

CIRCULAR DATED 22 APRIL 2014

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

Unless otherwise stated, capitalised terms on this cover are defined in this Circular under the section entitled “**Definitions**”.

If you have sold all your ordinary shares in the capital of Ley Choon Group Holdings Limited (the “**Company**”), please forward this Circular, the Notice of Extraordinary General Meeting and the attached Proxy Form immediately to the purchaser or to the stockbroker, bank or agent through whom the sale or transfer was effected for onward transmission to the purchaser.

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

The approval-in-principle of the SGX-ST for the listing and quotation of the Conversion Shares is not to be taken as an indication of the merits of the Proposed Issue of Conversion Rights, the Conversion Shares, the Company and/or its subsidiaries.



LEY CHOON GROUP HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 198700318G)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- (A) MASTER MURABAHA FACILITY AGREEMENT (AS DEFINED HEREIN); AND**
- (B) THE PROPOSED ISSUE OF UP TO 77,760,498 CONVERSION SHARES TO THE ISLAMIC BANK OF ASIA LIMITED AT THE CONVERSION PRICE OF S\$0.1929 FOR EACH CONVERSION SHARE (ASSUMING NO ADJUSTMENT IS MADE TO THE CONVERSION PRICE) UPON THE CONVERSION OF A CONVERSION RIGHT PURSUANT TO THE MASTER MURABAHA FACILITY AGREEMENT.**

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	5 May 2014 at 2:00 p.m.
Date and time of Extraordinary General Meeting	:	7 May 2014 at 2:00 p.m.
Place of Extraordinary General Meeting	:	The Conference Room, No. 4 Sungei Kadut Street 2, Sungei Kadut Industrial Estate, Singapore 729226

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DEFINITIONS

In this Circular, the following definitions apply throughout except where the context otherwise requires:

- “Act” or “Companies Act”* : The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
- “Authorisations”* : (a) an authorisation, consent, approval, resolution, licence, exemption, filing, notarisation, lodgement or registration; or
(b) in relation to anything which will be fully or partially prohibited or restricted by law or regulation, if a government or any governmental agency, semi-governmental or judicial entity or authority (including, without limitation, any stock exchange or any self-regulatory organisation established under any law or regulation) intervenes or acts in any way within a specified period after lodgement, filing, registration or notification, the expiry of that period without intervention or action
- “CDP”* : The Central Depository (Pte) Limited
- “Circular”* : This circular dated 22 April 2014 to the Shareholders
- “Commodities”* : In relation to a Purchase Contract, the *Sharia* compliant commodities specified in the Offer Letter relating to that Purchase Contract, which may comprise London Metal Exchange metals, platinum group metals or such other metals or *Sharia* compliant commodities traded on the London Metal Exchange or any other metal or commodity exchange
- “Commodity Buyer”* : A buyer to whom the Company may sell Commodities in connection with the Murabaha Facility, being Condor Trade Limited as at the date of the Master Murabaha Facility Agreement, and includes any New Commodity Buyer
- “Commodity Seller”* : A vendor from whom the Commodity Agent shall purchase Commodities in connection with the Murabaha Facility, being DD & Co Limited as at the date of the Master Murabaha Facility Agreement, and includes any New Commodity Seller
- “Company” or “Ley Choon”* : Ley Choon Group Holdings Limited
- “Conversion Date”* : Has the meaning ascribed to it in Section 3 of this Circular
- “Conversion Period”* : Has the meaning ascribed to it in Section 3 of this Circular
- “Conversion Price”* : Has the meaning ascribed to it in Section 3 of this Circular
- “Conversion Right”* : The right of the Bank (or its nominee) to convert any outstanding amount of the Deferred Sale Price in respect of a Purchase Contract into Conversion Shares at any time during the Conversion Period at the Conversion Price
- “Conversion Shares”* : The new Shares to be issued and allotted by the Company following the exercise of the Conversion Right by the Bank (or its nominee) during the Conversion Period

<i>“Deferred Sale Price”</i>	:	In relation to a Purchase Contract, the amount payable by the Company to the Bank for the purchase of Commodities under the Purchase Contract and calculated in accordance with the terms and subject to the conditions of the Master Murabaha Facility Agreement
<i>“Directors” or “Board”</i>	:	The board of directors of the Company for the time being
<i>“Discharge”</i>	:	In relation to the Liabilities, the Bank being satisfied that all Liabilities have been fully and irrevocably paid or discharged and all commitments of the Bank in respect of the Liabilities have expired or been cancelled.
<i>“EGM”</i>	:	The extraordinary general meeting of the Company, notice of which is set out on page 24 of this Circular
<i>“EPS”</i>	:	Earnings per Share
<i>“Facility Limit”</i>	:	The facility limit of the Murabaha Facility being as of the Latest Practicable Date, Singapore Dollars fifteen million (S\$15,000,000)
<i>“Finance Documents”</i>	:	means: <ul style="list-style-type: none"> (a) the Master Murabaha Facility Agreement; (b) the Shareholders’ Undertaking; (c) when entered into, the documents constituting each Purchase Contract; and (d) any other document designated as such by the Bank and the Company
<i>“FY2013”</i>	:	Financial year ending 31 December 2013
<i>“Group”</i>	:	The Company and its subsidiaries
<i>“IB Asia” or the “Bank” or the “Commodity Agent”</i>	:	The Islamic Bank of Asia Limited
<i>“Latest Practicable Date”</i>	:	16 April 2014, being the latest practicable date prior to the printing of this Circular
<i>“Liabilities”</i>	:	All present and future moneys, debts and liabilities due, owing or incurred by the Company, Zheng Choon or a Major Shareholder to the Bank under or in connection with any Finance Document, (in each case, whether alone or jointly, or jointly and severally, with any other person, whether actually or contingently, and whether as principal, surety or otherwise)
<i>“Listing Manual”</i>	:	The listing manual of the SGX-ST and its relevant rule(s), as may be amended or modified from time to time
<i>“Major Shareholders”</i>	:	Collectively, Mr Toh Choo Huat, Mr Toh Chew Leong, Mr Toh Swee Kim and Mr Toh Chew Chai who are brothers
<i>“Master Murabaha Facility Agreement”</i>	:	The Master Murabaha Facility Agreement entered into between the Company and IB Asia on 13 February 2014 for the provision of the Murabaha Facility as supplemented and amended by the amendment agreement entered into between the Company and IB Asia on 15 April 2014

