

CIRCULAR DATED 14 OCTOBER 2013

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

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

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

Investing in our Shares involves certain risks. In particular, please see "Risk Factors—Risks Relating to the Proposed Diversification" beginning on page 14 of this Circular.

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



**GRP LIMITED**

(Company Registration Number: 197701449C)  
(Incorporated in the Republic of Singapore)

## **CIRCULAR TO SHAREHOLDERS**

### **IN RELATION TO**

### **THE PROPOSED DIVERSIFICATION OF THE CORE BUSINESS OF THE GROUP TO INCLUDE THE PROPERTY DEVELOPMENT, INVESTMENT AND TRADING BUSINESS**

#### **IMPORTANT DATES AND TIMES**

Last date and time for lodgement of Proxy Form	:	27 October 2013 at 10.30 a.m.
Date and time of Extraordinary General Meeting	:	29 October 2013 at 10.30 a.m. (or as soon as practicable thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.00 a.m. on the same day and at the same place)
Place of Extraordinary General Meeting	:	Albizia Room, Level 2, Jurong Country Club, 9 Science Centre Road, Singapore 609078

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## DEFINITIONS

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

- “Act”* : The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
- “ASEAN”* : Association of Southeast Asian Nations
- “Associate”* : (a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:-
- (i) his immediate family;
  - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
  - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more
- (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any company which is its subsidiary or holding company or is a subsidiary of any such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- “Board”* : The board of directors of the Company as at the date of this Circular
- “CDP”* : The Central Depository (Pte) Limited
- “Circular”* : This circular to Shareholders dated 14 October 2013 in respect of the Proposed Diversification
- “Company”* : GRP Limited
- “Control”* : The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company
- “Controlling Shareholder”* : A person who:
- (a) holds directly or indirectly 15% or more of the issued share capital of the Company; or
  - (b) in fact exercises Control over the Company
- “Directors”* : The directors of the Company as at the date of this Circular

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## DEFINITIONS

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<i>“EGM”</i>	:	The extraordinary general meeting of the Company, notice of which is given on page 30 of this Circular
<i>“FY”</i>	:	Financial year of the Company ended or ending 30 June (as the case may be)
<i>“Group”</i>	:	The Company and its Subsidiaries
<i>“Iskandar Malaysia”</i>	:	Iskandar Malaysia is the new southern development corridor in Johor, Malaysia that has been identified as one of the catalyst developments to spur the growth of the Malaysian economy
<i>“Latest Practicable Date”</i>	:	25 September 2013, being the latest practicable date prior to the printing of this Circular
<i>“Listing Manual”</i>	:	The listing manual of the SGX-ST and its relevant rules, as amended or modified from time to time
<i>“OEM”</i>	:	Original equipment manufacturer
<i>“PRC”</i>	:	The People’s Republic of China, excluding Hong Kong Special Administrative Region and Macau Special Administrative Region for the purposes of this Circular
<i>“Proposed Diversification”</i>	:	The diversification of the Group’s business to include the business relating to the Proposed New Business
<i>“Proposed New Business”</i>	:	The business comprising property development and property investment, which involves activities such as property-related investments, holding of investments in property-related assets, and trading in and the development of property for sale, more particularly described in Section 2.2 of this Circular
<i>“Securities Account”</i>	:	The securities account maintained by a Depositor with CDP (but does not include a securities sub-account)
<i>“SGX-ST”</i>	:	Singapore Exchange Securities Trading Limited
<i>“Share(s)”</i>	:	Ordinary share(s) in the share capital of the Company
<i>“Shareholders”</i>	:	The registered holders of the Shares in the register of members of the Company, except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context so admits, mean the Depositors whose Securities Accounts are credited with such Shares
<i>“Substantial Shareholders”</i>	:	A person (including a corporation) who holds directly or indirectly 5% or more of the issued capital in the Company

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## DEFINITIONS

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*“Subsidiary”* : A subsidiary of the Company within the definition of Section 5 of the Act

### **Currencies, Units and Others**

*“Kyats”* : Myanmar Kyat

*“RM”* : Malaysian Ringgit

*“RMB”* : PRC Renminbi

*“S\$”* : Singapore dollar

*“US\$”* : United States dollar

*“%” or “per cent”* : Per centum or percentage

The terms “Depositor”, “Depository Agent” and “Depository Register” shall have the same meanings ascribed to them, respectively, in Section 130A of the Act. The term “Subsidiary” shall have the same meaning ascribed to it in Section 5 of the Act. The term “Direct Account Holder” shall have the same meaning ascribed to the term “account holder” in Section 130A of the Act.

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

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

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act or any statutory modification thereof and not otherwise defined in this Circular shall have the same meaning assigned to it under the Act or any statutory modification thereof, as the case may be.

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

Any discrepancies in this Circular between the sum of the figures stated and the total thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures which precede them.

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## LETTER TO SHAREHOLDERS

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### GRP LIMITED

(Company Registration Number: 197701449C)  
(Incorporated in the Republic of Singapore)

#### Board of Directors

Kwan Chee Seng (Executive Director)  
Sim Yeow Tiang (Executive Director)  
Roger Stuart Mitchell (Independent Director)  
Goh Lik Kok (Independent Director)  
Mahtani Bhagwandas (Independent Director)  
Peter Moe (Independent Director)

#### Registered Office

11 Tanjong Penjuru Crescent  
Singapore 608974

14 October 2013

To: The Shareholders of GRP Limited

Dear Sir/Madam

### **PROPOSED DIVERSIFICATION OF THE CORE BUSINESS OF THE GROUP TO INCLUDE THE PROPERTY DEVELOPMENT, INVESTMENT AND TRADING BUSINESS**

#### **1. INTRODUCTION**

On 17 June 2013, the Company announced its intention to diversify the core business of the Group to include the Proposed New Business.

The Directors are convening the EGM to be held on 29 October 2013 to seek the approval of the Shareholders for the Proposed Diversification. The Notice of the EGM is set out in page 30 of this Circular.

The purpose of this Circular is to provide Shareholders with information relating to, and explain the rationale for, and to seek the Shareholders' approval for the Proposed Diversification at the forthcoming EGM.

#### **2. PROPOSED DIVERSIFICATION OF BUSINESS**

##### **2.1 Existing business of the Group**

The Group's existing business is organised into the following business segments:

##### **(a) Hose and Marine**

Operating from the factory located at Tanjong Penjuru Crescent, Singapore, the Group's hose and marine business has been serving the onshore, offshore, marine, pharmaceutical and petrochemical markets for over 30 years. From the trading of industrial rubber hoses and other marine-related products in the early days, the Group's hose and marine business has evolved and expanded to include engineering works and hose management services such as the design and manufacture of hose fittings and couplings.

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## LETTER TO SHAREHOLDERS

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The Group is also the master distributor of hoses and fittings for major brands like Dunlop, Goodyear, Elaflex, Todo-matic Dry-Break coupling, and other quality products that are widely used by major offshore exploration, pharmaceutical and petrochemical companies.

Over the years, the Group has diversified into oilfield supplies in order to expand the market share for the hose business as well as to cater to the growing needs of its customers.

(b) **Measuring Instruments and Metrology**

The Group's measuring instruments and metrology division has an established track record in the trading and distribution of precision measuring instruments and equipment. Based in Singapore and Malaysia (with four branch offices), the Group maintains a cost effective network and has been distributing several internationally renowned brands within the precision measuring sector for over 30 years.

To further enhance support for the distribution channel, the technical support department was setup to provide value added services to the customers. Leveraging on the extensive range of measuring products carried, the business is able to market measuring products to a wide range of industries including machine makers, biomedical, oil and gas, institutional, laboratory as well as electronic OEM.

(c) **uPVC Pipes and Fittings**

Catering primarily to the export market, the Group focuses on the trading of plastic fittings and supplies a broad range of quality fittings to the electrical wiring, water supply and discharge, sewerage and building sectors.

As at the Latest Practicable Date, the active operating subsidiaries of the Company which are involved in the existing business of the Group and their principal activities are as follows:

<b>Name of Subsidiary</b>	<b>Date and Country of Incorporation / Registration</b>	<b>Effective Interest Held by the Group</b>	<b>Principal Activities</b>
GRP Pte Ltd	4 November 1982 Singapore	100%	Supply and servicing of industrial / marine hoses, fittings and related products
Region Suppliers Pte Ltd	2 January 1976 Singapore	100%	Dealing in measuring instruments and scientific apparatus
Region Suppliers Sdn Bhd	28 April 1981 Malaysia	100%	Trading of measuring and scientific equipment
GRP (China) Pte Ltd	4 June 1993 Singapore	63.5%	Investment holding and trading in uPVC fittings

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## LETTER TO SHAREHOLDERS

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### 2.2 Information regarding the Proposed New Business

Upon the approval of Shareholders for the Proposed Diversification being obtained at the EGM, the Company intends to diversify the Group's core business to carry on the following activities, as and when appropriate opportunities arise:

- (a) to undertake property development activities including acquisition, development and/or sales of land and residential, hospitality, commercial (retail and office), industrial and any other suitable types of properties (including mixed development properties) ("**Property Related Assets**") but excluding construction activities relating to property development projects;
- (b) to acquire and hold investments in Property Related Assets including development of Property Related Assets and holding the same for long term investment for the collection of rent, capital growth potential and/or provision of property related services and facilities; and
- (c) to trade in properties including buying and selling of Property Related Assets with reasonable yield and/or capital growth potential.

