

**CIRCULAR DATED 10 APRIL 2019**

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

**This Circular is issued by Baker Technology Limited (the “Company”). If you are in any doubt about its contents or the action that you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other independent professional adviser immediately.**

*Capitalised terms appearing on the cover of this Circular have the same meanings as defined in the section entitled “Definitions”.*

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

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



**BAKER TECHNOLOGY LIMITED**

(Unique Entity Number 198100637D)

(Incorporated in the Republic of Singapore)

**CIRCULAR TO SHAREHOLDERS IN RELATION TO  
THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE**

**IMPORTANT DATES AND TIMES:**

- Last date and time for lodgement of Proxy Form : 23 April 2019 at 11.00 a.m.
- Date and time of Extraordinary General Meeting : 26 April 2019 at 11.00 a.m. (or as soon as practicable immediately 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 : Nautica II, Level 2  
Republic of Singapore Yacht Club  
52 West Coast Ferry Road  
Singapore 126887

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## DEFINITIONS

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

<b>“AGM”</b>	:	The annual general meeting of the Company
<b>“Annual Report”</b>	:	The annual report of the Company for FY2018
<b>“Approval Date”</b>	:	Has the meaning ascribed to it in paragraph 2.3(a)
<b>“Associate”</b>	:	(a) in relation to any Director, Chief Executive Officer, Substantial Shareholder or Controlling Shareholder (being an individual) means: <ul style="list-style-type: none"><li>(i) his immediate family;</li><li>(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</li><li>(iii) any company in which he or his immediate family together (directly or indirectly) have an interest of 30% or more; and</li></ul> (b) in relation to a Substantial Shareholder or Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of 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
<b>“Average Closing Price”</b>	:	Has the meaning ascribed to it in paragraph 2.3(d)(iii)
<b>“Board”</b>	:	The board of directors of the Company for the time being
<b>“CDP”</b>	:	The Central Depository (Pte) Limited
<b>“Circular”</b>	:	This circular to Shareholders dated 10 April 2019
<b>“Companies Act”</b>	:	The Companies Act (Chapter 50) of Singapore, as amended, modified or supplemented from time to time
<b>“Company”</b>	:	Baker Technology Limited
<b>“Constitution”</b>	:	The constitution of the Company for the time being
<b>“Controlling Shareholder(s)”</b>	:	A person who: <ul style="list-style-type: none"><li>(a) holds directly or indirectly 15% or more of all voting Shares; or</li><li>(b) in fact exercises control over the Company</li></ul>
<b>“Director(s)”</b>	:	The directors of the Company for the time being

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## DEFINITIONS

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<b>“EGM”</b>	:	The extraordinary general meeting of the Company to be convened and held on 26 April 2019 at 11.00 a.m. (or as soon as practicable immediately following the conclusion or adjournment of the AGM to be held at 10.00 a.m. on the same day and at the same place), notice of which is set out on pages N-1 to N-3 of this Circular
<b>“EPS”</b>	:	Earnings per Share
<b>“FY”</b>	:	Financial year ended or ending 31 December, as the case may be
<b>“FY2018”</b>	:	Financial year ended 31 December 2018
<b>“Group”</b>	:	The Company and its subsidiaries, collectively
<b>“Latest Practicable Date”</b>	:	27 March 2019, being the latest practicable date prior to the printing of this Circular
<b>“Listing Manual”</b>	:	The listing manual of the SGX-ST, as amended, modified or supplemented from time to time
<b>“Listing Rules”</b>	:	The listing rules of the SGX-ST as set out in the Listing Manual
<b>“Mainboard”</b>	:	Main Board of the SGX-ST
<b>“Market Day”</b>	:	A day on which the SGX-ST is open for trading in securities
<b>“Market Purchase”</b>	:	Has the meaning ascribed to it in paragraph 2.3(c)
<b>“Member” or “Shareholders”</b>	:	The registered holders of Shares, except that where the registered holder is CDP, the term <b>“Shareholders”</b> in relation to Shares held by CDP shall mean the persons named as Depositors in the Depository Register maintained by CDP whose Securities Accounts are credited with those Shares
<b>“Notice of EGM”</b>	:	The notice of EGM as set out on pages N-1 to N-3 of this Circular
<b>“Off-Market Purchase”</b>	:	Has the meaning ascribed to it in paragraph 2.3(c)
<b>“NAV”</b>	:	Net asset value
<b>“Relevant Period”</b>	:	Has the meaning ascribed to it in paragraph 2.3(b)
<b>“Rule 14”</b>	:	Has the meaning ascribed to it in paragraph 2.10(a)
<b>“Securities Account”</b>	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
<b>“SFA”</b>	:	The Securities and Futures Act (Chapter 289) of Singapore, as amended, modified or supplemented from time to time
<b>“SGX-ST”</b>	:	The Singapore Exchange Securities Trading Limited
<b>“Share Buyback”</b>	:	The purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate

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## DEFINITIONS

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“ <b>Share Buyback Mandate</b> ” :	The general mandate given by Shareholders to authorise the Directors to purchase or otherwise acquire issued Shares within the Relevant Period in accordance with the terms set out in this Circular, as well as the rules and regulations set forth in the Companies Act and the Listing Manual
“ <b>Shares</b> ” :	Ordinary shares in the capital of the Company
“ <b>Substantial Shareholder</b> ” :	A person who has an interest in not less than five per cent. (5%) of the issued Shares
“ <b>Take-over Code</b> ” :	The Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time
“ <b>\$</b> ”, “ <b>S\$</b> ” and “ <b>cents</b> ” :	Singapore dollars and cents, respectively
“ <b>%</b> ” or “ <b>per cent</b> ” :	Per centum or percentage

The terms “**treasury shares**”, “**subsidiary**”, “**subsidiary holdings**” and “**related company**” shall have the meaning ascribed to it in the Companies Act.

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

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, where applicable, include corporations.

