

CIRCULAR DATED 5 SEPTEMBER 2017

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

If you have sold or transferred all your shares in the capital of KOP Limited (“**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 in the capital of the Company represented by physical share certificate(s), you should immediately forward this Circular to the purchaser, transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Circular has been prepared by the Company and its contents have been reviewed by the Company’s Sponsor, RHT Capital Pte. Ltd. (the “**Sponsor**”), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the “**Exchange**”). The Sponsor has not independently verified the contents of this Circular.

This Circular has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Circular.

The contact person for the Sponsor is Mr. Khong Choun Mun, Registered Professional, RHT Capital Pte. Ltd., Six Battery Road, #10-01, Singapore 049909, (65) 6381 6757.

KOP LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200415164G)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- (A) THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE; AND**
- (B) THE PROPOSED CHANGE OF AUDITORS OF THE COMPANY FROM DELOITTE & TOUCHE LLP TO ERNST & YOUNG LLP**

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	18 September 2017 at 12.00 p.m.
Date and time of Extraordinary General Meeting	:	21 September 2017 at 12.00 p.m. (or such time immediately following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 11.00 a.m. on the same day and at the same place)
Place of Extraordinary General Meeting	:	25 Tai Seng Avenue #01-01 KOP Building Singapore 534104

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DEFINITIONS

For the purposes of this Circular, the following definitions apply throughout where the context admits:

“ACRA”	:	Accounting and Corporate Regulatory Authority of Singapore
“Audit and Risk Committee”	:	The audit and risk committee of the Company as at the date of this Circular, unless otherwise stated
“Auditors”	:	The auditors of the Company as appointed from time to time
“Board”	:	The Board of Directors of the Company
“Catalist”	:	The sponsor-supervised listing platform of the SGX-ST
“Catalist Rules”	:	The SGX-ST Listing Manual Section B: Rules of Catalist, as amended, modified or supplemented from time to time
“CDP”	:	The Central Depository (Pte) Limited
“Circular”	:	This Circular to Shareholders dated 5 September 2017 in relation to the proposed renewal of the Share Purchase Mandate and the Proposed Change of Auditors
“Company”	:	KOP Limited
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore, as may be amended or modified from time to time
“Constitution”	:	The existing constitution of the Company, as may be amended or modified from time to time
“Directors”	:	The directors of the Company as at the date of this Circular
“EGM”	:	The extraordinary general meeting of the Company to be convened on 21 September 2017
“EPS”	:	Earnings per Share
“Group”	:	The Company and its subsidiaries
“Latest Practicable Date”	:	25 August 2017, being the latest practicable date prior to the printing of this Circular
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“NTA”	:	Net tangible assets
“Personal Data Protection Act”	:	Personal Data Protection Act 2012 (No. 26 of 2012), as may be amended or modified from time to time
“Proposed Change of Auditors”	:	The proposed change of Auditors from Deloitte & Touche LLP to Ernst & Young LLP
“Regulation(s)”	:	Regulation(s) of the Constitution
“ROE”	:	Return on equity

DEFINITIONS

“ <i>Securities Account</i> ”	:	The securities accounts maintained by a Depositor with CDP, but does not include a securities sub-account maintained with a Depository Agent
“ <i>Securities and Futures Act</i> ”	:	Securities and Futures Act, Chapter 289 of Singapore, as may be amended or modified from time to time
“ <i>SGX-ST</i> ”	:	Singapore Exchange Securities Trading Limited
“ <i>Share Purchase</i> ”	:	The purchase or acquisition by the Company of its own Shares pursuant to the Share Purchase Mandate
“ <i>Share Purchase Mandate</i> ”	:	The general mandate to enable the Company to purchase or otherwise acquire its issued Shares
“ <i>Shareholders</i> ”	:	Registered holders of Shares except that where the registered holder of CDP, the term “ Shareholders ” shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register and whose Securities Accounts maintained with CDP are credited with the Shares
“ <i>Shares</i> ”	:	Ordinary shares in the capital of the Company
“ <i>Subsidiary Holdings</i> ”	:	Shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act
“ <i>Substantial Shareholder</i> ”	:	A person who has an interest or interests in one or more voting shares in the Company, and the total votes attached to that share, or those shares, is not less than 5% of the total votes attached to all the voting shares in the Company
“ <i>Take-over Code</i> ”	:	The Singapore Code on Take-overs and Mergers, as may be amended or modified from time to time
“ <i>S\$</i> ” and “ <i>cents</i> ”	:	Singapore dollars and cents, respectively
“ <i>%</i> ”	:	percentage or per centum

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act. The term “**treasury shares**” shall have the meaning ascribed to it in the Companies Act. For the purpose of the Catalist Rules, treasury shares will be excluded from references to “issued share capital”, and “equity securities”, and for the calculation of market capitalisation and public float where referred to in the Rules.

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 the neuter genders and *vice versa*. References to persons shall, where applicable, include corporations and limited liability partnerships.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Companies Act, Securities and Futures Act, the Catalist Rules, the Take-over Code or any statutory modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act, Securities and Futures Act, the Catalist Rules, the Take-over Code or any statutory modification thereof, as the case may be, unless otherwise provided.

DEFINITIONS

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

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

LETTER TO SHAREHOLDERS

KOP LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200415164G)

Directors:

Ms Ong Chih Ching (*Executive Chairman and Executive Director*)
Ms Leny Suparman (*Group Chief Executive Officer and Executive Director*)
Mr Ko Chuan Aun (*President and Executive Director*)
Mr Lee Kiam Hwee (*Lead Independent Director*)
Dr Ho Kah Leong @ Ho Kah Leung (*Independent Director*)
Mrs Yu-Foo Yee Shoon (*Independent Director*)

Registered Office:

25 Tai Seng Avenue
#06-01
KOP Building
Singapore 534104

5 September 2017

To: The Shareholders of KOP Limited

Dear Sir/Madam

- (A) THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE; AND**
- (B) THE PROPOSED CHANGE OF AUDITORS OF THE COMPANY FROM DELOITTE & TOUCHE LLP TO ERNST & YOUNG LLP.**

1. INTRODUCTION

- 1.1 The Directors refer to the Notice of EGM dated 5 September 2017 issued by the Company for the purpose of convening the EGM to be held at 25 Tai Seng Avenue #01-01 KOP Building Singapore 534104 on Thursday, 21 September 2017 at 12.00 p.m. (or such time immediately following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 11.00 a.m. on the same day and at the same place) to seek Shareholders' approval for, *inter alia*, the following:
- (a) the proposed renewal of the Share Purchase Mandate; and
 - (b) the Proposed Change of Auditors.
- 1.2 The purpose of this Circular is to provide Shareholders with information relating to the proposed renewal of the Share Purchase Mandate and the Proposed Change of Auditors to be tabled at the EGM.
- 1.3 The Sponsor and the SGX-ST assume no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Circular.