<i>“Murabaha Facility”</i>	:	The Murabaha Facility of up to Singapore Dollars fifteen million (S\$15,000,000.00) to be provided by the Bank to the Company, in accordance with and subject to the conditions of the Master Murabaha Facility Agreement
<i>“New Commodity Buyer”</i>	:	Has the meaning ascribed to it in Paragraph 2.1 of this Circular
<i>“New Commodity Seller”</i>	:	Has the meaning ascribed to it in Paragraph 2.1 of this Circular
<i>“NTA”</i>	:	Net tangible assets
<i>“Offer Letter”</i>	:	An offer in writing from the Bank to the Company (offering to enter into a Purchase Contract) substantially in the form set out in the Master Murabaha Facility Agreement
<i>“Periodic Deferred Payment Date”</i>	:	In relation to a Purchase Contract, the date falling three (3) months after the Transaction Date for that Purchase Contract and each date falling three (3) months thereafter, ending on the Termination Date, each as set out in the Offer Letter applicable to that Purchase Contract
<i>“Periodic Profit Payment Date”</i>	:	In relation to a Purchase Contract, the date falling three (3) months after the Transaction Date for that Purchase Contract and each date falling three (3) months thereafter, ending on the Termination Date, each as set out in the Offer Letter applicable to that Purchase Contract
<i>“Proposed Issue of Conversion Rights”</i>	:	Has the meaning ascribed to it in Section 1 of this Circular
<i>“Purchase Contract”</i>	:	Each agreement for the sale by the Bank of Commodities and the purchase of those Commodities by the Company on deferred payment terms pursuant to the Master Murabaha Facility Agreement
<i>“Purchase Price”</i>	:	The amount payable or paid by the Bank to the Commodity Seller for the purchase of Commodities by the Bank as specified in the relevant Offer Letter
<i>“Registration Date”</i>	:	The date the relevant Conversion Shares are credited to the Bank’s (or its nominee) account with the CDP or it is registered as such in the Company’s register of Shareholders
<i>“Relevant Commodities”</i>	:	The Commodities identified in the relevant Purchase Contracts concluded pursuant to the provisions of the Master Murabaha Facility Agreement
<i>“Securities Accounts”</i>	:	Securities accounts maintained by Depositors with CDP, but not including securities sub-accounts maintained with Depository Agents
<i>“SGX-ST”</i>	:	Singapore Exchange Securities Trading Limited
<i>“Shareholders”</i>	:	Registered holders of Shares except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the Depositors into whose Securities Accounts maintained with CDP are credited with the Shares
<i>“Shareholders’ Undertakings”</i>	:	The shareholders’ undertaking entered into by the Company, the Bank, Zheng Choon and the Major Shareholders on 13 February 2014

“Shares”	:	Ordinary shares in the capital of the Company
“Sharia”	:	The principals and requirements of <i>Sharia</i>
“S\$” and “cents”	:	Singapore dollars and cents, respectively
“Termination Date”	:	The date falling thirty-six (36) months after the Transaction Date
“Transaction Date”	:	In relation to a Purchase Contract, the date specified as such in the Offer Letter corresponding to that Purchase Contract, being the date on which the Bank intends to sell the Company the Commodities under that Purchase Contract
“Upfront Profit Amount”	:	In relation to each Purchase Contract, an amount which is two per cent (2.0%) flat on the amount of the Purchase Price
“Zheng Choon” or “ZCHPL”	:	Zheng Choon Holding Pte. Ltd.
“%” or “per cent.”	:	Per centum or percentage

The terms “Depositor”, “Depository Agent” and “Depository Register” shall have the respective meanings ascribed to them in Section 130A of the Companies Act.

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

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

Any reference in this Circular to a time of day shall be a reference to Singapore time unless otherwise stated.

LEY CHOON GROUP HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 198700318G)

Directors:

Toh Choo Huat
Toh Chew Leong
Toh Swee Kim
Koh Tiam Teng
Tan Teck Wei
Low Boon Hwee
Lee Gee Aik
Ang Miah Kiang
Marcus Chow Wen Kwan

Registered Office:

4 Sungei Kadut Street 2
Sungei Kadut Industrial
Estate, Singapore 729226

22 April 2014

To: The Shareholders of Ley Choon Group Holdings Limited

Dear Sir/Madam,

1. INTRODUCTION

On 13 February 2014, the Company announced that the Company had entered into the Master Murabaha Facility Agreement with IB Asia, as the bank and commodity agent, in relation to the Murabaha Facility. In connection with the Master Murabaha Facility Agreement, the Company, the Major Shareholders, Zheng Choon and the Bank had entered into the Shareholders' Undertaking.

Under the terms of the Shareholders' Undertaking and in consideration of the Bank agreeing to grant the Murabaha Facility to the Company:

- (a) ZCHPL has thereby unconditionally and irrevocably agreed with and undertaken to the Bank that it will, at all times until the Liabilities are Discharged, directly or indirectly own not less than thirty per cent (30.0%) of the issued share capital of the Company; and
- (b) the Major Shareholders have thereby unconditionally and irrevocably agreed and undertaken to the Bank that they will, at all times until the Liabilities are Discharged, together own not less than ninety-six point eight per cent (96.8%) of the issued share capital of ZCHPL.

Pursuant to the Master Murabaha Facility Agreement, and subject to the terms and conditions stated therein, the Company and IB Asia have also agreed that IB Asia may at any time during the Conversion Period, give the Company notice of its Conversion Rights in respect of the whole of the outstanding amount of the Deferred Sale Price in respect of any Purchase Contract in accordance with the terms and subject to the conditions of the Master Murabaha Facility Agreement (the "**Proposed Issue of Conversion Rights**").

The remaining three point two per cent (3.2%) of the issued share capital of ZCHPL is held by Ms Seow Soon Kee, the spouse of Mr Toh Choo Huat, Executive Chairman and Chief Executive Officer of the Company.

The Directors are proposing to seek the approval of the Shareholders for the entry into the Finance Documents to which the Company is a party, the Proposed Issue of Conversion Rights and the Conversion Shares at an EGM to be held at the Conference Room, No. 4 Sungei Kadut Street 2, Sungei Kadut Industrial Estate, Singapore 729226 on 7 May 2014 at 2:00 p.m., notice of which is given on page 24 of this Circular.

The purpose of this Circular is to provide Shareholders with information relating to the above proposals to be tabled at the EGM and to seek the Shareholders' approval for such proposals at the EGM.

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

2. DETAILS OF THE MURABAHA FACILITY

2.1 Procedures

In the event that the Company wishes to utilise the Murabaha Facility, it shall deliver to the Bank a duly completed request from the Company to the Bank to enter into the Purchase Contracts (the "**Transaction Request**"). Under the terms of the Master Murabaha Facility Agreement and subject to the conditions therein, the Transaction Request must, *inter alia*, contain a request for the Bank to enter into four (4) Purchase Contracts and the Purchase Price for each Purchase Contract must be an amount equal to a quarter of the Facility Limit, as reduced or cancelled in accordance with the Master Murabaha Facility Agreement.

Following the Bank's receipt of a duly completed Transaction Request and after the Bank has purchased the requested Commodities from the Commodities Seller, the Bank shall sell those same Commodities to the Company at the Deferred Sale Price, on deferred payment terms in accordance with the Master Murabaha Facility Agreement. Under the terms of the Master Murabaha Facility Agreement, if, at any time, the Bank is informed that the existing Commodity Seller, being DD & Co Limited is unable to fulfil its obligations to sell the requested Commodities to the Bank, the Bank shall endeavor to seek another Commodity Seller ("**New Commodity Seller**") to replace DD & Co Limited.

