save as disclosed in this Circular and any other information on the Group and the Offer which is publicly available, there has been no material change in any information previously published by or on behalf of the Company during the period commencing from the Offer Announcement Date and ending on the Latest Practicable Date.

9. SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies of the Group is set out in the notes to the audited consolidated financial statements of the Group for FY2015 as contained in the annual report of the Company for FY2015, a copy of which is available for inspection at the registered office of the Company at 54 Serangoon North Avenue 4 #05-02 Singapore 555854 during normal business hours for the period during which the Offer remains open for acceptance.

Save as disclosed in the notes to the audited consolidated financial statements of the Group for FY2015 as contained in the annual report of the Company for FY2015:

- (a) there are no significant accounting policies or any matter from the notes of the audited consolidated financial statements of the Group for FY2015 which are of any major relevance for the interpretation of the financial statements of the Group; and
- (b) as at the Latest Practicable Date, there is no change in the accounting policies of the Group which would cause the figures disclosed in this Circular not to be comparable to a material extent with FY2015.

10. GENERAL

- (a) All expenses and costs incurred by the Company in relation to the Offer will be borne by the Company.
- (b) The IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of its name, its advice to the Independent Directors set out in Section 6.2 of this Circular, the IFA Letter set out in **Appendix I** to this Circular and all references thereto, in the form and context in which they appear in this Circular.

11. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 54 Serangoon North Avenue 4 #05-02 Singapore 555854 during normal business hours for the period during which the Offer remains open for acceptance:

- (a) the Constitution;
- (b) the annual reports of the Company for FY2013, FY2014 and FY2015;
- (c) the IFA Letter set out in **Appendix I** to this Circular; and
- (d) the IFA's letter of consent referred to in Section 10(b) of this **Appendix II**.

APPENDIX III – PROVISIONS IN THE CONSTITUTION RELATING TO THE RIGHTS OF SHAREHOLDERS IN RESPECT OF CAPITAL, VOTING AND DIVIDENDS

The provisions in the Constitution relating to the rights of Shareholders in respect of capital, voting and dividends have been reproduced below:

1. The Rights of Shareholders in respect of Capital

“ISSUE OF SHARES

4. *Subject to the Statutes, no shares may be issued by the Directors without the prior approval of the Company in General Meeting but subject thereto and to 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) *(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 Article 8(A) with such adaptations as are necessary shall apply;*
 - (c) *and the rights attaching to shares of a class other than ordinary shares shall be expressed in the resolution creating the same.*
5. (A) *Preference shares may be issued subject to such limitations thereof as may be prescribed by any stock exchange upon which the shares in the Company may be listed and the rights attaching to shares other than ordinary shares shall be expressed in the Memorandum of Association or these Articles. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports and balance sheets and attending General Meetings, and preference shareholders shall also have the right to vote at any meeting convened for the purpose of reducing the capital or winding-up or sanctioning a sale of the undertaking of the Company or where the proposal to be submitted to the meeting directly affects their rights and privileges or when the dividend on preference shares is more than six months in arrears.*
 - (B) *The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares already issued.*

VARIATION OF RIGHTS

6. (A) *Whenever the share capital of the Company is divided into different classes of shares, subject to the provisions of the Statutes, preference capital other than redeemable preference capital may be repaid and the special rights attached to any class may be varied or abrogated either with the consent in writing of the holders of three-quarters of the issued shares of the class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of the Shares of the class (but not otherwise) and may be so repaid, varied or abrogated either whilst the Company is a going concern or during or in contemplation of a winding-up. To every such General Meeting, all provisions of these Articles relating to General Meetings and to the*

APPENDIX III – PROVISIONS IN THE CONSTITUTION RELATING TO THE RIGHTS OF SHAREHOLDERS IN RESPECT OF CAPITAL, VOTING AND DIVIDENDS

proceedings thereat shall *mutatis mutandis* apply, except that the necessary quorum shall be two persons at least holding or representing by proxy at least one-third of the issued shares of the class and that any holder of shares of the class present in person or by proxy may demand a poll and that every holder shall on a poll have one vote for every share of the class held by him, Provided always that where the necessary majority for such a Special Resolution is not obtained at such General Meeting, consent in writing if obtained from the holders of three-quarters of the issued shares of the class concerned within two months of such General Meeting shall be as valid and effectual as a Special Resolution carried at such General Meeting. The foregoing provisions of this Article shall apply to the variation or abrogation of the special rights attached to some only of the shares of any class as if each group of shares of the class differently treated formed a separate class the special rights whereof are to be varied.

- (B) The special rights attached to any class of shares having preferential rights shall not, unless otherwise expressly provided by the terms of issue thereof, be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects *pari passu* therewith but in no respect in priority thereto.

