

CIRCULAR TO SHAREHOLDERS DATED 3 OCTOBER 2018

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

This Circular is issued by DISA Limited (“**Company**”).

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

If you have sold or transferred all your ordinary shares in the capital of the Company held through The Central Depository (Pte) Ltd (“**CDP**”), you need not forward this Circular to the purchaser or the transferee as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or the transferee. If you have sold or transferred all your shares represented by physical share certificate(s), you should immediately forward this Circular, the Notice of Extraordinary General Meeting and the enclosed Proxy Form to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

Your attention is drawn to page 41 of this Circular in respect of actions to be taken if you wish to attend and vote at the Extraordinary General Meeting.

This Circular has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, SAC Capital Private Limited (the “**Sponsor**”) for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). The Sponsor has not independently verified the contents of this Circular. This Circular has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular. The contact person for the Sponsor is Mr Ong Hwee Li (Tel: (65) 6532 3829) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.



(Incorporated in the Republic of Singapore)
(Company Registration Number: 197501110N)

CIRCULAR TO SHAREHOLDERS

in relation to

- (1) PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE;**
- (2) PROPOSED RENEWAL OF THE DISA PS SCHEME;**
- (3) PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY; AND**
- (4) PROPOSED CHANGE OF AUDITORS FROM MESSRS MAZARS LLP TO MESSRS CROWE HORWATH FIRST TRUST LLP.**

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	24 October 2018 at 11:30 a.m.
Date and time of Extraordinary General Meeting	:	26 October 2018 at 11:30 a.m. (or as soon thereafter following the conclusion or adjournment of the annual general meeting to be held at 10.30 a.m. on the same day and at the same venue)
Place of Extraordinary General Meeting	:	2 Bukit Merah Central Podium Block, Level 3, Room P301 Singapore 159835

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DEFINITIONS

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

“2014 Amendment Act”	:	The Companies (Amendment) Act 2014 of Singapore which was passed in Parliament on 8 October 2014 and took effect in two phases on 1 July 2015 and 3 January 2016, respectively
“2017 Amendment Act”	:	The Companies (Amendment) Act 2017 of Singapore which was passed in Parliament on 10 March 2017 and took effect in phases starting from 31 March 2017
“ACRA”	:	The Accounting and Corporate Regulatory Authority of Singapore
“Act”	:	The Companies Act (Cap. 50) of Singapore as amended or modified from time to time
“Auditors”	:	The auditors of the Company for the time being
“AGM”	:	An annual general meeting of the Company
“Annual Report 2018”	:	The annual report of the Company for FY2018
“associated company”	:	A company in which at least twenty per cent. (20%) but not more than fifty per cent. (50%) of its shares are held by the Company or the Group and over which the Company has control
“Awards”	:	Awards granted under the DISA PS Scheme
“Board”	:	The board of Directors of the Company from time to time
“Catalist”	:	The sponsor-supervised listing platform of the SGX-ST
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular to Shareholders dated 3 October 2018
“Committee”	:	The committee administering the DISA PS Scheme
“Company”	:	DISA Limited

DEFINITIONS

“Controlling Shareholder”	:	A person who: (a) holds directly or indirectly fifteen per cent. (15%) or more of the nominal amount of all voting shares in the Company; or (b) in fact exercises control over the Company
“Constitution”	:	The constitution of the Company, previously known as its memorandum and articles of association currently in force
“Crowe Horwath”	:	Crowe Horwath First Trust LLP
“Director”	:	A director of the Company (whether executive or non-executive) as at the date of this Circular
“DISA ESOS”	:	The DISA Employee Share Option Scheme, formerly known as the Equation Employee Share Option Scheme
“DISA PS Scheme”	:	The DISA Performance Shares Scheme, formerly known as the ECL Performance Shares Scheme
“EGM”	:	An extraordinary general meeting of the Company
“EPS”	:	Earnings per Share
“FY2018”	:	The financial year ended 30 June 2018
“Group”	:	The Company and its subsidiaries
“Latest Practicable Date”	:	14 September 2018, being the latest practicable date prior to the printing of this Circular
“Market Day”	:	A day on which the SGX-ST is open for securities trading
“Market Purchase”	:	An on-market purchase of Shares by the Company effected on Catalist through one or more duly licensed stockbrokers or dealers appointed by the Company for the purpose
“Mazars”	:	Messrs Mazars LLP
“Non-Executive Director”	:	A director (including an independent director) who does not perform any executive function in the Company or its subsidiaries
“Notice of EGM”	:	The notice of EGM as set out in this Circular
“NTA”	:	Net tangible assets

DEFINITIONS

“Off-Market Purchase”	:	An off-market purchase of Shares by the Company, otherwise than on a stock exchange, in accordance with an equal access scheme as may be determined or formulated by the Directors as they may consider fit, which scheme shall satisfy all the conditions prescribed by the Act and the Rules of Catalist
“Participant”	:	A participant in the DISA PS Scheme
“PDPA”	:	The Personal Data Protection Act 2012 (No. 26 of 2012) of Singapore, as amended, modified or supplemented from time to time
“Proxy Form”	:	The proxy form as set out in this Circular
“Rules”	:	The rules of the DISA PS Scheme
“Rules of Catalist”	:	The Listing Manual Section B: Rules of Catalist of the SGX-ST, as amended or modified from time to time
“Securities Account”	:	A securities account maintained by a Depositor with CDP
“SFA”	:	The Securities and Futures Act (Cap. 289) of Singapore as amended or modified from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	Registered holders of Shares in the Register of Members maintained by the Company, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the persons to whose direct securities accounts maintained with CDP are credited with the Shares and any reference to Shares held by Shareholders shall include Shares standing to the credit of the respective Shareholders’ Securities Accounts
“Share(s)”	:	Ordinary share(s) in the capital of the Company
“Share Purchase”	:	A purchase of Shares by the Company pursuant to the Share Purchase Mandate
“Share Purchase Mandate”	:	A general mandate given by the Shareholders at a general meeting of the Company, authorising the Directors to purchase Shares or otherwise acquire its issued Shares in accordance with and in the manner prescribed by the Act and the Rules of Catalist and such other laws and regulations as may, for the time being, be applicable

DEFINITIONS

“ Sponsor ”	:	SAC Capital Private Limited, being the continuing sponsor of the Company
“ Substantial Shareholder ”	:	A person who has an interest in not less than five per cent. (5%) of all the issued voting Shares
“ Take-over Code ”	:	The Singapore Code on Take-overs and Mergers
“ treasury shares ”	:	Has the meaning ascribed to it in Section 4 of the Act
“ S\$ ” or “ cents ”	:	Singapore dollars and cents respectively
“ % ” or “ per cent. ”	:	Per centum or percentage

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the SFA or any statutory modification thereof, as the case may be.

The term “**subsidiary**” shall have the meaning ascribed to it in Section 5 of the Act. The term “**subsidiary holdings**” means shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the one gender shall, where applicable, include all other and neuter genders. References to natural persons shall 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 term defined under the Act, the SFA or the Rules of Catalist or any statutory modification thereof and used in this Circular shall, unless otherwise provided, have the meaning ascribed to it under the Act, the SFA or the Rules of Catalist or such modification thereof, as the case may be.

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 in this Circular shall be a reference to Singapore time unless otherwise stated. Any discrepancies in the tables in this Circular between the listed amounts and the totals thereof are due to rounding.

LETTER TO SHAREHOLDERS

DISA LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 197501110N)

Board of Directors:

Toh Hock Ghim
(Non-Executive Chairman and Independent Director)
Chng Weng Wah (Chief Executive Officer and Managing Director)
Lau Kay Heng (Independent Director)
Kan Ah Chye (Independent Director)
Lim Soon Hock (Non-Executive Non-Independent Director)
Loh Eu Tse Derek (Independent Director)

Registered Office:

6 Battery Road #10-01
Singapore 049909

3 October 2018

To: The Shareholders of DISA Limited (“**Company**”)

Dear Sir/Madam,

- (1) **PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE**
- (2) **PROPOSED RENEWAL OF THE DISA PS SCHEME**
- (3) **PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY**
- (4) **PROPOSED CHANGE OF AUDITORS FROM MESSRS MAZARS LLP TO MESSRS CROWE HORWATH FIRST TRUST LLP**

1. INTRODUCTION

The Directors of the Company intend to seek the approval of Shareholders for the following:–

- (a) Proposed Renewal of the Share Purchase Mandate;
- (b) Proposed Renewal of the DISA PS Scheme;
- (c) Proposed Amendments to the Constitution of the Company; and
- (d) Proposed Change of Auditors from Messrs Mazars LLP to Messrs Crowe Horwath First Trust LLP.

The purpose of this Circular is to provide Shareholders with information in relation to the above matters and to seek their approval for the same at the 2018 EGM (as defined below) to be convened.

LETTER TO SHAREHOLDERS

2. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

2.1 Background

At the Company's AGM held on 27 October 2017 ("**2017 AGM**"), the Shareholders approved, *inter alia*, the renewal of the Share Purchase Mandate which was first approved by the Shareholders on 31 October 2008.

The Share Purchase Mandate will expire on the date of the forthcoming AGM of the Company, which is scheduled to be held on 26 October 2018 at 10.30 am ("**2018 AGM**"). Accordingly, the Company is proposing to seek Shareholders' approval for the renewal of the Share Purchase Mandate at the EGM to be held immediately after the 2018 AGM (the "**2018 EGM**").

If approved at the 2018 EGM, the authority conferred by the Share Purchase Mandate will continue in force until the date the next AGM of the Company is held or is required by law to be held, whichever is earlier (whereupon it will lapse, unless renewed at such meeting) or until it is varied or revoked by the Company in a general meeting.

The Company has not undertaken any purchase or acquisition of Shares pursuant to the Share Purchase Mandate approved by Shareholders at the 2017 AGM up to the Latest Practicable Date.

The resolution to approve the proposed renewal of the Share Purchase Mandate is set out under Resolution 1 of the Notice of EGM.

2.2 Rationale for the Share Purchase Mandate

The rationale for the Company to undertake the purchase or acquisition of its issued Shares is as follows:

- (a) In managing the business of the Group, the Directors strive to increase Shareholders' value by improving, *inter alia*, the return on equity of the Group. Share purchase is one of the ways through which the return on equity of the Group can be enhanced.
- (b) Share purchases or acquisitions are an efficient, expedient and cost-efficient way for the Company to return surplus cash which is in excess of the capital requirements and possible investment needs of the Group to the Shareholders. In addition, the Share Purchase Mandate will allow the Company to have greater flexibility over, *inter alia*, the Company's share capital structure, cash reserves and its dividend policy.
- (c) Share repurchases or acquisitions also help buffer short-term share price volatility and offset the effects of short-term speculators and investors and, in turn, bolster Shareholder confidence and employee morale.
- (d) Repurchased Shares which are held in treasury may be transferred for the purposes of or pursuant to any employees' share or share option schemes as may be implemented by the Company.

LETTER TO SHAREHOLDERS

The Share Purchase Mandate would afford the Company the flexibility to undertake share purchases or acquisitions at any time, up to the ten per cent. (10%) limit described in paragraph 2.3(a) below, and subject to market conditions, during the period when the Share Purchase Mandate is in force. The purchases or acquisitions of Shares may, depending on market conditions and funding arrangements at the time, enhance the EPS of the Company, and will only be made when the Directors believe that such purchases or acquisitions would benefit the Company and its Shareholders and in circumstances which would not have a material adverse effect on the financial position of the Company.

While the proposed renewal of the Share Purchase Mandate would authorise a purchase or acquisition of Shares by the Company up to the ten per cent. (10%) limit described in paragraph 2.3(a) below, Shareholders should note that the purchase or acquisition of Shares pursuant to the Share Purchase Mandate might not be carried out by the Company to the full ten per cent. (10%) limit as authorised.

2.3 Authority and Limits of the Share Purchase Mandate

The terms of the Share Purchase Mandate, if renewed at the 2018 EGM, are substantially the same as previously approved by Shareholders at the 2017 AGM. The authority for and limitations placed on purchases or acquisitions of Shares by the Company under the Share Purchase Mandate are as follows:

(a) **Maximum Number of Shares**

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company.

In accordance with Rule 867 of the Rules of Catalist, the total number of Shares that may be purchased or acquired by the Company pursuant to the Share Purchase Mandate is limited to that number of Shares representing not more than ten per cent. (10%) of the total number of issued Shares of the Company, ascertained as at the date of the general meeting at which the Share Purchase Mandate is approved, i.e. the date of the 2018 EGM, unless:

- (i) the Company has, at any time during the period commencing from the date on which the last AGM of the Company was held or if no such meeting was held, the date it was required by law to be held before the resolution for the Share Purchase Mandate is passed, and expiring on the date on which the next AGM of the Company is held or is required by law to be held, whichever is the earlier, after the resolution for the Share Purchase Mandate is passed (“**Relevant Period**”), reduced its share capital by a special resolution under 78C of the Act; or
- (ii) the High Court of the Republic of Singapore has, at any time during the Relevant Period, made an order under Section 78G and 78I of the Act approving the reduction of share capital of the Company.

Any Shares which are held as treasury shares and subsidiary holdings will be disregarded for purposes of computing the ten per cent. (10%) limit.

LETTER TO SHAREHOLDERS

For illustrative purposes only, based on the issued and paid-up share capital of the Company as at the Latest Practicable Date, comprising 10,038,683,403 Shares, and assuming that no further Shares are issued on or prior to the date of the 2018 EGM, not more than 1,003,868,340 Shares (representing ten per cent. (10%) of the total number of issued Shares of the Company as at that date) may be purchased or acquired by the Company pursuant to the Share Purchase Mandate.

(b) **Duration of Authority**

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the 2018 EGM, at which the proposed renewal of the Share Purchase Mandate is approved, up to the earlier of:

- (i) the date on which the next AGM is held or required by law to be held; or
- (ii) the date on which the aggregate purchases or acquisitions of the Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated as described in paragraph 2.3(a) above; or
- (iii) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by Shareholders in a general meeting,

whichever is the earliest.

(c) **Solvency**

Purchases or acquisitions of Shares may only be made if the Company is solvent.

The Company is considered solvent if:

- (i) there is no ground on which the Company could be found to be unable to pay its debts;
- (ii) if it is intended to commence winding up of the Company within the period of twelve (12) months immediately after the date of the payment, the Company will be able to pay its debts in full within the period of twelve (12) months after the date of commencement of the winding up or if it is not intended so to commence winding up, the Company will be able to pay its debts as they fall due during the period of twelve (12) months immediately after the date of the payment; and
- (iii) the value of the Company's assets is not less than the value of its liabilities (including contingent liabilities) and will not after the proposed purchase or acquisition become less than the value of its liabilities (including contingent liabilities).

(d) **Manner of Share Purchase or Acquisition of Shares**

Purchases or acquisitions of Shares may be made by way of:

- (i) Market Purchases, and/or
- (ii) Off-Market Purchases.