2. THE SHARE PURCHASE MANDATE

2.1 Background

The Companies Act allows a Singapore-incorporated company to purchase or otherwise acquire its issued ordinary shares, stocks and preference shares if the purchase or acquisition is permitted under the company's constitution. Any purchase or acquisition of Shares by the Company would have to be made in accordance with, and in the manner prescribed by, the Companies Act, the Catalist Rules and such other laws and regulations as may for the time being be applicable. As the Company is listed on Catalist, it is also required to comply with Part XI of Chapter 8 of the Catalist Rules, which relates to the purchase or acquisition by an issuer of its own shares.

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Regulation 20 expressly permits the Company to purchase its issued Shares. However, any Share which is purchased or acquired by the Company shall, unless held as treasury shares to the extent permitted under the Companies Act, be deemed cancelled immediately on purchase or acquisition.

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

At the annual general meeting of the Company convened on 28 July 2016, Shareholders had approved the renewal of the Share Purchase Mandate. The Share Purchase Mandate will expire on the date of the forthcoming annual general meeting or the date by which the annual general meeting is required by law to be held, whichever is earlier. Accordingly, the Directors propose that the Share Purchase Mandate be renewed at the forthcoming EGM.

If Shareholders of the Company approve the renewal of the Share Purchase Mandate, the Share Purchase Mandate will take effect from the date of the EGM and continue in force until the date on which the next annual general meeting of the Company is held or required by law to be held, unless prior thereto, Share Purchases are carried out to the full extent mandated or the Share Purchase Mandate is revoked or varied by Shareholders in general meeting. Subject to its continued relevance to the Company, the Share Purchase Mandate may be put to Shareholders for renewal at each subsequent annual general meetings of the Company.

2.2 Rationale for the Share Purchase Mandate

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

- (a) in line with international practice, the Share Purchase Mandate will provide the Company with greater flexibility in managing its capital and maximising return to its Shareholders. To the extent that the Company has capital and surplus funds which are in excess of its financial needs, taking into account its growth and expansion plans, the Share Purchase Mandate will facilitate the return of excess cash and surplus funds to Shareholders in an expedient, effective and cost-efficient manner;
- (b) in managing its business, the Group strives to increase Shareholders' value by improving, *inter alia*, the ROE and a share purchase is one way by which the ROE may be enhanced;
- (c) Share purchases may help mitigate short-term market volatility in the Company's share price, offset the effects of short-term speculation and bolster Shareholders' confidence;
- (d) all things being equal, purchases or acquisitions of Shares pursuant to the Share Purchase Mandate will result in a lower number of issued Shares being used for the purpose of computing EPS, if the purchased Shares are subsequently cancelled. Therefore, Share Purchases will improve the Company's EPS, which in turn is expected to have a positive impact on the fundamental value of the Shares; and
- (e) the Share Purchase Mandate will provide the Company with the flexibility to undertake share repurchases at any time, subject to market conditions, during the period when the Share Purchase Mandate is in force.

The purchase or acquisition of Shares will only be undertaken if it can benefit the Company and Shareholders. Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full limit as authorised. No purchase or acquisition of Shares will be made in circumstances which would have or may have a material adverse effect on the liquidity and capital adequacy position of the Group as a whole.

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2.3 Authority and Limits of the Share Purchase Mandate

The authority and limitations placed on purchases or acquisitions of Shares by the Company under the Share Purchase Mandate are summarised below:

2.3.1 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 which may be purchased or acquired by the Company pursuant to the Share Purchase Mandate shall not exceed ten per cent (10%) of the total number of issued Shares of the Company (excluding treasury shares and Subsidiary Holdings) as at the date on which the resolution authorising the Share Purchase Mandate is passed.

2.3.2 Duration of Authority

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

- (a) the date on which the next annual general meeting of the Company is held or required by law to be held;
- (b) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate are carried out to the full extent mandated; or
- (c) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by Shareholders in general meeting.

The Share Purchase Mandate may be renewed at each annual general meeting or other general meetings of the Company.

2.3.3 Manner of Purchases or Acquisitions of Shares

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

- (a) on-market purchase(s) ("**Market Purchase**"), transacted on Catalist through the ready market or the special trading counter on SGX-ST trading system, through one or more duly licensed stock brokers appointed by the Company for the purpose; and/or
- (b) off-market purchase(s) ("**Off-Market Purchase**") effected pursuant to an equal access scheme as defined in Section 76C of the Companies Act and the Catalist Rules.

The Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Catalist Rules and the Companies Act, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes.

An Off-Market Purchase must, however, satisfy all the following conditions:

- (i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (ii) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made; and

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- (iii) the terms of all the offers shall be the same, except that there shall be disregarded:
 - (aa) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;
 - (bb) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid (if applicable); and
 - (cc) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

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

- (1) the terms and conditions of the offer;
- (2) the period and procedures for acceptances;
- (3) the reasons for the proposed Share Purchases;
- (4) the consequences, if any, of Share Purchases by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (5) whether the Share Purchases, if made, could affect the Company's equity securities on Catalist;
- (6) details of any Share Purchases made by the Company in the previous 12 months (whether Market Purchase or Off-Market Purchase), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the Share Purchases, where relevant, and the total consideration paid for the Share Purchases; and
- (7) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

2.3.4 Purchase Price

The purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors. The purchase price to be paid for the Shares as determined by the Directors must not exceed:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price of the Shares,

in each case, excluding related expenses of the purchase, or acquisition (the "**Maximum Price**").