ALTERATION OF SHARE CAPITAL

7. The Company may, subject to the Statutes and these Articles, from time to time by Ordinary Resolution increase its capital.
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 rules of the Singapore Exchange Securities Trading Limited, 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 number 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 Article 8(A).
- (B) Notwithstanding Article 8(A), the Company may 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:-
- (a) (i) issue shares in the capital of the Company ("shares") whether by way of rights, bonus or otherwise; and/or;
- (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares; and
- (b) (notwithstanding the authority conferred by the Ordinary Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the Ordinary Resolution was in force,

APPENDIX III – PROVISIONS IN THE CONSTITUTION RELATING TO THE RIGHTS OF SHAREHOLDERS IN RESPECT OF CAPITAL, VOTING AND DIVIDENDS

Provided that:-

- (1) *the aggregate number of shares to be issued pursuant to the Ordinary Resolution (including shares to be issued pursuant to the Instruments made or granted pursuant to the Ordinary Resolution) shall be subject to such limits and manner of calculation as may be prescribed by the listing rules of the Singapore Exchange Securities Trading Limited;*
 - (2) *in exercising the authority conferred by the Ordinary Resolution, the Company shall comply with the listing rules of the Singapore Exchange Securities Trading Limited (unless such compliance is waived by the said Exchange) and these Articles; and*
 - (3) *(unless revoked or varied by the Company in General Meeting) the authority conferred by the Ordinary Resolution shall not continue in force 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 by law to be held, or the expiration of such other period as may be prescribed by the Statutes (whichever is the earliest).*
 - (C) *Except so far as otherwise provided by the conditions of issue or by these presents, all new shares shall be subject to the provisions of the Statutes and of these presents with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture and otherwise.*
9. *The Company may by Ordinary Resolution alter its capital in any manner permitted under the Act, including without limitation:-*
- (a) *consolidate and divide all or any of its shares;*
 - (b) *cancel the number of shares which, at the date of the passing of the resolution, have not been taken, or agreed to be taken, by any person or which have been forfeited, and diminish its share capital by the number of shares so cancelled;*
 - (c) *sub-divide its shares, or any of them (subject to the provisions of the Statutes) provided always that in such sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and*
 - (d) *subject to the provisions of the Statutes and these Articles, convert any class of shares into any other class of shares.*
10. (A) *The Company may reduce its share capital or any undistributable reserve in any manner and with and subject to any requirements and consents stipulated by law. Without prejudice to the generality of the foregoing, upon cancellation of a share purchased or otherwise acquired by the Company pursuant to these presents and the Act, the number of issued shares of the Company shall be diminished by the number of the shares so cancelled, and where any such cancelled share was purchased or acquired out of the capital of the Company, the amount of share capital of the Company shall be reduced accordingly.*
- (B) *The Company may, subject to and in accordance with the Act, purchase or otherwise acquire its issued shares on such terms and in such manner as the Company may from time to time think fit. Any share purchased or acquired by the Company may be cancelled or held as treasury shares. On the cancellation of a share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may hold or deal with any such share which is so purchased or acquired by it in such manner as may be permitted by, and in accordance with, the Act.*

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- (C) *The Company shall not exercise any right in respect of treasury shares other than as provided by the Act. Subject thereto, the Company may deal with its treasury shares in the manner authorized by, or prescribed pursuant to, the Act.*

SHARES

11. *Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognise any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these presents or by law otherwise provided) any other right in respect of any share, except an absolute right to the entirety thereof in the person (other than the Depository) entered in the Register of Members as the registered holder thereof or (as the case may be) person whose name is entered in the Depository Register in respect of that share.*
12. *Without prejudice to any special rights previously conferred on the holders of any shares or class of shares for the time being issued, any share in the Company may be issued with such preferred, deferred or other special rights, or subject to such restrictions, whether as regards dividend, return of capital, voting or otherwise, as the Company may from time to time by Ordinary Resolution determine (or, in the absence of any such determination, as the Directors may determine) and subject to the provisions of the Statutes, the Company may issue preference shares which are, or at the option of the Company are liable, to be redeemed.*
13. *Subject to the provisions of these presents and of the Statutes relating to authority, pre-emption rights and otherwise and of any resolution of the Company in a General Meeting passed pursuant thereto, all unissued shares shall be at the disposal of the Directors and they may allot (with or without conferring a right of renunciation), grant options over or otherwise dispose of them to such persons, at such times and on such terms as they think proper.*
14. *The Company may pay commissions or brokerage on any issue of shares at such rate or such amount and in such manner as the Directors deem fit. Such commissions or brokerage may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other.*
15. *Subject to the terms and conditions of any application for shares, the Directors shall allot shares applied for within ten market days of the closing date (or such other period as may be approved by any Stock Exchange upon which the shares in the Company may be listed) of any such application. The term "market day" shall have the meaning ascribed to it in Article 18. The Directors may, at any time after the allotment of any share but before any person has been entered in the Register of Members as the holder or (as the case may be) before that share is entered against the name of a Depositor in the Depository Register, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.*

