

CIRCULAR DATED 4 MAY 2015

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

IF YOU ARE IN DOUBT AS TO THE ACTION THAT YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISERS IMMEDIATELY.

If you have sold or transferred all your shares in the capital of Technics Oil & Gas Limited (the “**Company**”) held through The Central Depository (Pte) Limited (“**CDP**”), you need not forward this Circular to the purchaser or transferee as arrangements will be made by CDP for a separate Circular to be sent to the purchaser or transferee. If you have sold or transferred all your shares represented by physical share certificate(s), you should at once hand this Circular to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

If you have sold or transferred your ordinary shares in the capital of the Company, please forward this Circular, the Notice of Extraordinary General Meeting and the attached Proxy Form immediately to the purchaser or to the bank, stockbroker or agent through whom the sale or transfer was effected, for onward transmission to the purchaser.

The Singapore Exchange Securities Trading Limited (“**SGX-ST**”) assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.



TECHNICS OIL & GAS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200205249E)

CIRCULAR TO SHAREHOLDERS

in relation to

**THE PROPOSED SALE AND LEASEBACK OF PROPERTY KNOWN AS 72 LOYANG WAY,
SINGAPORE 508762**

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	18 May 2015 at 10.00 a.m.
Date and time of Extraordinary General Meeting	:	20 May 2015 at 10.00 a.m.
Place of Extraordinary General Meeting	:	72, Loyang Way Singapore 508762

CONTENTS

DEFINITIONS	3
 LETTER TO SHAREHOLDERS	
1. INTRODUCTION.....	6
2. INFORMATION ON THE TRANSACTION	7
3. RATIONALE FOR THE PROPOSED SALE AND LEASEBACK.....	10
4. GAIN ON PROPOSED SALE AND LEASEBACK AND USE OF PROCEEDS.....	10
5. FINANCIAL EFFECTS	11
6. INTERESTS OF THE DIRECTORS AND/OR SUBSTANTIAL SHAREHOLDERS.....	12
7. DIRECTORS' SERVICE CONTRACT.....	13
8. DIRECTORS' RECOMMENDATION	13
9. EXTRAORDINARY GENERAL MEETING	13
10. ACTION TO BE TAKEN BY SHAREHOLDERS.....	13
11. DIRECTORS' RESPONSIBILITY STATEMENT	13
12. INSPECTION OF DOCUMENTS	14
 NOTICE OF EXTRAORDINARY GENERAL MEETING	 15
 PROXY FORM	

DEFINITIONS

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
“Articles”	:	The Articles of Association of the Company
“Board”	:	The board of directors of the Company as at the Latest Practicable Date
“Building”	:	The building(s) comprised in the Property known as 72 Loyang Way, Singapore 508762
“Business Day”	:	A day (other than Saturdays, Sundays or gazetted public holidays) on which commercial banks are open for business in Singapore
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This circular to Shareholders dated 4 May 2015 in respect of the Proposed Sale and Leaseback
“Company”	:	Technics Oil & Gas Limited, a company incorporated in the Republic of Singapore
“Completion”	:	The completion of the Proposed Sale and Leaseback in accordance with the SPA and the Lease in accordance with the Master Lease Agreement
“Conditions Precedent”	:	The conditions precedent in the SPA
“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
“Director”	:	A person holding office as a director for the time being of the Company
“EGM”	:	Extraordinary General Meeting
“EPS”	:	Earnings per Share
“FY”	:	Financial Year of the Company ended or ending 30 September (as the case may be)
“Group”	:	The Company and its Subsidiaries
“GST”	:	Goods and Services Tax (which includes any imposition, duty or levy) chargeable under the Goods and Services Tax Act, Chapter 117A or any statutory modification or re-enactment