For the above purposes:

"**Average Closing Price**" means the average of the closing market prices of a Share over the last five (5) Market Days on which the Shares are transacted on the SGX-ST immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer (as defined below) pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five-day period; and

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“**date of the making of the offer**” means the date on which the Company makes an offer for the purchase or acquisition of Shares from holder of Shares, stating therein the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.4 Status of Purchased Shares

Pursuant to Regulation 20, Shares purchased or acquired by the Company pursuant to the Share Purchase Mandate, unless held as treasury shares to the extent permitted under the Companies Act, will be deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Shares will expire on such cancellation). 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.

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 de-listed by the SGX-ST, and 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.

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 in Paragraphs 2.5.1 to 2.5.3 below.

2.5.1 Maximum Holdings

The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares excluding treasury share and Subsidiary Holdings as at the date of the resolution passed by Shareholders for the Share Purchase.

2.5.2 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 shares into treasury shares of a greater or smaller number is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before, as the case may be.

2.5.3 Disposal and Cancellation

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

- (a) sell the treasury shares for cash;
- (b) transfer the treasury shares for the purposes of or pursuant to any share scheme, whether for its employees, directors or other persons;
- (c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the treasury shares; or

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- (e) 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 Catalist Rules, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares and/or Subsidiary Holdings. Such announcement must include details such as the date of the sale, transfer, cancellation and/or use of such treasury shares and/or Subsidiary Holdings, the purpose of such sale, transfer, cancellation and/or use of such treasury shares and/or Subsidiary Holdings, the number of treasury shares and/or Subsidiary Holdings which have been sold, transferred, cancelled and/or used, the number of treasury shares and/or Subsidiary Holdings before and after such sale, transfer, cancellation and/or use, the percentage of the number of treasury shares and/or Subsidiary Holdings against the total number of issued shares (of the same class as the treasury shares) which are listed before and after such sale, transfer, cancellation and/or use and the value of the treasury shares if they are used for a sale or transfer, or cancelled.

2.6 Source of Funds

The Company intends to use internal sources of funds, external borrowings or a combination of internal resources and external borrowings to finance the purchases or acquisition of the Shares.

The Directors do not propose to exercise the Share Purchase Mandate in such a manner and to such an extent that the liquidity and capital adequacy position of the Group would be materially and adversely affected.

2.7 Solvency Test

The Companies Act permits any purchase or acquisition of shares to be made out of the company's capital or profits so long as the company is solvent. For this purpose, a company is solvent if at the date of the payment, the following conditions are satisfied:

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

2.8 Financial Effects

The financial effects arising from a purchase or acquisition of Shares pursuant to the Share Purchase Mandate on the Company and the Group will depend on, *inter alia*, whether the Shares are purchased or acquired out of profits and/or capital of the Company, the number of Shares purchased or acquired, the consideration paid for such Shares and whether the Shares purchased or acquired are held in treasury or cancelled. The financial effect on the audited financial statements of the Company and the Group will depend, *inter alia*, on the factors set out below:

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2.8.1 Purchase or Acquisition out of Profits and/or Capital

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's profits and/or capital so long as the Company is solvent.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding brokerage, commission, applicable goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

When Shares are purchased or acquired, and cancelled, the Company shall reduce the amount of its profits and share capital proportionately where the Shares were purchased or acquired out of both the profits and the capital of the Company, by the total amount of the consideration paid by the Company for the Shares cancelled.

2.8.2 Number of Shares Acquired or Purchased

Based on 886,369,771 issued Shares as at the Latest Practicable Date and assuming no further Shares are issued on or prior to the EGM, the purchase or acquisition by the Company of up to the maximum limit of 10% of its issued Shares will entail a purchase or acquisition of 88,636,977 Shares.

2.8.3 Maximum Price Paid for Shares Acquired or Purchased

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 88,636,977 Shares at the Maximum Price of S\$0.067 per Share (being the price equivalent to 5% above the Average Closing Price of the Shares for the five consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 88,636,977 Shares is approximately S\$5.9 million (excluding brokerage, commission, applicable goods and services tax and other related expenses).

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 88,636,977 Shares at the Maximum Price of S\$0.077 per Share (being the price equivalent to 20% above the Average Closing Price of the Shares for the five consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 88,636,977 Shares is approximately S\$6.8 million (excluding brokerage, commission, applicable goods and services tax and other related expenses).

2.8.4 Illustrative Financial Effects

For illustrative purposes only, based on the assumptions set out above and the audited financial statements of the Company and the Group for the financial year ended 31 March 2017, and assuming that (i) Share Purchases are made to the extent aforesaid; (ii) such Share Purchases are funded wholly by internal resources within the Group; and (iii) the Company had purchased 88,636,977 Shares on 31 March 2017 by way of:-

- (a) Share Purchases made entirely out of capital and cancelled;
- (b) Share Purchases made entirely out of profits and cancelled;
- (c) Share Purchases made entirely out of capital and held as treasury shares; and
- (d) Share Purchases made entirely out of profits and held as treasury shares,

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the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate on the audited financial statements of the Company and Group for the financial year ended 31 March 2017 would have been as follows:

(A) Purchases made entirely out of capital and cancelled

	GROUP			COMPANY		
	Before Share Purchase	After Market Purchase	After Off-Market Purchase	Before Share Purchase	After Market Purchase	After Off-Market Purchase
As at 31 March 2017	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Share capital	67,861	61,922	61,036	283,427	277,488	276,602
Reserves	27,878	27,878	27,878	(113,186)	(113,186)	(113,186)
Total Shareholders' equity⁽¹⁾	95,739	89,800	88,914	170,241	164,302	163,416
NTA ⁽²⁾	95,238	89,299	88,413	170,241	164,302	163,416
Current Assets	63,021	57,082	56,196	27,860	21,921	21,035
Current Liabilities	41,902	41,902	41,902	5,019	5,019	5,019
Total borrowings	33,954	33,954	33,954	-	-	-
Net profit/(loss) attributable to Shareholders	1,194	1,194	1,194	(3,326)	(3,326)	(3,326)
Number of Shares (in '000)						
Issued and paid-up capital	886,370	797,733	797,733	886,370	797,733	797,733
Financial Ratios						
NTA per Share (cents) ⁽³⁾	10.74	11.19	11.08	19.21	20.60	20.49
Gearing ratio (times) ⁽⁴⁾	0.35	0.38	0.38	-	-	-
Current ratio (times) ⁽⁵⁾	1.50	1.36	1.34	5.55	4.37	4.19
EPS (cents)	0.13	0.15	0.15	(0.38)	(0.42)	(0.42)