SHARE CERTIFICATES

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

APPENDIX III – PROVISIONS IN THE CONSTITUTION RELATING TO THE RIGHTS OF SHAREHOLDERS IN RESPECT OF CAPITAL, VOTING AND DIVIDENDS

17. *Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint tenants with benefit of survivorship subject to the following provisions:-*
- (a) the Company shall not be bound to register more than three persons as the registered joint holders of any share, except in the case of executors or trustees of a deceased member;*
 - (b) the joint holders of a share shall be liable severally as well as jointly in respect of all payments which ought to be made in respect of such share;*
 - (c) on the death of any such joint holders the survivor or survivors shall be the only person or persons recognized by the Company as having any title to such share but the Directors may require such evidence of death as they may deem fit; and*
 - (d) in the case of a share registered jointly in the names of several persons, the Company shall not be bound to issue more than one certificate therefor and delivery of a certificate to any one of the registered joint holders shall be sufficient delivery to all.*
18. *Every person whose name is entered as a member in the Register of Members shall be entitled to receive, within ten market days of the closing date of any application for shares (or such other period as may be approved by any Stock Exchange upon which the shares of the Company may be listed) or as the case may be, the date of lodgment of a registrable transfer or a transmission of shares, one certificate for all his shares of any one class or several certificates in reasonable denominations each for a part of the shares so allotted or transferred. Where such a member transfers part only of the shares comprised in a certificate or where such a member requires the Company to cancel any certificate or certificates and issue new certificate(s) for the purpose of subdividing his holding in a different manner, the old certificate or certificates shall be cancelled and a new certificate or certificates for the balance of such shares issued in lieu thereof and such member shall pay a maximum fee of \$2.00 for each new certificate or such other fee as the Directors may from time to time determine having regard to any limitation thereof as may be prescribed by any Stock Exchange upon which the shares in the Company may be listed. For the purposes of this Article 18, the term "market day" shall mean a day on which the Singapore Exchange Securities Trading Limited is open for trading in securities. Where a member is a Depositor, the delivery by the Company to the Depository of provisional allotments or share certificates in respect of the aggregate entitlements of Depositors to new shares offered by way of rights issue or other preferential offering or bonus issue shall, to the extent of the delivery, discharge the Company from further liability to each such Depositor in respect of his individual entitlement.*
19. (A) *Any two or more certificates representing shares of any one class held by any person whose name is entered in the Register of Members may at his request be cancelled and a single new certificate for such shares issued in lieu without charge.*
- (B) *If any person whose name is entered in the Register of Members shall surrender for cancellation a share certificate representing shares held by him and request the Company to issue in lieu two or more share certificates representing such shares in such proportions as he may specify, the Directors may, if they think fit, comply with such request. Such person shall (unless such fee is waived by the Directors) pay a maximum fee of \$2 for each share certificate issued in lieu of a share certificate surrendered for cancellation or such other fee as the Directors may from time to time determine having regard to any limitation thereof as may be prescribed by any Stock Exchange upon which the shares in the Company may be listed.*
- (C) *In the case of shares registered jointly in the names of several persons, any such request may be made by any one of the registered joint holders.*

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20. *Subject to the provisions of the Statutes, if any share certificates shall be defaced, worn-out, destroyed, lost or stolen, it may be renewed on such evidence being produced and a letter of indemnity (if required) being given by the shareholder, transferee, person entitled, purchaser, member firm or member company of any Stock Exchange upon which the Company is listed or on behalf of its or their client or clients as the Directors of the Company shall require, and (in the case of defacement or wearing out) on delivery up of the old certificate and in any case on payment of such sum not exceeding \$2.00 as the Directors may from time to time require. In case of the destruction, loss or theft, a shareholder or person entitled to whom such renewed certificate is given shall also bear the loss and pay to the Company all expenses incidental to the investigations by the Company of the evidence of such destruction or loss.*

CALLS ON SHARES

21. *The Directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares but subject always to the terms of issue of such shares. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be made payable by instalments.*
22. *Each member shall (subject to receiving at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. A call may be revoked or postponed as the Directors may determine.*
23. *If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding ten per cent. per annum) as the Directors determine but the Directors shall be at liberty in any case or cases to waive payment of such interest wholly or in part.*
24. *Any sum which by the terms of issue of a share becomes payable upon allotment or at any fixed date shall for all the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable. In case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.*
25. *The Directors may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the times of payment.*
26. *The Directors may, if they think fit, receive from any member willing to advance the same all or any part of the moneys uncalled and unpaid upon the shares held by him and such payment in advance of calls shall extinguish pro tanto the liability upon the shares in respect of which it is made and upon the moneys so received (until and to the extent that the same would but for such advance become payable) the Company may pay interest at such rate (not exceeding eight per cent. per annum) as the member paying such sum and the Directors may agree. Capital paid on shares in advance of calls shall not, while carrying interest, confer a right to participate in profits.*