DEFINITIONS

“JTC”	:	JTC Corporation, a body corporate incorporated under Jurong Town Corporation Act (Chapter 150)
“Latest Practicable Date”	:	28 April 2015, being the latest practicable date prior to the printing of this Circular
“Lease” or “Leaseback”	:	The lease of the Property in accordance with the terms of the Master Lease Agreement
“Master Lease Agreement”	:	The lease agreement to be entered into by the TOE with the Purchaser for the lease or leaseback of the Property by the TOE immediately upon the sale and purchase of the Property in accordance with the terms of the SPA
“Letter”	:	The Letter to the Shareholders on pages 6 to 14 of this Circular
“Listing Manual”	:	The listing manual of the SGX-ST and its relevant rule(s), as amended or modified from time to time
“Market Day”	:	A day on which SGX-ST is open for securities trading
“Material Damage”	:	Damage to the Property such that the Building or any part of it is damaged or destroyed so as to be unfit for use or occupation or so as to render any part of the Property unsafe or inaccessible
“Plant and Equipment”	:	The plant, machinery and equipment referred to in the SPA which is also the subject of the sale and purchase under the SPA referred to therein
“Property”	:	The whole of Lots 1820X, 2043P, 4563L, 4826X, 4831C, 4167P, 4168T, 4827L and 4828C, all of Mukim 31, together with the Building(s) erected thereon
“Proposed Sale”	:	The proposed sale of the Property for S\$97.0 million
“Purchaser”	:	DBS Trustee Limited, a company incorporated in Singapore (in its capacity as trustee of Soilbuild Business Space REIT)
“Relevant Approvals”	:	The approval of JTC, for (a) the sale of the Property by the TOE to the Purchaser in accordance with the provisions of the SPA; (b) the purchase of the Property by the Purchaser from the TOE in accordance with the provisions of the SPA; and (c) the lease of the Property by the Purchaser to TOE in accordance with the Master Lease Agreement and commencing on Completion Date
“SPA”	:	The Sale and Purchase Agreement dated 12 March 2015 entered into by TOE and the Purchaser for the sale and purchase of the Property, in accordance with the terms of the SPA
“SFA” or “Securities and Futures Act”	:	The Securities and Futures Act (Chapter 289) of Singapore, as amended or modified from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share(s)”	:	Ordinary share(s) in the share capital of the Company

DEFINITIONS

“Shareholders” : 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

“Shareholders’ Approvals” : Approval of the Shareholders of the Company at a duly convened extraordinary general meeting pursuant to the Listing Manual and section 160 of the Act for the sale of the Property to the Purchaser on the terms and conditions of the SPA

“Substantial Shareholder” : A person who has an interest in not less than five per cent (5%) of the issued voting shares of the Company

Currencies, Units and Others

“S\$”, “\$” or “cents” : Singapore dollars and cents respectively

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

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the same meanings ascribed to them respectively in Section 130A of the Act. The term **“Subsidiary”** shall have the meaning ascribed to it in Section 5 of the Act. The term **“Direct Account Holder”** shall have the 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*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall include corporations.

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

Any reference to any agreement or document shall include such agreement or document as amended, modified, varied, novated, supplemented or replaced from time to time.

Any reference in this Circular to shares being allotted to a person includes allotment to CDP for the account of that person.

Any reference to a time of day and to dates in this Circular shall be a reference to Singapore time and dates, 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.

LETTER TO SHAREHOLDERS

TECHNICS OIL & GAS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200205249E)

Directors

Ting Yew Sue, *Executive Chairman*
Ting Tiong Ching, *Executive Director and Group Managing Director*
Tay Mian Cheo, *Executive Director*
Tan Kia Teck Thomas, *Executive Director*
Ong Siew Peng, *Lead Independent Director*
Richard Liew Jat Yuen, *Independent Director*
Tan Liam Beng, *Independent Director*