The Company also proposes, as part of the Proposed New Business, to invest in, purchase or otherwise acquire or dispose of, from time to time any such assets, investments and shares or interests in any entity that is in the Proposed New Business. Any business activities as aforesaid (including those listed in (a) to (c) above) shall upon approval of the Proposed Diversification by the Shareholders at the EGM, constitute part of the ordinary course of business of the Group.

### 2.3 Organisation of the Proposed New Business

The Group intends to undertake the Proposed New Business independently or in joint venture or collaboration with third parties who have the relevant expertise and resources. The decision on whether a project should be undertaken by the Group on its own or in collaboration with third parties will be made by the Board after taking into consideration various factors, such as the nature and scale of the project, amount of investment required and risks associated with such an investment, nature of expertise required, the period of time that is required to complete the project and conditions in the property market, taking into account the opportunities available.

Before undertaking any major project in the Proposed New Business, and where relevant, the management of the Company will prepare a feasibility study containing financial forecasts, risk analysis, market study, background of any main contractors or joint venture partners, funding needs, growth potential and projected returns of the project concerned to decide on the nature and extent of the Group's investment in such project. In addition, the Board will regularly review the risk exposure of the Proposed New Business, at intervals of no less than six months.

At the initial stage, the Group intends to embark on the Proposed New Business in Myanmar, Malaysia and the PRC. The Group does not plan to restrict the Proposed New Business to any specific geographical markets in these countries, as each project and investment would be evaluated and assessed by the Board on its own merits. The Group may also explore joint venture and/or strategic alliances to carry out the Proposed New Business as and when the opportunity arises.

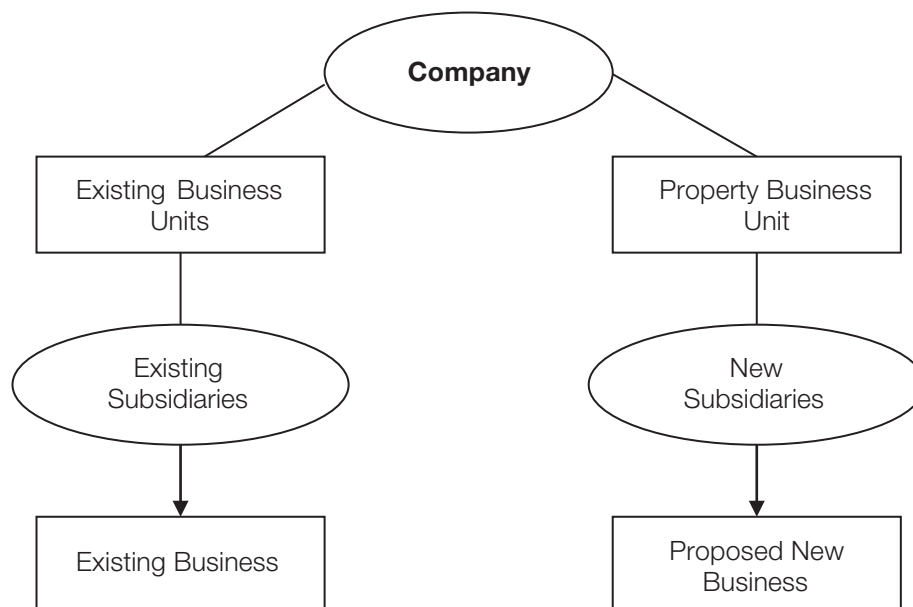


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The Proposed New Business will become a new segment of the Group's business under the Property Business unit, which will be operated via different new subsidiaries, as illustrated below:



### 2.4 Management and Manpower required for the Proposed New Business

The Executive Director of the Company, Mr Kwan Chee Seng (“**Mr Kwan**”), will be the main driver of the Proposed New Business. He will provide the strategic vision and policy on the Proposed New Business, and together with the Board manage the Proposed New Business. In making any decision with regard to the Proposed New Business, the Board will, where necessary and appropriate, seek the advice of reputable external consultants and professional advisers.

Mr Kwan has extensive experience in investment and business acquisitions (including real estate and related areas), deal structuring, and business management and restructurings. From 1994 to 2000, he was the managing director of CG Aerospace Warehouse (S) Pte Ltd where he was responsible for the overall business operations and identifying suitable opportunities for growth of the business in Singapore. Between 2000 and 2001, he was the managing director of the Company. Since 2001, he is the chairman and managing director of Van Der Horst Holdings Pte Ltd, his private investment holding company, where he manages personal family funds and seeks investment opportunities. In 2008, he co-founded and serves as a director of Luminor Capital Pte Ltd and is responsible for the marketing strategy for the promotion of the funds managed by Luminor Capital Pte Ltd as Global Investor Programme funds.

Since 1994, Mr Kwan has ventured into the property investment and/or development business, which covered both residential and commercial segments, at personal and corporate level. He had participated in numerous property projects with a niche in warehouse and logistic facilities. One of such notable projects involved the development of two blocks of four-storey warehouse and ancillary office buildings at Xilin Avenue which was completed in 1996. This project was undertaken by CG Aerospace Warehouse (S) Pte Ltd during the period when Mr Kwan served as its managing director. Mr Kwan was instrumental in the development of this project, including identifying and acquiring the site, designing the layout, structure and mechanical and electrical services of the building in conjunction with architects and consultants, securing

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## LETTER TO SHAREHOLDERS

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the project financing, leasing out the entire development upon completion and developing the upgrading and maintenance program for the property. When Mr Kwan was a non-executive director and controlling shareholder of Van Der Horst Energy Ltd. (now known as GKE Corporation Ltd.), the company undertook the development of a four-storey warehouse and a seven-storey office located at 30 Pioneer Road which was completed in 2010. This development was awarded the Green Mark GoldPlus certification from the Building and Construction Authority for adopting environment friendly and energy saving features in the design of the buildings. Mr Kwan is also an active investor in residential properties in Singapore and Iskandar Malaysia.

At the initial stage of its foray into the Proposed New Business, the Group will foster partnerships with various third parties in the building and construction industry to assist it in undertaking the Proposed New Business more effectively and efficiently as the Group seeks to build its expertise and experience in this field. Such partnerships may be done either on a case by case basis or on a fixed term basis. Where necessary, work may be outsourced to third parties who have expertise in the relevant area in relation to the projects concerned. In selecting its partners, the Group will take into account the specific expertise and competencies required for the project in question and the experience, historical track record and financial standing of the partners concerned.

The Board will continue to evaluate the manpower and expertise required for the Proposed New Business and the Group will consider hiring additional staff or in-house or external consultants and professional advisers as and when required in connection with the Proposed New Business.

### 2.5 **Collaboration Agreement relating to the Proposed Development and Management of Properties in Myanmar**

On 6 September 2013, the Company announced that it had entered into a collaboration agreement (the “**Collaboration Agreement**”) with MGS Resort & Entertainment Co., Ltd (“**MGS**”) for the purposes of developing and managing properties in Myanmar.

MGS, a company incorporated in Myanmar, is a division of Myanma Golden Star Co., Ltd which is a Myanmar conglomerate with activities ranging from banking and finance, engineering, agriculture, construction and development of properties, and sales and distribution of consumer products. The shareholders of MGS are U Thein Tun and U Thant Zin Tun who are unrelated to any of the Directors or Controlling Shareholders.

The Company and MGS (the “**Parties**”) shall collaborate towards the acquisition, development, construction, marketing and management of land and buildings (referred to as “**Project Venture**”) in Myanmar. The Project Venture where determined by the Parties, may operate developed property(s) as hotel(s), serviced apartments, and residential or commercial space for lease. The Project Venture shall also target for construction and development of large satellite townships, integrated with retail, commercial, health, school and other facilities.

Each Party is to contribute, and collaborate to contribute its assets, resources, expertise or funds into the respective Project Venture(s). The Parties shall agree and determine their respective equity interest for each Project Venture, and shall be in compliance with the Myanmar rules and regulations, and having the consent of the Myanmar Investment Commission.

The Parties shall incorporate project entity(s) in Myanmar for the performance of any property project or property acquisition that the Parties may determine, and in order for the Parties to perform on their

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## LETTER TO SHAREHOLDERS

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contemplated purposes (“**Venture Entity**”). There may be more than one Venture Entity. A Venture Entity may be incorporated for each Project Venture, however a Venture Entity could also undertake more than one Project Venture. There shall be five members to the board of such Venture Entity(s) where the Company shall appoint three members and MGS shall appoint two members or representatives to the board of each Venture Entity.