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For Off-Market Purchases, the Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Rules of Catalist and the Act as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes. Such scheme or schemes must, however, satisfy all the following conditions:

- (i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (ii) all of those persons shall be given a reasonable opportunity to accept the offers made; and
- (iii) the terms of all the offers shall be the same, except that there shall be disregarded (1) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements; (2) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid; and (3) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

If the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, it will issue an offer document to all Shareholders containing at least the following information:

- (i) terms and conditions of the offer;
- (ii) period and procedures for acceptances;
- (iii) the reasons for the proposed Share purchase or acquisition;
- (iv) the consequences, if any, of Share purchases or acquisitions by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (v) whether the Share purchase or acquisition, if made, would have any effect on the listing of the Shares on Catalist;
- (vi) details of any Share purchases or acquisitions made by the Company in the previous twelve (12) months (whether Market Purchases or Off-Market Purchases in accordance with an equal access scheme), giving the total number of Shares purchased or acquired, the purchase or acquisition price per Share or the highest and lowest prices paid for the purchases or acquisitions, where relevant, and the total consideration paid for the purchases or acquisitions; and
- (vii) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

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(e) **Purchase Price**

The purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors. The purchase price to be paid by the Company for the Shares as determined by the Directors (“**Maximum Price**”, in each case below) must not exceed:

- (i) in the case of a Market Purchase, one hundred and five per cent. (105%) of the Average Closing Price (as defined below) of the Shares, and
- (ii) in the case of an Off-Market Purchase, one hundred and ten per cent. (110%) of the Average Closing Price (as defined below) of the Shares,

in either case, excluding related expenses of the purchase or acquisition.

For the above purposes:

“**Average Closing Price**” means the average of the last dealt prices (excluding any transaction that the SGX-ST requires to be excluded for this purpose) of a Share for the five (5) consecutive Market Days on which the Shares are transacted on Catalyst, immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer (pursuant to an Off-Market Purchase), and deemed to be adjusted in accordance with the Rules of Catalyst for any corporate action which occurs after the relevant five-day period, and

“**date of the making of the offer**” means the date on which the Company makes an offer for the purchase or acquisition of Shares from Shareholders, stating therein the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.4 Status of Purchased Shares

Shares purchased or acquired by the Company pursuant to the Share Purchase Mandate are deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Shares will expire on such cancellation) unless such Shares are held by the Company as treasury shares in accordance with the Act. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company, and which are not held as treasury shares.

2.5 Treasury Shares

Under the Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Act are summarised below:

(a) **Maximum Holdings**

The number of Shares held as treasury shares cannot at any time exceed ten per cent. (10%) of the total number of issued Shares.

LETTER TO SHAREHOLDERS

(b) **Voting and Other Rights**

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. A subdivision or consolidation of any treasury share into treasury shares of a smaller amount is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

(c) **Disposal and Cancellation**

Where Shares are held as treasury shares, the Company may at any time, but subject always to the Take-over Code:

- (i) sell the treasury shares for cash;
- (ii) transfer the treasury shares for the purposes of or pursuant to any share scheme, whether for employees, directors or other persons;
- (iii) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (iv) cancel the treasury shares; or
- (v) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

In addition, under the Rules of Catalist, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares. Such announcement must include details such as the date of the sale, transfer, cancellation and/or use of such treasury shares, the purpose of such sale, transfer, cancellation and/or use of such treasury shares, the number of treasury shares which have been sold, transferred, cancelled and/or used, the number of treasury shares before and after such sale, transfer, cancellation and/or use, the percentage of the number of treasury shares against the total number of shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use, and the value of the treasury shares if they are used for a sale or transfer, or cancelled.

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2.6 Source of Funds

Any purchase or acquisition of Shares must be made out of the Company's profits and/or capital as long as the Company is solvent, and the Company may use internal sources of funds, external borrowings, or a combination of internal resources and external borrowings, to finance such purchase or acquisition. However, in considering the option of external financing, the Directors will also consider the financial position of the Group, particularly the prevailing gearing level of the Group. The Directors will only make purchases or acquisitions of the Shares in circumstances that they believe will not result in any material adverse effect to the liquidity (for example, share trading volume), working capital and the overall financial position of the Group.

2.7 Financial Effects

The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Purchase Mandate will depend on, *inter alia*, whether the Shares are purchased or acquired out of profits and/or capital of the Company, the number of Shares purchased or acquired and the price paid for such Shares and whether the Shares purchased or acquired are held in treasury or cancelled.

Where the Company finances the purchase or acquisition of Shares through external borrowings, the gearing level of the Group will increase and the current ratio of the Group will decrease.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding brokerage, commission, goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

Where the Shares purchased or acquired by the Company are subsequently cancelled by the Company, the share capital of the Company will be correspondingly reduced. Where the Shares purchased or acquired by the Company are held as treasury shares, the total number of issued Shares would remain unchanged.

The illustrative financial effects on the Group, based on the audited financial statements of the Group for the FY2018, are based on the assumptions set out below:

(a) **Share Purchase Mandate**

It has been assumed that the Share Purchase Mandate was effective as at the Latest Practicable Date.

LETTER TO SHAREHOLDERS

(b) **Number of Shares Acquired or Purchased**

Purely for illustrative purposes, on the basis of 10,038,683,403 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued, on or prior to the AGM, the purchase by the Company of 1% of its issued Shares will result in the purchase or acquisition of 100,386,834 Shares.

(c) **Maximum Price Paid for Shares Acquired or Purchased**

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 1% of its issued Shares at the maximum price of S\$0.0078 for one (1) Share (being the price equivalent to 5% above the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on Catalist immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 100,386,384 Shares is S\$0.783 million.

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 1% of its issued Shares excluding treasury Shares and Subsidiary holdings at the maximum price of S\$0.0081 for one (1) Share (being the price equivalent to 10% above the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on Catalist immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 100,386,834 Shares is S\$0.813 million.

(d) **Illustrative Financial Effects**

For illustrative purposes only and on the basis of the assumptions set out in paragraphs 2.7(b) and 2.7(c) above and the following:

- (i) the purchase or acquisition of 100,386,834 Shares by the Company pursuant to the Share Purchase Mandate by way of Market Purchases made entirely out of capital and held in treasury;
- (ii) the purchase or acquisition of 100,386,834 Shares by the Company pursuant to the Share Purchase Mandate by way of Off-Market Purchases made entirely out of capital and held in treasury; and
- (iii) the transaction costs incurred for the proposed purchase or acquisition were insignificant and have been ignored for the purpose of computing the financial effects,

LETTER TO SHAREHOLDERS

the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate on the audited financial statements of the Group for FY2018 are set out below:

Scenario 1

Market Purchases of 1% of issued Shares made entirely out of capital and held in treasury.

S\$'000	Group		Company	
	Before Share Purchase	After Share Purchase	Before Share Purchase	After Share Purchase
Share capital	58,680	58,680	58,680	58,680
Treasury shares	–	(783)	–	(783)
Non-distributable reserves	2,237	2,237	1,504	1,504
Accumulated losses	(23,803)	(23,803)	(36,398)	(36,398)
Shareholders' fund	37,114	36,331	23,786	23,003
Non-controlling interests	(9,800)	(9,800)	–	–
Total equity	27,314	26,531	23,786	23,003
Net tangible assets	16,779	15,996	23,786	23,003
Cash and cash equivalents	30,594	29,811	22,625	21,842
Current assets	34,432	33,649	25,073	24,290
Current liabilities	16,881	16,881	13,743	13,743
Total borrowings ⁽¹⁾	12,016	12,016	12,016	12,016
Net loss after tax attributable to shareholders	(10,896)	(10,896)	(21,737)	(21,737)
Number of Shares ('000)	10,038,683	9,938,297	10,038,683	9,938,297
<u>Financial Ratios</u>				
NTA per share (cents) ⁽²⁾	0.17	0.16	0.24	0.23
Gearing (times) ⁽³⁾	NIL	NIL	NIL	NIL
Current ratio (times) ⁽⁴⁾	2.04	1.99	1.82	1.77
Loss per share (cents) ⁽⁵⁾	0.11	0.11	0.22	0.22

Notes:

- (1) Total borrowings comprise liabilities arising from borrowings from financial institutions and outstanding debt securities.
- (2) Based on total equity including non-controlling interests.
- (3) Gearing is computed based on the ratio of total borrowings after deducting cash and cash equivalents to Shareholders' funds.
- (4) Current ratio is derived based on current assets over current liabilities.
- (5) Loss per share is derived based on net loss after tax attributable to shareholders over number of shares.

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Scenario 2

Off-Market Purchases of 1% of issued Shares made entirely out of capital and held in treasury.

S\$'000	Group		Company	
	Before Share Purchase	After Share Purchase	Before Share Purchase	After Share Purchase
Share capital	58,680	58,680	58,680	58,680
Treasury shares	–	(813)	–	(813)
Non-distributable reserves	2,237	2,237	1,504	1,504
Accumulated losses	(23,803)	(23,803)	(36,398)	(36,398)
Shareholders' fund	37,114	36,301	23,786	22,973
Non-controlling interests	(9,800)	(9,800)	–	–
Total equity	27,314	26,501	23,786	22,973
Net tangible assets	16,779	15,966	23,786	22,973
Cash and cash equivalents	30,594	29,781	22,625	21,812
Current assets	34,432	33,619	25,073	24,260
Current liabilities	16,881	16,881	13,743	13,743
Total borrowings ⁽¹⁾	12,016	12,016	12,016	12,016
Net loss after tax attributable to shareholders	(10,896)	(10,896)	(21,737)	(21,737)
Number of Shares ('000)	10,038,683	9,938,297	10,038,683	9,938,297
Financial Ratios				
NTA per share (cents) ⁽²⁾	0.17	0.16	0.24	0.23
Gearing (times) ⁽³⁾	NIL	NIL	NIL	NIL
Current ratio (times) ⁽⁴⁾	2.04	1.99	1.82	1.77
Loss per share (cents) ⁽⁵⁾	(0.11)	(0.11)	(0.22)	(0.22)

Notes:

- (1) Total borrowings comprise liabilities arising from borrowings from financial institutions and outstanding debt securities.
- (2) Based on total equity including non-controlling interests.
- (3) Gearing is computed based on the ratio of total borrowings after deducting cash and cash equivalents to Shareholders' funds.
- (4) Current ratio is derived based on current assets over current liabilities.
- (5) Loss per share is derived based on net loss after tax attributable to shareholders over number of shares.

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SHAREHOLDERS SHOULD NOTE THAT THE FINANCIAL EFFECTS SET OUT ABOVE ARE FOR ILLUSTRATIVE PURPOSES ONLY (BASED ON THE ABOVEMENTIONED ASSUMPTIONS). Although the proposed renewal of the Share Purchase Mandate would authorise the Company to purchase or acquire up to 10% of the issued Shares excluding treasury shares and subsidiary holdings, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of the issued Shares excluding treasury shares and subsidiary holdings. In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased in treasury. Shareholders should note that the above analysis is based on the audited financial statements of the Group for FY2018 and is not necessarily representative of future financial performance.

2.8 Tax Implications

Shareholders who are in doubt as to their respective tax positions or any tax implications, or who may be subject to tax in a jurisdiction outside Singapore, should consult their own professional tax advisers.

2.9 Reporting Requirements under the Act

Within thirty (30) days of the passing of a Shareholders' resolution to approve the purchases of Shares by the Company, the Company shall lodge a copy of such resolution with the ACRA. Within thirty (30) days of a purchase or acquisition of Shares on Catalist or otherwise, the Company shall lodge with ACRA the notice of the purchase or acquisition in the prescribed form, such notification including *inter alia*, details of the purchase or acquisition, the total number of Shares purchased or otherwise acquired by the Company, the total number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued ordinary share capital before the purchase or acquisition and after the purchase or acquisition of Shares, the amount of consideration paid by the Company for the purchase, and whether the Shares were purchased or acquired out of the profits or the capital of the Company.

Within thirty (30) days of the cancellation or disposal of treasury shares in accordance with the Act, the Directors shall lodge with ACRA the notice of cancellation or disposal of treasury shares in the prescribed form as required by ACRA.

2.10 Rules of Catalist

The Rules of Catalist require a listed company to ensure that at least 10% of the total number of issued shares (excluding treasury shares, preference shares and convertible equity securities) in a class that is listed, is at all times held by the public. The "public", as defined under the Rules of Catalist, are persons other than the directors, chief executive officer, Substantial Shareholders or Controlling Shareholders of the Company and its subsidiaries, as well as the associates of such persons. The Company does not have any individual shareholding limit or foreign shareholding limit. As at the Latest Practicable Date, approximately 72.82% of the issued Shares are in the hands of the public. No Shares were held by the Company as treasury shares as at the Latest Practicable Date. Assuming the Company had purchased or acquired Shares from the public up to the full 10% limit pursuant to the Share Purchase Mandate on the Latest Practicable Date, the percentage of the issued Shares held by public Shareholders as at that date would approximately be 69.79%.

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The Company will not undertake purchases or acquisitions of its Shares pursuant to the Share Purchase Mandate to the extent that (i) the number of Shares held by the public would fall below 10% of the total number of issued Shares, thereby affecting the listing status of the Shares on Catalist, or (ii) such purchases or acquisitions would cause market illiquidity or adversely affect the orderly trading of the Shares.

2.11 Take-over Implications under the Take-over Code

Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below:

2.11.1 Obligation to make a Take-over Offer

If, as a result of any purchase or acquisition by the Company of its Shares, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. Consequently, a Shareholder or a group of Shareholders acting in concert with a Director could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14 of the Take-over Code unless the conditions for exemption pursuant to paragraph 3(a) of Appendix 2 of the Take-over Code are satisfied.

2.11.2 Persons Acting in Concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), cooperate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of that company.

Unless the contrary is established, the Take-over Code presumes, *inter alia*, the following individuals and companies to be persons acting in concert with each other:

- (a) the following companies:
 - (i) a company;
 - (ii) the parent company of (i);
 - (iii) the subsidiaries of (i);
 - (iv) the fellow subsidiaries of (i);
 - (v) the associated companies of any of (i), (ii), (iii) or (iv);
 - (vi) companies whose associated companies include any of (i), (ii), (iii), (iv) or (v); and

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- (vii) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights;
- (b) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts), and
- (c) an individual and, *inter alia*, the close relatives thereof or any person who is accustomed to act in accordance with the instructions thereof.

The circumstances under which the Shareholders (including the Directors) and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

2.11.3 **Effect of Rule 14 and Appendix 2**

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted pursuant to paragraph 3(a) of Appendix 2 of the Take-over Code, the Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or in the event that such Directors and their concert parties hold between 30% and 50% of the Company's voting rights, if the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six months. In calculating the percentages of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a takeover offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

SHAREHOLDERS WHO ARE IN DOUBT AS TO THEIR OBLIGATIONS, IF ANY, TO MAKE A MANDATORY TAKE-OVER OFFER UNDER THE TAKE-OVER CODE AS A RESULT OF ANY PURCHASE OR ACQUISITION OF SHARES BY THE COMPANY SHOULD CONSULT THE SECURITIES INDUSTRY COUNCIL AND/OR THEIR PROFESSIONAL ADVISERS AT THE EARLIEST OPPORTUNITY.