Thereafter, IB Asia, as the Commodity Agent, shall sell the Relevant Commodities to the Commodity Buyer and the proceeds of any sale of the Relevant Commodities due to the Company shall be paid by IB Asia into the bank account of the Company as the Company may designate. Under the terms of the Master Murabaha Facility Agreement, the Commodity Agent shall endeavor to seek another Commodity Buyer ("**New Commodity Buyer**") to replace the existing Commodity Buyer, being Condor Trade Limited, if, any time, the Commodity Agent is informed that Condor Trade Limited is unable to fulfil its obligations to buy the Relevant Commodities in the manner contemplated by the Master Murabaha Facility Agreement.

2.2 Principal Terms of the Murabaha Facility

The following set out a summary of some of the principal terms of the Murabaha Facility:

Deferred Sale Price : The Deferred Sale Price for a Purchase Contract, have been agreed by the Bank and the Company to be the aggregate of:

- (a) the Purchase Price;
- (b) the Upfront Profit Amount; and
- (c) the Profit Amount calculated in the following formula:

$$\text{Profit Amount} = \text{PP} \times \text{PR} \times 3$$

Where:

PP = Purchase Price for that Purchase Contract; and

PR = six point five per cent (6.50%) per annum.

At any time during the Conversion Period, the Bank has the option to forgo its right for payment of the outstanding Deferred Sale Price payable by the Company under each Purchase Contract by exercising its Conversion Rights. Accordingly, the Company is only required to pay the outstanding Deferred Sale Price to the Bank at the Termination Date if the Bank has not exercised its Conversion Rights.

For illustration purposes only, please see the calculation of the Profit Amount:

Purchase Price	=	S\$15,000,000
PR	=	6.5% per annum
Profit Amount based on the formula $PP \times PR \times 3$ (as set out above)	=	S\$2,925,000
Payment of Profit Amount on a quarterly basis	=	S\$243,750

Effective Interest Rate : PR is not compounded on a quarterly basis. However, taking into account the Upfront Profit Amount, the effective interest rate is seven point one seven per cent (7.17%) per annum.

Repayment : The Company shall pay to the Bank, in relation to each Deferred Sale Price payable under each Purchase Contract:

- (a) the Upfront Profit Amount on the Transaction Date;
- (b) the Periodic Profit Instalment (as set out below) on each Period Deferred Payment Date; and
- (c) the outstanding amount of the Deferred Sale Price on the Termination Date or, if earlier, the date on which the outstanding Deferred Sale Price is payable in full.

Periodic Profit Instalment : In relation to a Purchase Contract, Periodic Profit Instalment is the amount calculated in accordance with the following formula:

$$PPI = PA/12$$

where:

PA = the Profit Amount in relation to that Purchase Contract; and

PPI = the Periodic Profit Instalment payable on each Periodic Payment Date of that Purchase Contract.

Conversion of Deferred Sale Price : The Bank (or its nominee) has the right to convert the whole of the outstanding amount of the Deferred Sale Price in respect of a Purchase Contract (each, a "**Selected Purchase Contract**") into Conversion Shares at any time during the Conversion Period.

After the relevant Conversion Shares have been duly issued and/or delivered to the Bank and registered in the name of the Bank or its nominee in accordance with the terms of the Master Murabaha Facility Agreement, the outstanding amount of the Deferred Sale Price of the relevant Selected Purchase Contract shall immediately be reduced to zero (0) and the Company shall be released and discharged from its liability in respect of the payment of the Deferred Sale Price as set out above in respect of that Selected Purchase Contract.

**Conditions
Precedents**

: The Company may not deliver a Transaction Request and request the Bank to enter into any Purchase Contract unless the Company has fulfilled, *inter alia*, the following conditions precedents, in form and substance satisfactory to the Bank:

- (a) delivery to the Bank a certified true copy of the resolution of the board of directors of each of the Company and ZCHPL in the manner as set out in the Master Murabaha Facility Agreement;
- (b) delivery to the Bank a certified true copy of the resolution of the Shareholders of the Company in the manner as set out in the Master Murabaha Facility Agreement;
- (c) a certificate of each of the Company and ZCHPL (signed by a director) confirming that utilising or guaranteeing, as appropriate, the Facility, up to the Facility Limit, would not cause any financial limit binding on the Company, ZCHPL or a Major Shareholder (as the case may be) to be exceeded;
- (d) a legal opinion of Allen & Gledhill LLP, legal advisers to the Bank in Singapore, substantially in the form distributed to the Bank prior to the signing of the Master Murabaha Facility Agreement;
- (e) satisfactory legal, business and financial due diligence on the Group by the Bank;
- (f) all Authorisations (including any approvals from the SGX-ST) required to enable to the Company to lawfully enter into, exercise its rights and comply with its obligations in the Finance Documents to which it is a party;
- (g) a copy of any other Authorisation or other document, opinion or assurance which the Bank considers to be necessary or desirable (if it has notified the Company accordingly) in connection with the entry into and the performance of the transactions contemplated by any Finance Documents or for the validity and enforceability of any Finance Document;
- (h) compliance by the Bank to its satisfaction with all necessary “know your customer” or other similar checks under all applicable laws and regulations pursuant to the transactions contemplated in the Finance Documents; and
- (i) approval of the Finance Documents by the Sharia Supervisory Board of the Bank.

Governing Laws : The Laws of Singapore

2.3 Use of Proceeds

The purpose of the Murabaha Facility is to raise up to Singapore Dollars fifteen million (S\$15,000,000). The estimated net proceeds of the Murabaha Facility, after deducting estimated expenses is approximately Singapore Dollars fourteen million five hundred and eighty thousand (S\$14,580,000).

Under the terms of the Master Murabaha Facility Agreement, the Company agrees to apply the proceeds of any sale of the Commodities purchase by it from the Bank under or pursuant to the Master Murabaha Facility Agreement towards (i) financing the expansion of the business activities of the Group, (ii) refinancing any short term borrowings of the Group and/or (iii) financing the general working capital requirements of the Group.

3. KEY TERMS OF THE PROPOSED ISSUE OF CONVERSION RIGHTS

The following sets out a summary of the terms and conditions of the Conversion Rights to be issued by the Company.

- Conversion** : Up to Singapore Dollars fifteen million (S\$15,000,000) in aggregate value of the Conversion Rights.
- Conversion Date** : The date specified in the notice of conversion to be completed, executed and deposited by the Bank (or its nominee), in or substantially in, the form set out in the Master Murabaha Facility Agreement.
- Method of Issue** : Privately placed to and purchased by the Bank. No offering circular or information memorandum will be issued by the Company for the Proposed Issue of Conversion Rights pursuant to Section 272B of the Securities and Futures Act, Chapter 289 of Singapore, as amended, supplemented or modified from time to time.
- Conversion Period** : Subject to, and upon compliance with, the provisions of the Master Murabaha Facility Agreement, the conversion right attaching to the Bank's or its nominee's Conversion Right in respect of a Purchase Contract (each a "**Tranche**") may be exercised, at the option of the Bank (or its nominee), any time on or after two (2) years from the Transaction Date up to the Termination Date.