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(B) Purchases made entirely out of profits and cancelled

	GROUP			COMPANY		
	Before Share Purchase S\$'000	After Market Purchase S\$'000	After Off-Market Purchase S\$'000	Before Share Purchase S\$'000	After Market Purchase S\$'000	After Off-Market Purchase S\$'000
As at 31 March 2017						
Share capital	67,861	67,861	67,861	283,427	283,427	283,427
Reserves	27,878	21,939	21,053	(113,186)	(119,125)	(120,011)
Total Shareholders' equity⁽¹⁾	95,739	89,800	88,914	170,241	164,302	163,416
NTA ⁽²⁾	95,238	89,299	88,413	170,241	164,302	163,416
Current Assets	63,021	57,082	56,196	27,860	21,921	21,035
Current Liabilities	41,902	41,902	41,902	5,019	5,019	5,019
Total borrowings	33,954	33,954	33,954	-	-	-
Net profit/(loss) attributable to Shareholders	1,194	1,194	1,194	(3,326)	(3,326)	(3,326)
Number of Shares (in '000)						
Issued and paid-up capital	886,370	797,733	797,733	886,370	797,733	797,733
Financial Ratios						
NTA per Share (cents) ⁽³⁾	10.74	11.19	11.08	19.21	20.60	20.49
Gearing ratio (times) ⁽⁴⁾	0.35	0.38	0.38	-	-	-
Current ratio (times) ⁽⁵⁾	1.50	1.36	1.34	5.55	4.37	4.19
EPS (cents)	0.13	0.15	0.15	(0.38)	(0.42)	(0.42)

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(C) Purchases made entirely out of capital and held as treasury shares

	GROUP			COMPANY		
	Before Share Purchase S\$'000	After Market Purchase S\$'000	After Off-Market Purchase S\$'000	Before Share Purchase S\$'000	After Market Purchase S\$'000	After Off-Market Purchase S\$'000
As at 31 March 2017						
Share capital	67,861	67,861	67,861	283,427	283,427	283,427
Reserves	27,878	27,878	27,878	(113,186)	(113,186)	(113,186)
Treasury shares	-	(5,939)	(6,825)	-	(5,939)	(6,825)
Total Shareholders' equity⁽¹⁾	95,739	89,800	88,914	170,241	164,302	163,416
NTA ⁽²⁾	95,238	89,299	88,413	170,241	164,302	163,416
Current Assets	63,021	57,082	56,196	27,860	21,921	21,035
Current Liabilities	41,902	41,902	41,902	5,019	5,019	5,019
Total borrowings	33,954	33,954	33,954	-	-	-
Net profit/(loss) attributable to Shareholders	1,194	1,194	1,194	(3,326)	(3,326)	(3,326)
Number of Shares (in '000)						
Issued and paid-up capital	886,370	797,733	797,733	886,370	797,733	797,733
Financial Ratios						
NTA per Share (cents) ⁽³⁾	10.74	11.19	11.08	19.21	20.60	20.49
Gearing ratio (times) ⁽⁴⁾	0.35	0.38	0.38	-	-	-
Current ratio (times) ⁽⁵⁾	1.50	1.36	1.34	5.55	4.37	4.19
EPS (cents)	0.13	0.15	0.15	(0.38)	(0.42)	(0.42)

LETTER TO SHAREHOLDERS

(D) Purchases made entirely out of profits and held as treasury shares

	GROUP			COMPANY		
	Before Share Purchase S\$'000	After Market Purchase S\$'000	After Off-Market Purchase S\$'000	Before Share Purchase S\$'000	After Market Purchase S\$'000	After Off-Market Purchase S\$'000
As at 31 March 2017						
Share capital	67,861	67,861	67,861	283,427	283,427	283,427
Reserves	27,878	27,878	27,878	(113,186)	(113,186)	(113,186)
Treasury shares	-	(5,939)	(6,825)	-	(5,939)	(6,825)
Total Shareholders' equity⁽¹⁾	95,739	89,800	88,914	170,241	164,302	163,416
NTA ⁽²⁾	95,238	89,299	88,413	170,241	164,302	163,416
Current Assets	63,021	57,082	56,196	27,860	21,921	21,035
Current Liabilities	41,902	41,902	41,902	5,019	5,019	5,019
Total borrowings	33,954	33,954	33,954	-	-	-
Net profit/(loss) attributable to Shareholders	1,194	1,194	1,194	(3,326)	(3,326)	(3,326)
Number of Shares (in '000)						
Issued and paid-up capital	886,370	797,733	797,733	886,370	797,733	797,733
Financial Ratios						
NTA per Share (cents) ⁽³⁾	10.74	11.19	11.08	19.21	20.60	20.49
Gearing ratio (times) ⁽⁴⁾	0.35	0.38	0.38	-	-	-
Current ratio (times) ⁽⁵⁾	1.50	1.36	1.34	5.55	4.37	4.19
EPS (cents)	0.13	0.15	0.15	(0.38)	(0.42)	(0.42)

Notes:

- Total shareholders' equity exclude non-controlling interests.
- NTA refers to net assets less intangible assets.
- NTA per Share is computed based on the NTA (i.e., net assets less intangible assets) divided by the number of Shares issued.
- Gearing ratio equals to total borrowings divided by shareholders' equity.
- Current ratio equals to current assets divided by current liabilities.

Shareholders should note that the financial effects, based on the respective aforementioned assumptions, are for illustrative purposes only. In particular, it is important to note that it is not possible for the Company to realistically calculate or quantify the impact of purchases or acquisitions that may be made pursuant to the Share Purchase Mandate on the NTA per Share and EPS as the resultant effect would depend on the factors such as the aggregate number of Shares purchased, the purchase price paid at the relevant time, and the amount (if any) borrowed by the Company to fund the purchases or acquisitions. The above analysis is based on historical numbers as at 31 March 2017, and is not necessarily representative of future financial performance.