Registered Office

8 Wilkie Road #03-01
Wilkie Edge
Singapore 228095

4 May 2015

To: The Shareholders of Technics Oil & Gas Limited

Dear Sir/Madam

THE PROPOSED SALE AND LEASEBACK OF 72 LOYANG WAY, SINGAPORE 508762

1. INTRODUCTION

- 1.1 On 12 March 2015, the Company announced that Technics Offshore Engineering Pte. Ltd (“**TOE**”), the Company’s wholly owned subsidiary, has entered into the SPA with DBS Trustee Limited (in its capacity as trustee of Soilbuild Business Space REIT) in connection with the proposed sale and leaseback (“**Proposed Sale and Leaseback**”) of the Property and the plant, machinery and equipment in the Property. The Proposed Sale and Leaseback is subject to the approval of the Shareholders, and the Directors are convening the EGM to be held on 20 May 2015 for that purpose.
- 1.2 Soilbuild Business Space REIT (the “**Trust**”) is a Singapore real estate investment trust and was constituted as a private trust on 13 December 2012 to hold third party assets. The Trust was listed on the SGX-ST on 16 August 2013.
- 1.3 The sale price for the Property and the plant, machinery and equipment in the Property amounting to S\$97.0 million (“**Sale Consideration**”) was arrived at a willing buyer, willing seller basis, based on, *inter alia*, the valuation report dated 11 March 2015, where the estimated market value of the Property was valued at approximately S\$97.0 million as at 11 March 2015 and the net book value of the Property of approximately S\$27.80 million and the plant, machinery and equipment in the Property of approximately S\$1.83 million, amounting in aggregate of approximately S\$29.63 million as at 30 September 2014.
- 1.4 The business operations of the Group will continue notwithstanding the Proposed Sale. The Proposed Sale will not affect the operation of the Group since the Property is being leased back from the Purchaser.
- 1.5 The rules set out in Chapter 10 of the SGX-ST Listing Manual are applicable to the Proposed Sale. Based on the latest announced unaudited consolidated financial statements of the Group for the full year ended 30 September 2014, the relative figures for the Proposed Sale and Leaseback computed on the basis set out in Rule 1006 of the SGX-ST Listing Manual (“**Rule 1006**”) are as follows:

LETTER TO SHAREHOLDERS

1006(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value	The aggregate net asset value of the Property and the plant, machinery and equipment in the Property as at 30 September 2014 was S\$29.63 million and this represents approximately 40.8% of the Group's audited net asset value of S\$72.54 million as at 30 September 2014.
1006(b)	The net profits attributable to the assets acquired or disposed of, compared with the Group's net profits	The Property is mainly for internal usage. The net rental income derived from the leasing of certain parts of the Property for FY2014 was S\$1.20 million and the Group's audited net loss ⁽¹⁾ for FY2014 was S\$6.07 million.
1006(c)	The aggregate value of the consideration given or received, compared with the group's market capitalisation	The Sale Consideration of S\$97.0 million for the Proposed Sale represents approximately 59.8% of the Company's current market capitalisation of approximately S\$162.2 million as at 11 March 2015 (being the market day preceding the date the SPA is executed).
1006(d)	The number of equity securities issued by the group as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable as no equity securities are to be issued as consideration for the Proposed Sale.
1006(e)	Aggregate volume or amount of proved and probable reserved to be disposed of, compared with the aggregate of the Group's proved and probable reserves	Not applicable.

Note (1): Net loss refers to loss before income tax, minority interests and extraordinary items.

As the relative figure in Rule 1006 (a) and (c) exceed 20%, the Proposed Sale is classified as a major transaction, which requires the approval of the Company's shareholders at a general meeting pursuant to Rule 1014 of the Listing Manual.

- 1.6 Accordingly, the Directors have issued the notice to convene the EGM to obtain Shareholders' approval for the Proposed Sale and Leaseback.
- 1.7 The purpose of this Circular is to explain the reasons for and to provide Shareholders with information relating to the Proposed Sale and Leaseback, and to seek their approval at the EGM for the proposed resolution set out in the Notice of EGM.

2. INFORMATION ON THE TRANSACTION

2.1 Property

The Property comprises a 3-storey office building, 4-storey new office building, factory space, 2 covered workshops, blasting and painting chamber, jetty capacity of 1,000 tons and dormitory capacity of 160 persons.

LETTER TO SHAREHOLDERS

2.2 Sale Price

The Sale Consideration of the Property together with the Plant and Equipment shall be S\$97.0 million. The Sale Price shall be paid by the Purchaser to TOE in the following manner:

2.2.1 S\$970,000 (the “**Deposit**”) shall be paid by way of cheque issued in favour of TOE on the execution of the SPA; and

2.2.2 S\$96,030,000 shall be paid on Completion by way of a cashier’s order(s) to TOE.

The Sale Consideration was arrived at on a “willing buyer, willing seller” and on an arm’s length basis. In accepting the Sale Consideration, TOE took into account, *inter alia*:

- (a) the independent valuation based on the valuation report dated 11 March 2015, where the estimated market value of the Property was valued at approximately S\$97.0 million as at 11 March 2015; and
- (b) the aggregate net book value of the Property and the plant, machinery and equipment in the Property as at 30 September 2014 was approximately S\$29.63 million.