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

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

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

Any discrepancies in tables included in this Circular (if any) between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

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## LETTER TO SHAREHOLDERS

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**BAKER TECHNOLOGY LIMITED**  
(Unique Entity Number 198100637D)  
(Incorporated in the Republic of Singapore)

**Directors**

Mr Lim Ho Seng, (*Non-Executive Chairman*)  
Ms Jeanette Chang, (*Chief Executive Officer*)  
Dr Benety Chang, (*Executive Director*)  
Mr Tan Yang Guan, (*Non-Executive Director*)  
Mr Wong Meng Yeng, (*Lead Independent Director*)  
Mr Ang Miah Khiang, (*Independent Director*)  
Ms Han Sah Heok Vicky, (*Independent Director*)

**Registered Office**

10 Jalan Samulun  
Singapore 629124

10 April 2019

**To: The Shareholders of Baker Technology Limited**

Dear Sir/Madam,

**THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE**

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**1. INTRODUCTION**

The Directors are convening an EGM to be held on 26 April 2019 at 11.00 a.m. (or as soon as practicable immediately following the conclusion or adjournment of the AGM of the Company to be held at 10.00 a.m. on the same day and at the same place) to seek Shareholders' approval in relation to the proposed adoption of the Share Buyback Mandate, notice of which is set out on pages N-1 to N-3 of this Circular.

The purpose of this Circular is to provide Shareholders with information relating to, and to seek Shareholders' approval for, the proposed adoption of the Share Buyback Mandate.

The SGX-ST assumes no responsibility for the accuracy of any statements made or opinions expressed or reports contained in this Circular.

**2. THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE**

**2.1 Background**

The Companies Act allows a Singapore-incorporated company to purchase or otherwise acquire its issued Shares if the purchase or acquisition is permitted under the company's constitution. Any purchase or acquisition of Shares by the Company must be made in accordance with, and in the manner prescribed by, the Companies Act, the Constitution and such other laws and regulations as may for the time being be applicable. As the Company is listed on the Mainboard, it is also required to comply with Part XIII of Chapter 8 of the Listing Manual, which relates to share buybacks.

Article 7 of the Constitution empowers the Company to purchase or otherwise acquire any of its issued Shares.

It is a requirement under the Companies Act and Rule 881 of the Listing Manual that a company which wishes to purchase or otherwise acquire its own shares should obtain the approval of its shareholders to do so at a general meeting.

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## LETTER TO SHAREHOLDERS

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Accordingly, approval is being sought from Shareholders at the EGM for the proposed adoption of the Share Buyback Mandate. An ordinary resolution will be proposed, pursuant to which the Directors will be given the authority to exercise all powers of the Company to purchase its own Shares on the terms of the Share Buyback Mandate.

If approved by Shareholders at the EGM, the authority conferred by the Share Buyback Mandate will take effect from the date of the EGM and continue in force until the date on which the next AGM of the Company is held or as required by law to be held, whichever is earlier, unless prior thereto, Share Buyback have been carried out to the full extent mandated, or the authority conferred by the Share Buyback Mandate is revoked or varied by Shareholders in a general meeting.

### 2.2 Rationale for the Share Buyback Mandate

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

- (a) in managing the business of the Group, the management strives to improve Shareholders' value, *inter alia*, the return on equity of the Group. Share buybacks at the appropriate price level is one of the ways through which the return on equity of the Group may be enhanced;
- (b) Share buybacks allow the Company to mitigate short-term share price volatility and offset the effects of short-term speculation and bolster Shareholders' confidence;
- (c) Share buybacks will provide the Company with greater flexibility in managing its capital, share capital structure and maximising returns to its Shareholders. To the extent that the Company has surplus cash over and above its ordinary capital requirements, Share Buybacks provide the Directors a mechanism to facilitate the return of surplus cash in an expedient and cost-efficient manner;
- (d) The Share Buyback Mandate also enables the Company to hold Shares pursuant to the Share Buyback Mandate as treasury shares for the purposes of or, pursuant to any share-based incentive schemes it may implement from time to time; and
- (e) Directors may utilise Shares which are purchased or acquired, and held as treasury shares, to be sold for cash or transferred as consideration for the acquisition of shares in or assets of another company or assets of a person, which may be less dilutive than if new Shares were issued for this purpose.

If and when circumstances permit, the Directors will decide whether to effect the Share Buyback via market purchases or off-market purchases, after taking into account the amount of surplus cash available, the prevailing market conditions and the most cost-effective and efficient approach.

While the Share Buyback Mandate would authorise a purchase or acquisition of Shares up to the said 10% limit during the period referred to in paragraph 2.3(b) below, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buyback Mandate may not be carried out to the full 10% limit as authorised. In particular, the Directors will not effect the purchase or acquisition of the Shares to be made in circumstances which would have an adverse effect on the free float, liquidity, orderly trading of the Shares and/or financial position of the Group.

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## LETTER TO SHAREHOLDERS

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### 2.3 Terms of the Share Buyback Mandate

The authority and limitations placed on Share Buyback by the Company under the Share Buyback Mandate, if approved at the EGM, are summarised below:

(a) Maximum number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares that may be purchased or acquired pursuant to the Share Buyback Mandate is limited to that number of Shares representing not more than 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings), as at the date on which the ordinary resolution authorising the Share Buyback Mandate is passed (“**Approval Date**”), unless the Company has, at any time during the Relevant Period, reduced its share capital in accordance with the applicable provisions of the Companies Act, in which event the total number of issued Shares of the Company shall be taken to be the total number of issued Shares as altered after such capital reduction. For purposes of computing the 10% limit, any Shares which are held as treasury shares or subsidiary holdings will be disregarded.