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2.11.4 Application of the Take-over Code

The number of Shares held by the Directors and Substantial Shareholders are set out in paragraph 6 of this Circular. In the event the Company purchases or acquires the maximum percentage of Shares permissible under the Share Purchase Mandate, the shareholdings and voting rights of:

- (a) each of the Directors and their concert parties (as defined in the Take-over Code) remain below 30%; and
- (b) the Substantial Shareholders and their concert parties (as defined in the Take-over Code) remain below 30%,

and accordingly, no mandatory take-over offer is required to be made pursuant to the Take-over Code.

The Directors are not aware of any other Shareholder who may become obligated to make a mandatory take-over offer for the Company in the event that the Company purchases or acquires the maximum number of Shares under the Share Purchase Mandate.

2.12 **Announcement Requirements**

The Rules of Catalist specify that a listed company shall announce all purchases or acquisitions of its shares not later than 9:00 a.m. (i) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares, and (ii) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer made by the Company. Such announcement (which must be in the form of Appendix 8D to the Rules of Catalist) must include, *inter alia*, details of the date of the purchase, the total number of shares purchased, the number of shares cancelled, the number of shares held as treasury shares, the purchase price per share or the highest and lowest prices paid for such shares, as applicable, the total consideration (including stamp duties and clearing charges) paid or payable for the shares, the number of shares purchased as at the date of announcement (on a cumulative basis), the number of issued shares excluding treasury shares and the number of treasury shares held after the purchase.

2.13 **No Purchases during Price Sensitive Developments**

While the Rules of Catalist do not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the proposed renewal of the Share Purchase Mandate at any time after a price sensitive development has occurred or has been the subject of a decision, until the price sensitive information has been publicly announced.

Furthermore, the Company will not purchase or acquire any Shares through Market Purchases or Off-Market Purchases during the period of one month immediately preceding the announcement of the Company’s full-year results and the period of two weeks before the announcement of each of the first three quarters of its financial year.

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2.14 No Previous Purchase of Shares

The Company has not undertaken any purchase or acquisition of Shares pursuant to the Share Purchase Mandate approved by Shareholders at the 2017 AGM up to the Latest Practicable Date.

3. THE PROPOSED RENEWAL OF THE DISA PS SCHEME

3.1 The DISA PS Scheme

The DISA PS Scheme (formerly known as the ECL PS Scheme) was approved by the Shareholders at an EGM on 31 October 2008 for an initial duration of up to a maximum period of 10 years from the date of adoption. Under the rules of the DISA PS Scheme, the DISA PS Scheme may be continued beyond the stipulated period with the approval of the Shareholders by ordinary resolution in general meeting and any relevant authority which may then be required.

The DISA PS Scheme will expire on the date of the forthcoming AGM, being 26 October 2018. Accordingly, the Directors propose that the DISA PS Scheme be extended for a further duration of ten (10) years, at the 2018 EGM from (and including) 26 October 2018, up to (and including) 25 October 2028.

Under the Rules of Catalist, the adoption of all share plans now require the approval of shareholders and have to comply with the relevant rules under Part VIII of Chapter 8 of the Rules of Catalist.

An application will be made by the Company to the SGX-ST, through its Sponsor, for the listing and quotation of the new Shares as may, from time to time, be issued by the Company pursuant to the DISA PS Scheme as proposed to be extended, subject to compliance with the SGX-ST's listing requirements and guidelines and separate independent Shareholders' approval being obtained from the proposed renewal of the DISA PS Scheme. The SGX-ST's in-principle approval is not to be taken as an indication of the merits of the DISA PS Scheme, the new Shares, the Company and/or its subsidiaries.

As at the Latest Practicable Date, no awards were granted under the DISA PS Scheme.

3.2 Other Existing Share Option Schemes or Share Plans

Currently, the Company also has in place the DISA ESOS approved by the Shareholders at an EGM of the Company on 28 October 2010. The DISA ESOS is primarily a share option incentive scheme. The DISA PS Scheme differs from the existing DISA ESOS in that it allows the Company to target specific performance objectives and to provide an incentive for participants in the DISA PS Scheme ("**Participants**") to achieve these targets. The DISA ESOS, on the other hand, provides a more broad-based incentive that is based on the overall performance of the Company. Other than the DISA PS Scheme and the DISA ESOS, the Company does not have any other existing share plans or share option schemes.

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As at the Latest Practicable Date, details of the options granted under the DISA ESOS were as follows:

Date of grant	Balance as at the Latest Practicable Date	Exercise price per Share (S\$)	Exercisable Period	Number of Participants
8 January 2015	7,500,000	0.00600	8 January 2016 to 7 January 2025	3
8 December 2016	18,000,000	0.01110	8 December 2017 to 7 December 2026	4
8 December 2016 ⁽¹⁾	8,000,000	0.00999	8 December 2018 to 7 December 2026	2
8 February 2017	–	0.03260	8 February 2018 to 7 February 2027	1
16 March 2017	6,000,000	0.03010	16 March 2018 to 15 March 2027	4
3 April 2017	8,000,000	0.02920	3 April 2018 to 2 April 2027	1
3 July 2017	5,500,000	0.01350	3 July 2018 to 2 July 2027	9
31 July 2017	–	0.01500	31 July 2018 to 30 July 2027	2
1 November 2017	189,000,000	0.01420	1 November 2018 to 31 October 2027	36
13 November 2017	4,000,000	0.01360	13 November 2018 to 12 November 2027	1
28 November 2017	26,000,000	0.01290	28 November 2018 to 27 November 2027	9
11 July 2018	13,000,000	0.00900	11 July 2019 to 10 July 2028	2
6 August 2018 ⁽¹⁾	51,000,000	0.00720	6 August 2020 to 5 August 2028	4

Note:

(1) These options were granted at a 10% discount to the weighted average of the last dealt prices of the Company's ordinary shares on the SGX-ST for three consecutive trading days immediately preceding the date of the grant.

Under the DISA ESOS, the exercise price of the granted options can be set at a discount of up to 20% to the weighted average of the last dealt prices of the Company's ordinary shares on the SGX-ST for three consecutive trading days immediately preceding the date of the grant.

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Details of existing Options granted to the Directors of the Company are as follows:

Name of Director	Date of grant of Options	Exercise Period	Exercise Price (S\$)	Number of Shares offered under the Options	Number of Shares allotted upon exercise	Number of Shares comprised in unexercised Options
Toh Hock Ghim	8 January 2015	8 January 2016 to 7 January 2025	0.00600	5,000,000	–	5,000,000
Toh Hock Ghim	28 November 2017	28 November 2018 to 27 November 2027	0.01290	5,000,000	–	5,000,000
Lau Kay Heng	8 January 2015	8 January 2016 to 7 January 2025	0.00600	2,500,000	–	2,500,000
Lau Kay Heng	28 November 2017	28 November 2018 to 27 November 2027	0.01290	2,500,000	–	2,500,000
Kan Ah Chye	8 January 2015	8 January 2016 to 7 January 2025	0.00600	2,500,000	2,500,000	–
Kan Ah Chye	28 November 2017	28 November 2018 to 27 November 2027	0.01290	2,500,000	–	2,500,000
Lim Soon Hock	1 November 2017	1 November 2018 to 31 October 2027	0.01420	2,500,000	–	2,500,000
Loh Eu Tse Derek	1 November 2017	1 November 2018 to 31 October 2027	0.01420	2,500,000	–	2,500,000

No options under the DISA ESOS have been granted to Controlling Shareholders or their Associates.

No participant under the DISA ESOS has received 5% or more of the total number of options available under the DISA ESOS.

3.3 Rationale

The Company proposes to renew the DISA PS Scheme in order to continue to achieve the following objectives:

- (a) motivate Participants to maintain a high level of performance and contribution;

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- (b) attract and maintain a group of key executives and Directors whose contributions are important to the long-term growth and profitability of the Group;
- (c) improve employer and employee relations; and
- (d) give recognition to the contribution made or to be made by the Non-Executive Directors to the success of the Group.

To provide greater flexibility in the Company's compensation arrangements, the Directors propose that the DISA PS Scheme be extended for a further period of ten (10) years to (and including) 25 October 2028.

By extending the DISA PS Scheme, the Company hopes to continue to inculcate in all Participants, a stronger and more lasting sense of identification with the Group. The DISA PS Scheme will also operate to attract, retain and provide incentive to Participants to encourage greater dedication and loyalty by enabling the Company to give recognition for past contributions and services as well as motivating Participants generally to contribute towards the Group's long term prosperity.

The DISA PS Scheme is intended to give the Company greater flexibility to align the interests of employees, especially key executives, with those of Shareholders. It is also intended that the DISA PS Scheme complements the DISA ESOS in its continuing efforts to reward, retain and motivate employees to achieve superior performance. The DISA PS Scheme will further strengthen the Company's competitiveness in attracting and retaining employees, especially employees who have the requisite knowledge, technical skills and experience whom the Company believes could contribute to the development and growth of the Group. The Company believes that with the DISA PS Scheme in place, it will strengthen and enhance the Company's ability in attracting and retaining suitable talents.

3.4 Summary of the DISA PS Scheme

The following is a summary of the principal rules of the DISA PS Scheme. Save for the proposed renewal of the DISA PS Scheme, all other Rules of the DISA PS Scheme remain unchanged. The detailed rules of the DISA PS Scheme are available for inspection by Shareholders at the registered office of the Company. The DISA PS Scheme complies with the relevant rules as set out in Chapter 8 of the Rules of Catalyst.

A summary of the Rules of the DISA PS Scheme is set out below.

3.4.1 Eligibility

The following persons shall be eligible to participate in the DISA PS Scheme:-

- (a) Employees of the Company and its subsidiaries who have been employed for a minimum of 1 year or such shorter period as the Committee may determine and have attained the age of 21 years on or before the date of commencement of the DISA PS Scheme;
- (b) Executive Directors of the Company and its subsidiaries; and
- (c) Non-Executive Directors (including independent Directors) of the Company and its subsidiaries.

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Under the Rules of the DISA PS Scheme, no associated companies of the Company are allowed to participate in the DISA PS Scheme. Controlling Shareholders and/or their associates within the above categories are eligible to participate in the DISA PS Scheme. There shall be no restriction on the eligibility of any Participant to participate in any other share option or share incentive schemes implemented or to be implemented by the Company or another company within the Group.

However, participation in the DISA PS Scheme by Controlling Shareholders and/or their associates within the above categories must be approved by independent Shareholders. A separate resolution shall be passed for the participation of each such Participant and to approve the number of Shares to be awarded to that Participant and the terms of such Award.

Based on the eligibility criteria set out in the Plan, all the Directors will be eligible to participate in the Plan. Accordingly, Mr Chng Weng Wah and Mr Kan Ah Chye (the Directors who are Shareholders) will abstain from voting in respect of ordinary resolution 2 at the 2018 EGM and should not accept appointments as proxies or otherwise for voting on ordinary resolution 2 at the 2018 EGM unless they are given specific instructions as to voting. Any votes cast by Mr Chng Weng Wah and Mr Kan Ah Chye on ordinary resolution 2 at the 2018 EGM will be disregarded.

3.4.2 Awards

While the Committee has the discretion to grant Awards at any time in the year, it is currently anticipated that Awards would in general be made once a year. Awards represent the right of a Participant to receive fully paid Shares free of charge, upon the Participant achieving prescribed performance targets and the end of the vesting period (if any). Performance targets set under the DISA PS Scheme are intended to be based on medium-term corporate objectives covering market competitiveness, quality of returns, business growth and productivity growth. The performance targets are stretched targets aimed at sustaining long-term growth. Examples of performance targets to be set include targets based on completion of a particular project, and criteria such as sales growth, earnings per share, market capitalisation and return on investment.

Under the DISA PS Scheme, Participants are encouraged to continue serving the Group beyond the deadline for the achievement of the pre-determined performance targets. The Committee has the discretion to impose a further vesting period after the performance period to encourage the Participants to continue serving the Group.

Awards are personal to the Participant to whom they are given and may not be transferred (other than to a Participant's personal representative on the death of that Participant), charged, assigned, pledged or otherwise disposed of, in whole or in part, unless with the prior approval of the Committee.

3.4.3 Selection of Participants

The selection of a Participant and the number of Shares which are the subject of each Award to be granted to a Participant shall be determined at the sole discretion of the Committee, which shall take into account criteria such as rank, job performance, years of service, potential for future development, contribution to the success of the Group and, if applicable, the extent of effort and resourcefulness required to achieve the performance targets within the performance periods.

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Subject to the Act and requirements of the SGX-ST, the terms of eligibility of any Participant in the DISA PS Scheme may be amended from time to time at the absolute sole discretion of the Committee. The terms of employment or appointment of a Participant shall not be affected by his participation in the DISA PS Scheme, which shall neither form part of such terms nor entitle him to take into account such participation in calculating any compensation or damages on the termination of his employment or appointment for any reason.

3.4.4 Details of Awards

The Committee shall decide, in relation to each Award to be granted to a Participant under the DISA PS Scheme:-

- (a) the date on which the Award is to be granted;
- (b) the number of Shares which are the subject of the Award;
- (c) the performance target(s), the performance period during which such performance target(s) are to be satisfied (if any), and the extent to which Shares which are the subject of that Award shall be released on the prescribed performance target(s) being satisfied (whether fully or partially) or exceeded or not being satisfied, as the case may be, at the end of the performance period;
- (d) the vesting periods (if any);
- (e) the release schedule (if any) setting out the extent to which Shares, which are the subject of that Award, shall be released at the end of each prescribed vesting period; and
- (f) any other condition which the Committee may determine in relation to that Award.

3.5 Vesting of Awards

3.5.1 Provided that:-

- (a) the performance target(s) set have been satisfied within the prescribed performance period;
- (b) the Participant has continued to be in employment with the Company or its Group company, as the case may be, from the date of the Award up to the end of the prescribed vesting period; and
- (c) the Award is still subsisting, upon the expiry of the prescribed performance period,

the Award shall vest and the Committee will release to the Participant the Shares comprised in the Award, subject to the terms of the Award.

3.5.2 Notwithstanding that a Participant may have met his performance targets, no Awards shall be made:

- (a) upon the bankruptcy of the Participant or the happening of any other event which results in his being deprived of the legal or beneficial ownership of such Award;

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- (b) in the event of any misconduct on the part of the Participant as determined by the Committee in its discretion;
- (c) in the event that the Committee shall, at its discretion, deem it appropriate that such Award to be given to a Participant shall so lapse on the grounds that any of the objectives of the DISA PS Scheme have not been met; or
- (d) in the event of a take-over, reconstruction or amalgamation of the Company or an order being made or a resolution passed for the winding up of the Company.

3.5.3 A Participant who has met his performance targets would still receive the Shares comprised in the Award notwithstanding that he may have ceased to be employed by the Company after the fulfilment of such performance targets, if, the Participant ceases to be so employed in any of the following circumstances:

- (a) through ill health, injury or disability (in each case, evidenced to the satisfaction of the Committee);
- (b) redundancy;
- (c) retirement at or after the legal retirement age;
- (d) retirement before the legal retirement age with the consent of the Committee;
- (e) the company by which he is employed ceasing to be a company within the Group or the undertaking or part of the undertaking of such company being transferred otherwise than to another company within the Group; or
- (f) any other reason expressly approved in writing by the Committee.