Notwithstanding the foregoing, if the Conversion Date in respect of a Tranche would otherwise fall during a period in which the Company's register of Shareholders is closed generally or for the purpose of establishing entitlement to any distribution or other rights attaching to the Shares (a "**Book Closure Date**"), such Conversion Date shall be postponed to the first Stock Exchange Business Day after the expiry of such Book Closure Date.

- Conversion Shares** : The number of Conversion Shares issuable upon conversion of any Tranche shall be determined by dividing Singapore Dollars three million seven hundred and fifty thousand (S\$3,750,000) by the Conversion Price in effect on the Conversion Date.

Fractions of the Conversion Shares will not be issued on conversion and no cash adjustments will be made in respect thereof. The number of Conversion Shares issuable upon conversion of any Tranche will be rounded down to the nearest whole number.

- Conversion Price** : The price at which Conversion Shares will be issued upon conversion will be Singapore Dollars point one nine two nine (S\$0.1929) per Conversion Share, but will be subject to adjustment provided in the Master Murabaha Facility Agreement and set out in Appendix 1 of this Circular.

The Conversion Price will be subject to adjustment in the occurrence of following events as set out in the Master Murabaha Facility Agreement and Appendix 1 of this Circular:

- (a) consolidation, subdivision or reclassification of Shares;
- (b) capitalisation of profits or reserves;
- (c) Capital Distribution (as defined in Appendix 1);

- (d) rights issues of Shares or options over Shares;
- (e) rights issues of other securities;
- (f) issues at less than Current Market Price (as defined in Appendix 1);
- (g) issues of other securities at less than Current Market Price (as defined in Appendix 1);
- (h) modification of the Conversion Rights; or
- (i) other offers to Shareholders.

Further details of adjustments to the Conversion Price can be found in Appendix 1 of this Circular.

For the purpose herein, the expression “Shares” means ordinary shares in the capital of the Company, which as between themselves have no preference in respect of dividends or of amounts payable in the event of any voluntary or involuntary liquidation or dissolution of the Company.

Status of Conversion shares : The Conversion Shares issued upon conversion of the Tranche will in all respects rank *pari passu* with the Shares in issue on the Registration Date.

Rights of the holders of the Conversion Rights on liquidation : In the event that the Company undergoes liquidation, it would constitute an Event of Default as set out in the Master Murabaha Facility Agreement and IB Asia would be an unsecured creditor of the Company and rank *pari passu* with the rest of the unsecured creditors.

4. IB ASIA

Established in 2007 and headquartered in Singapore, IB Asia is a joint venture partnership between DBS Bank, one of the largest financial services groups in Asia, and prominent investors based in the Gulf Cooperation Council (“GCC”) which offers merchant banking activities including direct investment, advisory, treasury and capital markets services.

5. SHAREHOLDERS’ APPROVAL

Assuming that the Murabaha Facility is drawn down in full and the Deferred Sale Price in respect of all four (4) Purchase Contracts is fully exercised by the Bank to convert into Conversion Shares, the maximum aggregate number of Conversion Shares that may be allotted and issued is up to 77,760,498, representing approximately (i) 13.1% of the issued share capital of the Company which as of the Latest Practicable Date comprised 592,406,996 Shares; and (ii) 11.6% of the enlarged issued paid-up share capital of the Company after the allotment and issue of 77,760,498 Conversion Shares which would consist of 670,167,494 Shares.

Shareholders should note that the maximum number of Conversion Shares to be issued as set out above, may possibly be increased or decreased following adjustments to the Conversion to the Conversion Price. Further details of adjustments to the Conversion Price are set out in Appendix 1 of this Circular.

Rule 805(1) of the Listing Manual provides that an issuer must obtain the prior approval of shareholders in a general meeting for the issue of shares or convertible securities or the grant of options carrying rights to subscribe for shares except where a general mandate for such issue has been obtained from shareholders in a general meeting.

The Company has fully utilised the maximum number of Shares which they are authorised to issue, other than on a pro-rata basis, pursuant to the general share issue mandate approved by the Shareholders at the Company's annual general meeting held on 26 April 2013. As such, the allotment and issue of the Conversion Shares is subject to Shareholders' approval pursuant to Rule 805(1) of the Listing Manual.

The Conversion Price represents a premium of 8.58% to the volume weighted average price of S\$0.1777 on 13 February 2014, being the last trading day of the Shares on the SGX-ST prior to the signing of the Master Murabaha Facility Agreement.

In compliance with Chapter 8 of the Listing Manual, the purpose of this Circular is to set out information pertaining to, *inter alia*, the Murabaha Facility and to seek Shareholders' approval for the allotment and issue of the Conversion Rights and the Conversion Shares at the Conversion Price during the Conversion Period at an EGM to be convened on 7 May 2014 at the Conference Room, No. 4 Sungei Kadut Street 2, Sungei Kadut Industrial Estate, Singapore 729226 at 2:00 p.m. The notice of EGM is set out on page 24 of this Circular.

6. APPROVAL IN-PRINCIPLE BY SGX-ST

The allotment and issue of the Conversion Rights and the Conversion Shares is subject to the approval in-principle being granted by the SGX-ST for the listing and quotation of the same on the SGX-ST.

On 11 April 2014, the SGX-ST granted approval in-principle for the listing and quotation of the Conversion Shares subject to the following conditions:

- (a) compliance with the SGX-ST's listing requirements;
- (b) Shareholders' approval for the proposed issue of the Conversion Shares;
- (c) a written undertaking from the Company that it will comply with Rule 704(30) and Rule 1207(20) of the Listing Manual in relation to the use of the proceeds from the proposed placement and where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company's announcements on use of proceeds and in the annual report;
- (d) a written confirmation from the Company that it will comply with Rule 803 of the Listing Manual;
- (e) a written confirmation from the Company that it will not place the Conversion Shares to persons prohibited under Rule 812(1) of the Listing Manual;
- (f) a written undertaking from the Company to announce any adjustment made pursuant to Rule 829(1) of the Listing Manual; and
- (g) a written undertaking from the Company that it will comply with Rule 831 of the Listing Manual.

The approval in-principle of the SGX-ST for the listing and quotation of the Conversion Shares is not to be taken as an indication of the merits of the Proposed Issue of the Conversion Rights, the Conversion Shares, the Company and/or its subsidiaries.

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

7. FINANCIAL EFFECTS OF THE MURABAHA FACILITY AND THE PROPOSED ISSUE OF CONVERSION RIGHTS

For illustration purposes only, the financial effects of the Murabaha Facility and the Proposed Issue of Conversion Rights based on the audited financial statements of the Group for FY2013, assuming the Murabaha Facility was fully drawn down and the Deferred Sale Price is fully exercised by the Bank to convert into Conversion Shares as of 31 December 2013 are as follows:

	As at 31 December 2013	Assuming that the Murabaha Facility is drawn down in full and the Bank exercises all of its Conversion Rights ⁽¹⁾
(a) Share Capital of the Company		
Issued Share Capital (S\$)	140,405,646	155,405,646
(b) NTA of the Group		
NTA (S\$)	107,174,300	118,829,300
Number of ordinary shares	592,406,996	670,167,494
NTA per Share (cents)	18.09	17.73
(c) Gearing of the Group		
Loans and borrowings (S\$)	154,369,020	154,369,020
Shareholders' equity (S\$)	107,175,300	118,829,300
Gearing Ratio (in %)	144	130
(d) EPS (cents)	2.70	1.80

Note:

(1) On the assumption that there are no adjustments made to the Conversion Price, the Murabaha Facility is fully disbursed and the Deferred Sale Price is fully exercised by the Bank to convert into Conversion Shares.