For illustrative purposes only, on the basis of 202,877,948 Shares in issue (the Company does not currently hold any treasury shares or subsidiary holdings) as at the Latest Practicable Date and assuming no further Shares are issued and no Shares are held by the Company as treasury shares or as subsidiary holdings on or prior to the EGM, and that the Company does not reduce its share capital, not more than 20,287,794 Shares (representing 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at that date) may be purchased or acquired by the Company pursuant to the proposed Share Buyback Mandate during the Relevant Period when the Share Buyback Mandate is in force as referred to in paragraph 2.3(b) below.

(b) Duration of authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the Approval Date, up to the earlier of:

- (i) the date on which the next AGM of the Company is held or required by law or the Constitution to be held; or
- (ii) the date on which the authority conferred by the Share Buyback Mandate is varied or revoked by Shareholders in a general meeting; or
- (iii) the date on which the share purchases pursuant to the Share Buyback Mandate are carried out to the full extent mandated,

whichever is the earliest (the “**Relevant Period**”).

The Share Buyback Mandate may be renewed at each AGM or other general meeting of the Company.

(c) Manner of purchase of Shares

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

- (i) on-market purchases (“**Market Purchase**”), transacted on the SGX-ST through the ready market or, as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or



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## LETTER TO SHAREHOLDERS

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- (ii) off-market purchases (“**Off-Market Purchase**”) (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme as may be defined in Section 76C of the Companies Act.

In an Off-Market Purchase, the Directors may impose such terms and conditions, which are not inconsistent with the Share Buyback Mandate, the Listing Manual and the Companies Act, as they consider fit in the interests of the Company in connection with or in relation to an equal access scheme or schemes. Under the Companies Act, an equal access scheme must satisfy all of the following conditions:

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

In addition, the Listing Manual provides that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders which must contain at least the following information:

- (i) the terms and conditions of the offer;
  - (ii) the period and procedures for acceptances;
  - (iii) the reasons for the proposed Share Buyback;
  - (iv) the consequences, if any, of Share Buyback by the Company that will arise under the Take-over Code or other applicable takeover rules;
  - (v) whether the Share Buyback, if made, would have any effect on the listing of the Shares on the SGX-ST;
  - (vi) details of any Share Buyback (whether by way of Market Purchases or Off-Market Purchases in accordance with an equal access scheme) in the previous twelve (12) months, giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
  - (vii) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.
- (d) Maximum purchase price
- (i) The purchase price (excluding brokerage, commissions, stamp duties, applicable goods and services tax, clearance fees and other related expenses) to be paid for the Shares will be determined by the Directors.

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## LETTER TO SHAREHOLDERS

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(ii) However, the purchase price to be paid for a Share as determined by the Directors must not exceed:

- (1) in the case of a Market Purchase, 105% of the Average Closing Price (as defined hereinafter) of the Shares; and
- (2) in the case of an Off-Market Purchase, 120% of the Average Closing Price (as defined hereinafter) of the Shares,

(the “**Maximum Price**”) in either case, excluding related expenses of the Share Buyback.

(iii) For the above purposes:

“**Average Closing Price**” means the average of the closing market prices of the Shares over the last five (5) Market Days on which the Shares were transacted on the SGX-ST, immediately preceding the day of the Market Purchase or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after such five (5) Market Day period;

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

### 2.4 Status of Purchased Shares

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

Under the Companies Act, where Shares purchased or acquired by the Company are cancelled, the Company shall:

- (a) reduce the amount of its share capital where the Shares were purchased or acquired out of the capital of the Company;
- (b) reduce the amount of its profits where the Shares were purchased or acquired out of the profits of the Company; or
- (c) reduce the amount of its share capital and profits proportionately where the Shares were purchased or acquired out of both the capital and the profits of the Company,

by the total amount of the purchase price paid by the Company for the Shares cancelled, which shall include any expenses (including brokerage or commission) incurred directly in such purchase or acquisition of Shares.

All Shares purchased or acquired by the Company (other than treasury shares held by the Company to the extent permitted under the Companies Act) will be automatically delisted by the SGX-ST, and (where applicable) all certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase or acquisition.

At the time of each Share Buyback, the Company may decide whether the Shares purchased will be cancelled or held as treasury shares, or partly cancelled and partly kept as treasury shares, depending on the needs of the Company and as the Directors deem fit in the interests of the Company at that time.

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## LETTER TO SHAREHOLDERS

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### 2.5 Treasury Shares

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

(a) Maximum Holdings

The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares.

(b) Voting and Other Rights

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

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

(c) Disposal and Cancellation

Where Shares are held as treasury shares, the Company may at any time:

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

In addition, under the Listing Rules, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares. Such announcement must include details such as:

- (i) date of the sale, transfer, cancellation and/or use;
- (ii) purpose of such sale, transfer, cancellation and/or use;
- (iii) number of treasury shares sold, transferred, cancelled and/or used;
- (iv) number of treasury shares before and after such sale, transfer, cancellation and/or use;
- (v) percentage of the number of treasury shares against the total number of shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use; and
- (vi) value of the treasury shares if they are used for a sale or transfer, or cancelled.

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## LETTER TO SHAREHOLDERS

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### 2.6 Source of Funds

In purchasing or acquiring Shares, the Company may only apply funds legally available for such purchase in accordance with its Constitution and the applicable laws in Singapore. The Company may not purchase or acquire Shares for a consideration other than cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the Listing Manual. Share Buybacks by the Company may be made out of the Company's profits or capital so long as the Company is solvent.

The Company intends to use internal resources and/or external borrowings to fund the purchase or acquisition of Shares pursuant to the Share Buyback Mandate. The Directors do not propose to exercise the Share Buyback Mandate in a manner and to such extent that it would result in any material adverse effect on the working capital requirements and/or the gearing of the Group.

### 2.7 Financial Effects

Shareholders should note that the financial effects illustrated below are for illustration purposes only. In particular, it is important to note that the financial analysis set out below are based on the audited consolidated financial statements for FY2018 and are not necessarily representative of future financial performance of the Group. While the Share Buyback Mandate would authorise a purchase or acquisition of Shares up to the 10% limit, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buyback Mandate may not be carried out up to the full 10% limit as authorised.