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It should also be noted that purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate would only be made in circumstances where it is considered to be in the best interest of the Company, and the purchases or acquisitions of Shares may not be carried out to the full 10% as mandated. Further, the Directors would emphasise that they do not propose to carry out Share Purchases to such an extent that would, or in circumstances that might, result in a material adverse effect on the financial position of the Company or the Group, or results in the Company being delisted from the SGX-ST. The Company will take into account both financial and non-financial factors (for example, share market conditions and the performance of the Shares) in assessing the relative impact of a Share Purchase before execution.

2.9 **Catalist Rules**

The Catalist Rules specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m.:

- (a) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares; and
- (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer.

Such announcement (which must be in the form of Appendix 8D to the Catalist Rules) must include the details of the date of the purchase, the total number of shares purchased, the number of shares cancelled, the number of shares held as treasury shares, the purchase price per share or the highest and lowest prices paid for such shares, as applicable, and the total consideration (including stamp duties and clearing charges) paid or payable for the shares, the number of shares purchased as at the date of announcement (on a cumulative basis), the number of issued shares excluding treasury shares and the number of treasury shares held after the purchase.

The Catalist Rules does not expressly prohibit any purchase or acquisition of its own shares by a listed company during any particular time or times. However, as the 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 Purchase Mandate at any time after a price-sensitive development has occurred or has been the subject of a decision of the Directors until such time as the price-sensitive information has been publicly announced or disseminated in accordance with the requirements of the Catalist Rules.

In particular, the Company would not purchase or acquire any Share through Market Purchases during the period of one (1) month immediately preceding the announcement of the Company’s full-year results and the period of two (2) weeks before the announcement of the first quarter, second quarter and third quarter results of the financial year.

Rule 723 of the Catalist Rules requires a listed company to ensure that at least 10% of any class of its listed securities (excluding treasury shares, preference shares and convertible equity securities) must be held by public shareholders. As at the Latest Practicable Date, approximately 30.03% of the issued Shares are held by public shareholders. Accordingly, the Company is of the view that there is a sufficient number of Shares in issue held by public Shareholders which would permit the Company to undertake purchases or acquisitions of its Shares through Market Purchases up to the full 10% limit pursuant to the Share Purchase Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to affect orderly trading.

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2.10 Reporting Requirements under the Companies Act

Within 30 days of the passing of a Shareholders' resolution to approve any purchase or acquisition of Shares by the Company, the Company shall lodge a copy of such resolution with ACRA. The Company shall notify ACRA within 30 days of a purchase or acquisition of Shares on Catalist or otherwise. Such notification shall include details of the purchase, including the date of the purchase or acquisition, the total number of Shares purchased or otherwise acquired by the Company, the number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued ordinary share capital before the purchase or acquisition of Shares and after the purchase or acquisition of Shares, the amount of consideration paid by the Company for the purchase or acquisition, whether the Shares were purchased or acquired out of the profits or the capital of the Company and such other particulars as may be required by ACRA.

Within 30 days of the cancellation or disposal of treasury shares in accordance with the provisions of the Companies Act, the Directors shall lodge with ACRA the notice of cancellation or disposal of treasury shares in the prescribed form.

2.11 Take-over Implications

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

2.11.1 Obligation to make a take-over offer

If, as a result of any purchase or acquisition by the Company of its Shares, a Shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of the Take-over Code. If such increase results in the change of effective control, or, as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code.

2.11.2 Persons Acting in Concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, 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 will be presumed to be acting in concert:

- (a) a company with its parent company, subsidiaries, fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights;
- (b) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trusts;
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund in respect of the investment account which such person manages on a discretionary basis;

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- (e) a financial or other professional adviser, including a stockbroker, with its client 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 shareholdings of the adviser and any of those funds in the client total 10% or more of the client's equity share capital;
- (f) directors of a company, together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts, which is subject to an offer or where the directors have reason to believe a *bona fide* offer for their company may be imminent;
- (g) partners; and
- (h) an individual, his close relatives, his related trusts, any person who is accustomed to act according to his instructions, companies controlled by any of the foregoing persons and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons and/or entities for the purchase of voting rights.

For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status.

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.

2.11.3 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 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 issued Shares, the voting rights of such Directors and the persons acting in concert with them would increase to 30% or more, or in the event that such Directors and the persons acting in concert with them hold between 30% and 50% of the Company's voting rights, if the voting rights of such Directors and the persons acting in concert with them would increase by more than 1% in any period of six months. In calculating the percentage of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

Under Appendix 2 of the Take-over Code, a Shareholder who is 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 months. Such a Shareholder need not abstain from voting in respect of the ordinary resolution authorising the Share Purchase Mandate.

Shareholders are advised to consult their professional advisers and/or the Securities Industry Council at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any Share purchases by the Company.

2.11.4 Concert Party Group

KOP Group Pte. Ltd. is a controlling shareholder of the Company, and Ong Chih Ching, Leny Suparman, Ong Siew Tin Geraldine, Jin Lu and Low Kheng Hong @ Lau Kheng Hong are considered to be parties acting in concert with KOP Group Pte. Ltd. (collectively, the "Concert Party Group").

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As at the Latest Practicable Date, the shareholdings of the Concert Party Group are set out below:

Concert Party Group	Direct Interest (No. of Shares)	Deemed Interest (No. of Shares)	Total Interest ⁽⁶⁾	
			No. of Shares	%
KOP Group Pte. Ltd.	-	428,571,428 ⁽¹⁾	428,571,428	48.35
Ong Chih Ching	1,100,000	493,247,143 ⁽²⁾	494,347,143	55.77
Leny Suparman	1,000,000	459,257,142 ⁽³⁾	460,257,142	51.93
Ong Siew Ting Geraldine	7,000,000	-	7,000,000	0.79
Jin Lu	-	18,125,238 ⁽⁴⁾	18,125,238	2.04
Low Kheng Hong @ Lau Kheng Hong	14,150,262	1,645,000 ⁽⁵⁾	15,795,262	1.78

Notes:

- (1) KOP Group Pte. Ltd. is deemed to be interested in 428,571,428 Shares held through United Overseas Bank Nominees (Private) Limited.
- (2) Ong Chih Ching is deemed to be interested in 428,571,428 Shares held by KOP Group Pte. Ltd. by virtue of Section 7 of the Companies Act, 64,175,715 Shares held through United Overseas Bank Nominees (Private) Limited and 500,000 Shares held through Citibank Nominees Singapore Pte Ltd.
- (3) Leny Suparman is deemed to be interested in 428,571,428 Shares held by KOP Group Pte. Ltd. by virtue of Section 7 of the Companies Act and 30,685,714 Shares held through United Overseas Bank Nominees (Private) Limited.
- (4) Jin Lu is deemed to be interested in 18,125,238 Shares held through DBS Nominees (Private) Limited.
- (5) Low Kheng Hong @ Lau Kheng Hong is deemed to be interested in 1,645,000 Shares held through Citibank Nominees Singapore Pte Ltd.
- (6) As a percentage of the total number of issued Shares as at the Latest Practicable Date comprising 886,369,771 Shares.