FORFEITURE AND LIEN

27. *If a member fails to pay in full any call or instalment of a call on the due date for payment thereof, the Directors may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued thereon and any expenses incurred by the Company by reason of such non-payment.*

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28. *The notice shall name a further day (not being less than fourteen days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith, the shares on which the call has been made will be liable to be forfeited.*
29. *If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder.*
30. *A share so forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Directors shall think fit and at any time before a sale, re-allotment or disposition, the forfeiture or surrender may be cancelled on such terms as the Directors think fit. The Directors may, if necessary, authorise some person to transfer or effect the transfer of a forfeited or surrendered share to any such other person as aforesaid.*
31. *A member whose shares have been forfeited or surrendered shall cease to be a member in respect of the shares but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were presently payable by him to the Company in respect of the shares with interest thereon at eight per cent. per annum (or such lower rate as the Directors may determine) from the date of forfeiture or surrender until payment and the Directors may at their absolute discretion enforce payment without any allowance for the value of the shares at the time of forfeiture or surrender or waive payment in whole or in part.*
32. *The Company shall have a first and paramount lien on every share (not being a fully paid share) and on the dividends declared or payable in respect 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 Article.*
33. *The Company may sell in such manner as the Directors think fit any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of fourteen days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of intention to sell in default shall have been given to the holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy.*
34. *The residue of the proceeds of such sale pursuant to Article 33 after the satisfaction of the unpaid calls and accrued interest and expenses of such sale shall be paid to the person entitled to the shares at the time of the sale or to his executors, administrators or assigns, as he may direct. For the purpose of giving effect to any such sale, the Directors may authorise some person to transfer or effect the transfer of the shares sold to the purchaser.*
35. *A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share has been duly forfeited or surrendered or sold or disposed to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together (where the same be required) with the share certificate delivered to a purchaser (or where the purchaser is a*

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Depositor, to the Depository) or allottee thereof shall (subject to the execution of a transfer if the same is required) constitute a good title to the share and the share shall be registered in the name of the person to whom the share is sold, re-allotted or disposed of or, where such person is a Depositor, the Company shall procure that his name be entered in the Depository Register in respect of the share so sold, re-allotted or disposed of. Such person shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, surrender, sale, re-allotment or disposal of the share.

TRANSFER OF SHARES

36. *All transfers of the legal title in shares may be effected by the registered holders thereof by transfer in writing in the form for the time being approved by any Stock Exchange upon which the Company may be listed or any other form acceptable to the Directors. The instrument of transfer of any share shall be signed by or on behalf of both the transferor and the transferee and be witnessed Provided that an instrument of transfer in respect of which the transferee is the Depository shall be effective although not signed or witnessed by or on behalf of the Depository. The transferor shall remain the holder of the shares concerned until the name of the transferee is entered in the Register of Members in respect thereof.*
37. *The Register of Members may be closed at such times and for such period as the Directors may from time to time determine Provided always that such Register shall not be closed for more than thirty days in any year Provided always that the Company shall give prior notice of such closure as may be required to any Stock Exchange upon which the Company may be listed, stating the period and purpose or purposes for which the closure is made.*
38. (A) *There shall be no restriction on the transfer of fully paid up shares (except where required by law, the listing rules of any Stock Exchange upon which the shares of the Company may be listed or the rules and/or bye-laws governing any Stock Exchange upon which the shares of the Company may be listed) but the Directors may in their discretion decline to register any transfer of shares upon which the Company has a lien and in the case of shares not fully paid up, may refuse to register a transfer to a transferee of whom they do not approve Provided always that in the event of the Directors refusing to register a transfer of shares, they shall within ten market days beginning with the day on which the application for a transfer of shares was made, serve a notice in writing to the transferor and the transferee stating the facts which are considered to justify the refusal as required by the Statutes.*
- (B) *The Directors may in their sole discretion refuse to register any instrument of transfer of shares unless:*
- (a) *a fee not exceeding \$2.00 as the Directors may from time to time require pursuant to Article 41, is paid to the Company in respect thereof;*
 - (b) *the instrument of transfer, duly stamped in accordance with any law for the time being in force relating to stamp duty, is deposited at the Office or at such other place (if any) as the Directors may appoint accompanied by a certificate of payment of stamp duty (if any), the certificates of the shares to which the transfer relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of the person so to do;*
 - (c) *the instrument of transfer is in respect of only one class of shares; and*
 - (d) *the amount of the proper duty (if any) with which each instrument of transfer is chargeable under any law for the time being in force relating to stamps is paid.*