It is not possible for the Company to realistically calculate or quantify the impact of purchases that may be made pursuant to the Share Buyback Mandate on the financial effects as it would depend on factors such as the aggregate number of Shares purchased or acquired, the purchase prices paid at the relevant time, and the amount (if any) borrowed by the Company to fund the purchases, whether the purchase or acquisition is made out of profits or capital, and whether the Shares purchased are held in treasury or cancelled. It should be noted that where the purchase or acquisition is made out of profits, the purchase price paid by the Company for the Shares (excluding brokerage, commissions, stamp duties, applicable goods and services tax, clearance fees and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. The NAV of the Company and of the Group will be reduced by the aggregate purchase price paid by the Company for the Shares. The financial effects presented in this section of the Circular are based on the assumptions set out below:

(a) Information as at the Latest Practicable Date

As at the Latest Practicable Date, the issued share capital of the Company comprised 202,877,948 Shares.

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## LETTER TO SHAREHOLDERS

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(b) Illustrative Financial Effects

**For illustrative purposes only**, based on the existing issued and paid-up share capital of the Company of 202,877,948 Shares, and assuming that the Company has no treasury shares and subsidiary holdings and no further Shares are issued on or prior to the EGM, not more than 20,287,794 Shares (representing approximately 10% of the Shares) may be purchased or acquired by the Company pursuant to the proposed Share Buyback Mandate.

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 20,287,794 Shares at the Maximum Price of S\$0.433 for each Share (being the price equivalent to 105% of the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the Mainboard immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 20,287,794 Shares is approximately S\$8,785,000.

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 20,287,794 Shares at the Maximum Price of S\$0.494 for each Share (being the price equivalent to 120% of the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the Mainboard immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 20,287,794 Shares is approximately S\$10,022,000.

**For illustrative purposes only** and on the basis of the assumptions set out above as well as the following:

- (i) the Share Buyback Mandate had been effective on 1 January 2018;
- (ii) the purchase or acquisition of Shares are funded solely by internal resources of the Group; and
- (iii) transaction costs incurred during the purchase and acquisition of Shares pursuant to the Share Buyback Mandate are assumed to be insignificant and have been ignored for the purpose of computing the financial effects,

the financial effects of:

- (aa) the acquisition of 10% of the issued shares of the Company by the Company in a Market Purchase or Off-Market Purchase pursuant to the Share Buyback Mandate by way of purchases made entirely out of capital and held as treasury shares ("**Scenario A**"); and
- (bb) the acquisition of 10% of the issued shares of the Company by the Company in a Market Purchase or Off-Market Purchase pursuant to the Share Buyback Mandate by way of purchases made entirely out of capital and cancelled ("**Scenario B**"),

on the audited consolidated financial results of the Group and the Company for FY2018, are set out below:

## LETTER TO SHAREHOLDERS

### **Scenario A – Purchases made entirely out of capital and held as treasury shares**

<b><u>As at 31 December 2018</u></b>	<b>Group</b>			
	<b>Market Purchase</b>		<b>Off-Market Purchase</b>	
	<b>Before Share Buyback S\$'000</b>	<b>After Share Buyback S\$'000</b>	<b>Before Share Buyback S\$'000</b>	<b>After Share Buyback S\$'000</b>
Profit/(Loss) Attributable to Owners of the Company	17,624	17,624	17,624	17,624
Share Capital	108,788	108,788	108,788	108,788
Retained Earnings	109,007	109,007	109,007	109,007
Other Reserve	3,034	3,034	3,034	3,034
Treasury Shares	–	(8,785)	–	(10,022)
Shareholders' Equity	220,829	212,044	220,829	210,807
Non-controlling Interest	55,280	55,280	55,280	55,280
Total Equity <sup>(1)</sup>	276,109	267,324	276,109	266,087
NAV <sup>(2)</sup>	220,829	212,044	220,829	210,807
Current Assets	61,811	53,026	61,811	51,789
Current Liabilities	18,858	18,858	18,858	18,858
Working Capital	42,953	34,168	42,953	32,931
Total Borrowings	12,514	12,514	12,514	12,514
Cash and Cash Equivalents	28,820	20,035	28,820	18,798
Number of Shares	202,877,948	182,590,154	202,877,948	182,590,154
<b><u>Financial Ratios</u></b>				
NAV per Share (cents) <sup>(2)</sup>	108.85	116.13	108.85	115.45
Gearing (times) <sup>(3)</sup>	0.05	0.05	0.05	0.05
Current Ratio (times) <sup>(4)</sup>	3.28	2.81	3.28	2.75
Basic EPS (cents) <sup>(5)</sup>	8.69	9.65	8.69	9.65

**Notes:**

- (1) Total equity equals shareholders' equity plus non-controlling interests.
- (2) NAV equals total equity less non-controlling interests. NAV per Share equals NAV divided by the number of Shares as at 31 December 2018.
- (3) Gearing equals total borrowings divided by total equity.
- (4) Current Ratio equals current assets divided by current liabilities.
- (5) Basic EPS equals profit attributable to owners of the Company divided by the weighted average number of Shares as at 31 December 2018.