Save as provided and for the avoidance of doubt, an Award shall nevertheless be given to a Participant for as long as he has fulfilled his performance targets and notwithstanding a transfer of his employment to another company within the Group or any apportionment of performance targets within any company within the Group.

If a Participant has fulfilled his performance targets but dies before an Award vests, the Award Shares shall in such circumstances be given to the personal representatives of the Participant.

3.6 Size and Duration of the DISA PS Scheme

The aggregate number of Award Shares to be delivered pursuant to the vesting of the Awards on any date, when added to the number of Shares issued and/or issuable under such other share-based incentive schemes of the Company shall not exceed 15% of the issued Shares (excluding treasury shares and subsidiary holdings) of the Company on the day preceding that date.

The aggregate number of Award Shares available to eligible controlling shareholders and their associates under the DISA PS Scheme shall not exceed 25% of the Shares available under this DISA PS Scheme. In addition, the number of Award Shares available to each such controlling shareholder or his associate shall not exceed 10% of the Shares available under this DISA PS Scheme.

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The DISA PS Scheme shall continue to be in force at the discretion of the Committee, subject to a maximum period of ten (10) years commencing on the date of adoption of the DISA PS Scheme, provided always that the DISA PS Scheme may continue beyond the above stipulated period with the approval of the Company's Shareholders by ordinary resolution in general meeting and of any relevant authorities which may then be required. The Scheme may be terminated at any time by the Committee or by resolution of the Company in general meeting subject to all relevant approvals, which may be required and if the Scheme is so terminated, no further Awards, shall be vested thereunder.

The termination of the DISA PS Scheme shall not affect Awards, which have vested, whether such Shares have been delivered or not.

3.7 Operation of the DISA PS Scheme

Subject to prevailing legislation and SGX-ST guidelines, the Company will deliver Shares to Participants upon vesting of their Awards by way of either an issue of new Shares, or the delivery of existing Shares, with all Shares deemed to be fully paid upon their issuance and/or allotment. The financial effects of the delivery of Shares to Participants upon vesting of the Awards are set out in section 3.11 of this Circular.

Shares allotted and issued on the vesting of an Award shall rank in full for all entitlements, excluding dividends or other distributions declared or recommended in respect of the then existing Shares, the record date for which falls on or before the relevant vesting date of the Award, and shall in all other respects rank *pari passu* with other existing Shares then in issue.

When determining the performance targets, the Committee may take cognizance of the audited results of the Company or the Group, adjusted to take into account such factors as the Committee may determine to be relevant, including changes in accounting methods, taxes and extraordinary events. The Committee has the right to amend the performance target(s) if it decides that such amendment would be a fairer measure of performance. Participants will only be rewarded with an Award if they meet the performance targets determined by the Committee.

Notwithstanding any provision contained in the Rules of the DISA PS Scheme, the Directors, the Committee and the Company shall not under any circumstances be held liable for any costs, losses, expenses and damages whatsoever and howsoever arising in any event, including, but not limited to, the Company's delay in issuing the Shares or applying for or procuring the listing of the Shares awarded on the SGX-ST.

Every Award shall be subject to the condition that no Shares would be issued pursuant to the vesting of any Award if such issue would be contrary to any law or enactment, or any rules or regulations of any legislative or non-legislative governing body for the time being in force in Singapore or any other relevant country having jurisdiction in relation to the issue of Shares hereto.

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3.8 Adjustments and Alterations under the DISA PS Scheme

3.8.1 Variation of Shares

If a variation in the ordinary share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue, reduction, subdivision, consolidation, distribution or otherwise) shall take place:

- (a) the class and/or number of Shares comprised in an Award; and/or
- (b) the class and/or number of Shares which may be granted under the DISA PS Scheme,

shall be adjusted by the Committee to give each Participant the same proportion of the equity capital of the Company as that to which he was previously entitled and, in doing so, the Committee shall determine at its own discretion the manner in which such adjustment shall be made.

The issue of securities as consideration for an acquisition or a private placement of securities; the increase in the number of issued Shares as a consequence of the exercise of options or other convertibles entitling holders of such options or convertibles to acquire Shares in the capital of the Company; or the cancellation of issued Shares purchased or acquired by the Company undertaken by the Company on the SGX-ST during the period when a share purchase mandate granted by shareholders of the Company (including any renewal of such mandate) is in force, shall not normally be regarded as a circumstance requiring adjustment, unless the Committee considers an adjustment to be appropriate.

No such adjustment shall be made if as a result, the Participant receives a benefit that a Shareholder does not receive. Any adjustment (except in relation to a capitalization issue) must be confirmed in writing by the Auditors (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

Any increase in the issued shares of the Company as a consequence of the delivery of Shares pursuant to the vesting of Awards from time to time by the Company or through the DISA ESOS Scheme or any other share-based incentive schemes implemented by the Company will also not be regarded as a circumstance requiring adjustment.

Upon any adjustment made, the Company shall notify the Participant (or his duly appointed personal representatives where applicable) in writing and deliver to him (or his duly appointed personal representatives where applicable) a statement setting forth the class and/or number of Shares thereafter to be issued pursuant to the grant of an Award. Any adjustment shall take effect upon such written notification being given.

3.8.2 Modifications or Alterations to the DISA PS Scheme

Any or all the provisions of the DISA PS Scheme may be modified and/or altered at any time and from time to time by resolution of the Committee, subject to compliance with the Rules of Catalist and such other regulatory authorities as may be necessary.

Modifications to or waivers of performance targets or conditions of Awards are not modifications to the DISA PS Scheme for the purposes of the provisions in this paragraph.

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However, no modification or alteration shall adversely affect the rights attached to Awards granted prior to such modification or alteration, except with the written consent of such number of Participants under the DISA PS Scheme, who, if the Shares comprised in the Awards granted to them have vested, would thereby become entitled to not less than three-quarters in number of all Shares which would be available under the DISA PS Scheme.

Any modification or alteration, which would be to the advantage of Participants under the DISA PS Scheme, shall be subject to the prior approval of Shareholders in general meeting.

The Committee may at any time by resolution (and without other formality, save for the prior approval of the SGX-ST) amend or alter the rules or provisions of the DISA PS Scheme in any way to the extent necessary to cause the DISA PS Scheme to comply with any statutory provision or the provision or the regulations of any regulatory or other relevant authority or body (including the SGX-ST).

The opinion of the Committee as to whether any modification or alteration would adversely affect the rights attached to any Award shall be final, binding and conclusive.

3.9 Disclosures in Annual Report

3.9.1 The following disclosures (as applicable) will be made by the Company in its annual report:–

- (a) the names of the members of the Committee administering the DISA PS Scheme;
- (b) in respect of the following Participants:-
 - (i) Directors of the Company;
 - (ii) Participants who are Controlling Shareholders and their associates; and
 - (iii) Participants, other than those in (i) and (ii) who have been granted Awards under the DISA PS Scheme and/or who have received Shares pursuant to the vesting of the Awards granted under the DISA PS Scheme which, in aggregate, represent five per cent (5%) or more of the aggregate number of Shares available under both the DISA ESOS and the DISA PS Scheme, the following information:–
 - (1) name of the Participant; and
 - (2) the following particulars relating to Awards granted under the DISA PS Scheme to that particular Participant:–
 - (A) total number of Shares comprised in Awards granted under the Scheme during the financial year under review;
 - (B) the aggregate number of Shares comprised in Awards which have vested since the commencement of the DISA PS Scheme to the end of the financial year under review;

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- (C) the aggregate number of Shares comprised in Awards which have vested, and which have been issued upon release of the vested Award, since the commencement of the DISA PS Scheme to the end of the financial year under review; and
 - (D) the aggregate number of Shares comprised in Awards which have not become vested or have not been released as at the end of the financial year under review; and
- (c) in relation to the DISA PS Scheme, the following particulars:
- (i) the aggregate number of Shares comprised in Awards granted since the commencement of the DISA PS Scheme to the end of the financial year under review;
 - (ii) the aggregate number of Shares comprised in Awards which have vested during the financial year under review and in respect of such Awards, the proportion of Award Shares issued upon the release of the vested Awards; and
 - (iii) the aggregate number of Shares comprised in Awards which have not been released as at the end of the financial year under review; and
- (d) such other information as may be required by the Rules of Catalist or the Act.

If any of the above is not applicable, an appropriate negative statement shall be included therein.

3.10 Role and Composition of the Committee

The following directors will be designated to form the Committee to administer the DISA PS Scheme:–

Mr Toh Hock Ghim
Mr Chng Weng Wah
Mr Lau Kay Heng

In compliance with the requirements of the Rules of Catalist, a Participant of the DISA PS Scheme who is a member of the Committee shall not be involved in its deliberations in respect of Awards (as the case may be) to be granted to that member.

3.11 Financial Effects of the DISA PS Scheme

3.11.1 Share Capital

The DISA PS Scheme will result in an increase in the Company's issued share capital only if new Shares are issued to Participants pursuant to the grant of the Awards. This will in turn depend on, *inter alia*, the number of Shares comprised in the Awards to be issued. If, instead of issuing new Shares to Participants, either existing Shares are purchased for delivery to Participants or treasury shares held pursuant to such purchase are delivered to Participants, the Plan will have no impact on the Company's issued share capital.

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3.11.2 Net Tangible Assets

As described in Section 3.11.5 below, the DISA PS Scheme will result in a change to the Company's profit and loss account equal to the market value at which the existing Shares are purchased or the market value on the date at which new Shares are issued under the Awards. If new Shares are issued to Participants pursuant to the vesting of the Awards, there will be no effect on the consolidated NTA of the Company. If, instead of issuing new Shares to Participants, existing Shares are purchased for delivery to Participants, the consolidated NTA of the Company would decrease by the cost of the Shares purchased.

However, it should be noted that the delivery of Shares to Participants of the Plan is contingent upon the Participants meeting the criteria (e.g. any performance or time-based conditions) set out in the Plan. In meeting such criteria, the Participants would have added significant value to the Company's consolidated NTA before the Shares are delivered.

3.11.3 EPS

The DISA PS Scheme will result in a change to earnings equivalent to the market value at which the existing Shares are purchased or the market value on the date at which new Shares are issued under the Awards. Although the DISA PS Scheme will have a dilutive impact (to the extent that new Shares are issued pursuant to the DISA PS Scheme) on the EPS, it should again be noted that the delivery of Shares to Participants in respect of Awards will generally be contingent upon the Participants meeting the prescribed performance targets and conditions.

3.11.4 Dilutive Effect

It is expected that the dilutive impact of the DISA PS Scheme on the NTA per Share and EPS will not be significant. The DISA Scheme currently provides for the issue of Shares pursuant to the exercise of Awards granted thereunder of up to a maximum of 15% of the Company's total issued Shares (excluding treasury shares and subsidiary holdings) from time to time. Accordingly, there will be no significant dilution of Shareholders' shareholding percentages as a result of the introduction of the DISA PS Scheme, as this DISA PS Scheme provides that the aggregate number of Shares to be issued under it and the DISA Scheme will be subject to the same maximum limit of 15% of the Company's total issued shares.

3.11.5 Costs to the Company

The Plan is considered a share-based payment that falls under the scope of the Financial Reporting Standard 102, Share-based payment. Under the Plan, Participants may receive Shares as determined by the Committee. The Company will account for the Awards in accordance with FRS 102, consistent with current practice.

The fair value of the grant of the Awards in exchange for employee service received would be recognized as a charge to the income statement over the vesting period of the Awards. The total amount of charge over the vesting period is determined by reference to the fair value of each Award granted at the Award Date and the number of Shares vested as the Vesting Date, with a corresponding credit to the reserve account. Before the end of the vesting period, at each balance sheet date, the estimate of the number of Awards that are expected to vest by the Vesting Date is revised, and the impact of the revised estimate is recognized in the income statement with the corresponding adjustment to equity. On the

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Vesting Date, the estimate will be revised to equal the number of Awards that ultimately vest. After the Vesting Date, no adjustment to the charge to the income statement is made. This accounting treatment has been referred to as the “modified grant date method”.

The Plan is contingent upon the Participants meeting the prescribed Performance Conditions. Where the Performance is a market condition (i.e. a condition that makes reference to the market price of the Shares), the probability of the Performance Condition being met is taken into account in estimating the fair value of the Shares granted at the Award Date, and no adjustments to the amounts charged to the income statement are made whether or not the market condition is met.

Where the Performance Condition is not a market condition, the fair value per shares of the Shares granted at the Award Date is used to compute the amount to be charged to the income statement. At each accounting date, the estimate number of Shares granted under the Awards that are expected to vest by the Vesting Date is revised, and the impact of the revised estimate is recognized in the income statement with a corresponding adjustment to the reserve account. After the Vesting Date, no adjustment to the charge to the income statement is made. There would be no adjustment to the income statement if the Awards do not ultimately vest.

Although the Plan will have a dilutive impact on the Company’s consolidated earnings per share when new Shares are issued, it should be noted that the delivery of Shares to Participants of the Plan is contingent upon the Participants meeting the criteria set out in the Plan.

3.12 Rationale for Including Non-Executive Directors

While the DISA PS Scheme caters principally to key employees of the Company, it is recognized that there are other persons who make significant contributions to the Group through their close working relationships with the Group, even though they are not employed within the Group. Such persons include the Non-Executive Directors. The Non-Executive Directors are persons from different professions and working backgrounds, bringing to the Group their wealth of knowledge, business expertise and contacts in the business community. They play an important role in helping the Group shape its business strategy by allowing the Group to draw on their diverse backgrounds and working experience. It is crucial for the Group to attract and retain these Non-Executive Directors.

The Directors are of the view that including the Non-Executive Directors in the DISA PS Scheme will show the Company’s appreciation for, and further motivate them in their contribution towards the success of the Group. However, the Company recognizes that their services and contributions cannot be measured in the same way as the full-time employees of the Group. For the purpose of assessing the contributions of the Non-Executive Directors, the Committee will propose a performance framework comprising mainly non-financial performance measurement criteria such as years of service, and the extent of involvement and responsibilities taken on by the Non-Executive Directors.

It is not the intention of the Committee that independent Non-Executive Directors be over-compensated under the DISA PS Scheme to the extent that their independence will be compromised. It is the intention of the Board and the Committee that any Award under the DISA PS Scheme to any independent Non-Executive Directors be measured and balanced against considerations if such Award could interfere or be reasonably perceived to interfere with the exercise of the independent Non-Executive Director’s independent

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business judgment. The Committee may also decide that no Awards shall be made in any financial year or no grant and/or Award may be made at all. Based on this, the Directors are of the view that the participation by the independent Non-Executive Directors in the DISA PS Scheme will not compromise their independent status.

3.13 Participation by Controlling Shareholders and their Associates in the DISA PS Scheme

For the purposes of Chapter 9 of the Rules of Catalyst, an “associate” in relation to any director, chief executive officer or controlling shareholder (being an individual) means his immediate family (i.e. spouse, children, adopted children, step-children, siblings and parents), the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object, and any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more.