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS IN THE PROPOSED ISSUE OF CONVERSION RIGHTS

The interests of the Directors and the Substantial Shareholders in the share capital of the Company as at the Latest Practicable Date and the effects of the Proposed Issue of Conversion Rights on the shareholding structure of the Company is set out below:

	As at the Latest Practicable Date				Assuming that the Murabaha Facility is drawn down in full and the Bank exercises all of its Conversion Rights ⁽¹⁾			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Directors								
Toh Choo Huat	–	–	311,100,700 ⁽²⁾	52.51	–	–	311,100,700	46.42
Toh Swee Kim	–	–	311,100,700 ⁽³⁾	52.51	–	–	311,100,700	46.42
Toh Chew Leong	–	–	311,100,700 ⁽⁴⁾	52.51	–	–	311,100,700	46.42
Koh Tiam Teng	29,008,571	4.90	–	–	29,008,571	4.33	–	–
Tan Teck Wei	15,011,935	2.53	–	–	15,011,935	2.24	–	–

	As at the Latest Practicable Date				Assuming that the Murabaha Facility is drawn down in full and the Bank exercises all of its Conversion Rights ⁽¹⁾			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Substantial Shareholders								
Zheng Choon	311,100,700	52.51	–	–	311,100,700	46.42	–	–
Toh Chew Chai	–	–	311,100,700 ⁽⁵⁾	52.51	–	–	311,100,700	46.42
Seow Soon Kee	–	–	311,100,700 ⁽⁶⁾	52.51	–	–	311,100,700	46.42
Hiap Hoe Investment Pte. Ltd.	88,268,000	14.9	–	–	88,268,000	13.17	–	–
IB Asia	–	–	–	–	77,760,498	11.6	–	–

Notes:

- (1) On the assumption that there are no adjustments made to the Conversion Price, the Murabaha Facility is fully disbursed and the Deferred Sale Price is fully exercised by the Bank to convert into Conversion Shares.
- (2) Toh Choo Huat holds 26.4% of the shareholding in Zheng Choon. As such, Mr Toh Choo Huat is deemed interested in the Shares held by Zheng Choon. Ms Seow Soon Kee, the spouse of Mr Toh Choo Huat, holds 3.2% of the shares in Zheng Choon.
- (3) Mr Toh Swee Kim holds 22.9% of the shareholding in Zheng Choon. As such, Mr Toh Swee Kim is deemed interested in the Shares held by Zheng Choon.
- (4) Mr Toh Chew Leong holds 24.6% of the shareholding in Zheng Choon. As such, Mr Toh Chew Leong is deemed interested in the Shares held by Zheng Choon.
- (5) Mr Toh Chew Chai holds 22.9% of the shareholding in Zheng Choon. As such, Mr Toh Chew Chai is deemed interested in the Shares held by Zheng Choon.
- (6) Ms Seow Soon Kee, the spouse of Mr Toh Choo Huat, holds 3.2% of the shares in Zheng Choon while Mr Toh Choo Huat holds 26.4% shareholding in Zheng Choon. As such, Ms Seow Soon Kee is deemed interested in the Shares held by Zheng Choon.

9. DIRECTORS' RECOMMENDATION

Having considered the terms and rationale of the Murabaha Facility and the Proposed Issue of Conversion Rights, the Directors are of the opinion that the Murabaha Facility and the Proposed Issue of Conversion Rights are in the interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the ordinary resolution relating to the Murabaha Facility and the Proposed Issue of Conversion Rights to be proposed at the EGM as stated in the notice of EGM on page 24 of this Circular.

10. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on page 24 of this Circular, will be convened at the Conference Room, No. 4 Sungei Kadut Street 2, Sungei Kadut Industrial Estate, Singapore 729226 on 7 May 2014 at 2:00 p.m. for the purpose of considering and, if thought fit, passing with or without modifications, the resolution set out in the notice of EGM on page 24 of this Circular.

11. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and wish to appoint a proxy to attend and vote on their behalf, will find attached to this Circular a proxy form which they are requested to complete, sign and return 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 4 Sungei Kadut Street 2, Sungei Kadut Industrial Estate, Singapore 729226 on 5 May 2014 at 2:00 p.m.. The completion and return of the Proxy Form by a Shareholder will not prevent him from attending and voting at the EGM in person if he so wishes.

12. 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 contains full and true disclosure of all material facts about the Murabaha Facility and the Proposed Issue of Conversion Rights, 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 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 these sources and/or reproduced in this Circular in its proper form and context.

13. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 4 Sungei Kadut Street 2, Sungei Kadut Industrial Estate, Singapore 729226 during normal business hours from the date hereof up to and including the date of the EGM:

- (a) the Memorandum and Articles of Association of the Company;
- (b) the Master Murabaha Facility Agreement; and
- (c) the Shareholders' Undertaking.

APPENDIX 1 – ADJUSTMENTS TO CONVERSION PRICE

The following is in the text of the proposed terms and conditions of the Conversion Rights:

The Conversion Price will be subject to adjustment in the following events as set out in the Master Murabaha Facility Agreement:

- (i) **Consolidation, Subdivision or Reclassification:** If and whenever there shall be an alteration to the aggregate number of issued Shares as a result of consolidation, subdivision or reclassification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such alteration by the following fraction:

$$\frac{A}{B}$$

where:

A is the aggregate number of issued Shares immediately before such alteration; and

B is the aggregate number of issued Shares immediately after such alteration.

Such adjustment shall become effective on the date the alteration takes effect.

- (ii) **Capitalisation of Profits or Reserves:**

- (A) If and whenever any Shares are issued, credited as fully paid to the holders of the Shares (the “Shareholders”) by way of capitalisation of profits or reserves including Shares paid up out of distributable profits or reserves, save where Shares are issued in lieu of the whole or any part of a specifically declared cash distribution (the “Relevant Cash Distribution”), being a distribution which the Shareholders concerned would or could otherwise have received (a “Scrip Distribution”) and which would not have constituted a Capital Distribution, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A}{B}$$

where:

A is the aggregate number of issued Shares immediately before such issue; and

B is the aggregate number of issued Shares immediately after such issue.

Such adjustment shall become effective on the date of issue of such Shares or, if a record date is fixed therefor, the day immediately after such record date.