Generally, MGS shall be responsible for identifying and leading in any acquisition of land and property(s) in Myanmar by a Venture Entity while the Company shall be responsible for the other aspects of a Project Venture including arranging for funds, development of project plans and design, management of the Project Venture and the construction works, and administrative and financial management of the Project Venture. The Company shall also be responsible for the supervision of the project design.

The Collaboration Agreement may be terminated by mutual written consent of the Parties, or by rendering a three months’ written notice by either Party.

### 2.6 **Funding for the Proposed Diversification**

It is anticipated that the Proposed New Business requires substantial capital investments or cash outlay. The Company intends to fund the Proposed New Business through a combination of internal sources of funds, progress payments on pre-sales of projects and cost for project acquisitions and expenditures, and borrowings from financial institutions. As and when necessary and deemed appropriate, the Group may explore secondary fund raising exercises by tapping the capital markets including but not limited to rights issues, share placements and/or issuance of debt instruments.

As at the Latest Practicable Date, the Group has not identified any specific projects for the Proposed New Business, save for entering into the Collaboration Agreement as described in Section 2.5 of this Circular.

### 2.7 **Prospects and Future Plans for the Proposed New Business**

#### 2.7.1 **Prospects**

The Group has observed that the property market growth in the Asia Pacific region has led to a sustainable and long term value proposition due to the rising income levels, and the trend of rapid urbanisation being one of the key engines driving the world’s economic growth.

At the initial stage, the Group intends to embark on the Proposed New Business in Myanmar, Malaysia and the PRC. The Group does not plan to restrict the Proposed New Business to any specific geographical markets in these countries, as each project and investment would be evaluated and assessed by the Board on its own merits.

#### **Potential of Myanmar market**

In 2011, after five decades of military rule, Myanmar commenced the process of political liberalisation. They further enhanced their bilateral ties with various countries including the United States of America, the PRC, India, Japan, United Kingdom, Australia and Singapore by visiting, or else hosting dignitaries, to/from various countries. Such process, and the lifting of sanctions by the United States of America, has led to foreign companies rushing into Myanmar, to seek investment opportunities, resulting in a large flow of business visitors and tourists into Myanmar.

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## LETTER TO SHAREHOLDERS

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Myanmar's released tourism statistics for 2012 revealed a steep increase in visitor numbers with more than a million travellers arriving at Myanmar last year, compared with approximately 816,000 visitors in 2011<sup>(1)</sup>. There is an urgent need to increase and improve the properties available to meet the demands of the international businesses and visitors in the commercial office space, residential accommodation, hotels, and related infrastructure. Meanwhile, in Yangon, due to the influx, annual rental rates of office space have climbed five fold since end 2011 to more than US\$100 per square foot compared to less than US\$75 in downtown Manhattan. For a four bedroom residence the rental rate is US\$6,500 a month and likely to rise to US\$9,500 by end of 2013<sup>(2)</sup>. There are about 8,000 hotel rooms in Yangon, of which 1,500 to 2,500 are of international standard. An average room in a two or three-star hotel commands more than US\$100 a night. In addition, last year's hotel room rates were up 50% on 2011 and will likely to increase another 20% to 25% in 2013.<sup>(3)</sup>

Barring unforeseen circumstances, the Board is of the view that Myanmar's urgent need to increase or improve their property infrastructure would likely to have positive consequences for the property market in Myanmar. As such, the opportunities available to the Group to venture into the Myanmar market in respect of the Proposed New Business would be greater.

### **Potential of Iskandar Malaysia market**

Apart from the Myanmar market, the Group views Iskandar Malaysia as a potential market for the Proposed New Business. Iskandar Malaysia is twice the size of Singapore, and since 2006 has attracted RM118 billion worth of investments, with 34% of such investments coming from foreign investors. Singapore investors are among the biggest investors in Iskandar Malaysia<sup>(4)</sup>.

The settlement of the Malayan Railway land issue at Tanjong Pagar in Singapore, and the ensuing closer bilateral relations and cooperation between Malaysia and Singapore, has led to significant investment activity from Singapore. In February 2013, Temasek Holdings (Private) Limited and CapitaLand Malaysia Pte Ltd (a wholly-owned subsidiary of CapitaLand Limited) entered into a heads of agreement to jointly purchase a piece of land at Danga Bay at a purchase price of RM811 million. Luxury condominiums, bungalows and shopping malls are to be built on the land with an overall gross development value of approximately RM8.1 billion<sup>(5)</sup>. Temasek Holdings (Private) Limited and Khazanah Nasional are also jointly developing an "Urban Wellness Township" in Medini at Iskandar Malaysia. The estimated development value of this project is approximately RM5.2 billion<sup>(6)</sup>.

Equipped with a range of attractive infrastructure and facilities, fiscal and residency incentives and policies, together with proximity and planned improvements for road and rail connectivity to Singapore, Iskandar Malaysia is poised to attract foreign and high level corporate investments. In addition, after numerous rounds of cooling measures to control the rise of property prices in Singapore, many investors (including Singaporeans) seek alternative investment destinations by investing in larger and relatively cheaper priced homes in Iskandar Malaysia. As such, barring unforeseen circumstances, our Directors view that the property market in Iskandar Malaysia to be healthy in the foreseeable future.

### **Notes:**

- (1) The information was extracted from the internet website of CNN (<http://travel.cnn.com/myanmar-records-one-million-tourists-67-percent-increase-tourism-income-037441>).
- (2) The information was extracted from the internet website of BLOOMBERG L.P. (<http://www.bloomberg.com/news/2013-07-29/yangon-more-expensive-than-nyc-sparking-boom-real-estate.html>).

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## LETTER TO SHAREHOLDERS

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- (3) The information was extracted from the internet website of CNN (<http://travel.cnn.com/hotel-shortage-myanmar-963446>).
- (4) The information was extracted from the internet website of Borneo Post (<http://www.theborneopost.com/2013/08/15/iskandar-msia-to-continue-wooing-global-investments/>).
- (5) The information was extracted from the internet website of the SGX-ST ([http://infopub.sgx.com/FileOpen/CL\\_NewsRelease\\_DangaBay\\_19Feb13.ashx?App=Announcement&FileID=236032](http://infopub.sgx.com/FileOpen/CL_NewsRelease_DangaBay_19Feb13.ashx?App=Announcement&FileID=236032)).
- (6) The information was extracted from the internet website of The Malaysian National News Agency (<http://www.bernama.com.my/bernama/v7/bu/newsbusiness.php?id=969843>).

Each of the above organisations or corporations (as the case may be) has not consented to the inclusion of the above information in this Circular. While the Directors have taken reasonable action to ensure that the information is extracted accurately and fairly and has been included in this Circular in its proper form and context, they have not independently verified the accuracy of the relevant information.

### 2.7.2 Future Plans

The Group remains committed in the continuance of its existing core business for so long as its existing core business remains viable. The entry into the Proposed New Business is intended to be an expansion of the Group's existing business. The Board believes that the Proposed Diversification would also allow the Group to have better prospects of profitability and ensure long term growth by enabling the Group to have access to new business opportunities which in turn could potentially enhance the return on the Group's assets and improve Shareholders' value in the long run. The Group may explore joint ventures and/or strategic alliances to carry out the Proposed New Business, and expand into other countries beyond Myanmar, Malaysia and the PRC should appropriate opportunities arise. To this end, in view that the expansion of the Proposed New Business into other countries beyond Myanmar, Malaysia and the PRC will result in a change in the Group's risk profile, the Company will seek the approval of the Shareholders at a general meeting before venturing into countries other than Myanmar, Malaysia and the PRC.

### 2.8 Rationale for the Proposed Diversification

The Group notes that the property market growth in the Asia Pacific region has led to a sustainable and long term value proposition due to the rising income levels, and the trend of rapid urbanisation being one of the key engines driving the world's economic growth.

In view of the positive outlook for the growth of the property market in the Asia Pacific region, including Myanmar, Malaysia and the PRC, the Group believes that the Proposed New Business will provide the following benefits to the Group:

- (a) the Proposed New Business would reduce the Group's reliance on its existing business, which remains competitive and challenging;
- (b) the Proposed New Business would provide the Group with diversified returns and would contribute an additional stream of revenue and earnings for the Group; and
- (c) the Proposed New Business would allow the Group to participate in the growth prospects of the property development.

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## LETTER TO SHAREHOLDERS

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The Board is of the view that the undertaking of the Proposed New Business is in the best interest of the Company.