The Purchaser has commissioned Colliers International Consultancy & Valuation (Singapore) Pte Ltd as independent valuer (the “**Valuer**”) to undertake a formal valuation on the Property in accordance with the Singapore Institute of Surveyors and Valuers’ Valuation Standards and Guidelines. The Property was assessed by the Valuer as being S\$97.0 million as at 11 March 2015. The valuation was conducted by the Valuer based on both the income capitalisation method and the discounted cash flow analysis.

2.3 Conditions Precedent

Completion of the proposed SPA is subject to and conditional upon the satisfaction of, *inter alia*, the following Conditions Precedent:

- (a) TOE having received the relevant approvals including approval from the head lessor, JTC for the Proposed Sale and Leaseback;
- (b) there being no unsatisfactory replies to legal requisitions to the Property made by the Purchaser;
- (c) the satisfactory completion of legal, financial and building due diligence by the Purchaser;
- (d) the approval of the Board for the Proposed Sale and Leaseback;
- (e) such other consents or approval as may be required to be obtained by the Company and/or TOE and/or the Purchaser from any third party or any relevant authority in relation to the Proposed Sale and Leaseback.

TOE shall use its best endeavours to obtain the Shareholders’ Approvals on or before 8 weeks from the date of the SPA (or such other date as the parties may mutually agree in writing). In the event that TOE does not obtain the Shareholders’ Approval by the agreed date, the Purchaser shall be entitled (but not obliged) to rescind the SPA by giving written notice to TOE at any time.

2.4 Option to Purchase the Property

TOE shall be entitled to request the Purchaser to grant an option to purchase (“**Option to Purchase**”) in favour of the Company for the sale of the property to the Company pursuant to the Master Lease Agreement subject to the following conditions:

- 2.4.1 TOE shall within 12 months from the expiry of the Term (defined in paragraph 2.5.1 below) submit a written request to the Purchaser for the grant of the Option to Purchase to the Company;

LETTER TO SHAREHOLDERS

2.4.2 the Option to Purchase shall contain such terms and conditions as may be mutually acceptable to the Purchaser and TOE, provided always that (a) the completion date of the sale and purchase of the Property shall be fixed to occur on the date immediately following the expiry date of the Term; and (b) the sale price of the Property shall be the higher of:

- (a) the market value of the Property on or about the date of the grant of the Option to Purchase. Such market value shall be determined by an independent property valuer appointed by the Purchaser, provided that if such valuation is not accepted by TOE, TOE may, at its own cost, appoint another independent property valuer, and the market value of the Property shall be deemed to be the average of the two valuations; and
- (b) Soilbuild Business Space REIT's book value of the Property, which book value shall be the annual market valuation of the Property as determined by an independent valuer.

2.4.3 in the event:

- (a) the Purchaser and TOE do not mutually agree on all the terms and conditions of the Option to Purchase or the valuation of the Property is not determined by the date falling three months before the expiry of the Term; or
- (b) the Company fails to exercise the Option to Purchase; or
- (c) the sale and purchase of the Property pursuant to the Option to Purchase is aborted or terminated for any reason whatsoever,

the Purchaser shall not be liable to grant any (or, as the case may be, any further) option to purchase of the Property to the Company or any other party nominated by TOE, and the Purchaser's obligations under the Master Lease Agreement shall cease to apply.

2.5 Terms of the Master Lease Agreement

2.5.1 Term of Lease

The term of the lease shall be for a period of 15 years commencing from the Completion of the SPA (the "**Term**"). The lease may only be terminated pursuant to the government acquisition and/or notification issued by JTC.

2.5.2 Rental payable by TOE

The total rental payable by TOE in respect of the Property per annum for each year of the Term shall be as follows:

Year	Total Rent (\$\$) per annum
First Year	7,870,000
Second Year	7,870,000
Third Year	8,047,000
Fourth Year	8,228,000
Fifth Year	8,413,000
Sixth Year	8,603,000
Seventh Year	8,796,000
Eighth Year	8,994,000
Ninth Year	9,196,000
Tenth Year	9,403,000
Eleventh Year	9,615,000

LETTER TO SHAREHOLDERS

Twelfth Year	9,831,000
Thirteenth Year	10,052,000
Fourteenth Year	10,279,000
Fifteenth Year	10,510,000

2.6 Completion

Under the SPA, and subject to its terms and conditions, Completion shall be on 5 June 2015 or such date as the parties may mutually agree in writing (the “**Completion Date**”).