- (B) In the case of an issue of Shares by way of a Scrip Distribution where the Current Market Price of such Shares on the last Trading Day preceding the date on which the Scrip Distribution is publicly announced exceeds the amount of the Relevant Cash Distribution or the relevant part thereof and which would not have constituted a Capital Distribution, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before the issue of such Shares by the following fraction:

$$\frac{A + B}{A + C}$$

where:

A is the aggregate number of issued Shares immediately before such issue;

B is the aggregate number of Shares issued by way of such Scrip Distribution multiplied by a fraction of which (i) the numerator is the amount of the whole, or the relevant part, of the Relevant Cash Distribution and (ii) the denominator is the Current Market Price of the Shares on the last Trading Day preceding the date on which the Scrip Distribution is publicly announced issued by way of Scrip Distribution in respect of each existing Shares in lieu of the whole, or the relevant part, of the Relevant Cash Distribution; and

C is the aggregate number of issued Shares issued by way of such Scrip Distribution.

Such adjustment shall become effective on the date of issue of such Shares or if a record date is fixed therefor, the day immediately after such record date.

(iii) **Capital Distributions:**

(A) Subject to Paragraph (iii) (B) below, if and whenever any Capital Distribution is paid or made to the Shareholders other than in cash only (except to the extent that the Conversion Price falls to be adjusted under Paragraph (ii) above), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such Capital Distribution by the following fraction:

$$\frac{A - B}{A}$$

where:

A is the Current Market Price of one (1) Share on the last Trading Day preceding the date on which the Capital Distribution is publicly announced; and

B is the Fair Market Value on the date of such announcement of the portion of the Capital Distribution (excluding any Capital Distribution in respect of the same financial year which has previously resulted in an adjustment under this Paragraph (iii)) attributable to one (1) Share.

Such adjustment shall become effective on the date that such Capital Distribution is actually made or the first date upon which the Fair Market Value of the Capital Distribution is capable of being determined as provided in this Part A of Schedule 5 of the Master Murabaha Facility Agreement, whichever is later.

(B) If and whenever any Capital Distribution in cash only is paid or made to the Shareholders, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such Capital Distribution by the following fraction:

$$\frac{A - B}{A}$$

where:

A is the Current Market Price of one (1) Share on the last Trading Day preceding the date on which the Capital Distribution is publicly announced; and

B is the amount of Capital Distribution (excluding any Capital Distribution in respect of the same financial year which has previously resulted in an adjustment under this Paragraph (iii)) attributable to one (1) Share.

Such adjustment shall become effective on the date on which such Capital Distribution in cash is actually made or if a record date is fixed therefor, the day immediately after such record date.

- (iv) **Rights Issues of Shares or Options over Shares:** If and whenever Shares are issued to all or substantially all Shareholders as a class by way of rights, or are issued or are granted to all or substantially all Shareholders as a class, by way of rights, of options, warrants or other rights to subscribe for or purchase any Share, in each case at less than the Current Market Price per Share on the last Trading Day preceding the date of the announcement of the terms of the issue or grant, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the number of Shares in issue immediately before such announcement;
- B is the number of Shares which the aggregate amount (if any) payable for the Shares issued by way of rights or for the options or warrants or other rights issued or granted by way of rights and for the total number of Shares comprised therein would subscribe, purchase or otherwise acquire at such Current Market Price Per Share; and
- C is the aggregate number of Shares issued or, as the case may be, comprised in this issue or grant.

Such adjustment shall become effective on the date of issue of such Shares or issue or grant of such options, warrants or other rights (as the case may be).

- (v) **Rights Issues of Other Securities:** If and whenever any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire any Shares) are issued to all or substantially all Shareholders as a class, by way of rights, or are granted to all or substantially all Shareholders as a class by way of rights, options, warrants or other rights to subscribe for, purchase or otherwise acquire any securities (other than Shares or options, warrants or other rights to subscribe for, purchase or otherwise acquire Shares), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue or grant by the following fraction:

$$\frac{A - B}{A}$$

where:

- A is the Current Market Price of one (1) Share on the last Trading Day preceding the date on which such issue or grant is publicly announced; and
- B is the Fair Market Value on the date of such announcement, as determined in good faith by an Independent Investment Bank (acting as an expert), of the portion of the rights attributable to one (1) Share.

Such adjustment shall become effective on the date of issue of the securities or grant such rights, options or warrants (as the case may be).

- (vi) **Issues at less than Current Market Price:** If and whenever (otherwise than as mentioned in Paragraph (iv) above) any Shares (other than Shares issued on the exercise of the Conversion Right or on the exercise of any other rights of conversion into, or exchange or subscription for, Shares) (otherwise than as mentioned in Paragraph (iv) above) options, warrants or other rights to subscribe for, purchase or otherwise acquire any Shares, are issued or granted in each case at a price per Share which is less than the Current Market Price on the last Trading Day preceding the date of announcement of the terms of such issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A + B}{C}$$

where:

- A is the number of Shares in issue immediately before the issue of such addition Shares or the grant of such options, warrants or other rights to subscribe, purchase or otherwise acquire any Shares;
- B is the number of Shares which the aggregate consideration receivable for the issue of such additional Shares would purchase at such Current Market Price per Share; and
- C is the number of Shares in issue immediately after the issue of such additional Shares.

References to additional Shares in the above formula shall, in the case of an issue of options, warrants or other rights to subscribe or purchase Shares, mean such Shares to be issued assuming that such options, warrants or other rights are exercised in full at the initial exercise price (if applicable) on the date of issue or grant of such options, warrants or other rights.

- (vii) **Other Issues at less than Current Market Price:** Save in the case of an issue of securities arising from a conversion or exchange of other securities in accordance with the terms applicable to such securities themselves falling within this Paragraph (vii), if and whenever any securities (other than the Tranches) in the Company are issued wholly for cash (otherwise than as mentioned in Paragraphs (iv), (v) or (vi), or (at the direction or request of or pursuant to any arrangements with the Company), any other company, person or entity shall issue wholly for cash any securities (other than the Tranches) which by their terms of issue carry rights of conversion into, or exchange or subscription for, Shares to be issued upon conversion, exchange or subscription at a consideration per Share which is less than the Current Market Price on the last Trading Day preceding the date of announcement of the terms of issue of such securities.

In such an event, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the number of Shares in issue immediately before such issue;
- B is the number of Shares which the aggregate consideration (if any) receivable by the Company for the Shares to be issued on conversion or exchange or on exercise of the right of subscription attached to such securities would purchase at such Current Market Price per Share; and
- C is the maximum number of Shares to be issued on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the initial conversion, exchange or subscription price or rate.

Such adjustment shall become effective on the date of issue of such securities.

- (viii) **Modification of Rights of Conversion etc.:** If and whenever there shall be any modification of the rights of conversion, exchange or subscription attaching to any such securities as are mentioned in Paragraph (vii) above (other than in accordance with the terms applicable to such securities) so that the consideration per Share (for the number of Shares available on conversion, exchange or subscription following the modification) is less than the Current Market Price for one (1) Share on the last Trading Day preceding the date of the first announcement of the proposals for such modification, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such modification by the following fraction:

$$\frac{A + B}{A + C}$$

where:

- A is the number of Shares in issue immediately before such modification;
- B is the number of Shares which the aggregate consideration (if any) receivable by the Company for the Shares to be issued, or otherwise made available, on conversion or exchange or on exercise of the right of subscription attached to the securities, in each case so modified, would purchase at such Current Market Price per Share on the last Trading Day before the date of the announcement of such proposals or, if lower, the existing conversion, exchange or subscription price of such securities; and
- C is the maximum number of Shares to be issued, or otherwise made available, on conversion or exchange of such securities or on the exercise of such rights of subscription attached thereto at the modified conversion, exchange or subscription price or rate but giving credit in such manner as an Independent Investment Bank (acting as an expert) considers appropriate (if at all) for any previous adjustment under this Paragraph (viii) or Paragraph (vii) above.