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39. *If the Directors refuse to register a transfer of any shares, they shall within ten market days after the date on which the transfer was lodged with the Company send to the transferor and the transferee notice of the refusal as required by the Statutes.*
40. *All instruments of transfer which are registered may be retained by the Company.*
41. *There shall be paid to the Company in respect of the registration of any instrument of transfer or probate or letters of administration or certificate of marriage or death or stop notice or power of attorney or other document relating to or affecting the title to any shares or otherwise for making any entry in the Register of Members affecting the title to any shares such fee not exceeding \$2 as the Directors may from time to time require or prescribe.*
42. *The Company shall be entitled to destroy all instruments of transfer which have been registered at any time after the expiration of six years from the date of registration thereof and all dividend mandates and notifications of change of address at any time after the expiration of six years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of six years from the date of the cancellation thereof and it shall conclusively be presumed in favour of the Company that every entry in the Register of Members purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made and every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share certificate duly and properly cancelled and every other document herein before mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company; Provided always that:*
- (a) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;*
 - (b) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company in the absence of this Article; and*
 - (c) references herein to the destruction of any document include references to the disposal thereof in any manner.*

TRANSMISSION OF SHARES

43. (A) *In the case of the death of a member whose name is entered in the Register of Members, the survivors or survivor where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder, shall be the only persons(s) recognised by the Company as having any title to his interest in the shares.*
- (B) *In the case of the death of a member who is a Depositor, the survivor or survivors where the deceased is a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder and where such executors or administrators are entered in the Depository Register in respect of any shares of the deceased member, shall be the only person(s) recognised by the Company as having any title to his interest in the shares.*
- (C) *Nothing in this Article shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share held by him.*

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44. *Any person becoming entitled to the legal title in a share in consequence of the death or bankruptcy of a person whose name is entered in the Register of Members may (subject as hereinafter provided) upon supplying to the Company such evidence as the Directors may reasonably require to show his legal title to the share either be registered himself as holder of the share upon giving to the Company notice in writing of such desire or transfer such share to some other person. All the limitations, restrictions and provisions of these presents relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the person whose name is entered in the Register of Members had not occurred and the notice or transfer were a transfer executed by such person.*
45. *Save as otherwise provided by or in accordance with these presents, a person becoming entitled to a share pursuant to Article 43(A) or (B) or Article 44 (upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share) shall be entitled to the same dividends and other advantages as those to which he would be entitled if he were the member in respect of the share except that he shall not be entitled in respect thereof (except with the authority of the Directors) to exercise any right conferred by membership in relation to meetings of the Company until he shall have been registered as a member in the Register of Members or his name shall have been entered in the Depository Register in respect of the share.*

STOCK

46. *The Company may from time to time by Ordinary Resolution convert any paid-up shares into stock and may from time to time by like resolution reconvert any stock into paid-up shares.*
47. *The holders of stock may transfer the same or any part thereof in the same manner and subject to the same Articles as and subject to which the shares from which the stock arose might previously to conversion have been transferred (or as near thereto as circumstances admit) but no stock shall be transferable except in such units as the Directors may from time to time determine.*
48. *The holders of stock shall, according to the number of stock units held by them, have the same rights, privileges and advantages as regards dividend, return of capital, voting and other matters, as if they held the shares from which the stock arose, but no such privilege or advantage (except as regards participation in the profits or assets of the Company) shall be conferred by any such number of stock units which would not, if existing in shares, have conferred such privilege or advantage; and no such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted."*

2. The Rights of Shareholders in respect of Voting

"GENERAL MEETINGS

49. *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.*
50. *The Directors may whenever they think fit, and shall on requisition in accordance with the Statutes, proceed with proper expedition to convene an Extraordinary General Meeting.*

NOTICE OF GENERAL MEETINGS

51. *Any General Meeting at which it is proposed to pass a Special Resolution or (save as provided by the Statutes) 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*

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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 the manner hereafter mentioned to all members other than such as are not under the provisions of these Articles and the Act 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 of the total voting rights of all members having a right to vote at that meeting,*

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. At least fourteen days' notice of any General Meeting shall be given by advertisement in the daily press and in writing to any Stock Exchange upon which the Company may be listed.

- 52. (A) *Every notice calling a General Meeting shall specify the place and the day and hour of the meeting, and there shall appear with reasonable prominence in every notice a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him and that a proxy need not be a member of the Company.*
 - (B) *In the case of an Annual General Meeting, the notice shall also specify the meeting as such.*
 - (C) *In the case of any General Meeting at which business other than routine business is to be transacted, the notice shall specify the general nature of such business; and if any resolution is to be proposed as a Special Resolution, the notice shall contain a statement to that effect.*
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;*
 - (b) receiving and adopting the accounts, the reports of the Directors and Auditors and other documents required to be attached or annexed to the accounts;*
 - (c) appointing or re-appointing Directors to fill vacancies arising at the meeting on retirement whether by rotation or otherwise;*
 - (d) 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 Article 79.*
54. *Any notice of a General Meeting to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution on the Company in respect of such special business.*