## LETTER TO SHAREHOLDERS

<b>As at 31 December 2018</b>	<b>Company</b>			
	<b>Market Purchase</b>		<b>Off-Market Purchase</b>	
	<b>Before Share Buyback S\$'000</b>	<b>After Share Buyback S\$'000</b>	<b>Before Share Buyback S\$'000</b>	<b>After Share Buyback S\$'000</b>
Profit/(Loss) Attributable to Owners of the Company	(3,934)	(3,934)	(3,934)	(3,934)
Share Capital	108,788	108,788	108,788	108,788
Retained Earnings	86,362	86,362	86,362	86,362
Other Reserve	3,102	3,102	3,102	3,102
Treasury Shares	–	(8,785)	–	(10,022)
Shareholders' Equity	198,252	189,467	198,252	188,230
Non-controlling Interest	–	–	–	–
Total Equity <sup>(1)</sup>	198,252	189,467	198,252	188,230
NAV <sup>(2)</sup>	198,252	189,467	198,252	188,230
Current Assets	181,209	172,424	181,209	171,187
Current Liabilities	8,251	8,251	8,251	8,251
Working Capital	172,958	164,173	172,958	162,936
Total Borrowings	–	–	–	–
Cash and Cash Equivalents	14,575	5,790	14,575	4,553
Number of Shares	202,877,948	182,590,154	202,877,948	182,590,154
<b>Financial Ratios</b>				
NAV per Share (cents) <sup>(2)</sup>	97.72	103.77	97.72	103.09
Gearing (times) <sup>(3)</sup>	–	–	–	–
Current Ratio (times) <sup>(4)</sup>	21.96	20.90	21.96	20.75
Basic EPS (cents) <sup>(5)</sup>	(1.94)	(2.15)	(1.94)	(2.15)

**Notes:**

- (1) Total equity equals shareholders' equity plus non-controlling interests.
- (2) NAV equals total equity less non-controlling interests. NAV per Share equals NAV divided by the number of Shares as at 31 December 2018.
- (3) Gearing equals total borrowings divided by total equity.
- (4) Current Ratio equals current assets divided by current liabilities.
- (5) Basic EPS equals profit attributable to owners of the Company divided by the weighted average number of Shares as at 31 December 2018.

## LETTER TO SHAREHOLDERS

### **Scenario B – Purchases made entirely out of capital and cancelled**

<b>As at 31 December 2018</b>	<b>Group</b>			
	<b>Market Purchase</b>		<b>Off-Market Purchase</b>	
	<b>Before Share Buyback S\$'000</b>	<b>After Share Buyback S\$'000</b>	<b>Before Share Buyback S\$'000</b>	<b>After Share Buyback S\$'000</b>
Profit/(Loss) Attributable to Owners of the Company	17,624	17,624	17,624	17,624
Share Capital	108,788	100,003	108,788	98,766
Retained Earnings	109,007	109,007	109,007	109,007
Other Reserve	3,034	3,034	3,034	3,034
Treasury Shares	–	–	–	–
Shareholders' Equity	220,829	212,044	220,829	210,807
Non-controlling Interest	55,280	55,280	55,280	55,280
Total Equity <sup>(1)</sup>	276,109	267,324	276,109	266,087
NAV <sup>(2)</sup>	220,829	212,044	220,829	210,807
Current Assets	61,811	53,026	61,811	51,789
Current Liabilities	18,858	18,858	18,858	18,858
Working Capital	42,953	34,168	42,953	32,931
Total Borrowings	12,514	12,514	12,514	12,514
Cash and Cash Equivalents	28,820	20,035	28,820	18,798
Number of Shares	202,877,948	182,590,154	202,877,948	182,590,154
<b><u>Financial Ratios</u></b>				
NAV per Share (cents) <sup>(2)</sup>	108.85	116.13	108.85	115.45
Gearing (times) <sup>(3)</sup>	0.05	0.05	0.05	0.05
Current Ratio (times) <sup>(4)</sup>	3.28	2.81	3.28	2.75
Basic EPS (cents) <sup>(5)</sup>	8.69	9.65	8.69	9.65

**Notes:**

- (1) Total equity equals shareholders' equity plus non-controlling interests.
- (2) NAV equals total equity less non-controlling interests. NAV per Share equals NAV divided by the number of Shares as at 31 December 2018.
- (3) Gearing equals total borrowings divided by total equity.
- (4) Current Ratio equals current assets divided by current liabilities.
- (5) Basic EPS equals profit attributable to owners of the Company divided by the weighted average number of Shares as at 31 December 2018.



## LETTER TO SHAREHOLDERS

<b>As at 31 December 2018</b>	<b>Company</b>			
	<b>Market Purchase</b>		<b>Off-Market Purchase</b>	
	<b>Before Share Buyback</b>	<b>After Share Buyback</b>	<b>Before Share Buyback</b>	<b>After Share Buyback</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Profit/(Loss) Attributable to Owners of the Company	(3,934)	(3,934)	(3,934)	(3,934)
Share Capital	108,788	100,003	108,788	98,766
Retained Earnings	86,362	86,362	86,362	86,362
Other Reserve	3,102	3,102	3,102	3,102
Treasury Shares	–	–	–	–
Shareholders' Equity	198,252	189,467	198,252	188,230
Non-controlling Interest	–	–	–	–
Total Equity <sup>(1)</sup>	198,252	189,467	198,252	188,230
NAV <sup>(2)</sup>	198,252	189,467	198,252	188,230
Current Assets	181,209	172,424	181,209	171,187
Current Liabilities	8,251	8,251	8,251	8,251
Working Capital	172,958	164,173	172,958	162,936
Total Borrowings	–	–	–	–
Cash and Cash Equivalents	14,575	5,790	14,575	4,553
Number of Shares	202,877,948	182,590,154	202,877,948	182,590,154
<b>Financial Ratios</b>				
NAV per Share (cents) <sup>(2)</sup>	97.72	103.77	97.72	103.09
Gearing (times) <sup>(3)</sup>	–	–	–	–
Current Ratio (times) <sup>(4)</sup>	21.96	20.90	21.96	20.75
Basic EPS (cents) <sup>(5)</sup>	(1.94)	(2.15)	(1.94)	(2.15)

**Notes:**

- (1) Total equity equals shareholders' equity plus non-controlling interests.
- (2) NAV equals total equity less non-controlling interests. NAV per Share equals NAV divided by the number of Shares as at 31 December 2018.
- (3) Gearing equals total borrowings divided by total equity.
- (4) Current Ratio equals current assets divided by current liabilities.
- (5) Basic EPS equals profit attributable to owners of the Company divided by the weighted average number of Shares as at 31 December 2018.