3.13.1 Rationale

The Directors are of the view that Group employees who are also Controlling Shareholders or who are associates of Controlling Shareholders, should be remunerated for their contribution to the Group on the same basis as other Group employees.

The key objectives of the proposed DISA PS Scheme is to motivate key executives (including directors and employees) to optimise their performance standards and efficiency and to reward them for their significant contributions with participation in the equity of the Company. As stated earlier, the Company believes that the DISA PS Scheme may be more effective than cash bonuses in motivating employees to work towards pre-determined targets and/or to put in their best efforts whilst at the same time allowing the Company to offer incentives and remuneration packages compatible with multinational companies. To this end, key executives including the controlling shareholders and their associates shall be treated equally as the controlling shareholders and their associates are important to the development and success of the Company. As such, regardless of whether they are Controlling Shareholders or associates of Controlling Shareholders, the Company’s view is that all deserving and eligible participants should be equally entitled to take part and benefit from the Company’s fair and equitable system of remuneration.

The terms of the DISA PS Scheme do not differentiate between the Controlling Shareholders and their associates from other key executives in determining the eligibility of such persons to be granted Awards. They should not unduly favour Controlling Shareholders and their associates. Likewise, Controlling Shareholders and/or their associates should not be excluded from participating in the DISA PS Scheme solely for the reason that they are Controlling Shareholders or associates of Controlling Shareholders. In addition, to deny participation by the Controlling Shareholders and their associates may serve to demotivate them and undermine the objectives of the DISA PS Scheme.

The Directors are of the view that the extension of the DISA PS Scheme to Controlling Shareholders and/or their associates will enhance the long-term commitment of such Controlling Shareholders and/or their associates as they will continue to have a stake in the Company even if they reduce their existing shareholding in the Company.

As at the Latest Practicable Date, there are no shareholders who hold 15% or more voting interests in the Company. Under the terms of the DISA PS Scheme, Mr Chng Weng Wah (“**Mr Chng**”), Chief Executive Officer and Managing Director of the Company, is eligible to

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participate in the DISA PS Scheme. However, Mr Chng also holds a total of 10.50% of the total issued and paid-up share capital of the Company and he is currently the largest shareholder of the Company. For the avoidance of doubt, the Board (save for Mr Chng), with the concurrence of the Nominating Committee, is of the view that Mr Chng is not deemed a Controlling Shareholder as the Independent Directors comprise more than half of the board of directors and Mr Chng would therefore be unable to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company. As such, Mr Chng is eligible to participate in the DISA PS Scheme without the prior specific approval of Shareholders. However, specific approval from Shareholders will be sought prior to any grant of Awards under the DISA PS Scheme to Mr Chng which will result in Mr Chng becoming a Controlling Shareholder.

Accordingly, the participation of and the terms of each grant and the actual number of Awards granted under the DISA PS Scheme to any new Controlling Shareholders and/or their associates shall be approved by the independent Shareholders in separate resolutions for each such person subject to the limits described in paragraph 3.6 of this Circular and in accordance with the requirements of the Rules of Catalist. In seeking such approval from the independent Shareholders, clear justification as to their participation, the number of Shares and the terms of the Awards to be granted to them shall be provided. Accordingly, the Company is of the view that there are sufficient safeguards against any abuse of the DISA PS Scheme resulting from the participation of Controlling Shareholders and/or their associates.

4. THE PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY

4.1 Background and Rationale

On 31 July 2013, the SGX-ST announced that the Rules of Catalist would be amended, *inter alia*, to require issuers to conduct the voting of all resolutions put to general meetings by poll, in order to enhance transparency of the voting process and encourage greater shareholder participation, and to require at least one (1) scrutineer to be appointed for each general meeting. This amendment took effect on 1 August 2015. In addition, it was also announced that the Rules of Catalist would be amended, with effect from 1 January 2014, to require all issuers with a primary listing on the SGX-ST to hold their general meetings in Singapore (unless prohibited by relevant laws and regulations in the jurisdictions of their incorporation) in order to promote more active participation and engagement of shareholders.

The 2014 Amendment Act and the 2017 Amendment introduced wide-ranging changes to the Act previously in force. The key changes under the 2014 Amendment Act include the multiple proxies regime and the introduction of the new concept of a “Constitution” which involves the merging of the memorandum and the articles of association into one document called the “Constitution” and the key changes under the 2017 Amendment Act which includes the removal of the requirement for companies to use a common seal. Amongst others, the changes aim to reduce the regulatory burden on companies, provide for greater business flexibility and improve the corporate governance landscape in Singapore. By operation of law, the memorandum and articles of association of the Company which were in force immediately before 3 January 2016 are now referred to as the Constitution of the Company (“**Existing Constitution**”). On 22 March 2017, SGX-ST announced amendments to the Rules of Catalist for the purposes of alignment with certain provisions of the 2014 Amendment Act, which took effect on 31 March 2017. These amendments were introduced to, *inter alia*, enable listed companies to undertake

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electronic communications with its shareholders, provided the issuer has obtained consent, whether express, deemed or implied, from the relevant shareholder.

Rule 730 of the Rules of Catalist provides that if an issuer amends its articles of association or other constituent documents, they must be made consistent with all the Rules of Catalist prevailing at the time of amendment. The proposed amendments contain updates which are consistent with the Rules of Catalist prevailing as at the Latest Practicable Date, in compliance with Rule 730 of the Rules of Catalist.

4.2 Proposed Amendments

The Company is accordingly proposing to amend its Constitution to take into account the changes to the Act introduced under the 2014 Amendment Act and 2017 Amendment Act and align it with the prevailing rules of the Rules of Catalist, in compliance with Rule 730(2) of the Rules of Catalist. In addition, the Company is taking this opportunity to include new provisions to address the personal data protection regime in Singapore. The proposed amendments to the Constitution, struck through for deletions and underlined for insertions, are set out in full in Appendix 1 of this Circular (“**Proposed Amendments to the Constitution**”) and are subject to Shareholders’ approval by special resolution at the 2018 EGM. If approved by the Shareholders, the Proposed Amendments to the Constitution will become effective immediately after the 2018 EGM.

4.3 Summary of the Proposed Amendments to the Constitution

In line with Section 35 of the Act, all references to “Article” or “Articles” in this Constitution have been amended to “Regulation” or “Regulations”. The following is a summary of the Proposed Amendments to the Constitution, and should be read in conjunction with Appendix 1 of this Circular.

- 4.3.1 Regulation 1.** The Fourth Schedule of the Act containing Table A has been repealed by the 2014 Amendment Act. Accordingly, it is proposed that the existing Regulation 1, which makes reference to the Fourth Schedule of the Act, be deleted.
- 4.3.2 Regulation 2.** Regulation 2 has been updated to include the definition of “Depository”, “Depository Register”, “Designated Stock Exchange” and “relevant intermediary”.
- 4.3.3 Regulation 3C (New Regulation).** It is proposed that Regulation 3C, which states that the liability of the Members is limited, be inserted into the Constitution. This is in accordance with Section 22(1)(b) of the Act which provides that the constitution of every company has to state, inter alia, that the liability of the members is limited where the company is a company limited by shares.
- 4.3.3 Regulation 5.** Regulation 5 has been amended to provide that the rights attaching to shares of a class other than ordinary shares shall be expressed in the constitution. This change is in line with paragraph 1(b) of Appendix 4C of the Rules of Catalist and Section 64A(1)(b) of the Act. A further amendment to Regulation 5 has also been made to clarify that the total number of issued preference shares shall not exceed the total number of issued ordinary shares issued at any time. This is in line with paragraph 1(a) of Appendix 4C of the Rules of Catalist.
- 4.3.4 Regulation 48.** It is proposed that Regulation 48 of the Constitution, which relates to the Company’s power to alter its share capital, be amended to empower the Company to

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convert its share capital or any class of shares from one currency to another currency by ordinary resolution and to convert one class of shares into another class of shares by special resolution. This is in line with the new Sections 73 and 74A of the Act, which sets out the procedure for such re-denominations and such conversions, respectively.

4.3.5 Regulation 51. Regulation 51 has been amended to clarify that the Company shall hold all its general meetings in Singapore, unless prohibited by relevant laws and regulations in the jurisdiction of its incorporation, or unless such requirement is waived by the SGX-ST. This is in line with Rule 730A(1) of the Rules of Catalist.

4.3.6 Regulations 61 and 62. Regulations 61 and 62 have been amended to be in line with Rule 730A(2) of the Rules of Catalist, which states that if required by the Rules of Catalist, all resolutions at general meetings shall be voted by poll (unless such requirement is waived by the SGX-ST). The amendments are also made to be in line with Rule 730A(3) of the Rules of Catalist, which requires, *inter alia*, that at least one scrutineer, who shall be independent of the persons undertaking the polling process, be appointed for each general meeting.

4.3.7 Regulations 64 and 69. Regulation 69, which relates to the voting rights of Members and the appointment of proxies, has been amended to include new provisions which cater to the multiple proxies regime introduced by the 2014 Amendment Act. The multiple proxies regime allows relevant intermediaries, such as banks, capital markets services licence holders which provide custodial services for securities and the CPF Board, to appoint more than two (2) proxies to attend, speak and vote at general meetings.

In particular: (a) Regulation 69(1)(b) provides that save as otherwise provided in the Act, a Member who is a relevant intermediary may appoint more than two proxies to attend, speak and vote at the same general meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such Member, and the proxy form shall specify the number and class of shares in relation to which each proxy has been appointed. This is in line with the new Section 181(1C) of the Act. Regulation 69(3) further provides that if the form does not specify the required information, the first named proxy shall be deemed to represent 100 per cent of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.

In line with the new Section 81SJ(4) of the SFA, Regulation 69(2)(a) provides that the Company shall be entitled and bound to reject any instrument of proxy lodged by a Depositor if he is not shown to have any shares entered against his name in the Depository Register seventy-two (72) (previously forty-eight (48)) hours (or any such time prescribed under the Statutes and the Rules of Catalist) before the time of the relevant general meeting as certified by the Depository to the Company. Consequential changes have been made to make it clear that the number of votes which a Depositor or his proxy can vote on a poll is the number of Shares entered against his name in the Depository Register as at seventy-two (72) hours before the time of the relevant general meeting.

Regulation 64 has been amended to provide that in the case of a Member who is a relevant intermediary and who is represented at a general meeting by two or more proxies, each proxy shall be entitled to vote on a show of hands. This is in line with the new Section 181(1D) of the Act.

4.3.8 Regulation 70. Regulation 70 has been amended to stipulate the cut-off time for the deposit of instruments appointing proxies as seventy-two (72) (previously forty eight (48))

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hours before the time appointed for holding a general meeting. This is in line with the amended Section 178(1)(c) of the Act.

- 4.3.9 Regulation 71.** Regulation 71 has been amended to include new provisions to facilitate the appointment of a proxy through electronic means, where the Directors so approve the method and manner for an instrument appointing a proxy to be authorised and designate the procedure for authenticating an instrument appointing a proxy. In particular, it provides that a Member can elect to signify his approval for the appointment of a proxy via electronic communication, through such method and in such manner as may be approved by the Directors, in lieu of the present requirement of signing, or where applicable, the affixation of the corporate shareholder's common seal. To accommodate the deposit by Shareholders who elect to use the electronic appointment process, Regulation 70(2) authorises the Directors to determine the manner of receipt by the Company of the instrument appointing a proxy through electronic means.
- 4.3.10 Regulation 79.** Regulation 79, which relates to the general powers of the Directors to manage the Company's business and affairs, has been amended to clarify that the business and affairs of the Company are to be managed by, or under the direction or supervision of, the Directors. This is in line with Section 157A of the Act, as amended pursuant to the 2014 Amendment Act.
- 4.3.11 Regulations 81 and 92.** Regulations 81 and 92, which relate to the appointment of one or more Managing Directors of the Company and the election of Directors, have been amended to provide that a Managing Director shall be subject to retirement by rotation, resignation and removal as the other Directors and be taken into account in determining the rotation of retirement of Directors or the number of Directors to retire.
- 4.3.12 Regulation 90.** Regulation 90 has been amended in accordance with Appendix 4C of the Rules of Catalist and Rule 720(1) of the Rules of Catalist, which provides that a director who is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds must immediately resign from the board of directors.
- 4.3.13 Regulation 106.** Regulation 106, which relates to the common seal of the Company, has been revised to state that the Company may execute a document described or expressed as a deed by affixing the common seal or in the manner prescribed by the Act as an alternative to sealing. This is in line with the new Sections 41B and 41C of the Act pursuant to the 2017 Amendment Act.
- 4.3.14 Regulation 119A.** Regulation 119A, which relates to the service of notices to Members, has been amended to provide for the electronic transmission of documents (including notices, circulars and annual reports) following the introduction of simplified procedures for the sending of documents electronically pursuant to Part IV of Chapter 12 of the Rules of Catalist and Section 387C of the Act and subject to the prevailing Rules of Catalist, as set out in Appendix 1 of this Circular. Companies can, subject to certain statutory safeguards, make use of these simplified procedures where a Shareholder has given express, implied or deemed consent for the company to do so in accordance with the Constitution of the Company. The Company regards express consent as being given where a Shareholder gives notice in writing to the Company that he consents to having documents transmitted to him via electronic communications.

The amended Regulation 119A additionally provides for when service is effected in the case of documents sent by electronic communications. In particular, where a document is

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made available on a website, it is deemed served on the date on which the document is first made available on the website, unless otherwise provided under the Act, the Rules of Catalist and/or other applicable regulations or procedures. The amendments to Regulation 119A will enable greater efficiency and cost savings in the transmission of documents from the Company to the Shareholders. The Company will comply with the requirements of the Act and the Rules of Catalist if and when it decides to transmit notices and documents electronically to its Shareholders.

4.3.15 New Regulation 126. In general, under the PDPA, an organisation can only collect, use or disclose the personal data of an individual with the individual's consent, and for a reasonable purpose which the organisation has made known to the individual. The new Regulation 126 has been added in the Constitution to specify, *inter alia*, the purposes for which the Company and/or its agents and service providers can collect, use and disclose personal data of Shareholders and their appointed proxies or representatives. The new Regulation 126 has been inserted to allow the Company to fulfil the requirements of the PDPA and allow it to use the personal data of the Shareholders for the purposes stated in Regulation 126, as required in the Company's operations. Given the Company's changing Shareholders due to its listed status, the ability to automatically bind the Shareholders to these uses of their personal data through the new Regulation 126 would also enable Shareholders to be informed and aware of the purposes for which their personal data may be used.

4.4 Shareholders' approval

For the reasons set out above, the Company is proposing to seek the approval of Shareholders for the renewal of the Proposed Amendments to Constitution, which will be proposed as a Special Resolution ("**Special Resolution 1**") at the EGM.