3. RATIONALE FOR THE PROPOSED SALE AND LEASEBACK

The rationale for and benefits of the Proposed Sale and Leaseback are, *inter alia*, as follows:

- 3.1 The Sale Consideration of S\$97.0 million represents the fair valuation of S\$97.0 million assessed by the Valuer as at 11 March 2015. As the proceeds of the sale of the Property are substantial, the Proposed Sale and Leaseback will also put the Company in a better position to strengthen its financial position;
- 3.2 As at 30 September 2014, the Group recorded a negative working capital of approximately S\$26.93 million which mainly attributable to significant borrowings from the financial institutions for the purposes of leasing equipment business and purchase of two bulk carriers. As at 30 September 2014, the Group’s short-term and long-term borrowings were S\$63.74 million and S\$33.42 million respectively and the gearing was 1.34 times. The Group recognises the urgent need to address the issues associated with negative working capital. The net proceeds of the Proposed Sale may be used to, *inter alia*, repay existing bank borrowings of the Group which would substantially reduce the negative working capital position and finance cost of approximately S\$1.75 million;
- 3.3 The Group is able to lease back the Property and continue to operate at the same location without any disruption to the operations for the next 15 years after the Completion. The lease back of the Property would not result in a significant increase in the Group’s loss FY2015 in view that the Group will recognise a gain on the Proposed Sale at the same time; and
- 3.4 As the Property is not a large contributor to the Group’s revenue, net book value or profits. As such, the Group’s ability to carry out its business will not be materially affected by the Proposed Sale and Leaseback.

4. GAIN ON PROPOSED SALE AND LEASEBACK AND USE OF PROCEEDS

Based on the latest audited financial statements of the Group, the aggregate net asset value of the Property and the plant, machinery and equipment in the Property was S\$29.63 million as at 30 September 2014 and the net rental income derived from the leasing of certain parts of the Property for FY2014 was S\$1.20 million. Under the current leasing arrangement, the Group will continue to receive aforesaid rental income following the Completion.

The Group would recognise a gain on disposal (before taking into account the transaction expenses of S\$19.88 million) of approximately S\$47.49 million from the Proposed Sale. The Proposed Sale will result in cash proceeds of S\$77.12 million which will be used in the following manners:-

Gross cash proceeds	S\$97.00 million
Transaction expenses (S\$19.88 million)	
- Legal and professional fees	(S\$0.30 million)
- Upfront land rental payable to JTC	(S\$18.61 million)
- Sales commission and other related expenses	(S\$0.97 million)

LETTER TO SHAREHOLDERS

Net cash proceeds	S\$77.12 million
Use of net proceeds (S\$77.12 million)	
- Repayment of bank borrowings	(S\$50.00 million)
- Capital expenditure	(S\$15.31 million)
- Security deposit (18 months) in respect of the lease back	(S\$11.81 million)

The Group requires substantial capital expenditure to ensure its sustainable growth. As at the Latest Practicable Date, the estimated capital expenditure in respect of the leasing equipment business is S\$24.00 million and the Group intends to fund the same by way of internal resources (which includes net proceeds of S\$15.31 million) and/or bank borrowings.

On 7 April 2015, the Company announced that its 51%-owned subsidiary, Technics Steel Pte. Ltd. (“**TNST**”) has exercised an option to purchase granted by Transicom Singapore (Pte) Ltd for a purchase consideration of S\$4.2 million, pursuant to which TNST shall acquire the property located at 70 Loyang Way, Singapore 508760 (the “**New Property**”) for its own operations (including expansion of its plant capacity for fabrication of steel structures). The Group will finance the purchase consideration of the acquisition by internal funds and/or bank borrowings. As none of the relative figures in Rule 1006 of the Listing Manual exceed 5% of the relevant thresholds prescribed thereunder, the aforesaid acquisition is not classified as a discloseable transaction for the purpose of Chapter 10 of the Listing Manual. Having consulted the other two shareholders who hold the remaining 49% stake in TNST and with extensive experience and qualification in steel structure and engineering sectors, TNST has decided to acquire the New Property instead of leasing the same.