As at the Latest Practicable Date, the Concert Party Group has an aggregate interest in 566,953,357 Shares, which is equivalent to 63.96% of the total voting rights of the Company. As their aggregated interest is more than 50% of the total voting rights of the Company, the Share Purchase Mandate, even if exercised in full, will not result in either of them incurring an obligation to make a general offer under Rule 14 and Appendix 2 of the Take-over Code.

Based on the above information and the Register of Directors' Shareholdings as at the Latest Practicable Date, none of the Directors will become obligated to make a mandatory offer in the event that the Company purchases the maximum number of 88,636,977 Shares under the Share Purchase Mandate.

Based on the Register of Substantial Shareholders of the Company as at the Latest Practicable Date, the Directors are not aware of any Substantial Shareholder who may become obligated to make a mandatory offer in the event that the Company purchases the maximum number of 88,636,977 Shares under the Share Purchase Mandate.

2.12 Shares bought by the Company in the Past Twelve Months

The Company has not bought back any Shares by way of Market Purchase in the last twelve months preceding the Latest Practicable Date.

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3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

Based on the Register of Directors' and the Register of Substantial Shareholders, as at the Latest Practicable Date, the shareholding interests of the Directors and the Substantial Shareholders are set out below:

	Before Share Purchase				After Share Purchase
	Direct Interest (No. of Shares)	Deemed Interest (No. of Shares)	Total Interest ⁽⁵⁾		Total Interest ⁽⁶⁾
Directors				No. of Shares	%
Ong Chih Ching	1,100,000	493,247,143 ⁽¹⁾	494,347,143	55.77	61.97
Leny Suparman	1,000,000	459,257,142 ⁽²⁾	460,257,142	51.93	57.70
Ko Chuan Aun	1,900,500	-	1,900,500	0.21	0.24
Lee Kiam Hwee	-	-	-	-	-
Ho Kah Leong @ Ho Kah Leung	-	-	-	-	-
Yu-Foo Yee Shoon	-	-	-	-	-
Substantial Shareholders (other than the Directors)					
KOP Group Pte. Ltd.	-	428,571,428 ⁽³⁾	428,571,428	48.35	53.72
Wang Xuan	-	53,000,000 ⁽⁴⁾	53,000,000	5.98	6.64

Notes:

- (1) Ong Chih Ching is deemed to be interested in 428,571,428 Shares held by KOP Group Pte. Ltd. by virtue of Section 7 of the Companies Act, 64,175,715 Shares held through United Overseas Bank Nominees (Private) Limited and 500,000 Shares held through Citibank Nominees Singapore Pte Ltd.
- (2) Leny Suparman is deemed to be interested in 428,571,428 Shares held by KOP Group Pte. Ltd. by virtue of Section 7 of the Companies Act and 30,685,714 Shares held through United Overseas Bank Nominees (Private) Limited.
- (3) KOP Group Pte. Ltd. is deemed to be interested in 428,571,428 Shares held through United Overseas Bank Nominees (Private) Limited.
- (4) Wang Xuan is deemed to be interested in 53,000,000 Shares held through UOB Kay Hian Private Limited.
- (5) As a percentage of the total number of issued Shares as at the Latest Practicable Date comprising 886,369,771 Shares.
- (6) As a percentage of the total number of issued Shares comprising 797,732,794 Shares (assuming that the Company purchases the maximum number of 88,636,977 Shares under the Share Purchase Mandate).

Save as disclosed in this Circular, the Directors and the Substantial Shareholders of the Company do not have any interest, whether direct or indirect, in the Shares.

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4. THE PROPOSED CHANGE OF AUDITORS OF THE COMPANY FROM DELOITTE & TOUCHE LLP TO ERNST & YOUNG LLP

4.1 Background and Rationale

At the last annual general meeting of the Company held on 28 July 2016, Deloitte & Touche LLP was re-appointed as auditors of the Company to hold office until the close of the next annual general meeting of the Company. Deloitte & Touche LLP has been the auditors of the Group since 23 February 2005.

Amidst an environment of rising costs and increasing uncertainty in the economy, the Group is conducting an ongoing review of its business. As part of ongoing good corporate governance, the Directors are of the view that a change of auditors would enable the Company to benefit from fresh perspectives and views of another professional audit firm and also enhance the value of the audit. A renewal of this nature is also indicative of the Company's efforts to ensure that there would be no actual or perceived issues of independence of auditors for good corporate governance.

The Audit and Risk Committee, having considered, *inter alia*, the number of staff in the audit engagement team, the seniority of the audit team members and the involvement of the incoming auditors, are of the opinion that Ernst & Young LLP is well suited to meet the existing needs and audit requirements of the Group and is likely to enhance the value of the audit. The audit will be performed in accordance with the Singapore Standards on Auditing, with the scope of the audit determined based on materiality levels.

In consideration of the abovementioned factors and the audit quality indicators introduced by ACRA when evaluating and selecting the new auditors, the Audit and Risk Committee is of the view that the quality and scope of the audit to be undertaken will be at least similar, if not more stringent, than the previous year. The Company has also considered the relevant experience and profile of the clientele of Ernst & Young LLP and the engagement partner.

As part of the rotation of the auditors, the Company will, at the forthcoming EGM, propose to appoint Ernst & Young LLP as its new auditors in place of Deloitte & Touche LLP. Ernst & Young LLP had given their consent to act as auditors of the Company subject to their internal clearance on client's acceptance on 24 August 2017. The change of auditors is subject to approval of the Shareholders at the EGM of the Company, and upon approval being obtained by the Shareholders for the Proposed Change of Auditors, Ernst & Young LLP will hold office until the conclusion of the next annual general meeting.