5. THE PROPOSED CHANGE OF AUDITORS FROM MESSRS MAZARS LLP TO MESSRS CROWE HORWATH FIRST TRUST LLP

5.1 Reasons for the Proposed Change of Auditors

The Company's existing Auditors, Mazars, was re-appointed as Auditors at the last AGM of the Company held on 27 October 2017, to hold office until the conclusion of the next AGM of the Company. Mazars has served as Auditors for three (3) consecutive audits since the financial year ended 30 June 2016. The Board is of the view that a change of Auditors is in the best interests of the Company and the Shareholders as the quantum of professional fees for the audit services proposed by Crowe Horwath is more competitive in comparison to that charged by Mazars. Accordingly, the Board is of the view that it would be in the interests of the Company to effect a change of external auditors with effect from the current financial year ending 30 June 2019. The Directors wish to express their appreciation for the past services rendered by Mazars.

Following a review and consideration of the factors listed in paragraph 5.3 below in consultation with the Audit Committee, the Board has determined that the proposal given by Crowe Horwath is best suited to the existing needs and requirements of the Group. The engagement partner-in-charge from Crowe Horwath will be Mr. Tan Teck Zhen. The scope of audit services to be provided by Crowe Horwath will be comparable to the services currently provided by Mazars. The fee proposal from Crowe Horwath is competitive after several proposals were evaluated by the Company and the Company will be able to realise

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certain cost savings in audit fees without any reduction in the scope of audit. As such, the Directors are proposing a change of Auditors to Crowe Horwath in place of Mazars.

On 21 September 2018, the Company received the resignation letter from Mazars. Crowe Horwath has given its consent to act as Auditors by way of a letter dated 21 September 2018.

The resignation of Mazars and the appointment of Crowe Horwath will be effective upon the approval of Shareholders being obtained at the 2018 EGM. Upon the appointment, Crowe Horwath will hold office until the conclusion of the next AGM of the Company. Following Shareholders' approval of the Proposed Change of Auditors, Crowe Horwath will be appointed as the auditors of the Company and all its significant subsidiaries, in place of Mazars. The Directors would like to highlight that the Proposed Change of Auditors is in no way the result of any disagreement.

5.2 Information on Crowe Horwath and the Audit Engagement Partner

Crowe Horwath is a public accounting and consulting firm that provides audit, advisory, tax, outsourcing and fund administration solutions to a diverse and international clientele including public-listed entities, multinational corporations and financial institutions. Crowe Horwath is part of an international professional services network, Crowe Global. Crowe Global is ranked as the eighth largest global accounting network with over 200 independent accounting and advisory services firms in close to 130 countries around the world.

Mr Tan Teck Zhen will be the engagement partner assigned to the Company. Mr Tan is a Chartered Accountant and a practising member of Institute of Singapore Chartered Accountants. He is also an Affiliate Chartered Certified Accounts of Association of Chartered Certified Accountants. Mr Tan has over 12 years of experience providing statutory audits, business advisory services to clients from various industries. Before joining Crowe Horwath, he started his career and acquired extensive experiences in Big Four accounting firms. His clients include a number of listed companies, multinational and domestic enterprises in a wide range of industries including mining, property development, construction, aviation, education, e-commerce, shipping, logistics, plantations and charities.

5.3 Compliance with Rules 712 and 715 of the Rules of Catalist

Crowe Horwath is registered with the ACRA. The Board, together with the concurrence of the Audit Committee, is satisfied that Crowe Horwath will be able to meet the audit requirements of the Group after taking into account various factors, including the adequacy of the resources and experience of Crowe Horwath, the audit engagement partner assigned to the audit, Crowe Horwath's other audit engagements, the size and complexity of the Group, the number and experience of supervisory and professional staff assigned to the audit of the Company and the Group and Crowe Horwath's audit arrangement for the Group.

In accordance with the requirements of Rules 712(3) and 715 of the Rules of Catalist:

- (a) Mazars has confirmed by way of a letter dated 21 September 2018 that it is not aware of any professional reasons why Crowe Horwath should not accept appointment as Auditors;

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- (b) the Company confirms that there were no disagreements with Mazars on accounting treatments within the last twelve (12) months from the date of this Circular;
- (c) the Company confirms that it is not aware of any circumstances connected with the Proposed Change of Auditors that should be brought to the attention of the Shareholders which has not been disclosed in this Circular;
- (d) the Company confirms that the specific reasons for the Proposed Change of Auditors are disclosed in Paragraph 5.1 above. The Proposed Change of Auditors is neither due to the dismissal of Mazars nor Mazars declining to stand for election; and
- (e) the Company confirms that it complies with Rules 712 and 715 of the Rules of Catalist in relation to the proposed appointment of Crowe Horwath as its Auditors.

5.4 Audit Committee's statement

The Audit Committee has reviewed the Proposed Change of Auditors and recommended the change of Auditors by the Company to Crowe Horwath after taking into account the suitability and independence of Crowe Horwath to meet the audit requirements of the Group, the various factors set out in paragraph 5.3 of this Circular and compliance with the requirements of the Rules of Catalist.

6. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors and Substantial Shareholders in the Shares as at the Latest Practicable Date are set out below:

	Direct Interest		Deemed Interest		Number of Shares comprised in outstanding options or awards granted by the Company	Total Interest		
	No. of Shares	%	No. of Shares	%		No. of Shares	%	
Directors								
Chng Weng Wah	590,970,850	5.89	463,050,000	4.61	–	1,054,020,850	10.50	
Toh Hock Ghim	–	–	–	–	10,000,000	–	–	
Lau Kay Heng	–	–	–	–	5,000,000	–	–	
Kan Ah Chye	2,500,000	0.02	–	–	2,500,000	2,500,000	0.02	
Lim Soon Hock	–	–	–	–	2,500,000	–	–	
Loh Eu Tse Derek	–	–	–	–	2,500,000	–	–	
Substantial Shareholders (other than Directors)								
Starbids Ventures Inc.	463,050,000	4.61	–	–	–	463,050,000	4.61	
Tang Wee Loke	640,212,900	6.38	57,000,000	0.57	–	697,212,900	6.95	
Wang Yu Huei	–	–	975,272,100	9.72	–	975,272,100	9.72	

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Save for their respective interests in the Company, none of the Directors or Substantial Shareholders or their respective associates has any direct or indirect interest in the proposed renewal of the Share Purchase Mandate.

7. DIRECTORS' RECOMMENDATION

Having considered, *inter alia*, the rationale and benefit of the proposed renewal of the Share Purchase Mandate, the proposed rationale of the DISA PS Scheme and the proposed change of auditors and the Audit Committee's Statement, the Directors are of the opinion that the proposed renewal of the Share Purchase Mandate, the proposed rationale of the DISA PS Scheme and the proposed change of auditors, would be beneficial to, and is in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the ordinary resolutions relating to the proposed renewal of the Share Purchase Mandate, the proposed rationale of the DISA PS Scheme and the proposed change of auditors, as set out in the Notice of EGM.

Based on the eligibility criteria set out in the Rules, all the Directors, Controlling Shareholders and their associates eligible to participate in the DISA PS Scheme will therefore refrain from making any recommendations to Shareholders and will abstain from voting on the ordinary resolution relating to the DISA PS Scheme (Ordinary Resolution 2). These Directors should not accept nomination as a proxy or otherwise vote at the 2018 EGM in respect of Ordinary Resolution 2 unless Shareholders appointing them as proxies give specific instructions in the relevant proxy forms on the manner in which they wish their votes to be cast for Ordinary Resolution 2 as set out in the Notice of EGM.

Having considered, *inter alia*, the rationale and benefit of the Proposed Amendments to the Constitution, the Directors are of the opinion that the Proposed Amendments to the Constitution are in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the Special Resolution relating to the Proposed Amendments to the Constitution to be proposed at the EGM as set out in the Notice of EGM.

8. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the 2018 EGM and wish to appoint a proxy to attend and vote at the 2018 EGM on their behalf should complete, sign and return the Proxy Form in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the Company's Share Registrar, RHT Corporate Advisory Pte. Ltd at 9 Raffles Place, #29-01 Republic Plaza Tower 1, Singapore 048619 not less than 48 hours before the time fixed for the 2018 EGM.

The sending of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the 2018 EGM if he finds that he is able to do so. In such event, the relevant Proxy Forms will be deemed to be revoked. A Depositor shall not be regarded as a member of the Company entitled to attend the 2018 EGM and to speak and vote thereat unless his name appears on the Depository Register 72 hours before the 2018 EGM.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the proposed renewal of the Share Purchase Mandate, the

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proposed renewal of the DISA PS Scheme, the Proposed Amendments to the Constitution, the proposed change of the Auditors and the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the principal place of business of the Company at 438A Alexandra Road #08-12 Block A Lobby 3 Technopark Singapore 119967 during normal business hours from the date of this Circular up to the date of the 2018 EGM:

- (a) the Constitution;
- (b) the Rules of the DISA PS Scheme; and
- (c) the Annual Report 2018.

Yours faithfully,
For and on behalf of the Board

Chng Weng Wah
Managing Director

APPENDIX 1 PROPOSED AMENDMENTS TO THE CONSTITUTION

1. Regulation 1

RATIONALE: The Fourth Schedule of the Act containing Table A has been repealed by the 2014 Amendment Act.

PROPOSED AMENDMENT: To delete the existing Regulation 1 in its entirety, which refers to the Fourth Schedule of the Act.

2. Regulation 2

RATIONALE: This is an editorial update and amendment to include the definition of “Designated Stock Exchange” and “relevant intermediary”.

PROPOSED AMENDMENT: To insert the following definitions of “Designated Stock Exchange” and “relevant intermediary”:-

“Depository”, “Depository Agent” and “Depository Register” : Shall have the meaning ascribed to them respectively in the Securities and Futures Act (Cap. 28a)

Designated Stock Exchange : The Singapore Exchange Securities Trading Limited for so long as the shares of the Company are listed and quoted on the Singapore Exchange Securities Trading Limited and/or such other stock exchange in respect of which the shares of the Company are listed or quoted.

“relevant intermediary” : Shall have the meaning ascribed to it in the Act

3. New Regulation 3C

RATIONALE: Section 22(1)(b) of the Act provides that the constitution of every company has to state, inter alia, that the liability of the members is limited where the company is a company limited by shares.

PROPOSED AMENDMENT: To insert a new Regulation 3C after the existing Regulation 3B.

This Regulation provides:-

“3C. The Company is a company limited by shares and the liability of the Members is limited.”

4. Regulation 5

RATIONALE: Regulation 5 has been amended to provide that the rights attaching to shares of a class other than ordinary shares shall be expressed in the constitution. This change is in line with paragraph 1(b) of Appendix 4C of the Catalist Rules and Section 64A(1)(b) of the Act.

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PROPOSED AMENDMENT: To insert the following new sentences after the existing Regulation 5.

“The rights attaching to shares of a class other than ordinary shares shall be expressed in this Constitution. The total number of issued preference shares shall not exceed the total number of issued ordinary shares issued at any time.”

The revised Regulation 5 shall read as follows:

“5. SPECIAL RIGHTS. Without prejudice to any special rights previously conferred on the holders of any existing shares or class of shares, any share in the Company may be issued with such preferred, deferred or other special rights or such restrictions, whether in regard to dividend, voting, return of capital or otherwise as the Company from time to time by ordinary resolution determine. The rights attaching to shares of a class other than ordinary shares shall be expressed in this Constitution. The total number of issued preference shares shall not exceed the total number of issued ordinary shares issued at any time.”

5. Regulation 48

RATIONALE: To reflect the amendments to Sections 73 and 74A of the Act, which sets out the procedure for the Company, by ordinary resolution, to convert its share capital or any class of shares from one currency to another currency and to convert one class of shares into another class of shares.

PROPOSED AMENDMENT: To insert the following new sentences after the existing Regulation 48.

The revised Regulation 48 shall read as follows:–

“48. COMPANY MAY ALTER ITS CAPITAL.

(1) The Company may by Ordinary Resolution alter its share capital in the manner permitted under the Act and applicable laws, including (without limitation):–

- (i) consolidate and divide all or any of its shares capital;
- (ii) subdivide its shares or any of them subject, nevertheless, to the provisions of the Statutes, and so that as between the resulting shares, one or more of such shares may by the resolution by which such subdivision is effected be given any preference or advantage as regards dividend capital, voting or otherwise over the others of any other of such shares; or
- (iii) cancel any shares not taken or agreed to be taken by any person; or
- (iv) subject to the provisions of this Constitution and the Act, convert its share capital or any class of shares from one currency to another currency.

(2) The Company may by Special Resolution, subject to and in accordance with the Act, convert one class of shares into another class of shares.

APPENDIX 1 PROPOSED AMENDMENTS TO THE CONSTITUTION

6. Regulation 51

RATIONALE: To clarify that, the Company shall hold all its General Meetings in Singapore, unless prohibited by relevant laws and Regulations in the jurisdiction of its incorporation, or unless such requirement is waived by the designated stock exchange. This is in line with Rule 730A(1) of the Catalist Rules.

PROPOSED AMENDMENT: To amend Regulation 51 to read as follows:

“51. GENERAL MEETINGS. A general meeting shall be held once in every calendar year, at such time and place as may be determined by the Directors (subject to the Catalist Rules), but so that not more than fifteen months shall be allowed to elapse between any two such general meetings. All General Meetings shall be held in Singapore, unless prohibited by relevant laws and Regulations in the jurisdiction of its incorporation, or unless such requirement is waived by the Designated Stock Exchange.”

7. Regulation 61

RATIONALE: To be in line with the requirement under the Catalist Rules for all issuers to conduct the voting of all resolutions put to General Meetings by poll, in order to enhance transparency of the voting process and encourage greater shareholder participation.

PROPOSED AMENDMENT: To insert the sentence “If required by the Catalist Rules, all resolutions at General Meetings shall be voted by poll (unless such requirement is waived by the Designated Stock Exchange)” before the existing Regulation 61.

The revised Regulation 61 shall read as follows:-

“61. HOW RESOLUTION DECIDED. If required by the Catalist Rules, all resolutions at General Meetings shall be voted by poll (unless such requirement is waived by the Designated Stock Exchange). At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless before or on the declaration of the result of the show of hands a poll is demanded by the Chairman or by any person for the time being entitled to vote at the meeting, and unless a poll is so demanded, a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or carried by a particular majority, or lost, shall be conclusive, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence thereof without proof of the number or proportion of the votes recorded in favour of or against such resolution.”

8. Regulation 62

RATIONALE: To be in line with the requirement under the Catalist Rules for at least one scrutineer to be appointed for each General Meeting.

PROPOSED AMENDMENT: To insert the sentence “If a poll is required, it shall be taken in such manner (including the use of ballot or voting papers or tickets or electronic means) as the chairman of the General Meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was required. The Chairman may (and, if required by the Catalist Rules or if so directed by the meeting shall) appoint at least one”

APPENDIX 1 PROPOSED AMENDMENTS TO THE CONSTITUTION

scrutineer, who shall be independent of the persons undertaking the polling process, and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.” before the existing Regulation 61.

The revised Regulation 62 shall read as follows:-

“62. HOW POLL TO BE TAKEN. A poll demanded on the election of a Chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken at such time and place, and in such manner as the Chairman directs, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. Any business other than that upon which a poll has been demanded may be proceeded with at a meeting pending the taking of the poll. If a poll is required, it shall be taken in such manner (including the use of ballot or voting papers or tickets or electronic means) as the chairman of the General Meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was required. The Chairman may (and, if required by the Catalist Rules or if so directed by the meeting shall) appoint at least one scrutineer, who shall be independent of the persons undertaking the polling process, and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.”