### 2.9 Risk Factors Relating to the Proposed Diversification

The following is an identified but by no means exhaustive list of risk factors which are associated with the Proposed New Business:

#### **RISKS RELATING TO THE PROPOSED NEW BUSINESS**

##### **The Group has no prior track record and operating history in the Proposed New Business**

As the Group does not have a proven track record in carrying out the Proposed New Business, there is no assurance that the Proposed New Business will be commercially successful and that the Group will be able to derive sufficient revenue to offset the capital and start-up costs as well as operating costs arising from the Proposed New Business. The Proposed New Business may require high capital commitments and may expose the Group to unforeseen liabilities or risks associated with its entry into new markets or new businesses.

The Proposed New Business also involves business risks including the financial costs of setting up new operations, capital investment and maintaining working capital requirements. If the Group does not derive sufficient revenue from or does not manage the costs of the Proposed New Business effectively, the overall financial position and profitability of the Group may be adversely affected.

##### **The Group may not have the ability or sufficient expertise to execute the Proposed Diversification**

The Group's ability to successfully diversify into the Proposed New Business is dependent upon its ability to adapt its existing knowledge and expertise and to understand and navigate the Proposed New Business. There is no assurance that the Group's existing experience and expertise will be sufficient for the Proposed New Business, or that the Group will be able to hire employees with the relevant experience and knowledge. The Group may not be able to successfully implement the Proposed New Business and this may adversely affect the Group's financial performance and profitability.

##### **The Group is exposed to risks associated with acquisitions, joint ventures or strategic alliances**

Depending on available opportunities, feasibility and market conditions, the Group's expansion into the Proposed New Business may involve acquisitions, joint ventures and/or strategic alliances with third parties in Singapore as well as in overseas markets including Myanmar, Malaysia and the PRC. Participation in joint ventures, strategic alliances, acquisitions or other investment opportunities involves numerous risks, including the possible diversion of management attention from existing business operations and loss of capital or other investments deployed in such joint ventures, strategic alliances, acquisitions or opportunities. Furthermore, the Group is expected to rely on its joint venture partners at the initial stage of its foray into the Proposed New Business and there is a risk that if any of its joint venture partners is unable to deliver its obligations or commitments under the joint venture (such as failure to perform according to the expertise expected of the joint venture partner or meet the financial obligations), it may cause delay in the completion of the Group's development projects and/or resulting in additional costs to the Group. In such events, the Group's financial performance may be adversely affected.

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## LETTER TO SHAREHOLDERS

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### **The Group is subject to various government regulations in the Proposed New Business**

The property industry in countries in which the Group may operate is subject to various laws and regulations. Licences, permits, certificates, consents or regulatory approvals may be required for, among other things, property development, addition and alteration works and building works. For example, the property development business in Singapore requires a housing developer's licence, while the addition and alteration works as well as the building works may require a licence issued by the Commissioner of Building Control, Singapore. If the Group fails to obtain the requisite approvals, it will be unable to undertake the relevant segment of the Proposed New Business.

The Group must also comply with the applicable laws and regulations in the Proposed New Business, for example, in relation to workplace health and safety, environmental public health and environmental pollution control, failing which the Group may be subject to penalties, have its licences or approvals revoked, or lose its right to own, develop or manage its properties which may have a material and adverse impact on the Group's business, financial condition, results of operations and prospects. Further, any changes in applicable laws and regulations could result in higher compliance costs and adversely affect the operations of the Group and the financial performance of the Group.

### **The Group may face intense competition from existing competitors and new market entrants in the Proposed New Business**

The Proposed New Business is highly competitive, with strong competition from established industry participants who may have larger financial resources or stronger track records. The Group may not be able to provide comparable services at lower prices or respond more quickly to market trends than potential or existing competitors who may have larger financial resources and stronger track records. In the event that the Group is unable to be competitive, the Group's financial position and performance will be adversely affected.

### **The Group is susceptible to fluctuations in foreign exchange rates that could result in the Group incurring foreign exchange losses**

As the Company's functional and presentation currency is denominated in S\$, any depreciation in foreign exchange rates against the S\$ may affect the Group's profitability and financial position. For example, revenue derived from the sale of property units overseas which is denominated in foreign currencies may have an adverse impact on the Group's operating results if there is unfavourable fluctuation of the foreign currencies against the S\$.

### **The Group may not be able to generate adequate returns on its properties held for long term investment**

Property investment is subject to varying degrees of risks. The investment returns available from investments in real estate depend primarily on the amount of capital appreciation generated, the income earned from the rental of the relevant properties and expenses incurred. The revenue derived from the disposal of such investment properties will depend on market conditions and levels of liquidity, which may be subject to significant fluctuation.

The revenue derived from the rental of the relevant properties may be adversely affected by a number of factors, including but not limited to changes in market rates for comparable rentals, the inability to secure

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renewal of tenancies from tenants, the inability to collect rent due to bankruptcy or insolvency of tenants and the cost from ongoing maintenance, repair and re-letting. In the event that the Group acquires properties for investment and if the Group is unable to generate adequate returns from such investment properties that it acquires, its financial condition and results of operations may be adversely affected.

### **Fluctuations in property prices and the Group's ability to identify suitable land sites and property development projects may have an adverse impact on the Proposed New Business and the Group's financial condition**

Property prices and the availability of suitable land sites will fluctuate. Should property market prices experience a downward trend, the Group's earnings may be adversely affected as the Group may have to postpone the sale of such property development project units to a later date, if and when market conditions improve. In the event that the Group is required to sell its property development projects at lower prices, the Group's financial performance will be adversely affected.

The Group can build up its land bank by scouting for and acquiring land sites appropriate for its property development projects via offers from private owners, by participating in property auctions and government land sales programmes as well as through third-party property agents. The Group will face competition for new land sites from other property developers and there is no assurance that suitable sites will always be available to the Group for the purposes of the property development business. If the Group is not able to procure suitable land sites to carry out its property development projects, or carries out property development projects at less favourable locations that may not be as marketable, the Group's sales volume and profitability may be adversely affected.

The Group's performance is also dependent on its ability to identify profitable property development projects, and following such identification, to successfully complete such projects. The viability and profitability of the Group's property development projects are subject to fluctuations and are dependent on, *inter alia*, the demand for the Group's development projects, the pricing and number of property development projects and the overall schedules of the Group's projects which are in turn, to a large extent, affected by the market sentiment, market competition, general economic and property market conditions, as well as government regulations.

### **The Group is subject to risks inherent in investing in entities which it does not control and the manner in which it holds its investments and property interests**

The Group may hold property investments through or make investments in entities that are not the Group's subsidiaries and over which the Group does not have majority control. The performance of these entities and the Group's share of their results are subject to the same or similar risks relating to the property investment business that affect the Group as described herein. There is no assurance that the Group will be able to influence the management, operation and performance of these entities through its voting rights, in a manner which would be favourable to the Group, or at all. If all or any of these entities were to perform poorly, the Group's overall business, financial condition, results of operations and prospects may be adversely affected.



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### **The Group is subject to risks of late payment or non-payment by its clients**

The Group faces uncertainties over the timeliness of clients' payments and their solvency or creditworthiness in respect of purchases of the Group's development properties. There is no assurance that the Group will be able to collect any progress payments on a timely basis, or at all.

In the event that there are defaulting purchasers or a significant delay in collecting progress payments from purchasers, the Group may face stress on its cash flow and a material increase in bad and doubtful debts, which will have an adverse impact on the Group's financial performance.

### **The Group may face potential liability and claims from property development and property enhancement works projects**

The time required to complete a property development or a property enhancement works project depends on various factors, including the size of the project, prevailing market conditions and availability of resources. Delays may arise due to various factors, including adverse weather condition, natural calamities, power failure, machinery and equipment breakdown, shortage of construction materials, shortage of labour, accidents, cessation of business of the Group's contractors, disputes with contractors and unexpected delay in obtaining required approvals. Such delays may result in cost overruns and increased financing costs and accordingly affect the Group's profitability or lead to claims for liquidated damages from purchasers of the properties or clients for property enhancement works projects. Accidents during the course of construction may give rise to personal injuries and third party liability.

In addition, the Group may be involved from time to time in disputes with various parties such as contractors, construction companies, consultants and other partners for various reasons, including differences in the interpretation of acceptable quality standards of workmanship, material used, adherence to contract specifications and costs of variation orders. These disputes may lead to legal and other proceedings. If the Group is unable to manage such risks, the Group's business and financial position will be affected if any compensation or damages is payable by the Group.

### **An inability to generate adequate returns on properties acquired or developed and held for long term investment purposes may result in losses to the Group and may have an adverse impact on the Group's financial position**

The investment returns available from the property development and property investment business depend, to a large extent, on the amount of capital appreciation generated. The ability to eventually dispose of properties at a profit will depend on market conditions and levels of liquidity, which may be limited or subject to significant fluctuations. Further, completed projects and invested properties are relatively illiquid, and the Group may be unable to convert real estate asset portfolio into cash on short notice. To facilitate a sale of illiquid property assets on short notice, the Group may have to lower the selling price substantially. Illiquidity of property assets also limits the Group's ability to vary its portfolio in response to changes in economic or other conditions in a timely manner. In the event of any adverse change in market conditions or in the event of a need to lower the prices of properties to effect the sale of properties, the Group may not be able to sell its property projects or property investments at above its costs, resulting in the Group suffering losses on the project or property and adversely affecting the Group's financial position.