The Board wishes to express its appreciation for the past services rendered by Deloitte & Touche LLP.

The ordinary resolution for the Shareholders to approve the Proposed Change of Auditors is set out in the Notice of EGM.

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4.2 Requirements under Rule 712 of the Catalist Rules

The Audit and Risk Committee has reviewed and deliberated, and after taking into consideration the suitability of Ernst & Young LLP and compliance with the Catalist Rules, has recommended the Proposed Change of Auditors.

The Directors have taken into account the Audit and Risk Committee's recommendation and considered various factors including, *inter alia*, the adequacy of the resources and experience of Ernst & Young LLP, the audit engagement partner assigned to the audit, the other audit engagements of Ernst & Young LLP, the size and complexity of the Group, the number and experience of supervisory and professional staff assigned to the audit of the Company and the Group, and are of the opinion that Ernst & Young LLP will be able to meet the audit requirements of the Group.

In accordance with the requirements of Rule 712(3) of the Catalist Rules, the Company confirms that:

- (i) Deloitte & Touche LLP has confirmed, by way of its letter dated 31 August 2017 to Ernst & Young LLP, that other than the matters which have been qualified and described in its auditor's report dated 28 August 2017, it is not aware of any professional reasons why Ernst & Young LLP should not accept the appointment as auditors of the Company;
- (ii) there were no disagreements with Deloitte & Touche LLP on accounting treatments within the last 12 months prior to the date of this Circular;
- (iii) it is not aware of any circumstances connected with the Proposed Change of Auditors that should be brought to the attention of the Shareholders which has not been disclosed in this Circular;
- (iv) the specific reasons for the Proposed Change of Auditors are disclosed in section 4.1 of this Circular; and
- (v) it is in compliance with Rules 712 and 715 of the Catalist Rules in relation to the appointment of Ernst & Young LLP as Auditors.

4.3 Requirements under Rule 715 of the Catalist Rules

As at the date of this Circular, Deloitte & Touche LLP has not completed the audit of the Company's Singapore incorporated subsidiaries, and it is unlikely for the audit to be completed by the EGM. As a result, Deloitte & Touche LLP will continue as the auditors of the Company's Singapore incorporated subsidiaries until such time when the audit is completed.

Upon such completion, the Company will appoint Ernst & Young LLP as auditors of its Singapore incorporated subsidiaries.

4.4 Information about Ernst & Young LLP

Ernst & Young LLP is one of the world's big four accounting firms and a global leader in assurance, tax, transactions and advisory services. In Singapore, Ernst & Young LLP has a history of 128 years, with over 140 partners and close to 2,900 people offering assurance, tax, transaction and advisory services to a wide-ranging clientele base consisting of multinational companies, private companies and public sector organisations. The Singapore firm is part of an integrated Asia-Pacific Area, which comprises over 29,000 people in 22 countries.

For more information about Ernst & Young LLP, its core values and services are provided at Ernst & Young LLP's website at: <http://www.ey.com/sg/en/>

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The engagement partner-in-charge from Ernst & Young LLP will be Mr. Wong Yew Chung. He has more than 17 years of audit experience in providing audit and assurance services to a variety of clients, including public companies listed on the SGX-ST and clients in the hospitality business. Mr. Wong Yew Chung is also a practising member of the Institute of Singapore Chartered Public Accountants.

4.5 Audit and Risk Committee's Confirmation

The Audit and Risk Committee has reviewed the Proposed Change of Auditors and recommends the change of the Company's auditors to Ernst & Young LLP after taking into account the suitability and independence of Ernst & Young LLP to meet the audit requirements of the Group, the various factors set out in section 4.1 of this Circular and compliance with the requirements of the Catalist Rules.

The Audit and Risk Committee also confirms that it is satisfied that the continuing appointment of Deloitte & Touche LLP until the completion of the audit of the Company's Singapore incorporated subsidiaries will not compromise the standard and effectiveness of the audit of the Company.

5. TAX IMPLICATIONS

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

6. DIRECTORS' RECOMMENDATION

6.1 Share Purchase Mandate

The Directors are of the opinion that the proposed renewal of the Share Purchase Mandate is in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the proposed renewal of the Share Purchase Mandate to be proposed at the EGM.

6.2 Proposed Change of Auditor

Having fully considered, *inter alia*, the background and rationale and the recommendation of the Audit and Risk Committee and other information set out in section 4 of this Circular, the Directors are of the opinion that the Proposed Change of Auditors is in the best interests of the Company and Shareholders. Accordingly, the Board recommends that Shareholders vote in favour of the ordinary resolution in respect of the Proposed Change of Auditors at the EGM.

The Board also confirms that it is satisfied that the continuing appointment of Deloitte & Touche LLP until the completion of the financial accounts of the Company's Singapore incorporated subsidiaries will not compromise the standard and effectiveness of the audit of the Company.

7. DIRECTORS' RESPONSIBILITY STATEMENT

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

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8. EXTRAORDINARY GENERAL MEETING

The EGM will be held at 25 Tai Seng Avenue #01-01 KOP Building Singapore 534104 on Thursday, 21 September 2017 at 12.00 p.m. (or such time immediately following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 11.00 a.m. on the same day and at the same place), for the purpose of considering and, if thought fit, passing with or without modification, the ordinary resolutions as set out in the Notice of EGM.

9. ACTIONS 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, may 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 25 Tai Seng Avenue #06-01 KOP Building Singapore 534104, not less than 72 hours before the time fixed for the EGM. The completion and return of the proxy form by a Shareholder will not prevent him from attending and voting at the EGM, if he wishes to do so, in place of his proxy.

A Depositor shall not be entitled to attend and vote at the EGM unless he is shown to have Shares of the Company entered against his name in the Depository Register as at 72 hours before the time fixed for holding the EGM, as certified by CDP to the Company.

10. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the office of the Company's registered office at 25 Tai Seng Avenue #06-01 KOP Building Singapore 534104, during normal business hours from the date hereof up to and including the date of the EGM:

- (a) the Constitution of the Company;
- (b) the annual report of the Company for the financial year ended 31 March 2017;
- (c) consent to act as Auditors from Ernst & Young LLP dated 24 August 2017; and
- (d) professional clearance letter in respect of the Company issued by Deloitte & Touche LLP to Ernst & Young LLP dated 31 August 2017.