9. Regulation 64

RATIONALE: To be in line with the requirement under the new Section 181(1D) of the Act to provide that in the case of a Member who is a relevant intermediary and who is represented at a General Meeting by two or more proxies, each proxy shall be entitled to vote on a show of hands.

PROPOSED AMENDMENT: To amend Regulation 64 as follows:-

“64. NUMBER OF VOTES. Subject and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company each Member entitled to vote may vote in person or by proxy or attorney or in the case of a corporation by a representative. On a show of hands every Member who is present in person ~~or by attorney or in the case of a corporation by a representative~~ and each proxy shall have one vote and on a poll, every Member who is present in person or by proxy or by attorney or in the case of a corporation by a representative shall have one vote for each share which he holds or represents. or by proxy (including every proxy appointed by the Depository) shall have one vote, provided that:

- (a) in the case of a Member who is not a relevant intermediary and who is represented by two proxies, only one of the two proxies as determined by that Member or, failing such determination, by the chairman of the General Meeting (or by a person authorised by him) in his sole discretion shall be entitled to vote on a show of hands; and
- (b) in the case of a Member who is a relevant intermediary and who is represented by two or more proxies, each proxy shall be entitled to vote on a show of hands.”

APPENDIX 1 PROPOSED AMENDMENTS TO THE CONSTITUTION

10. Regulation 69

RATIONALE: To be in line with and cater to the multiple proxies regime introduced by the 2014 Amendment Act.

PROPOSED AMENDMENT: To delete the existing Regulation 69 in its entirety and replace with the following:–

“69. APPOINTMENT OF PROXIES

(1) Save as otherwise provided in the Act:

(a) a Member who is not a relevant intermediary may appoint not more than two proxies to attend, speak and vote at the same General Meeting. Where such Member’s form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy; and

(b) a Member who is a relevant intermediary may appoint more than two proxies to attend, speak and vote at the same General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such Member. Where such Member’s form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

(2) In any case where a Member is a Depositor, the Company shall be entitled and bound:–

(a) to reject any instrument of proxy lodged by that Depositor if he is not shown to have any shares entered against his name in the Depository Register as at seventy-two (72) hours (or any such time prescribed under the Statutes and the Catalist Rules) 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 into against the name of that Depositor in the Depository Register as at seventy-two (72) hours (or any such time prescribed under the Statutes and the Catalist Rules) 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.

(3) Where a Member appoints more than one proxy, the Member shall specify the proportion of his shares to be represented by each such proxy, failing which the first named proxy shall be deemed to represent 100 per cent of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.

(4) A proxy need not be a Member of the Company.

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- (5) 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.
- (6) A Member who has deposited an instrument appointing any number of proxies to vote on his behalf at a General Meeting shall not be precluded from attending, speaking and voting in person at that General Meeting. Any such appointment of all the proxies concerned shall be deemed to be revoked upon the attendance of the Member appointing the proxy/proxies at the relevant General Meeting.

11. Regulation 70

RATIONALE: To reflect the amendments to Section 178(1)(c) of the Act, which stipulates the cutoff time for the deposit of instruments appointing proxies as seventy-two (72) (previously forty eight (48)) hours before the time appointed for holding a General Meeting.

PROPOSED AMENDMENT: To delete the existing Regulation 70 in its entirety and replace it as follows:–

“70. INSTRUMENT APPOINTING A PROXY.

- (1) An instrument appointing a proxy or the power of attorney or other authority, if any:
- (i) if sent personally or by post, must be left at the Office or such other place (if any) as is specified for the purpose in the notice convening the General Meeting; or
 - (ii) if submitted by electronic communication, must be received through such means as may be specified for that purpose in or by way of a note to the notice convening the General Meeting or in any document accompanying the notice convening the General Meeting,

and in either case not less than seventy-two (72) hours (or any such time prescribed under the Act and the Catalist Rules) 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 General 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 require again to be delivered for the purposes of any subsequent meeting to which it relates.

- (2) The Directors may, in their absolute discretion, and in relation to such Members or class of Members as they may determine, specify the means through which instruments appointing a proxy may be submitted by electronic communication, as contemplated in Regulation 70(1)(ii). Where the Directors do not so specify in relation to a Member (whether of a class or otherwise), Regulation 70(1)(i) shall apply.”

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12. Regulation 71

RATIONALE: To clarify the requirements for the form of proxy.

PROPOSED AMENDMENT: To delete the existing Regulation 71 in its entirety and replace it as follows:–

“71. FORM OF PROXY.

(1) An instrument appointing a proxy for any Member shall be in writing in any usual or common form or in any other form which the Directors may from time to time approve and:–

(a) in the case of an individual Member, shall be:

- (i) signed by the Member or his attorney duly authorised in writing if the instrument of proxy is delivered personally or sent by post; or
- (ii) authorised by the Member through such method and in such manner as may be approved by the Directors, if the instrument of proxy is submitted by electronic communication; and

(b) in the case of a Member which is a corporation, shall be:

- (i) either given under its common seal or such alternative to sealing as is valid under the law of its jurisdiction of incorporation, or signed on its behalf by an attorney duly authorised in writing or a duly authorised officer of the corporation if the instrument of proxy is delivered personally or sent by post; or
- (ii) authorised by the Member through such method and in such manner as may be approved by the Directors, if the instrument of proxy is submitted by electronic communication.

The Directors may, for the purposes of this Regulation, designate procedures for authenticating any such instrument, and any such instrument not so authenticated by use of such procedures shall be deemed not to have been received by the Company.

(2) The signatures on, or authorisation of, an instrument of proxy need not be witnessed. Where an instrument appointing a proxy is signed or authorised on behalf of a Member (which shall, for purposes of this paragraph include a Depositor) by an attorney, the letter or power of attorney or a duly certified copy thereof shall (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to the next following Regulation, failing which the instrument of proxy may be treated as invalid.

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

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

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(b) designate the procedure for authenticating an instrument appointing a proxy, as contemplated in Regulation 71(1)(a)(ii) and 71(1)(b)(ii) for application to such Members or class of Members as they may determine. Where the Directors do not so approve and designate in relation to a Member (whether of a class or otherwise), Regulation 71(1)(a)(i) and/or (as the case may be) Regulation 71(1)(b)(i) shall apply.

(4) 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 General Meeting.”

13. Regulation 79

RATIONALE: To reflect the amendments to Section 157A of the Act, which stipulates that the business and affairs of the Company are to be managed by, or under the direction or supervision of, the Directors.

PROPOSED AMENDMENT: To delete the existing Regulation 79 in its entirety and replace it as follows:–

“79. DIRECTORS TO MANAGE COMPANY’S BUSINESS

The business and affairs of the Company shall be managed by or under the direction or supervision of the Directors, who may exercise all such powers of the Company as are not by the Statutes or by this Constitution required to be exercised by the Company in General Meeting, subject nevertheless to any Regulations of this Constitution, to the provisions of the Statutes and to such Regulations, being not inconsistent with the aforesaid Regulations or provisions, as may be prescribed by Special Resolution of the Company, but no Regulation so made by the Company shall invalidate any prior act of the Directors which would have been valid if such Regulation had not been made. The general powers given by this Regulation shall not be limited or restricted by any special authority or power given to the Directors by any other Regulation.”

14. Regulation 81

RATIONALE: To provide for the rotation of Managing Director(s) with the rest of the board of Directors of the Company.

PROPOSED AMENDMENT: To delete the words “and a Director so appointed shall not, while holding that office, be subject to retirement by rotation and he shall not be taken into account in determining the rotation of retirement of Directors or the number of Directors to retire, but he shall, subject to the provisions of any contract between him and the Company” in the existing Regulation 81 as follows:

“81. MANAGING DIRECTORS. Subject to Regulations 77 and 92, the Directors may from time to time and at any time appoint one or more of their body to be Managing Director or Managing Directors for a term not exceeding ~~five~~ three years and upon such terms and at such remuneration (whether by way of salary or commission or participation in profits, or by any or all of these modes or otherwise) as they think fit, ~~and a Director so appointed shall not, while holding that office, be subject to retirement by rotation and he shall not be taken into~~

APPENDIX 1 PROPOSED AMENDMENTS TO THE CONSTITUTION

account in determining the rotation of retirement of Directors or the number of Directors to retire, but he shall, subject to the provisions of any contract between him and the Company, be subject to the same provisions as to resignation and removal as the other Directors of the Company and if he ceases to hold the office of Director he shall ipso facto and immediately cease to be a Managing Director. A Managing Director shall at all times be subject to the control of the Directors.”

15. Regulation 90

RATIONALE: To reflect the amendments to Appendix 4C of the Catalist Rules and Rule 720(1) of the Catalist Rules, which provide that a director who is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds must immediately resign from the board of directors. This Regulation has also been updated to substitute the references to persons of unsound mind with references to persons who are “mentally disordered”, following the enactment of the Mental Health (Care and Treatment) Act, which repealed and replaced the Mental Disorders and Treatment Act.

PROPOSED AMENDMENT: To insert the words “mentally disordered or whose person or estate is liable to be dealt with in any way under the law relating to mental health” and “If he is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds” in the existing Regulation 90 as follows:

“90. OFFICE OF DIRECTOR VACATED IN CERTAIN CASES. Subject as herein otherwise provided or to the terms of any subsisting agreement, the office of a Director shall be vacated:–

- (1) If a receiving order is made against him or he makes any arrangement or composition with his creditors.
- (2) If he is prohibited from being a Director by reason of any order made under any provision of the Statutes.
- (3) If he is found lunatic or becomes of unsound mind mentally disordered or whose person or estate is liable to be dealt with in any way under the law relating to mental health;
- (4) If he resigns his office by notice in writing to the Company.
- (5) If he is disqualified from acting as a director in any jurisdiction for reasons other than on technical grounds.

16. Regulation 92

RATIONALE: To provide for the rotation of Managing Director(s) with the rest of the board of Directors of the Company.

APPENDIX 1 PROPOSED AMENDMENTS TO THE CONSTITUTION

PROPOSED AMENDMENT: To delete the words “except a Managing Director” in the existing Regulation 92 as follows:

“92. ELECTION OF DIRECTORS. An election of Directors shall take place each year. All Directors ~~except a Managing Director~~ shall retire from office once at least in each three years but shall be eligible for re-election.”

17. Regulation 106

RATIONALE: To reflect the amendments to Section 41B and 41C of the Act, which stipulates that that the Company may execute a document described or expressed as a deed by affixing the common seal or in the manner prescribed by the Act as an alternative to sealing.

PROPOSED AMENDMENT: To delete the existing Regulation 106 in its entirety and replace it as follows:–

~~“106. SEAL TO BE AFFIXED BY AUTHORITY OF RESOLUTION OF BOARD AND IN THE PRESENCE OF TWO DIRECTORS OR ONE DIRECTOR AND THE SECRETARY.~~

(1) The Directors shall provide for the safe custody of the Seal which shall not be used without the authority of the Directors or of a committee authorised by the Directors in that behalf.

The general powers given by this Regulation shall not be limited or restricted by any special authority or power given to the Directors by any other Regulation.

(2) The Company may execute a document described or expressed as a deed by affixing the Seal or in the manner prescribed by the Act as an alternative to sealing. The Seal shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors, and in the presence of two Directors or a Director and the Secretary or such other person as the Directors may appoint for the purpose and that the Directors or the Director and the Secretary or other person as aforesaid shall sign every instrument to which the Seal is so affixed in their presence, and in favour of any person bona fide dealing with the Company either autographically or mechanically by a method approved by the auditors, such signatures shall be conclusive evidence of the fact that the Seal has been properly affixed.

(3) The Company may exercise the powers conferred by Section 41 and Section 124 of the Act with regard to having an official seal for use abroad and a duplicate common seal respectively, and such powers shall be exercised by the Directors.”

18. Regulation 119A

RATIONALE: Rules 1207-1209 of the Catalist Rules provide for the service of notices and documents by electronic means. Alterations to the Constitution in this respect have been proposed accordingly.

PROPOSED AMENDMENT: To delete the existing Regulation 119A in its entirety and replace it as follows:–

“119A. SERVICE OF NOTICES AND DOCUMENTS BY ELECTRONIC COMMUNICATION. Without prejudice to the provisions of these Regulations, any notice or document (including,

APPENDIX 1 PROPOSED AMENDMENTS TO THE CONSTITUTION

without limitations, any accounts, balance-sheet or report) which is required or permitted to be given, sent or served under the Act or under these presents by the Company, or by the Directors, to a member or an officer or auditor of the Company may be given, sent or served using electronic communications to the current address of that person in accordance with the provisions of or as otherwise provided by the Act and/or any other applicable Regulations or procedures. Such notice or document shall be deemed to have been duly given, sent or served upon transmission of the electronic communication to the current address of such person or as otherwise provided under the Act and/or other applicable Regulations or procedures.

- (1) Any notice or document (including a share certificate) may be served on or delivered to any Member by the Company either personally or by sending it through the post in a prepaid cover addressed to such Member at his Singapore registered address appearing in the Register of Members or (as the case may be) the Depository Register, or (if he has no registered address within Singapore) to the address, if any, within Singapore supplied by him to the Company, or (as the case may be) CDP as his address for the service of notices, or by delivering it to such address as aforesaid. Where any notice or other document is served or delivered by post, service or delivery shall be deemed to have been served at the time the envelope or cover containing the same is posted, and in proving such service or delivery, it shall be sufficient to prove that such envelope or cover was properly addressed, stamped and posted.
- (2) Without prejudice to the foregoing provisions of Regulation 119A(1) and subject to the Act, the listing rules of the Designated Stock Exchange and/or other applicable Regulations or procedures, any notice or document required or permitted to be given, sent or served under the Act, the listing rules of the Designated Stock Exchange, Constitution of the Company or these Regulations may be given, sent or served by the Company using electronic communications:

 - (a) to the current address of such person (which may be an email address); or
 - (b) by making it available on a website prescribed by the Company from time to time,

in accordance with the provisions of these Regulations, the Act, the listing rules of the Designated Stock Exchange and/or other applicable Regulations or procedures.
- (3) Express Consent: For the purposes of Regulation 119A(2) above, the Company may send such notice or document by way of such electronic communications to a Member, if there is express consent from that Member.
- (4) Deemed Consent: For the purposes of Regulation 119A(2) above, the Directors may, at their discretion, give a Member an opportunity to elect within a specified period of time whether to receive such notice or document by way of electronic communications or as a physical copy, and such Member shall be deemed to have consented to receive such notice or document by way of electronic communications if he was given such an opportunity and he failed to make an election within the specified time, and he shall not in such an event have a right to receive a physical copy of such notice or document, unless otherwise provided under the Act, the listing rules of the Designated Stock Exchange and/or other applicable Regulations or procedures. Any election or deemed election by a Member pursuant to this Regulation 119A(4) is a standing election but the

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Member may make a fresh election at any time, provided that until the Member makes a fresh election, the election or deemed election that is conveyed to the Company last in time prevails over all previous elections as that Member's valid and subsisting election in relation to all notices or documents to be sent.