The actual impact will depend on the number and price of the Shares purchased or acquired. As stated, the Directors do not propose to exercise the Share Buyback Mandate in a manner and to such extent that it would result in any material adverse effect on the working capital requirements and/or the gearing of the Group. Share Buyback will only be effected after considering relevant factors such as the working capital requirement, availability of financial resources, the expansion and investment plans of the Group, and prevailing market conditions. The proposed Share Buyback Mandate will be exercised with a view to enhance the EPS and/or NAV per Share of the Group.

**Shareholders should note that the financial effects set out above are based on the respective aforesaid assumptions and are only for illustrative purposes. The above analysis is based on historical figures for the financial year ended 31 December 2018 and is not necessarily representative of the Company's or the Group's future financial performance.**

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## LETTER TO SHAREHOLDERS

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### 2.8 Tax Implications

Shareholders who are in doubt as to their respective tax positions or tax implications of a Share Buyback by the Company or who may be subject to tax whether in or outside Singapore, should consult their own professional advisers.

### 2.9 Other Applicable Listing Rules

#### (a) Reporting Requirements

The Listing Rules specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST:

- (1) in the case of a Market Purchase, not later than 9.00 a.m. on the Market Day following the day of purchase or acquisition of any of its Shares; and
- (2) in the case of an Off-Market Purchase under an equal access scheme, not later than 9.00 a.m. on the second Market Day after the close of acceptances of the offer.

Such announcement (in the form of Appendix 8.3.1 to the Listing Manual) must include details of the total number of Shares purchased and the purchase price per Share or the highest and lowest prices paid for such Shares and any other information required under the Listing Rules, as applicable.

#### (b) Restrictions on Share Buybacks

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

Further, in line with the best practice guide on securities dealings issued by SGX-ST, the Company and its officers should not and will not deal in the Company’s securities during the period commencing two (2) weeks before the announcement of the Company’s results for each of the first three (3) quarters of the financial year and one (1) month before the announcement of the Company’s full year results, as the case may be, and ending on the date of announcement of the relevant results.

#### (c) Free Float

The Company is required under Rule 723 of the Listing Manual to ensure that at least 10% of the total number of issued Shares (excluding treasury shares, preference shares and convertible equity securities) are in the hands of the public. The “**public**”, as defined under the Listing Manual, are persons other than the Directors, Chief Executive Officer, Substantial Shareholders or Controlling Shareholders of the Company and its subsidiaries, as well as the Associate of such persons.

As at the Latest Practicable Date, 92,126,986 Shares, representing approximately 45.41% of the total number of issued Shares are held in the hands of the public. In the event that the Company should, pursuant to the Share Buyback Mandate, purchase or acquire its Shares up to the full 10% limit from the public, about 71,839,192 Shares representing 39.34% of the Shares (excluding treasury shares) would continue to be in the hands of the public.

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## LETTER TO SHAREHOLDERS

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Accordingly, the Company is of the view that there is, at present, a sufficient number of Shares in public hands which would permit the Company to undertake purchases of its Shares up to the full 10% limit pursuant to the Share Buyback Mandate without affecting the listing status of the Shares on the SGX-ST.

The Directors will endeavour to ensure that any purchase of Shares pursuant to the Share Buyback Mandate will not:

- (a) adversely affect the listing status of the Company on the SGX-ST;
- (b) cause market illiquidity; or
- (c) adversely affect the orderly trading of the Shares on the SGX-ST.

### 2.10 Take-Over Obligations

(a) Obligation to make a Take-over Offer

Pursuant to Appendix 2 of the Take-over Code, an increase of a Shareholder's proportionate interest in the voting rights of the Company as a result of any purchase or acquisition of Shares by the Company will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code ("**Rule 14**").

Under Rule 14, a Shareholder and persons acting in concert with the Shareholder will incur an obligation to make a mandatory take-over offer if, amongst others, he and persons acting in concert with him increase their voting rights in the Company to 30% or more or, if they, together holding between 30% and 50% of the Company's voting rights, increase their voting rights in the Company by more than 1% in any period of six (6) months.

(b) Persons Acting in Concert

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

Unless the contrary is established, the following persons, *inter alia*, will be presumed to be acting in concert:

- (i) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
- (ii) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the above companies, any company whose associated companies include any of the above companies and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the aforesaid companies for the purchase of voting rights. For this purpose, a company is an associated company of another company if the second company owns or controls at least 20% but not more than 50% of the voting rights of the first-mentioned company;
- (iii) a company with any of its pension funds and employee share schemes;
- (iv) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;

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## LETTER TO SHAREHOLDERS

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- (v) a financial or other professional adviser, including a stockbroker, with its clients in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser, and all the funds which the adviser manages on a discretionary basis, where the shareholding of the adviser and any of those funds in the client total 10% or more of the client's equity share capital;
- (vi) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer where they have reason to believe a bona fide offer for their company may be imminent;
- (vii) partners; and
- (viii) an individual, his close relatives, his related trusts, and any person who is accustomed to act according with the instructions of the individual and companies controlled by any of the above; and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.

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

(c) Effect of Rule 14 and Appendix 2 of the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors of the Company and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or if the voting rights of such Directors and their concert parties fall between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six (6) months.

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

As at the Latest Practicable Date, Dr Benety Chang and his spouse, Dr Doris Heng Chin Ngor each hold 87,003,837 and 19,151,771 Shares respectively, representing approximately 42.88% and 9.44% of the total issued share capital excluding treasury shares and subsidiary holdings respectively. Under the Take-over Code, Dr Benety Chang and Dr Doris Heng Chin Ngor are presumed to be parties acting in concert. In aggregate, they hold 106,155,608 Shares representing approximately 52.32% shareholding interest in the Company.