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PROCEEDINGS AT GENERAL MEETINGS

55. *The Chairman of the Board of Directors, failing whom the Deputy Chairman, shall preside as chairman at a General Meeting. If there be no such Chairman or Deputy Chairman, or if at any meeting neither be present within five minutes after the time appointed for holding the meeting and willing to act, the Directors present shall choose one of their number (or, if no Director be present or if all the Directors present decline to take the chair, the members present shall choose one of their number) to be chairman of the meeting.*
56. *No business other than the appointment of a chairman shall be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business. Save as herein otherwise provided, the quorum at any General Meeting shall be two or more members present in person or by proxy.*
57. *If within thirty minutes from the time appointed for a General Meeting (or such longer interval as the chairman of the meeting may think fit to allow) a quorum is not present, the meeting, if convened on the requisition of members, shall be dissolved. In any other case, it shall stand adjourned to the same day in the next week (or if that day is a public holiday, then to the next business day following that public holiday) at the same time and place or such other day, time or place as the Directors may by not less than ten days' notice appoint. At the adjourned meeting, any one or more members present in person or by proxy shall be a quorum.*
58. *The chairman of any General Meeting at which a quorum is present may with the consent of the meeting (and shall if so directed by the meeting) adjourn the meeting from time to time (or sine die) and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. Where a meeting is adjourned sine die, the time and place for the adjourned meeting shall be fixed by the Directors. When a meeting is adjourned for thirty days or more or sine die, not less than seven days' notice of the adjourned meeting shall be given in like manner as in the case of the original meeting.*
59. *Save as hereinbefore expressly provided, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.*
60. *If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a Special Resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.*
61. *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 at the meeting; or*
 - (c) *a member or members present in person or by proxy and representing not less than 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 one-tenth of the total sum paid on all the shares (excluding treasury shares) conferring that right,*

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

62. *A demand for a poll may be withdrawn only with the approval of the meeting. Unless a poll is 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. 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 demanded. The chairman of the meeting may (and if so directed by the meeting 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.*
63. *In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote.*
64. *A poll 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.*

VOTES OF MEMBERS

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 and to Article 10(C), each member entitled to vote may vote in person or by proxy. On a show of hands, every member who is present in person or by proxy shall have one vote (provided that in the case of a member who is represented by two proxies, only one of the proxies as determined by that member or, failing such determination, by the Chairman of the meeting, or by a person authorized by the Chairman in his sole discretion, shall be entitled to vote on a show of hands) and 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. 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 forty-eight hours before the time of the relevant General Meeting as certified by the Depository to the Company.*
66. *In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose, seniority shall be determined by the order in which the names stand in the Register of Members or (as the case may be) the Depository Register in respect of the share.*
67. *Where in Singapore or elsewhere, a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any member on the ground (however formulated) of mental disorder, the Directors may in their absolute discretion, upon or subject to production of such evidence of the appointment as the Directors may require, permit such receiver or other person on behalf of such member to vote in person or by proxy at any General Meeting or to exercise any other right conferred by membership in relation to meetings of the Company.*

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68. *No member shall, unless the Directors otherwise determine, be entitled in respect of shares held by him to vote at a General Meeting either personally or by proxy or to exercise any other right conferred by membership in relation to meetings of the Company if any call or other sum presently payable by him to the Company in respect of such shares remains unpaid.*
69. *No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairman of the meeting whose decision shall be final and conclusive.*
70. *On a poll, votes may be given personally or by proxy and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.*
71. (A) *A member may appoint not more than two proxies to attend and vote at the same General Meeting 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 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 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.*
- (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.*
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 and:*
- (a) *in the case of an individual, shall be signed by the appointor or his attorney; and*
 - (b) *in the case of a corporation, shall be either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation.*
- (B) *The signature on such instrument need not be witnessed. Where an instrument appointing a proxy is signed 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 Article 73, failing which the instrument may be treated as invalid.*

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73. *An instrument appointing a proxy 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) not less than 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 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.*
74. *An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll, to move any resolution or amendment thereto and to speak at the meeting.*
75. *A vote cast by proxy shall not be invalidated by the previous death or 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, 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.*

CORPORATIONS ACTING BY REPRESENTATIVES

76. *Any corporation or limited liability partnership which is a member of the Company may by resolution of its directors or other governing body authorize such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company. The person so authorized shall be entitled to exercise the same powers on behalf of such corporation or limited liability partnership as the corporation or limited liability partnership could exercise if it were an individual member of the Company and such corporation or limited liability partnership shall for the purposes of these presents be deemed to be present in person at any such meeting if a person so authorized is present thereat.”*