Pending the deployment of the unutilised proceeds for the purpose mentioned above, such proceeds may be deposited with banks and/or financial institutions, invested in short-term money markets and/or marketable securities, or used for any other purpose on a short-term basis, as the Directors may deem appropriate in the interests of the Group.

5. FINANCIAL EFFECTS

The financial effects of the Proposed Sale and Leaseback on the Company set out below are:

- 5.1 purely for illustrative purposes only and do not reflect the future actual financial position of the Company or the Group after completion of the Proposed Sale and Leaseback.
- 5.2 based on (a) the audited consolidated financial statements of the Company for the financial year ended 30 September 2014.

Net Tangible Assets (NTA)

The effect of the Proposed Sale on the audited NTA per share of the Group for the financial year ended 30 September 2014, assuming that the Proposed Sale had been effected at the end of financial year ended 30 September 2014 is as follows:

	Before the Proposed Sale	After the Proposed Sale
NTA ⁽¹⁾ (\$'000)	68,534	116,023 ⁽²⁾
Number of Shares	234,932,975	234,932,975
NTA per share (cents)	29.17	49.39

Notes:-

(1) This refers to equity attributable to owners of the parent.

(2) Adjusted for the aggregate net book value of the Property and the plant, machinery and equipment in the Property of S\$29.63 million and transaction expenses of S\$19.88 million and taking into account the Sale Consideration of S\$97.0 million.

LETTER TO SHAREHOLDERS

Earnings per Share (EPS)

The effect of the Proposed Sale on the audited EPS of the Group for financial year ended 30 September 2014, assuming that the Proposed Sale had been effected at the beginning of financial year ended 30 September 2014 is as follows:

	Before the Proposed Sale	After the Proposed Sale
(Loss)/Profit after tax and minority interests (\$'000)	(6,065)	41,424 ⁽²⁾
Number of Shares ⁽¹⁾	223,213,240	223,213,240
(Loss)/Profit per Share (cents)	(2.72)	18.56

Notes:-

(1) Calculated based on weighted average number of ordinary share in issue of 223,213,240.

(2) Adjusted for the aggregate net book value of the Property and the plant, machinery and equipment in the Property of S\$29.63 million and transaction expenses of S\$19.88 million and taking into account the Sale Consideration of S\$97.0 million.

6. INTERESTS OF THE DIRECTORS AND/OR SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and Substantial Shareholders of the Company in the issued and paid-up share capital of the Company as at the Latest Practicable Date are set out below:

	Direct Interest		Deemed Interest	
	Number of Shares	% of voting Shares ⁽ⁱ⁾	Number of Shares	% of voting Shares
Directors				
Ting Yew Sue	33,141,662	14.20	–	–
Tay Mian Cheo ⁽ⁱⁱ⁾	6,569,012	2.82	5,000,000	2.14
Ting Tiong Ching	14,128,000	6.05	–	–
Ong Siew Peng	175,000	0.08	–	–
Tan Kia Teck Thomas	160,000	0.07	70,000 ⁽ⁱⁱⁱ⁾	0.03
Richard Liew Jat Yuen	–	–	–	–
Tan Liam Beng	–	–	–	–
Substantial Shareholders (other than Directors)				
Eversendai Corporation Berhad	45,116,000	19.34	–	–
Tan Sri Nathan Elumalay ^(iv)	–	–	45,116,000	19.34
Lee Tock Kiau	17,187,269	7.37	–	–

Notes:

(i) % of voting shares is calculated based on the total number of issued shares, excluding 1,657,000 treasury shares of the Company.

(ii) Tay Mian Cheo's deemed interest in 5,000,000 Shares arises from 5,000,000 Shares held by his spouse, Wang Yueh Lai.

(iii) Tan Kia Teck Thomas' deemed interest in 70,000 Shares arises from 70,000 Shares held in spouse, Tan Chwee Peng.

(iv) Tan Sri Nathan Elumalay holds 71.76% shares in Eversendai Corporation Berhad ("Eversendai") and therefore deemed to be interested in the shares held by Eversendai.

None of the Directors or Substantial Shareholders of the Company has any interest, direct or indirect, in the Proposed Sale and Leaseback. None of the Directors or Substantial Shareholders of the Company is related to the Purchaser.

LETTER TO SHAREHOLDERS

7. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Proposed Sale and Leaseback. Accordingly, there is no service contract proposed to be entered into between the Company and any such person.