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## LETTER TO SHAREHOLDERS

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Based on the direct holdings of Shares of Dr Benety Chang and Dr Doris Heng Chin Ngor as at the Latest Practicable Date, and assuming that:

- (i) there is no change in their direct holdings of Shares between the Latest Practicable Date and the date of the EGM; and
- (ii) Dr Benety Chang and Dr Doris Heng Chin Ngor do not sell or otherwise dispose of their Shares,

their respective holdings of Shares as at the date of the EGM and after the purchase by the Company of ten per cent (10.00%) of the Shares excluding treasury shares and subsidiary holdings pursuant to the Share Buyback Mandate, where they are deemed cancelled, are as follows:

	Before Share Buyback		After Share Buyback	
	Number of Shares	%	Number of Shares	%
Dr Benety Chang	87,003,837	42.88	87,003,837	47.65
Dr Doris Heng Chin Ngor	19,151,771	9.44	19,151,771	10.49
<b>Total shareholding</b>	<b>106,155,608</b>	<b>52.32</b>	<b>106,155,608</b>	<b>58.14</b>

Therefore, as at the Latest Practicable Date, Dr Benety Chang and Dr Doris Heng Chin Ngor have a combined shareholding interest of approximately 52.32% in the Company and would not incur an obligation to make a mandatory general offer under Rule 14 and Appendix 2 of the Take-over Code to other Shareholders as a result of the Company purchasing or acquiring its Shares under the Share Buyback Mandate.

The Directors have confirmed that they are not aware of any facts or factors which suggest or imply that any particular person(s) and/or Shareholders who have to make a general offer to the other Shareholders as a result of a purchase of Shares by the Company pursuant to this proposed Share Buyback Mandate.

The statements in this Circular do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Take-over Code. Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Take-over Code as a result of any purchase or acquisition of Shares by the Company should consult their professional advisers and/or the Securities Industry Council at the earliest opportunity.

### 2.11 Details of Shares Bought by the Company in the Previous Twelve (12) Months

No Share Buyback has been made by the Company in the twelve (12) months preceding the Latest Practicable Date.

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## LETTER TO SHAREHOLDERS

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### 3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at the Latest Practicable Date, save as disclosed below, none of the Directors or Substantial Shareholders has any direct or deemed interest in the Shares of the Company:

	Direct Interest		Deemed Interest	
	Number of Shares	% <sup>(1)</sup>	Number of Shares	% <sup>(1)</sup>
<b>Directors</b>				
Lim Ho Seng	226,800	0.11	–	–
Jeanette Chang <sup>(2)</sup>	–	–	–	–
Dr Benety Chang <sup>(3)(4)</sup>	87,003,837	42.88	19,151,771	9.44
Tan Yang Guan	4,128,554	2.04	–	–
Wong Meng Yeng	–	–	–	–
Ang Miah Khiang	–	–	–	–
Han Sah Heok Vicky	100,000	0.05	–	–
<b>Substantial Shareholders</b>				
Dr Benety Chang <sup>(3)(4)</sup>	87,003,837	42.88	19,151,771	9.44
Dr Doris Heng Chin Ngor <sup>(3)(5)</sup>	19,151,771	9.44	87,003,837	42.88

**Notes:**

- (1) The percentage of issued share capital is calculated on the basis of 202,877,948 Shares, excluding any treasury shares, as at the Latest Practicable Date.
- (2) Jeanette Chang is the daughter of Dr Benety Chang.
- (3) Dr Doris Heng Chin Ngor is the spouse of Dr Benety Chang.
- (4) Dr Benety Chang is deemed interested in the 19,151,771 shares held by his spouse, Dr Doris Heng Chin Ngor.
- (5) Dr Doris Heng Chin Ngor is deemed interested in the 87,003,837 shares held by her spouse, Dr Benety Chang.

### 4. EXTRAORDINARY GENERAL MEETING

The EGM will be held at Nautica II, Level 2, Republic of Singapore Yacht Club, 52 West Coast Ferry Road, Singapore 126887 on 26 April 2019 at 11.00 a.m. (or or as soon as practicable immediately following the conclusion or adjournment of the AGM 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 any modifications, the ordinary resolution set out in the Notice of EGM.

### 5. DIRECTORS' RECOMMENDATIONS

Having considered, *inter alia*, the terms, rationale for and benefits of the proposed adoption of the Share Buyback Mandate, the Directors are of the view that the proposed adoption of the Share Buyback Mandate is in the best interests of the Company. Accordingly, they recommend that the Shareholders vote in favour of the ordinary resolution relating to the proposed adoption of the Share Buyback Mandate as set out in the Notice of EGM.

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## LETTER TO SHAREHOLDERS

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### 6. 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 adoption of the Share Buyback Mandate, 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.

### 7. 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 are requested to complete, sign and return the Proxy Form attached to the Notice of EGM in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company at 10 Jalan Samulun, Singapore 629124, not less than seventy-two (72) hours before the time fixed for the EGM.

The completion and lodgement of the Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM if he subsequently wishes to do so. However, any appointment of a proxy or proxies by such Shareholder shall be deemed to be revoked if the Shareholder attends the EGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the Proxy Form to the EGM.

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least seventy-two (72) hours before the time appointed for the EGM.

### 8. DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at 10 Jalan Samulun, Singapore 629124 during normal business hours from the date of this Circular up to and including the date of the EGM:

- (a) the Constitution; and
- (b) the Annual Report.