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### **The Group may not be able to provide the capital investments needed to undertake the property development and property investments projects**

The Proposed New Business requires substantial capital investments or cash outlay. There is no assurance that financing, either on a short term or a long term basis, will be made available or, if available, that such financing can be obtained on commercially reasonable terms, in which event the Group's future plans and growth prospects will be adversely affected.

Additional debt funding is subject to interest payments and interest rate fluctuations and may also be subject to conditions that restrict or require consent for corporate restructuring, additional financing or fund raising, requirements on the maintenance of certain financial ratios. These conditions may reduce the availability of the Group's cash flow for capital expenditures, working capital and other general corporate purposes. In addition, these conditions may limit the flexibility of the Group in planning for, or reacting to, changes in the business or industry and increase the Group's vulnerability to general adverse economic and industry conditions.

Additional equity financing may result in a dilution to Shareholders' equity interests and may, in the case of a rights issue, require additional investments by Shareholders. Further, an issue of Shares below the then prevailing market price will also affect the value of Shares then held by investors. Dilution in Shareholders' equity interests may occur even if the issue of Shares is at a premium to the market price.

### **The Group may be exposed to risk of loss and potential liabilities that may not be covered by insurance**

While the Group will, where appropriate, obtain insurance policies to cover losses with respect to its properties, the insurance obtained may not be sufficient to cover all potential losses. Examples of such potential losses include losses arising out of extraordinary events such as natural disasters like earthquakes or floods. Losses arising out of damage to the Group's properties not covered by insurance policies in excess of the amount it is insured would affect the Group's profitability. The Group may also have to commit additional resources, other than to meet the uninsured losses, to complete a project, which would also adversely affect the financial performance of the Group.

### **The Group is subject to changes in economic situation, government regulations and property industry for the Proposed New Business**

The performance of the Proposed New Business depends largely on the economic situation and the performance of the property industry and there is no assurance that the property sectors of countries in which the Group undertakes the Proposed New Business will continue to grow. Should the economy or the property market experience a downturn, whether globally or in any country in which the Group undertakes the Proposed New Business, the performance of these segments may be adversely affected. In addition, as the gestation period for a property development project is long, typically between two to three years, any downturn in the economy or the property market, during the course of a development project may affect the profitability of such development project, thereby adversely affecting the Group's financial performance. Changes in government regulations in any country in which the Group undertakes the Proposed New Business may also result in the Group being unable to complete any property development project, or sell any completed property development project or purchased property at a profit, or at all. This may adversely affect the financial position of the Group.

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Changes in the business environment for jurisdictions in which the Group operates may include delays in procuring the necessary relevant approvals, licenses or certificates from government bodies, changes in laws, regulations and policies in relation to property development, fluctuations in demand for properties, delays in construction schedules due to poor weather conditions, labour disputes and fluctuation in costs of construction materials and other costs of development. Such delays may result in the Group incurring additional costs, thus affecting the profitability of the Group.

### **The Group may be subject to risks in relation to pre-sale policies for properties under development**

The practice of pre-sales (that is, selling properties under construction prior to the receipt of construction completion and examination certificate) is adopted in the property industry of many countries including Singapore. Should the Shareholders approve the Proposed Diversification, in line with the relevant industry practice, the Group may pre-sell most of the properties developed under the Proposed New Business prior to completion. There are certain risks relating to the pre-sale of properties. In the event of a failure or delay in the delivery of pre-sold properties to purchasers, the Group may be liable for potential losses that purchasers may suffer as a result. There is no guarantee that these losses will not exceed the purchase price paid in respect of the pre-sold units. Failure to complete a property development on time may be attributed to factors such as time taken and costs involved in completing construction, which are in turn adversely affected by factors such as delays in fitting out works, shortages of labour, adverse weather conditions or natural disasters.

If the delay in delivery extends beyond the contractually specified period, the purchasers may also be entitled to terminate the pre-sale agreements and claim refunds of monies paid, damages and/or compensation for late delivery. There is no assurance that there will be no circumstances which will result in liabilities arising from pre-sale arrangements which have experienced significant delays in completion or delivery, resulting in the Group having to compensate purchasers for late delivery, or refund of monies paid in situations where purchasers have terminated the sale and purchase agreements. This will adversely affect the Group's business and financial performance.

### **The Group's property development projects and property enhancement works projects may be affected by cost overruns and/or increases in costs**

Unforeseen circumstances such as adverse soil conditions, unfavourable weather conditions, unanticipated construction constraints at worksites, increase in the costs of labour, construction materials, equipment, rental and sub-contracting services, unanticipated variations in labour and equipment productivity over the term of a development or corrective measures for poor workmanship may arise in the course of the projects which may result in additional unanticipated costs over and above the initial budget. Where these costs overruns cannot be passed onto customers, the Group may have to absorb the cost overruns and may suffer losses on the project. The Group's profitability and financial performance may be materially and adversely affected.

### **The Group's property development projects and property enhancement works projects are dependent on the services rendered by contractors**

The Group is expected to rely on main contractors and sub-contractors to provide various services for the property development and property enhancement works projects, including building construction works, piling and foundation works, structural works, architectural works and engineering works. The services rendered by the Group's contractors may not be satisfactory to the Group or meet the Group's

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requirements for quality. Furthermore, the contractors engaged may experience financial or other difficulties that may affect their ability to carry out the work for which they are contracted to complete, thus delaying the completion of, or failing to complete, the projects and resulting in additional costs or exposures to the risk of liquidated damages to the Group. In the event of any loss or damage which arises from the default of such contractors, the Group may have to incur losses to rectify such defects, materially and adversely affecting the Group's financial performance and financial condition.

### **The property development and property enhancement works businesses may be adversely affected by any shortage in the supply of workers or increases in the costs of hiring workers**

The construction of property development projects, addition and alteration works and building works is highly labour intensive, and is therefore vulnerable to any shortage in the supply of, or increases in the costs of workers. Such changes in the supply of workers may result from changes in government policies. In the event of any disruption to the supply of workers, or if the costs cannot be controlled, the overall construction costs may increase and the Group's financial performance may be materially and adversely affected.

### **The Proposed New Business is subject to the general risk of doing business overseas**

At the initial stage, the Group intends to embark on the Proposed New Business in Myanmar, Malaysia and the PRC. The Group does not plan to restrict the Proposed New Business to any specific geographical markets in these countries. There are inherent general risks in doing business overseas. These general risks include unexpected changes in regulatory requirements, difficulties in staffing and managing foreign operations, social and political instability, fluctuations in currency exchange rates, potentially adverse tax consequences, legal uncertainty regarding liability, tariffs and other trade barriers, variable and unexpected changes in local law and barriers to the repatriation of capital or profits, any of which could materially affect the overseas operations of the Group. These risks if materialised may affect the Group's business and financial condition. In addition, if the governments in the jurisdictions which the Group intends to undertake the Proposed New Business tighten or otherwise adversely change their laws and regulations relating to the repatriation of their local currency, it may affect the ability of the Group's overseas operations to repatriate profits to the Group and, accordingly, the cash flow of the Group will be adversely affected.

The Group intends to carry out its initial efforts for the Proposed New Business in Myanmar, Malaysia and the PRC. The following is an identified but by no means exhaustive list of risk factors which are associated with doing business in these specified countries.

## **RISKS RELATING TO OPERATIONS IN MYANMAR**

### **The Group may be affected by political, security, economic and social situations in Myanmar**

The economy of Myanmar (including its financial sector and its accounting system) is still developing. In addition, companies may have to deal with inadequate telecommunications, transportation and other infrastructure, and shortage of utilities and other essential services, which will affect the ease and cost of doing business in Myanmar. The previous governing military regime in Myanmar was recently succeeded by a nominally civilian government, with the country's first free presidential elections scheduled for 2015. This new government has already implemented a number of political, economic and social reforms. However, there is no certainty that reform will continue after such said elections or any intended reform will continue or be successful, and there is no certainty that the business and investment environment in Myanmar will continue to improve or be sustainable. Various parts of the country are also experiencing a rise in ethnic

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and sectarian tensions, which, if escalated further, could hamper investor confidence, economic potential, and growth and stability of the property industry. Any unfavourable changes in the political, economic and social conditions of Myanmar, and the existence of conditions impacting upon safety and security, may also adversely affect the Group's business and operations in Myanmar.