Such adjustments shall become effective on the date of modification of the rights of conversion, exchange or subscription attaching to such securities.

- (ix) **Other Offers to Shareholders:** The issue, sale or distribution by or on behalf of the Company of any securities in connection with which an offer pursuant to which the Shareholders generally (meaning for these purposes the holders of at least fifty per cent (50.0%) of the Shares outstanding at the time such offer is made) are entitled to participate in arrangements whereby such securities may be acquired by them (except where the Conversion Price falls to be adjusted under Paragraphs (iv), (v), (vi) or (vii), the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately before such issue by the following fraction:

$$\frac{A - B}{A}$$

where:

- A is the Current Market Price of one (1) Share on the last Trading Day preceding the date on which such issue, sale or distribution is publicly announced; and
- B is the Fair Market Value on the date of such announcement, as determined in good faith by an Independent Investment Bank (acting as an expert), of the portion of the rights attributable to one (1) Share.

Such adjustment shall become effective on the date of issue, sale or delivery of the securities.

On any adjustment, the relevant Conversion Price, if not an integral multiple of S\$0.0001, shall be rounded down to the nearest S\$0.0001. No adjustment shall be made to the Conversion Price where such adjustment (rounded down if applicable) would be less than one per cent (1.0%) of the Conversion Price then in effect. Any adjustment not required to be made, and any amount by which the Conversion Price has not been rounded down, shall be carried forward and taken into account in any subsequent adjustment. Notice of any adjustment shall be given to the Bank (or its nominee) in accordance with Clause 23 (*Notices*) of the Master Murabaha Facility Agreement as soon as practicable after the determination thereof.

When more than one event which gives or may give rise to an adjustment to the Conversion Price occurs within such a short period of time that in the opinion of an Independent Investment Bank (acting as an expert), the foregoing provisions would need to be operated subject to some modification in order to give the intended result, such modification shall be made to the operation of the foregoing provisions as may be advised by such Independent Investment Bank (acting as an expert) to be in its opinion appropriate in order to give such intended result.

If the Company fails to appoint the Independent Investment Bank when required for the purposes of this Appendix, the Bank (or its nominee) may appoint the Independent Investment Bank with all costs and expenses arising from such appointment to be borne by the Company.

The Company shall be under a duty and will be responsible to monitor whether any event or circumstance has happened or exists which may require an adjustment to be made to the Conversion Price or to make any calculation (or verification thereof) in connection with the Conversion Price and will be responsible to the Bank (or its nominee) for any loss arising from any failure by them to do so. All adjustments to the Conversion Price in this Appendix 1 shall be determined by the Company, but subject to the confirmation of the Bank (or its nominee).

For the purposes of above:

“Capital Distribution” means the aggregate, on a per Share basis, of all distributions declared by the Company in respect of the same financial year including (i) any distribution of assets in specie or other property by or on behalf of the Company, and whenever paid or made and however described or declared after the Transaction Date, and for these purposes a distribution of assets in specie includes without limitation an issue of Shares or other securities credited as fully or partly paid (other than Shares credited as fully paid to the extent an adjustment to the Conversion Price is made in respect thereof under Paragraph (ii)(A) of this Appendix by way of capitalisation of reserves), but excludes a Scrip Distribution (as defined herein) adjusted for under Paragraph (ii)(B) of this Appendix; and (ii) any cash dividend or distribution (including, without limitation, the relevant cash amount of a Scrip Distribution) of any kind by or on behalf of the Company, and whenever paid or made and however described or declared after the Transaction Date;

“Closing Price” means for the Shares for any Trading Day shall be the closing market price quoted by the SGX-ST for such Trading Day;

“Current Market Price” means, in respect of a Share at a particular time on a particular date, the average of the Volume Weighted Average Price for one (1) Share (being a Share carrying full entitlement to distributions) for each of the ten (10) consecutive Trading Days, ending on the Trading Day immediately preceding such date; **provided that**, if at any time during the said ten (10) Trading Day period the Shares shall have been quoted ex-distribution and during some other part of that period the Shares shall have been quoted cum-distribution then:

- (i) if the Shares to be issued in such circumstances do not rank for the distribution in question, the quotations on the dates on which the Shares shall have been quoted cum-distribution shall for the purpose of this definition be deemed to be the Volume Weighted Average Price thereof reduced by an amount equal to the amount of that distribution per Share; or
- (ii) if the Shares to be issued in such circumstances rank for the distribution in question, the quotations on the dates on which the Shares shall have been quoted ex-distribution shall for the purpose of this definition be deemed to be the Volume Weighted Average Price thereof increased by such similar amount,

and **provided further** that if the Shares on each of the said ten (10) Trading Days have been quoted cum-distribution in respect of a distribution which has been declared or announced but the Shares to be issued do not rank for that distribution, the quotations on each of such dates shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of that distribution per Share,

provided further that:

- (a) if such Volume Weighted Average Prices are not available on each of the ten (10) Trading Days during the relevant period, then the arithmetic average of such Volume Weighted Average Prices which are available in the relevant period shall be used (subject to a minimum of two such Volume Weighted Average Prices); and
- (b) if only one or no such Volume Weighted Average Prices is available in the relevant period, then the Current Market Price shall be determined in good faith by an Independent Investment Bank (acting as an expert);

“Fair Market Value” means with respect to any asset, security, option, warrant or other right on any date, the fair market value of that asset, security, option, warrant or other right as determined by an Independent Investment Bank (acting as an expert); **provided that:**

- (i) the fair market value of a cash distribution paid or to be paid per Share shall be the amount of such cash distribution per Share determined as at the date of announcement of such distribution; and
- (ii) where options, warrants or other rights are publicly traded in a market of adequate liquidity (as determined by such Independent Investment Bank) the fair market value of such options, warrants or other rights shall equal the arithmetic mean of the daily closing prices of such options, warrants or other rights during the period of five (5) Trading Days on the relevant market commencing on the first such Trading Day such options, warrants or other rights are publicly traded;

“Independent Investment Bank” means an independent investment bank of international repute, acting as an expert, selected by the Bank (or its nominee);

“Stock Exchange Business Day” means any day (other than a Saturday, Sunday or public holiday) on which the SGX-ST is open for securities trading provided that if no Closing Price is reported for one (1) or more consecutive dealing days such day or days will be disregarded in any relevant calculation and shall be deemed not to have been dealing days when ascertaining any period of dealing days;

“Trading Day” means a day when the SGX-ST is open for dealing business, **provided that** if no Closing Price is reported on the SGX-ST for one (1) or more consecutive dealing days, such day or days will be disregarded in any relevant calculation and shall be deemed not to have been dealing days when ascertaining any period of dealing days; and

“Volume Weighted Average Price” means, in respect of a Share on any Trading Day, or series of Trading Days, the order book volume-weighted average price of a Share appearing on or derived from Bloomberg (or any successor service) page “VWAP” (or any successor to or replacement of such page) or such other source as shall be determined to be appropriate by an Independent Investment Bank on such Trading Day, or series of Trading Days, provided that on any Trading Day where such price is not available or cannot otherwise be determined as provided above, the Volume Weighted Average Price of a Share in respect of such Trading Day shall be the Volume Weighted Average Price, determined as provided above, on the immediately preceding Trading Day on which the same can be so determined.