Yours faithfully  
For and on behalf of the Board of Directors of  
BAKER TECHNOLOGY LIMITED

Lim Ho Seng  
Chairman

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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**BAKER TECHNOLOGY LIMITED**  
(Unique Entity Number 198100637D)  
(Incorporated in the Republic of Singapore)

**NOTICE IS HEREBY GIVEN** that an Extraordinary General Meeting of Baker Technology Limited (the “Company”) will be held at Nautica II, Level 2, Republic of Singapore Yacht Club, 52 West Coast Ferry Road, Singapore 126887 on Friday, 26 April 2019 at 11.00 a.m., (or as soon as practicable immediately 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 following resolution as an Ordinary Resolution:

**ORDINARY RESOLUTION:**

**THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE**

That :

- (a) for the purposes of the Companies Act (Chapter 50) of Singapore (the “**Companies Act**”), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company (“**Shares**”) not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:
- (i) on-market purchases (“**Market Purchase(s)**”) transacted on the SGX-ST through the SGX-ST trading system, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
  - (ii) off-market purchases (“**Off-Market Purchase(s)**”) (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Act;

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Companies Act and the Listing Manual as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Buyback Mandate**”);

- (b) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:
- (i) the date on which the next annual general meeting of the Company is held or required by law to be held;
  - (ii) the date on which purchases and acquisitions of Shares pursuant to the Share Buyback Mandate are carried out to the full extent mandated; and
  - (iii) the date on which the authority contained in the Share Buyback Mandate is varied or revoked,
- whichever is the earliest;



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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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(c) In this Resolution:

**“Maximum Limit”** means that number of Shares representing ten percent (10%) of the total issued Shares of the Company (excluding any treasury shares and subsidiary holdings) as at the date of the passing of this Resolution, unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period (as hereafter defined), in which event the total number of Shares of the Company shall be taken to be the total number of Shares of the Company as altered after such capital reduction (excluding any treasury shares and subsidiary holdings that may be held by the Company from time to time);

**“Relevant Period”** means the period commencing from the date on which the last annual general meeting of the Company was held and expiring on the date of the next annual general meeting of the Company is held or is required to be held, or the date on which the purchases of the Shares are carried out to the full extent mandated, whichever is earlier, unless prior to that, it is varied or revoked by resolution of the shareholders of the Company in general meeting;

**“Maximum Price”** in relation to a Share to be purchased, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) not exceeding:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price; and
- (ii) in the case of an Off-Market Purchase, 120% of the Average Closing Price,

where:

**“Average Closing Price”** means the average of the closing market prices of the Shares over the last five (5) Market Days, on which transactions in the Shares were recorded, immediately preceding the day on which the purchase or acquisition of Shares was made or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5) Market Days; and

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

**“Market Day”** means a day on which the SGX-ST is open for trading in securities;

(d) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated by this Resolution.

### BY ORDER OF THE BOARD

Nga Ko Nie  
Company Secretary

Singapore, 10 April 2019

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## NOTICE OF EXTRAORDINARY GENERAL MEETING

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### NOTES:

1. A member of the Company (other than a Relevant Intermediary\*) entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint not more than two proxies to attend and vote in his/her behalf. A member 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 member of the Company.
2. A Relevant Intermediary\* may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him/her (which number and class of shares shall be specified.)
3. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 10 Jalan Samulun, Singapore 629124, not less than 72 hours before the time appointed for holding the Extraordinary General Meeting.

\* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act, Chapter 19 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act, Chapter 289 of Singapore, and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act, Chapter 36 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

### PERSONAL DATA PRIVACY:

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

# BAKER TECHNOLOGY LIMITED

(Unique Entity Number 198100637D)  
(Incorporated in the Republic of Singapore)

## IMPORTANT

1. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investor") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.
2. This Proxy Form is not valid for use by CPF and SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

## PROXY FORM

(Please read notes overleaf before completing this Form)

\*I/We \_\_\_\_\_ (Name) \_\_\_\_\_ (NRIC/Passport/RegistrationNo.)

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

being a \*member/members of **Baker Technology Limited** (the "**Company**") hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

\*and/or

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing \*him/her/them, the Chairman of the Extraordinary General Meeting (the "**Meeting**") of the Company as \*my/our \*proxy/proxies to vote for \*me/us on \*my/our behalf, and if necessary, to demand a poll at the Meeting of the Company to be held at Nautica II, Level 2, Republic of Singapore Yacht Club, 52 West Coast Ferry Road, Singapore 126887 on Friday, 26 April 2019 at 11.00 a.m. (or as soon as practicable immediately 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. \*I/We direct \*my/our \*proxy/proxies to vote for or against the Ordinary Resolution to be proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and any adjournment thereof, the \*proxy/proxies will vote or abstain from voting at \*his/her/their discretion.

(Voting will be conducted by poll. If you wish to exercise your votes "For" or "Against", please indicate with a [✓] within the box provided. Alternatively, please indicate the number of votes as appropriate.)

As Ordinary Resolution	For	Against
To approve the proposed adoption of the Share Buyback Mandate		

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2019

Total No. of Shares	No. of Shares
CDP Register	
Register of Members	

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

\* Delete where applicable.

All capitalised terms used in this Proxy Form which are not defined herein shall, unless the context otherwise requires, have the same meanings ascribed to them in the Company's Circular to Shareholders dated 10 April 2019.

**NOTES:**

1. Please insert the total number of shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), 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 Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.
2. A member of the Company (other than a Relevant Intermediary\*), entitled to attend and vote at a Meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her behalf. A proxy need not be a member of the Company.
3. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 10 Jalan Samulun, Singapore 629124, not less than 72 hours before the time for holding the Meeting.
4. Where a member (other than a Relevant Intermediary\*) appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.
5. A Relevant Intermediary\* may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him/her (which number or class of shares shall be specified).
6. Subject to note 9, completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
7. The Instrument appointing the proxy or proxies must be under the hand of the appointer or of his attorney duly authorised in writing. Where the Instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an attorney or duly authorised officer. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument. file:///file/id=6571367.142484639
8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore, and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
9. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or Supplementary Retirement Scheme ("SRS Investor") (as may be applicable) may attend and cast his/her vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as his/her proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.

\*A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act (Chapter 19 of Singapore), or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Chapter 289 of Singapore), and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act (Chapter 36 of Singapore), in respect of shares purchased under the subsidiary legislation made under the Central Provident Fund Act (Chapter 36 of Singapore), providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

**GENERAL:**

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

**PERSONAL DATA PRIVACY:**

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 10 April 2019.