8. DIRECTORS' RECOMMENDATION

The Directors, after taking into account the rationale and information relating to the Proposed Sale and Leaseback, are of the opinion that the Proposed Sale and Leaseback is in the best interests of the Company, and accordingly recommend Shareholders to vote in favour of the ordinary resolution relating to the Proposed Sale and Leaseback to be proposed at the EGM as set out in the Notice of EGM.

9. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on page 15 of this Circular, will be held at 72 Loyang Way, Singapore 508762 on 20 May 2015 at 10.00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the ordinary resolution set out in the notice of EGM.

10. ACTION TO BE TAKEN BY SHAREHOLDERS

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

11. 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 Sale and Leaseback, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

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

LETTER TO SHAREHOLDERS

12. INSPECTION OF DOCUMENTS

The following documents are available for inspection at the registered office of the Company at 8 Wilkie Road #03-01, Wilkie Edge, Singapore 228095 during normal business hours from the date of this Circular up to the date of the EGM:

- (a) the SPA and the Master Lease Agreement;
- (b) the Memorandum and Articles of Association of the Company;
- (c) the valuation report dated 11 March 2015 referred to in paragraph 2.2.2(a) above; and
- (d) the annual report of the Company for FY2014.

Yours faithfully
For and on behalf of the Board
Technics Oil & Gas Limited

Ting Yew Sue
Executive Chairman

NOTICE OF EXTRAORDINARY GENERAL MEETING

TECHNICS OIL & GAS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number 200205249E)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of **Technics Oil & Gas Limited** (“**Company**”) will be held at 72 Loyang Way, Singapore 508762 on 20 May 2015 at 10.00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications, the resolutions as set out below:

All capitalised terms in the following ordinary resolution shall, unless otherwise defined in this Notice, bear the respective meanings ascribed thereto in the Circular dated 4 May 2015.

ORDINARY RESOLUTION: THE PROPOSED SALE AND LEASEBACK OF 72 LOYANG WAY, SINGAPORE 508762

RESOLVED THAT:

- (a) the Proposed Sale of the whole of Lots 1820X, 2043P, 4563L, 4826X, 4831C, 4167P, 4168T, 4827L and 4828C, all of Mukim 31, together with the Building(s) erected thereon, Plant and Equipment relating to the Property by Technics Offshore Engineering Pte. Ltd to DBS Trustee Limited (in its capacity as trustee of Soilbuild Business Space REIT) on the terms and subject to the conditions set out in the SPA (as may be amended, modified, varied or supplemented as the parties thereto may agree), and the leaseback by the Group on the terms of the Master Lease Agreement to be entered into upon completion of the SPA, the principal terms of which are set out in the Circular be and is hereby approved; and
- (b) the Directors of the Company be and are hereby authorised to complete and do all acts and things as they may consider necessary or expedient for the purposes of or in connection with the Proposed Sale and Leaseback and to give effect to this Resolution (including but not limited to the execution of other ancillary documents, procurement of third party consents and making of amendments to the such documents as may be required) as they shall think fit and in the interests of the Company.

By Order of the Board
Technics Oil & Gas Limited

Ting Yew Sue
Executive Chairman
4 May 2015

NOTICE OF EXTRAORDINARY GENERAL MEETING

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/her 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 8 Wilkie Road #03-01, Wilkie Edge, Singapore 228095 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.

PROXY FORM

TECHNICS OIL & GAS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200205249E)

Important:

1. For investors who have used their CPF monies to buy shares in the capital of Technics Oil & Gas 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.

Extraordinary General Meeting

I/We* _____ (Name) NRIC/Passport number* _____ of

_____ (Address)

being a shareholder/shareholders* of Technics Oil & Gas 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 72 Loyang Way, Singapore 508762 on 20 May 2015 at 10.00 a.m., 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)

	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**
Ordinary Resolution				
To approve the Proposed Sale and Leaseback				

* 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.

Dated this _____ day of _____ 2015

Total Number of Shares Held

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

IMPORTANT: PLEASE READ NOTES OVERLEAF



PROXY FORM

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 Act, Cap. 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 form of proxy 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 8 Wilkie Road #03-01, Wilkie Edge, Singapore 228095 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 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.

This page has been intentionally left blank.