### **The Myanmar legal system is still maturing and the interpretation and application of Myanmar laws and regulations involve uncertainty**

The Group's operations in Myanmar will be subject to the laws and regulations promulgated by the Myanmar legislature, and notifications and guidelines from various government authorities and bodies. These include the laws and regulations relating to labour (such as those dealing with subjects such as work hours, wages and overtime, minimum wage and workmen's compensation) and foreign ownership of land. The laws and regulations of Myanmar may be supplemented or otherwise modified by unofficial or internal guidelines and practices which exist but which are not documented or which are not generally available to the public or uniformly applied. Such guidelines and practices may not have been ruled upon by the courts or enacted by legislative bodies and may be subject to change without notice or adequate notice. There are also limited precedents on the interpretation, implementation or enforcement of Myanmar laws and regulations, and there is limited judicial review over administrative actions and decisions. Therefore, a high degree of uncertainty exists in connection with the application of existing laws and regulations to events, circumstances and conditions.

Myanmar laws and regulations are also undergoing extensive changes. Changes in the laws and regulations may however not adequately address shortcomings in the legal and regulatory regimes and even if they do, may not be successfully implemented or could be subjected to uncertainty and differences in application and interpretation. Further, changes in the laws may be unpredictable and may in some instances introduce conditions that will increase the costs of doing business in Myanmar and adversely affect the Group's financial performance.

While Myanmar adopts a mixed legal system of common law, civil law and customary law, governmental policies play an overriding role in the implementation of the laws. Furthermore, the application and administration of Myanmar laws and regulations may be subject to a certain degree of discretionary determination by the authorities and may differ in implementation across various regional governments and government authorities and bodies.

In any event, the resolution of commercial and investment disputes by domestic tribunals, either through the courts or arbitration proceedings, is, at present, limited. The experience of Myanmar courts with respect to commercial disputes is significantly limited, and while domestic arbitration is available under the Arbitration Act of Myanmar 1944, an insignificant number of proceedings have been conducted under this law. There are, furthermore, limited local experts with the know-how needed to preside over commercial disputes. While Myanmar has recently ratified and acceded to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards 1958, it is uncertain how long it would take to enact or amend the necessary domestic laws to implement a framework capable of supporting the recognition and enforcement of foreign arbitral awards by the Myanmar courts. Whilst Myanmar is also a party to the ASEAN Comprehensive Investment Agreement (2009), it is likewise unclear as yet how disputes covered by and the protections afforded under this agreement will be treated and resolved under Myanmar law or by the Myanmar courts.

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### **The Group may be affected by sanctions imposed on Myanmar**

The Group may be affected by sanctions imposed on Myanmar. Certain (but not all) of such sanctions against Myanmar have been either lifted or temporarily suspended. It is uncertain whether the suspension of these sanctions will be renewed. It is also uncertain whether these sanctions will ultimately be lifted, or if additional sanctions will be imposed. These continuing sanctions, the non-renewal of any suspension of these sanctions or the imposition of additional sanctions may hamper the economic growth of Myanmar and indirectly impact on the financial performance of the Group.

### **The Group may face difficulties in remitting capital, profits and dividends out of Myanmar**

The Group's subsidiaries in Myanmar may experience difficulty in remitting capital, profits and dividends out of Myanmar, as such remittances will likely involve the scrutiny and specific approval of the Central Bank of Myanmar ("**CBM**"), and will be subject to foreign exchange policies and conditions prevailing from time to time. At present time, the mechanics, procedures and conditions for obtaining the approval of the CBM for such remittances are also uncertain and lack clarity.

### **Sources of public and private financing for Myanmar projects continue to be weak**

While legislation has recently allowed licensed domestic banks to deal with foreign currency and to extend foreign currency loans to Myanmar companies, the existence of project financing and other financing arrangements within Myanmar is limited and may continue to be so limited. It is uncertain whether local banks may lend to foreign invested entities under the prevailing policies of the CBM. The costs of obtaining funds from local banks are high and foreign banks are not permitted to operate within Myanmar. Furthermore, there are inadequate legal mechanisms available for the securitisation or collateralisation of land, operating and other assets, uncertainty concerning the validity of foreign loans being extended to Myanmar entities, uncertainty surrounding the repayment for foreign loans and advances and uncertainty of the nature and extent of the approvals that are required for repatriation of principal and interests out of Myanmar for the payment and discharge of foreign loans. These undeveloped financial structures may affect the Group's ability to provide services or complete property development projects in Myanmar.

### **The Group may face increased costs in Myanmar due to reforms**

Due to the rising foreign and domestic interest in the real estate sector in Myanmar, it is likely that the government will be enacting or updating existing building industry, workplace health, safety and environmental rules and regulations that may result in higher operating and compliance costs for the Group in Myanmar, thereby reducing profitability. Building rules and regulations may be introduced which may impact the design of buildings already under construction or to be constructed. In addition, reforms in the area of labour legislation, such as the amendment of the minimum wage law and the enactment of labour relations laws allowing the formation of labour unions may also increase the Group's labour costs in Myanmar. Apart from construction-industry specific reforms, the Myanmar government may similarly change or update existing tax structures and tax rates, import/export regulations and conditions, trade policies and customs requirements which may affect the Group's business, financial conditions and results of operations.

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### **There is limited insurance coverage available in Myanmar**

The insurance industry in Myanmar is relatively undeveloped and is expected to remain closed to foreign insurers until 2015. With the opening of the insurance industry to Myanmar citizens in 2012, as at the Latest Practicable Date, there are at least 10 licensed insurance providers in Myanmar although the government-owned Myanmar Insurance Enterprise continues to be the most dominant in Myanmar. The available scope of insurance providers and the portfolio of insurance policies available in Myanmar continue to be severely limited, with reinsurance schemes carrying high premium payments. Hence, it may be a challenge to sufficiently and comprehensively insure against risks relating to the Group's operations in Myanmar.

### **The Group may be dependent on local manpower in Myanmar**

Due to the existing government laws and policies that require all unskilled workers to be sourced exclusively from the local labour market, the Group's operations in Myanmar will rely heavily on local manpower, whether engaged by the Group directly, or through contractors. There is no assurance that there will be an adequate supply of local manpower that will provide adequate services for the Group's services or property development projects. The operations and financial performance of the Group are therefore vulnerable to any shortage in the supply of unskilled workers in Myanmar.

### **The Group may be subject to foreign exchange control risks in Myanmar**

In 2012, the CBM adopted a managed float for the Kyats after a 35-year fixed exchange rate regime. Although this policy shift is widely considered to be a positive development in the liberalisation of Myanmar's economy, the actual impact of such change is yet to be ascertained. Significant fluctuations of the Kyats against the US\$ or the S\$ could have a material adverse effect on the Group's operations and financial conditions and prospects.

Further, the remittance of foreign currency into Myanmar is generally unlimited (although remittances in excess of US\$10,000 will require a declaration on the source of the foreign currency deposited) but for remittance of foreign currency considered transferred payments for capital out of Myanmar, the specific approval by the CBM will be required. Only remittances of certain categories of foreign currency by an entity in Myanmar which is granted an investment permit are specifically referenced in the foreign investment laws and these will in any event, require the approval of the Myanmar Investment Commission and in some instances, the further approval of the CBM. Remittances by any entity not granted an investment permit are subject to the specific approval of and other conditions imposed by the CBM and uncertainties affecting the mechanism, process and requirements for securing approval. Apart from these statutory and other legal restrictions, the ability of the Group's subsidiaries in Myanmar to pay dividends or make other distributions, payments of the purchase price for goods and service fees, repayments of loans (including interest) and other manner of payments to the Group or any relevant overseas party by way of repatriation or remittance from the Myanmar operations may also be restricted by, amongst other things, the availability of foreign exchange and changes in foreign currency policies, as may be implemented by the CBM from time to time.

### **The Group is exposed to foreign exchange transaction risks**

Currently, there are no financial instruments available which will allow the Group to effectively hedge against the currency fluctuation risks of the Kyat. Should volatility of the Kyat against the S\$ or US\$ increase, the Group will be unable to take action to protect itself against any adverse fluctuations. In the event that

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such adverse fluctuations materialise, this may potentially lead to significant exchange rate losses and a consequential adverse impact on the financial condition of the Group.

### **There is a lack of readily available, reliable and updated information on property market conditions in Myanmar generally**

Under the current business environment in Myanmar, it may be very difficult to obtain up-to-date information and statistics on businesses in Myanmar that may be relevant to the Group in terms of, *inter alia*, business activities, geographical spread, track record, operating and financial leverage, liquidity, quality of earnings and accounting, economic outlook, growth statistics and other relevant data. As such it may be difficult for the Group to access the prospects and potential of any business opportunities available to the Group from time to time. Consequently, the investment and business decisions of the Group may not be in the future based on accurate, complete and timely information. Inaccurate information may adversely affect the Group's business decisions, which could materially and adversely affect the business and financial condition of the Group.