LEY CHOON GROUP HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 198700318G)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Ley Choon Group Holdings Limited (the “**Company**”) will be held at the Conference Room, No. 4 Sungei Kadut Street 2, Sungei Kadut Industrial Estate, Singapore 729226 on 7 May 2014 at 2:00 p.m. for the purpose of considering and, if thought fit, passing with or without any modifications, the following resolution.

AS ORDINARY RESOLUTION:

- (a) that the Finance Documents (as defined in the Facility Agreement (defined below)) to which the Company is a party be and are hereby approved, confirmed and ratified;
- (b) that in connection with the Master Murabaha Facility Agreement entered into between the Company and The Islamic Bank of Asia Limited dated 13 February 2014 as supplemented and amended by the amendment agreement entered into between the Company and The Islamic Bank of Asia Limited on 15 April 2014 (the “**Facility Agreement**”), approval be and is hereby given to the Directors to do all such acts and things, and sign and execute all such documents and instruments (whether by hand or seal) as may be necessary to give effect to the Finance Documents to which the Company is a party including, without limitation:
 - (i) to create and grant the Conversion Rights (as defined in the Facility Agreement);
 - (ii) to allot and issue such number of Conversion Shares (as defined in the Facility Agreement) at the Conversion Price (as defined in the Facility Agreement and subject to adjustments in accordance with the terms of the Facility Agreement) as may be required or permitted to be allotted and issued upon any exercise of the Conversion Rights during the Conversion Period (as defined in the Facility Agreement), subject to and otherwise in accordance with the terms of the Facility Agreement; and
 - (iii) on the same basis as paragraph (b)(ii) above, such further Conversion Shares as may be required or permitted to be allotted and issued upon any exercise of the Conversion Rights upon the adjustment of the Conversion Price in accordance with the terms of the Facility Agreement; and
- (c) the Directors of the Company and each of them be and are hereby authorised to take such steps and exercise such discretion and do all such acts and things as they or he may deem desirable, necessary or expedient to give effect to the matters referred to in paragraphs (a) and (b) including, without limitation, to negotiate, execute and authorise the release of, in the name of and on behalf of the Company, all such agreements, deeds, undertakings, forms, circulars, announcements, instruments, notices, communications and other documents and things, and to approve any amendment, alteration or modification to any such document.

BY ORDER OF THE BOARD

Ong Beng Hong/Tan Swee Gek
Joint Company Secretaries
22 April 2014

Notes:

1. Every Shareholder entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
2. To be valid, the instrument appointing a proxy or proxies must be deposited at the Company's registered office at 4 Sungei Kadut Street 2, Sungei Kadut Industrial Estate, Singapore 729226 not less than 48 hours before the time set for holding the Extraordinary General Meeting or at any adjournment thereof. Detailed instructions can be found in the Proxy Form.

PROXY FORM FOR MEMBERS WHO HOLD SHARES THROUGH THE CENTRAL DEPOSITORY (PTE) LIMITED (CDP) OR HAVE SHARES REGISTERED IN THEIR NAMES IN THE REGISTER OF MEMBERS OF LEY CHOON GROUP HOLDINGS LIMITED

EXTRAORDINARY GENERAL MEETING

LEY CHOON GROUP HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 198700318G)

I/We _____

of _____

being a member/members of Ley Choon Group Holdings Limited (the “**Company**”), hereby appoint:

Name	Address	NRIC / Passport Number	Proportion of Shareholdings (%)

and/or (delete as appropriate)

Name	Address	NRIC / Passport Number	Proportion of Shareholdings (%)

or failing him/her, the Chairperson of the Meeting, as my/our proxy/proxies to attend and vote for me/us on my/our behalf and, if necessary to demand a poll, at the Extraordinary General Meeting (the “**EGM**”) of the Company to be held at the Conference Room, No. 4 Sungei Kadut Street 2, Sungei Kadut Industrial Estate, Singapore 729226 on 7 May 2014 at 2:00 p.m. and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for or against the resolution to be proposed at the EGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

Resolution Relating to:		For	Against
Approval of:			
(A)	the relevant Finance Documents to which the Company is a party;		
(B)	creation and grant of the Conversion Rights;		
(C)	allotment and issue of the Conversion Shares; and		
(D)	exercise of discretion by any Director in relation to above matters.		

Dated this _____ day of _____ 2014

Total Number of Shares in	No. of Shares
Depository Register	
Register of Shareholders	

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

**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 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Shareholders, 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 Shareholders, 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 Shareholders. If the number of Shares is not inserted, this Proxy Form will be deemed to relate to the entire number of Shares in the Company registered in your name(s).
2. A Shareholder entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote instead of him. Such proxy need not be a Shareholder of the Company.
3. Where a Shareholder appoints more than one proxy, he shall specify the proportion of his shareholding or the number of Shares to be represented by each proxy. If no such proportion or number is specified, the first-named proxy may be treated as representing 100 per cent of the shareholding and any second-named proxy as alternate to the first-named.
4. The instrument appointing a proxy or proxies must be deposited at the Company's registered office at 4 Sungei Kadut Street 2, Sungei Kadut Industrial Estate, Singapore 729226 not less than 48 hours before the time appointed for the Extraordinary General Meeting.
5. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his attorney duly authorised in writing; or if such appointor is a corporation under its common seal, if any, and, if none, then under the hand of some officer duly authorised in that behalf. An instrument appointing a proxy to vote at a meeting shall be deemed to include the power to demand or concur in demanding a poll on behalf of the appointor.
6. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter of power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy; failing which the instrument may be treated as invalid.
7. A corporation which is a Shareholder may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.
8. Please indicate with an "X" in the appropriate space how you wish your proxy to vote. If this Proxy Form is returned without any indication as to how your proxy shall vote, he will vote or abstain from voting as he thinks fit.
9. The submission of an instrument or form appointing a proxy by a Shareholder of the Company does not preclude him from attending and voting in person at the Extraordinary General Meeting if he is able to do so.
10. A Depositor's name must appear in the Depository Register maintained by the Central Depository (Pte) Limited not less than 48 hours before the time appointed for the holding of the Extraordinary General Meeting in order for him to be entitled to vote at the Extraordinary General Meeting.

General

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or when 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 Shareholder, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Extraordinary General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

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