Yours faithfully
For and on behalf of the Board of Directors of
KOP LIMITED

Ong Chih Ching
Executive Chairman and Executive Director

NOTICE OF EXTRAORDINARY GENERAL MEETING

KOP LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200415164G)

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (“**EGM**”) of KOP Limited (the “**Company**”) will be held at 25 Tai Seng Avenue #01-01 KOP Building Singapore 534104 on Thursday, 21 September 2017 at 12.00 p.m. (or immediately after the conclusion or adjournment of the Annual General Meeting of the Company to be held at 11.00 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 following ordinary resolution:

ORDINARY RESOLUTION 1: THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

THAT:

- (a) for the purposes of Section 76C and 76E of the Companies Act, Chapter 50 (the “**Companies Act**”), the exercise by the directors of the Company (“**Directors**”) 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 Percentage (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:
- (i) on-market purchase(s) (each a “**Market Purchase**”), transacted on Catalist Board (“**Catalist**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”); and/or
 - (ii) off-market purchase(s) (each an “**Off-Market Purchase**”) effected otherwise than on Catalist in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Listing Manual (Section B: Rules of Catalist) of the SGX-ST (“**Catalist Rules**”) and the Companies Act, and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Purchase Mandate**”);
- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Purchase 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 the purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate are carried out to the full extent mandated;
 - (iii) the date on which the authority conferred by the Share Purchase Mandate is varied or revoked by Shareholders in general meeting;

- (c) in this Resolution:

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

“**Date of the making of the offer**” means the date on which the Company makes an offer for the purchase or acquisition of Shares from holder of Shares, stating therein the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

NOTICE OF EXTRAORDINARY GENERAL MEETING

“**Maximum Percentage**” means that number of issued Shares representing 10% of the total number of issued Shares as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares as at that date); and

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

- (i) in the case of a Market Purchase of a Share, 105% of the Average Closing Price of the Shares; and
 - (ii) in the case of an Off-Market Purchase of a Share, 120% of the Average Closing Price of the Shares;
- (d) the Directors 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 and/or authorised by this Resolution.

ORDINARY RESOLUTION 2: THE PROPOSED CHANGE OF AUDITORS

THAT:

- (a) Ernst & Young LLP having consented to act, be and is hereby appointed as auditors of the Company in place of Deloitte & Touche LLP to hold office until the conclusion of the next annual general meeting at a remuneration to be agreed between the Directors and Ernst & Young LLP; and
- (b) the Directors of the Company and each of them be and are hereby authorised to do all such acts and things (including, without limitation, executing all such documents as may be required) as they or he may consider expedient or necessary or in the interests of the Company to give effect to the Proposed Change of Auditors and/or this Resolution.

By Order of the Board

Shirley Tan Sey Liy
Company Secretary
Singapore, 5 September 2017

Explanatory Notes on the Proposed Renewal of the Share Purchase Mandate:

The Company intends to use internal sources of funds, external borrowings or a combination of internal resources and external borrowings to finance the purchases or acquisition of the Shares.

The amount of financing required for the Company to purchase or acquire its Shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as this will depend on the number of Shares purchased or acquired and the price at which such Shares were purchased or acquired. The financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate on the audited financial statements of the Company and the Group for the financial year ended 31 March 2017 are set out in the Paragraph 2.8 of the Circular.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. (a) A member who is not a Relevant Intermediary entitled to attend and vote at the Extraordinary General Meeting (the “**Meeting**”) is entitled to appoint not more than two proxies to attend and vote in his/her stead.

(b) A member who is 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 (which number and class of shares shall be specified).

(c) “Relevant Intermediary” has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50.
2. Where a member appoints two proxies, he shall specify the proportion of his shareholding to be represented by each proxy in the instrument appointing the proxies.
3. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. The appointment of proxy must be executed under seal or the hand of its duly authorised officer or attorney in writing.
4. The instrument appointing a proxy must be deposited at the registered office of the Company at 25 Tai Seng Avenue #06-01 KOP Building Singapore 534104 not less than seventy-two (72) hours before the time appointed for the Meeting.
5. A proxy need not be a member of the Company.

Personal Data Privacy

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

KOP LIMITED

(Company Registration No. 200415164G)
(Incorporated In Singapore)

IMPORTANT:

1. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investors") (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 see notes overleaf before completing this Form)

I/We, _____ (Name) NRIC /Passport No./Co. Registration No. _____

of _____ (Address)

being *a member/members of **KOP LIMITED** (the "Company"), hereby appoint:

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

*and/or (delete as appropriate)

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

as my/our proxy/proxies* to attend and vote for me/us* on my/our* behalf at the Extraordinary General Meeting (the "Meeting") of the Company to be held at 25 Tai Seng Avenue #01-01 KOP Building Singapore 534104 on Thursday, 21 September 2017 at 12.00 p.m. (or such time immediately following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 11.00 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 Resolutions 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 at any adjournment thereof, the proxy/proxies* will vote or abstain from voting at his/her* discretion.

No.	Resolutions relating to:	No. of Votes 'For'***	No. of Votes 'Against'***
1	Renewal of the Share Purchase Mandate		
2	Appointment of Messrs Ernst & Young LLP as Auditors		

* Delete where inapplicable

**If you wish to exercise all your votes 'For' or 'Against', please tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2017

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

Signature of Member
and/or, Common Seal of Corporate Shareholder

IMPORTANT: Please read notes overleaf



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, 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 who is not a Relevant Intermediary entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member who is not 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.
4. A member who is 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 (which number and class of shares shall be specified).
5. 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.
6. The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 25 Tai Seng Avenue #06-01 KOP Building Singapore 534104 not less than seventy-two (72) hours before the time appointed for the Meeting.
7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
8. A corporation which is a member 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.
9. An investor who holds shares under the Central Provident Fund Investment Scheme (“**CPF Investor**”) and/or the Supplementary Retirement Scheme (“**SRS Investors**”) (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.

* A Relevant Intermediary is:

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

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at seventy-two (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 5 September 2017.