### **RISKS RELATING TO OPERATIONS IN MALAYSIA**

#### **The Group is subject to risks relating to the economic, political, legal or social environment in Malaysia**

The Group's business, earnings, asset values and prospects may be materially and adversely affected by developments with respect to inflation, interest rates, currency fluctuations, government policies, price and wage controls, exchange control regulations, food industry laws and regulations, taxation, expropriation, social instability and other political, legal, economic or diplomatic developments in or affecting Malaysia, where applicable. The Group has no control over such conditions and developments and can provide no assurance that such conditions and developments will not have a material adverse effect on the Group's operations.

In particular, any adverse development in the political situation and economic uncertainties in Malaysia could materially and adversely affect the financial performance of the Group. The Group may be affected by changes in the political leadership and/or government policies in Malaysia. Such political or regulatory changes include (but are not limited to) the introduction of new laws and regulations which impose and/or increase restrictions on imports, the conduct of business, the repatriation of profits, the imposition of capital controls and changes in interest rates.

Terrorist attacks and other acts of violence or war may negatively affect the Malaysian economy and may also adversely affect financial markets globally. These acts may also result in a loss of consumer confidence, decrease the demand for the Group's services and ultimately adversely affect the business of the Group. In addition, any such activities in Malaysia or its neighbouring countries in Southeast Asia may result in concern about the stability in the region, which could adversely affect the business of the Group, financial position, results of operations and prospects.

#### **The Group is subject to the risk of land acquisition by the Malaysia State Authority**

Under the Land Acquisition Act 1960, the Malaysia State Authority has the power to acquire any land, whether in whole or in part, which is needed:



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- (a) for any public purpose;
- (b) by any person or corporation for any purpose which in the opinion of the Malaysia State Authority is beneficial to the economic development of Malaysia or any part thereof or to the public generally or any class of the public; or
- (c) for the purposes of mining or for residential, agricultural, commercial, industrial or recreational purposes or any combination of such purposes.

In the event of any compulsory acquisition of property in Malaysia, the amount of compensation to be awarded is based on the fair market value of the property and is assessed on the basis prescribed in the Land Acquisition Act 1960 and other applicable laws. Notwithstanding that the amount of compensation is based on the fair market value of the property, the compulsory acquisition may lead to project disruption and may have a material adverse effect on the Group's business, financial condition, results of operation and prospects.

### **The Group is affected by foreign exchange controls in Malaysia**

There are foreign exchange policies in Malaysia which support the monitoring of capital flows into and out of the country in order to preserve its financial and economic stability. The foreign exchange policies are administered by the Foreign Exchange Administration, an arm of Bank Negara Malaysia which is the central bank of Malaysia. The foreign exchange policies monitor and regulate both residents and non-residents. Under the current Exchange Control Notices of Malaysia and Foreign Exchange Administration Policies issued by Bank Negara Malaysia, non-residents are free to repatriate any amount of funds in Malaysia at any time, including capital, divestment proceeds, profits, dividends, rental, fees and interest arising from investment in Malaysia, subject to the applicable reporting requirements, and any withholding tax. In the event Bank Negara Malaysia introduces any restrictions in the future, the Group may be affected in its ability to distribute dividends from its Malaysian subsidiaries.

### **Restrictions imposed by the Malaysian government on foreign investments may affect the Group's Malaysian operations**

Foreign investment in securities of Malaysian companies may be limited or prevented at times due to limits which may be imposed by the Malaysian government. There is no assurance that the Malaysian government will not introduce restrictions on the foreign investments in securities of Malaysian companies. In the event that the laws, regulations or government policies in Malaysia are amended in the future to impose a more onerous regime on foreign investments, the Group's business operations in Malaysia and financial performance may be adversely affected.

### **RISKS RELATING TO OPERATIONS IN THE PRC**

#### **The Group is subject to risks relating to the economic, political or social environment in the PRC**

Any significant slowdown in the PRC economy or decline in demand for the Group's properties from customers in the PRC will have an adverse effect on the Group's business, financial condition and financial performance. Furthermore, any unfavourable changes in the social and political conditions of the PRC may also adversely affect the Group's business and operations.

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Since 1978, the PRC government has been undergoing reforms in its economic and political systems, which are expected to continue. The PRC government has exercised and continues to exercise significant influence over the PRC economy in general, which, among others, affects the property sector in the PRC. Any changes in the social, political and economic policies of the PRC government may lead to changes in the laws and regulations or the interpretation of the same, as well as changes in the foreign exchange regulations, taxation and land ownership and development restrictions, which may in turn adversely affect the Group's business and financial performance. Although the Group believes these reforms will have a positive effect on its overall and long term development, the Group cannot predict whether changes in the PRC's political, economic and social conditions, laws, regulations and policies will have any adverse effect on the Group's business, financial performance or financial condition.

From time to time, the PRC government adjusts its monetary and economic policies to prevent and curtail the overheating of the national and provincial economies, which may affect the property markets that the Group will operate in. Any action by the PRC government concerning the economy or the property sector in particular could have a material adverse effect on the Group's financial condition and financial performance.

Changes in national and regional economic conditions may result in more caution on the part of home purchasers and consequently may make fewer home purchasers. These economic uncertainties involve, among other things, conditions of supply and demand in local markets and changes in consumer confidence and income, employment levels, and government regulations. These risks and uncertainties could periodically have an adverse effect on consumer demand for and the pricing of the Group's properties, which could cause the Group's revenue to decline. In addition, property developers are subject to various risks, many of them outside the control of the property developers including competitive overbuilding, availability and cost of land, materials and labour, adverse weather condition which can cause delays in construction schedules, cost overruns, changes in government regulations, and increases in property taxes and other local government fees.

**Interpretation of PRC laws and regulations involves uncertainty, further, changes in tax laws, regulations, policies, concessions and treatment may materially and adversely affect the financial condition and results of operations of the Group**

The Group's operations in the PRC will be subject to the laws and regulations promulgated by the PRC government. The PRC legal system is a codified legal system made up of the PRC constitution, written laws, regulations, circulars, directives and other government orders. The PRC government is still in the process of developing its legal system so as to meet the needs of investors and to encourage foreign investment. Generally, the PRC economy is developing at a faster pace than its legal system. Therefore, some degree of uncertainty exists in connection with whether existing laws and regulations will apply to certain events or circumstances, and if so, the manner of such application.

In particular, unlike common law jurisdictions like Singapore, decided cases do not form part of the legal structure of the PRC and thus have no binding effect. The administration of the PRC laws and regulations may be subject to a certain degree of discretion by the executive authorities. This has resulted in the outcome of dispute resolutions not being as consistent or predictable compared to more developed jurisdictions. In addition, it may be difficult to obtain a swift and equitable enforcement of laws in the PRC, or the enforcement of judgments by a court of another jurisdiction. Furthermore, in line with its transformation from a centrally planned economy to a free market oriented economy, the PRC government is still in the process of developing a comprehensive set of laws and regulations. As the legal system in the PRC is still evolving, laws and regulations or the interpretation of the same may be subject to change.

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## LETTER TO SHAREHOLDERS

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### **The Group is subject to foreign exchange control in the PRC**

The Group's PRC subsidiaries will be subject to the relevant PRC rules and regulations on currency conversion. In the PRC, the State of Administration for Foreign Exchange ("**SAFE**") regulates the conversion of RMB into foreign currencies. Currently, foreign invested enterprises ("**FIEs**") are required to apply to SAFE for "Foreign Exchange Registration Certificates for FIEs". With such registration certifications, FIEs are allowed to open foreign currency accounts including the "basic account" and "capital account". Currently, conversion within the scope of the "basic account", for purposes such as the remittance of foreign currencies for payment of dividends, can be effected without the approval of SAFE. However, the conversion of currency in the "capital account", for capital items such as direct investments, loans and securities, still requires the approval of SAFE.

### **There is a lack of readily available, reliable and updated information on property market conditions in the PRC generally**

The Group will be subject to property market conditions in the PRC generally and in particular, municipal cities and provinces where its property developments will be located. Currently, reliable and up-to-date information is generally not readily available in the PRC and in the relevant municipal cities and provinces on the amount and nature of property development and investment activities, the demand for such development, the supply of new properties being developed or the availability of land and buildings suitable for development and investment. Consequently, the investment and business decisions of the Group may not be in the future based on accurate, complete and timely information. Inaccurate information may adversely affect the Group's business decisions, which could materially and adversely affect the business and financial condition of the Group.

#### **2.10 Chapter 10 of the Listing Manual**

As the Proposed New Business will involve a new business area which is substantially different from the Group's existing core business as described in paragraph 2.1 above, it is envisaged that the Proposed New Business will change the existing risk profile of the Group. Accordingly, the EGM will be convened by the Company to seek the Shareholders' approval to approve the Proposed Diversification.