3. The Rights of Shareholders in respect of Dividends, Capitalisation of Reserves and Winding Up

“RESERVES

120. *The Directors may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Directors, shall be applicable for any purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Directors may divide the reserve into such special funds as they think fit and may consolidate into one fund any special funds or any part of any special funds into which the reserve may have been divided. The Directors may also, without placing the same to reserve, carry forward any profits. In carrying sums to reserve and in applying the same, the Directors shall comply with the provisions of the Statutes.*

DIVIDENDS

121. *The Company may by Ordinary Resolution declare dividends but no such dividends shall exceed the amount recommended by the Directors.*

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122. *If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may declare and pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half yearly or other dates prescribed for the payment thereof and may also from time to time declare and pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit.*
123. *Subject to any rights or restrictions attached to any shares or class of shares and except as otherwise permitted under the Act:-*
- (a) *all dividends in respect of shares shall be paid in proportion to the number of shares held by a member but where the shares are partly paid all dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares; and*
 - (b) *all dividends shall be apportioned and paid proportionately to the amounts so paid or credited as paid under any portion or portions of the period in respect of which the dividend is paid.*

For the purposes of this Article, no amount paid or credited as paid on a share in advance of calls shall be treated as paid on the share.

124. *No dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes.*
125. *No dividend or other moneys payable on or in respect of a share shall bear interest as against the Company.*
126. (A) *The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.*
- (B) *The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a member, or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same.*
- (C) *The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All dividends and other moneys payable on or in respect of a share that are unclaimed after being declared may be invested or otherwise made use of by the Directors for the benefit of the Company and any dividend or any moneys that are unclaimed after a period of six (6) years from the date of declaration of such dividend or the date on which such moneys are first payable may be forfeited and if so shall revert to the Company but the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the dividend so forfeited to the person entitled thereto prior to the forfeiture. If the Depository returns any such dividend or moneys to the Company, the relevant Depositor entitled thereto shall not have any right or claim in respect of such dividend or moneys against the Company if a period of six years has elapsed from the date of the declaration of such dividend or the date on which such other moneys are first payable.*

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127. *The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the shareholder (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.*
128. *The Company may upon the recommendation of the Directors by Ordinary Resolution direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid-up shares or debentures of any other company) and the Directors shall give effect to such resolution. Where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates, may fix the value for distribution of such specific assets or any part thereof, may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors.*
129. (A) *Whenever the Directors or the Company in General Meeting have resolved or proposed that a dividend (including an interim, final, special or other dividend) be paid or declared on the ordinary share capital of the Company, the Directors may further resolve that members entitled to such dividend be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of the dividend as the Directors may think fit. In such case, the following provisions shall apply:*
- (a) *the basis of any such allotment shall be determined by the Directors;*
 - (b) *the Directors shall determine the manner in which members shall be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of any dividend in respect of which the Directors shall have passed such a resolution as aforesaid, and the Directors may make such arrangements as to the giving of notice to members, providing for forms of election for completion by members (whether in respect of a particular dividend or dividends or generally), determining the procedure for making such elections or revoking the same and the place at which and the latest date and time by which any forms of election or other documents by which elections are made or revoked must be lodged, and otherwise make all such arrangements and do all such things, as the Directors consider necessary or expedient in connection with the provisions of this Article;*
 - (c) *the right of election may be exercised in respect of the whole of that portion of the dividend in respect of which the right of election has been accorded provided that the Directors may determine, either generally or in any specific case, that such right shall be exercisable in respect of the whole or any part of that portion;*
 - (d) *the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on ordinary shares in respect whereof the share election has been duly exercised (the “elected ordinary shares”) and in lieu and in satisfaction thereof ordinary shares shall be allotted and credited as fully paid to the holders of the elected ordinary shares on the basis of allotment determined as aforesaid and for such purpose and notwithstanding the provisions of Article 133, the Directors shall capitalise and apply the amount standing to the credit of the Company’s reserve accounts as the Directors may determine, such sum as may be required to pay up in full (to the nominal value thereof) the appropriate number of ordinary shares for allotment and distribution to and among the holders of the elected ordinary shares on such basis.*