- (5) Implied Consent: For the purposes of Regulation 119A(2) above, a Member shall be implied to have agreed to receive such notice or document by way of such electronic communications and shall not have a right to elect to receive a physical copy of such notice or document, unless otherwise provided under the Act, the listing rules of the Designated Stock Exchange and/or other applicable Regulations or procedures.
- (6) Regulations 119A(2), (3), (4) and (5) above shall not apply to such notice or documents which are excluded from being given, sent or served by electronic communications or means pursuant to the Act, the listing rules of the Designated Stock Exchange and/or other applicable Regulations or procedures, unless permitted by the Act, the listing rules of the Designated Stock Exchange and/or other applicable Regulations or procedures.
- (7) Where a notice or document is sent by electronic communications, the Company shall inform the Member as soon as practicable of the mode by which the Member may request a physical copy of that notice or document from the Company. The Company shall provide a physical copy of that notice or document upon such request.
- (8) Where the Company uses website publication as the form of electronic communications, the Company shall separately provide a physical notification to Members notifying of the following:
- (a) the publication of the document on the website;
 - (b) if the document is not available on the website on the date of notification, the date on which it will be available;
 - (c) the address of the website;
 - (d) the place on the website where the document may be accessed; and
 - (e) how to access the document.
- (9) Where a notice or document is given, sent or served by electronic communications:
- (a) to the current address of a person pursuant to Regulation 119A(2)(a), it shall be deemed to have been duly given, sent or served at the time of transmission of the electronic communication by the email server or facility operated by the Company or its service provider to the current address of such person (notwithstanding any delayed receipt, non-delivery or "returned mail" reply message or any other error message indicating that the electronic communication was delayed or not successfully sent), unless otherwise provided under the Act, the listing rules of the Designated Stock Exchange and/or other applicable Regulations or procedures; or

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- (b) by making it available on a website pursuant to Regulation 119A(2)(b), it shall be deemed to have been duly given, sent or served on the date on which the notice or document is first made available on the website, or unless otherwise provided under the Act, the listing rules of the Designated Stock Exchange and/or other applicable Regulations or procedures.”

19. New Regulation 126

RATIONALE: To specify, *inter alia*, the purposes for which the Company and/or its agents and service providers can collect, use and disclose personal data of Shareholders and their appointed proxies or representatives. The new Regulation 126 has been inserted to allow the Company to fulfil the requirements of the PDPA and allow it to use the personal data of the Shareholders for the purposes stated in Regulation 126, as required in the Company's operations.

PROPOSED AMENDMENT: To insert a new Regulation 126 after the existing Regulation 125.

This Regulation provides:–

“126. PERSONAL DATA.

- (1) A Member who is a natural person is deemed to have consented to the collection, use and disclosure of his personal data (whether such personal data is provided by that Member or is collected through a third party) by the Company (or its agents or service providers) from time to time for any of the following purposes:
- (a) implementation and administration of any corporate action by the Company (or its agents or service providers);
 - (b) internal analysis and/or market research by the Company (or its agents or service providers);
 - (c) investor relations communications by the Company (or its agents or service providers);
 - (d) administration by the Company (or its agents or service providers) of that Member's holding of shares in the capital of the Company;
 - (e) implementation and administration of any service provided by the Company (or its agents or service providers) to its Members to receive notices of meetings, annual reports and other shareholder communications and/or for proxy appointment, whether by electronic means or otherwise;
 - (f) processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for any General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to any General Meeting (including any adjournment thereof);
 - (g) implementation and administration of, and compliance with, any provision of these Regulations;

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- (h) compliance with any applicable laws, listing rules of the Stock Exchange, take-over rules, Regulations and/or guidelines; and purposes which are reasonably related to any of the above purpose.
- (2) Any Member who appoints a proxy and/or representative for any General Meeting and/or any adjournment thereof is deemed to have warranted that where such Member discloses the personal data of such proxy and/or representative to the Company (or its agents or service providers), that Member has obtained the prior consent of such proxy and/or representative for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy and/or representative for the purposes specified in Regulation 126(1)(f), and is deemed to have agreed to indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of such Member's breach of warranty."

NOTICE OF EXTRAORDINARY GENERAL MEETING

DISA LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 197501110N)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an **EXTRAORDINARY GENERAL MEETING (“EGM”)** of DISA Limited (the **“Company”**) will be convened on 26 October 2018 at 11.30 a.m. (or as soon thereafter following the conclusion or adjournment of the 2018 Annual General Meeting of the Company to be held at 10:30 a.m. on the same day and at the same place) at 2 Bukit Merah Central, Podium Block, Level 3, Room P301, Singapore 159835, for the purpose of considering and, if thought fit, passing with or without any modifications the following special and ordinary resolutions:–

(1) ORDINARY RESOLUTION (1) – THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

RESOLVED THAT:–

- (a) the Directors of the Company be and are hereby authorised to purchase or otherwise acquire from time to time issued ordinary shares in the capital of the Company (**“Shares”**), up to a maximum of 10% of the issued ordinary share capital of the Company as at the date of the passing of this Resolution excluding treasury shares and subsidiary holdings at any price which the Directors may determine at their discretion, up to but not exceeding the Maximum Price (defined below), and such purchases and acquisitions of the Shares may be effected by way of:–
- (i) an on-market share acquisition (**“Market Purchase”**) transacted on the Singapore Exchange Securities Trading Limited (**“SGX-ST”**), through one or more duly licensed stockbrokers appointed by the Company for such purpose; and/or
 - (ii) an off-market share acquisition (**“Off-Market Purchase”**) pursuant to an equal access scheme(s) as may be determined or formulated by the Directors in their discretion, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act, Chapter 50, of Singapore, and otherwise be in accordance with all other laws and regulations and rules of the SGX-ST; (the **“Share Purchase Mandate”**);
- (b) the Share Purchase Mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the date on which the next annual general meeting of the Company is or is required by law to be held, the date on which the aggregate purchases or acquisitions of the Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated whichever is the earliest;

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (c) in this Resolution, the purchase price (excluding brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) to be paid for a DISA Share will be determined by the Directors for the purposes to effect the purchase or acquisition of DISA Shares. The purchase price to be paid for the DISA Shares pursuant to the Share Purchase Mandate (both Market Purchases and Off-Market Purchases), excluding related expenses of the purchase or acquisition must not exceed:–
- (i) in the case of a market purchase of a DISA Share, 105% of the Average Closing Price of the Shares; and
 - (ii) in the case of an off-market purchase of a DISA Share, 110% of the Average Closing Price of the Shares, (“**Maximum Price**”)

For the above purposes:–

“**Average Closing Price**” means the average of the last dealt prices of a DISA Share for the five (5) consecutive Market Days (as defined in the Circular dated 3 October 2018) on which the DISA Shares are transacted on the Catalist immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to an Off-Market Purchase, and deemed to be adjusted, in accordance with the Rules of Catalist, for any corporate action that occurs after the relevant 5-day period; and

“**date of the making of the offer**” means the date on which the Company announces its intention to make an offer for an Off-Market Purchase, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

- (d) the Directors and each of them be authorised, empowered to complete and do and execute all such things and acts as they or he may think necessary or expedient to give effect to this Resolution, with such modifications thereto (if any) as they or he shall think fit in the interests of the Company.

(2) ORDINARY RESOLUTION (2) – THE PROPOSED RENEWAL OF THE DISA PS SCHEME

RESOLVED THAT:–

- (a) the extension of the duration of the DISA PS Scheme for a period of ten (10) years from and including 26 October 2018, up to and including 25 October 2028, be and is hereby approved;
- (b) the Directors of the Company be and are hereby authorised to establish and administer the DISA PS Scheme;
- (c) the Directors of the Company be and are hereby authorised to grant awards in accordance with the provisions of the DISA PS Scheme and pursuant to Section 161 of the Companies Act, Cap. 50, allot and issue from time to time such number of fully paid-up Shares as may be required to be allotted and/or issued pursuant to the vesting of Awards under the DISA PS Scheme, provided that the aggregate number of Shares to be allotted and/or issued pursuant to the DISA PS Scheme and any other share

NOTICE OF EXTRAORDINARY GENERAL MEETING

based schemes of the Company shall not exceed 15% of the total issued shares excluding treasury shares and subsidiary holdings from time to time;

(d) in this Resolution:

“**Awards**” means a contingent award of Shares granted under the rules of the DISA PS Scheme; and

“**Shares**” means ordinary shares in the capital of the Company.

(3) ORDINARY RESOLUTION (3) – THE PROPOSED CHANGE OF AUDITORS FROM MESSRS MAZARS LLP TO MESSRS CROWE HORWATH FIRST TRUST LLP

RESOLVED THAT the Audit Committee and the Board having confirmed that:

- (a) Messrs Mazars LLP (“**Mazars**”) has served as auditors of the Company (“**Auditors**”) for three (3) consecutive audits since the financial year ended 30 June 2016. The Board is of the view that a change of Auditors is in the best interests of the Company and the Shareholders as the quantum of professional fees for the audit services proposed by Crowe Horwath First Trust LLP (“**Crowe Horwath**”) is more competitive in comparison to that charged by Mazars. Accordingly, the Board is of the view that it would be in the interests of the Company to effect a change of external auditors with effect from the current financial year ending 30 June 2019;
- (b) Mazars has confirmed that it is not aware of any professional reasons why Crowe Horwath should not accept the appointment as Auditors;
- (c) the Company confirms that there were no disagreements with Mazars on accounting treatments within the last twelve (12) months from the date of the Circular;
- (d) the Company is not aware of any circumstances connected with the Proposed Change of Auditors that should be brought to the attention of the Shareholders which has not been disclosed in the Circular;
- (e) the specific reasons for the Proposed Change of Auditors are disclosed in paragraph 3(a) of this Resolution. The Proposed Change of Auditors is neither due to the dismissal of Mazars nor Mazars declining to stand for election; and
- (f) the Company confirms that it complies with Rules 712 and 715 of the Rules of Catalist in relation to the appointment of Crowe Horwath as its Auditors,

that (i) Crowe Horwath be and is hereby appointed as Auditors in place of Mazars to hold office until the conclusion of the next annual general meeting of the Company at a fee and on such terms to be agreed between the Directors of the Company and Crowe Horwath, and (ii) the Directors and each of them be authorised and empowered to complete and do and execute all such things and acts (including, without limitation, executing all such documents as may be required) as they or he may think necessary or expedient to give effect to this Resolution, with such modifications thereto (if any) as they or he shall think fit in the interests of the Company.

NOTICE OF EXTRAORDINARY GENERAL MEETING

(4) SPECIAL RESOLUTION (1) – THE PROPOSED AMENDMENTS TO THE CONSTITUTION OF THE COMPANY

RESOLVED THAT the amendments to the Constitution of the Company, as set out in **Appendix 1 (Proposed Amendments to the Constitution)** to the Circular to shareholders of the Company dated 3 October 2018, be approved and adopted.

BY ORDER OF THE BOARD

Chng Weng Wah
Managing Director
Singapore

3 October 2018

Notes:

1. (a) A member who is not a relevant intermediary, is entitled to appoint one or two proxies to attend and vote at the annual general meeting ("**Meeting**") of the Company.
- (b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at the Meeting of the Company, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member.

"Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act.

2. A proxy need not be a member of the Company.
3. A member of the Company which is a corporation is entitled to appoint its authorised representatives or proxies to vote on his behalf.
4. The instrument appointing a proxy or proxies must be deposited at the Company's Share Registrar, RHT Corporate Advisory Pte. Ltd at 9 Raffles Place, #29-01 Republic Plaza Tower 1, Singapore 048619 not less than forty-eight (48) hours before the time appointed for holding the Meeting of the Company.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Meeting and/or any adjournment thereof, a member of the Company:

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

This notice has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, SAC Capital Private Limited ("**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"). The Sponsor has not independently verified the contents of this notice.

This notice has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this notice, including the correctness of any of the statements or opinions made or reports contained in this notice.

The contact person for the Sponsor is Mr Ong Hwee Li (Telephone: 65 6532 3829) at 1 Robinson Road, #21-00, AIA Tower, Singapore 048542.

DISA LIMITED

(Company Registration No. 197501110N)
(Incorporated in the Republic of Singapore)

PROXY FORM

(Please see notes overleaf before completing this form)

IMPORTANT

1. A relevant intermediary may appoint more than two proxies to attend the Annual General Meeting and vote (please see note 4 for the definition of "relevant intermediary").
2. For investors who have used their CPF monies to buy the Company's shares, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely **FOR INFORMATION ONLY**.
3. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We* _____ (Name) _____ (NRIC/Passport No.*)
of _____ (Address)
being a Member/Members* of DISA Limited ("**Company**"), hereby appoint:

Name	NRIC/Passport Number	Proportion of Shareholdings	
		Number of Shares	%
Address			

and/or*

Name	NRIC/Passport Number	Proportion of Shareholdings	
		Number of Shares	%
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our* proxy/proxies* to vote for me/us* on my/our* behalf at the Extraordinary General Meeting (the "**Meeting**") of the Company, to be held at 26 October 2018 at 11.30 a.m. (or as soon thereafter following the conclusion or adjournment of the 2018 Annual General Meeting of the Company to be held at 10:30 a.m. on the same day and at the same place) at 2 Bukit Merah Central, Podium Block, Level 3, Room P301, Singapore 159835. I/We* direct my/our* proxy/proxies* to vote for or against the Resolutions to be proposed at the Meeting as indicated hereunder. If no specified direction as to voting is given, the proxy/proxies* will vote or abstain from voting at his/her/their* discretion, as he/she/they* will on any other matter arising at the Meeting and at any adjournment thereof.

No.	Ordinary Resolutions	For	Against
1.	Proposed Renewal of Share Purchase Mandate		
2.	Proposed Renewal of DISA PS Scheme		
3.	Proposed Change of Auditors from Messrs Mazars LLP to Messrs Crowe Horwath First Trust LLP		
	Special Resolution		
4.	Proposed Amendments to Constitution of the Company		

Notes: If you wish to exercise all your votes "For" or "Against", please tick [✓] within the box provided. Alternatively, please indicate the number of votes "For" or "Against" for each resolution.

Dated this _____ day of _____ 2018

Total number of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature of Member(s) or,
Common Seal of Corporate Member

* Delete accordingly

Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member appoints two proxies, he/she shall specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his/her name in the Depository Register and any second named proxy as an alternate to the first named or at the Company's option to treat the instrument of proxy as invalid.
4. A member who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

"Relevant intermediary" means:

- (a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or
 - (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
5. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
 6. The instrument appointing a proxy or proxies must be deposited at the Company's Share Registrar, RHT Corporate Advisory Pte. Ltd at 9 Raffles Place, #29-01 Republic Plaza Tower 1, Singapore 048619 not less than forty-eight (48) hours before the time appointed for the Meeting.
 7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
 8. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with its Constitution and Section 179 of the Companies Act, Chapter 50 of Singapore.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 3 October 2018.