Upon the approval by Shareholders of the Proposed Diversification, any acquisition which is in, or in connection with, the Proposed New Business, may be deemed to be in the Group's ordinary course of business and therefore not fall under the definition of a "transaction" under Chapter 10 of the Listing Manual. Accordingly, the Group may, in its ordinary course of business, enter into transactions relating to the Proposed New Business which will not change the risk profile of the Group, in an efficient and timely manner without the need to convene separate general meetings from time to time to seek Shareholders' approval as and when potential transactions relating to the Proposed New Business arise, even where they crossed the thresholds of a "major transaction". This will reduce substantially the administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Company. Pursuant to Rule 1014 of the Listing Manual, a major transaction is a transaction (as defined in Rule 1002(1) of the Listing Manual) where any of the relative figures as computed on the bases set out in Rule 1006 of the Listing Manual exceeds 20% and must be made conditional upon approval by shareholders at a general meeting.

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## LETTER TO SHAREHOLDERS

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For the avoidance of doubt, notwithstanding the Proposed Diversification, in respect of transactions:

- (i) which fall within the definition of Rule 1002(1) of the Listing Manual, Rules 1010 and 1014 of the Listing Manual will still apply;
- (ii) where any of the relative figures as computed on the bases set out in Rule 1006 of the Listing Manual exceeds 100% or results in a change in control of the issuer, Rule 1015 of the Listing Manual will still apply to such transactions and such transactions must be, among others, made conditional upon approval by shareholders at a general meeting;
- (iii) which constitute an “interested person transaction” as defined under the Listing Manual, Chapter 9 of the Listing Manual will apply to such transaction and the Company will comply with the provisions of Chapter 9 of the Listing Manual; and
- (iv) which involve the expansion of the Proposed New Business into other countries beyond Myanmar, Malaysia and the PRC resulting in a consequential change in the risk profile of the Company, the Company will make the relevant announcement(s) and seek the approval of the Shareholders at a general meeting before venturing into countries other than Myanmar, Malaysia and the PRC.

### 3. INTERESTS OF DIRECTORS AND/OR SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and Substantial Shareholders in the capital of the Company as at the Latest Practicable Date are as follows:

	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
<b>Directors</b>				
Kwan Chee Seng	41,506,000	29.77	-	-
Sim Yeow Tiang	800	nm	-	-
Roger Stuart Mitchell	-	-	-	-
Goh Lik Kok	-	-	-	-
Mahtani Bhagwandas	120,000	nm	-	-
Peter Moe	-	-	-	-
<b>Substantial Shareholder</b>				
-	-	-	-	-

**Note:**

- (1) “nm” refers to “not meaningful”.

### 4. DIRECTORS' RECOMMENDATIONS

Having considered, *inter alia*, the rationale for the Proposed Diversification, the Directors are of the opinion that the Proposed Diversification is in the best interests of the Company and Shareholders. Accordingly, the Directors recommend that Shareholders vote in favour of the Proposed Diversification at the EGM.

Shareholders are advised to read this Circular in its entirety, in particular the rationale for and/or the risk factors relating to the Proposed Diversification and for those who may require advice in the context of his specific investment, to consult his stockbroker, bank manager, solicitor, accountant or other professional adviser.

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## LETTER TO SHAREHOLDERS

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### 5. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on page 30 of this Circular, will be held at Albizia Room, Level 2, Jurong Country Club, 9 Science Centre Road, Singapore 609078 on 29 October 2013 at 10.30 a.m. (or as soon as practicable thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.00 a.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without modifications, the ordinary resolution set out in the notice of EGM.

### 6. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote at the EGM on their behalf will find a Proxy Form attached to this Circular which they should complete, sign and return in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the registered office of the Company not less than 48 hours before the time fixed for the EGM. The sending of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM in place of his proxy if he finds that he is able to do so, although the appointment of the proxy shall be deemed to be revoked by such attendance. A Depositor shall not be regarded as a member of the Company entitled to attend the EGM to speak and vote thereat unless his name appears in the Depository Register as at 48 hours before the EGM.

### 7. 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 Diversification, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

### 8. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection by Shareholders at the registered office of the Company at 11 Tanjong Penjuru Crescent Singapore 608974, during normal business hours from the date of this Circular up to and including the date of the EGM:

- (a) the Memorandum and Articles of Association of the Company;
- (b) the Annual Report of the Company for FY2013; and
- (c) the Collaboration Agreement.

Yours faithfully  
For and on behalf of the Board of Directors

KWAN CHEE SENG  
EXECUTIVE DIRECTOR

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### GRP LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration Number 197701449C)

## NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting of GRP LIMITED (the “**Company**”) will be held at Albizia Room, Level 2, Jurong Country Club, 9 Science Centre Road, Singapore 609078 on 29 October 2013 at 10.30 a.m. (or as soon as practicable thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.00 a.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without modifications, the resolution as set out below as ordinary resolution:

### ORDINARY RESOLUTION

#### PROPOSED DIVERSIFICATION OF THE BUSINESS

That:

- (a) approval be and is hereby given for the diversification by the Company and its subsidiaries of its core business to include property development and property investment that involve activities such as property-related investments, the holding of investments in property-related assets, and trading in and the development of property for sale (the “**Proposed New Business**”), and any other activities related to the Proposed New Business;
- (b) the Company be and is hereby authorised to invest in, purchase or otherwise acquire or dispose of, from time to time any such assets, investments and shares/interests in any entity that is in the Proposed New Business on such terms and conditions as the directors of the Company (the “**Directors**”) deem fit, and such Directors be and are hereby authorised to take such steps and exercise such discretion and do all such acts or things as they deem desirable, necessary or expedient or give effect to any such investment, purchase, acquisition or disposal; and
- (c) the Directors or any of them be and are hereby authorised to exercise such discretion to complete and do all such acts and things, including without limitation, to sign, seal, execute and deliver all such documents and deeds, and to approve any amendment, alteration or modification to any document, as they or he may consider necessary, desirable or expedient or in the interest of the Company to give effect to this ordinary resolution as they or he may think fit.

By Order of the Board  
**GRP LIMITED**

KWAN CHEE SENG  
EXECUTIVE DIRECTOR  
14 October 2013

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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**Notes:**

- (1) A shareholder of the Company entitled to attend and vote at the Extraordinary General Meeting of the Company ("**EGM**") may appoint not more than two proxies to attend and vote in his stead. A shareholder of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a shareholder of the Company.
- (2) If a proxy is to be appointed, the instrument appointing a proxy must be duly deposited at the registered office of the Company at 11 Tanjong Penjuru Crescent Singapore 608974 not later than 48 hours before the time appointed for the holding of the EGM.
- (3) The instrument appointing a proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of any officer or attorney duly authorised.
- (4) A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 48 hours before the time fixed for holding the EGM in order for the Depositor to be entitled to attend and vote at the EGM.

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## PROXY FORM

### GRP LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration Number: 197701449C)

**Important:**

1. For investors who have used their CPF monies to buy shares in the capital of GRP Limited, this Circular is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to vote should contact their CPF Approved Nominees.

I/We\* \_\_\_\_\_ (Name) NRIC/Passport number\* \_\_\_\_\_ of

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

being a shareholder/shareholders\* of GRP Limited (the "**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 him/her, the Chairman of the Extraordinary General Meeting (the "**EGM**") of the Company as my/our\* proxy/proxies\* to attend and to vote for me/us\* on my/our\* behalf and, if necessary, to demand a poll at the EGM of the Company to be held at Albizia Room, Level 2, Jurong Country Club, 9 Science Centre Road, Singapore 609078 on 29 October 2013 at 10.30 a.m. (or as soon as practicable thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10.00 a.m. on the same day and at the same place), and at any adjournment thereof.

(Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the resolution as set out in the notice of EGM. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the EGM)

Ordinary Resolution	To be used on a show of hands		To be used in the event of a poll	
	For	Against	Number of Votes For**	Number of Votes Against**
To approve the Proposed Diversification of the Group's core business to include the Proposed New Business				

\* Delete accordingly

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

<b>Total Number of Shares Held</b>

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2013

\_\_\_\_\_  
Signature(s) of Shareholder(s) or Common Seal

**IMPORTANT:** PLEASE READ NOTES OVERLEAF

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## PROXY FORM

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### Notes:

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and registered in your name in the Register of Members of the Company, you should insert the aggregate number of Shares. If no number is inserted, this Proxy Form will be deemed to relate to all the Shares held by you.
2. A shareholder entitled to attend and vote at the EGM is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a shareholder of the Company.
3. The instrument appointing a proxy or proxies, duly executed, must be deposited at the registered office of the Company at 11 Tanjong Penjuru Crescent Singapore 608974 not less than 48 hours before the time appointed for the EGM.
4. Where a shareholder appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy and, if no percentage is specified, 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.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its attorney or a duly authorised officer.
6. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
7. A corporation which is a shareholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act, Chapter 50.
8. The submission of an instrument or form appointing a proxy by a shareholder does not preclude him from attending and voting in person at the EGM if he so wishes.
9. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of Shares entered in the Depository Register, the Company may reject an instrument of proxy if the shareholder, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

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