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- (B) (a) *The ordinary shares allotted pursuant to the provisions of paragraph (A) of this Article shall rank pari passu in all respects with the ordinary shares then in issue save only as regards participation in the dividend which is the subject of the election referred to above (including the right to make the election referred to above) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the dividend which is the subject of the election referred to above, unless the Directors shall otherwise specify.*
- (b) *The Directors may do all acts and things considered necessary or expedient to give effect to any capitalisation pursuant to the provisions of paragraph (A) of this Article, with full power to make such provisions as they think fit in the case of shares becoming distributable in fractions (including, notwithstanding any provision to the contrary in these Articles, provisions whereby, in whole or in part, fractional entitlements are disregarded or rounded up or down).*
- (C) *The Directors may, on any occasion when they resolve as provided in paragraph (A) of this Article, determine that rights of election under that paragraph shall not be made available to the persons who are registered as holders of ordinary shares in the Register or (as the case maybe) in the Depository Register, or in respect of ordinary shares the transfer of which is registered, after such date as the Directors may fix subject to such exceptions as the Directors may think fit, and in such event the provisions of this Article shall be read and construed subject to such determination.*
- (D) *The Directors may, on any occasion when they resolve as provided in paragraph (A) of this Article, further determine that no allotment of shares or rights of election for shares under that paragraph shall be made available or made to members whose registered addresses entered in the Register or (as the case may be) the Depository Register is outside Singapore or to such other members or class of members as the Directors may in their sole discretion decide and in such event the only entitlement of the members aforesaid shall be to receive in cash the relevant dividend resolved or proposed to be paid or declared.*
- (E) *Notwithstanding the foregoing provisions of this Article, if at any time after the Directors' resolution to apply the provisions of paragraph (A) of this Article in relation to any dividend but prior to the allotment of ordinary shares pursuant thereto, the Directors shall consider that by reason of any event or circumstance (whether arising before or after such resolution) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement that proposal, the Directors may at their absolute discretion and without assigning any reason therefor, cancel the proposed application of paragraph (A) of this Article.*
130. *Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address appearing in the Register of Members or (as the case may be) the Depository Register of a member or person entitled thereto (or, if two or more persons are registered in the Register of Members or (as the case may be) entered in the Depository Register as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons) or to such person at such address as such member or person or persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the*

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risk of the person entitled to the money represented thereby. Notwithstanding the foregoing provisions of this Article and the provisions of Article 132, the payment by the Company to the Depository of any dividend or other moneys payable to a Depositor shall, to the extent of the payment made to the Depository, discharge the Company from any liability to the Depositor in respect of that payment.

131. *If two or more persons are registered in the Register of Members or (as the case may be) the Depository Register as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, any one of them may give effectual receipts for any dividend or other moneys payable or property distributable on or in respect of the share.*
132. *Any resolution declaring a dividend on shares of any class, whether a resolution of the Company in a General Meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as the holders of such shares in the Register of Members or (as the case may be) the Depository Register at the close of business on a particular date and thereupon the dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such dividend of transferors and transferees of any such shares.*

CAPITALISATION OF PROFITS AND RESERVES

133. (A) *The Directors may, with the sanction of an Ordinary Resolution (including any Ordinary Resolution passed pursuant to Article 8(B)):-*
- (a) *issue bonus shares for which no consideration is payable to the Company to the persons registered as holders of shares in the Register of Members or (as the case may be) the Depository register at the close of business on:-*
- (i) *the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or*
- (ii) *(in the case of an Ordinary Resolution passed pursuant to Article 8(B)) such other date as may be determined by the Directors,*
- in proportion to their then holdings of shares; and/or*
- (b) *capitalize any sum standing to the credit of any of the Company's reserve accounts or other undistributable reserve or any sum standing to the credit of the profit and loss account by appropriating such sum to the persons registered as holders of shares in the Register of Members or (as the case may be) in the Depository register at the close of business on:-*
- (i) *the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or*
- (ii) *(in the case of an Ordinary Resolution passed pursuant to Article 8(B)) such other date as may be determined by the Directors,*
- in proportion to their then existing holding of shares and applying such sum on their behalf in paying in full for unissued shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, unissued shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up to and amongst them as bonus shares in the proportion aforesaid.*

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- (B) *The Directors may do all acts and things considered necessary or expedient to give effect to any such bonus issue and/or capitalization under Article 133(A), with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to members concerned). The Directors may authorize any person to enter on behalf of all the members interested into an agreement with the Company providing for any such bonus issue or capitalization and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.*
- (C) *In addition and without prejudice to the powers provided by Article 133(A) and Article 133(B), the Directors shall have power to issue shares for which no consideration is payable to the Company and/or to capitalize any undivided profits or other moneys of the Company not required for the payment or provision of any dividend on any shares entitled to cumulative or non-cumulative preferential dividends (including profits or other moneys carried and standing to any reserve or reserves) and to apply such profits or other moneys in paying up in full unissued shares in each case on terms that such shares shall, upon issue, be held by or for the benefit of participants of any share incentive scheme or options scheme or plan implemented by the Company and approved by members in General Meeting in such manner and on such terms as the Directors shall think fit.*

WINDING UP

143. *The Directors shall have power in the name and on behalf of the Company to present a petition to the court for the Company to be wound up.*
144. *If the Company shall be wound up (whether the liquidation is voluntary, under supervision, or by the court) the Liquidator may, with the authority of a Special Resolution, divide among the members in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the members or different classes of members. The Liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the Liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept any shares or other property in respect of which there is a liability.*
145. *On a voluntary winding up of the Company, no commission or fee shall be paid to a Liquidator without the prior approval of the members in a General Meeting. The amount of such commission or fee shall be notified to all members not less than seven days prior to the Meeting at which it is to be considered.”*