



NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a Special General Meeting of China International Holdings Limited ("**Company**") will be held at Copthorne King's Hotel Singapore, Queen Room Level 2, 403 Havelock Road, Singapore 169632 on 28 April 2017 at 9.45 a.m. for the purpose of considering and, if thought fit, passing, the following resolutions:

All references to the Circular in this Notice of Special General Meeting ("**Notice**") shall mean the Company's Circular to Shareholders dated 5 April 2017 (the "**Circular**"). All capitalised terms used in this Notice but not otherwise defined herein shall have the meanings given to them in the Circular.

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

That:

(a) approval be and is hereby given for the exercise by the directors of the Company ("**Directors**") of all the powers of the Company to purchase or otherwise acquire the issued ordinary shares in the share capital of the Company ("**Shares**") not exceeding in aggregate the Prescribed Limit (as hereinafter defined), and subject to the Minimum Free Float (as hereinafter defined) at such price or price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

- (i) on-market purchases, transacted on the ready market of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), or as the case may be, other stock exchange for the time being on which the Shares may be listed or quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose ("**On-Market Share Purchases**"); and/or
- (ii) off-market purchases (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit and in the best interests of the Company, which scheme(s) shall satisfy all the conditions prescribed by section 76C of the Companies Act (Chapter 50) of Singapore and the Listing Manual of the SGX-ST ("**Off-Market Share Purchases**"),

and otherwise in accordance with all other applicable laws and regulations (including the provisions of the Companies Act 1981 of Bermuda, as amended, supplemented or modified from time to time ("**Bermuda Companies Act**")) and the provisions in the Listing Manual of the SGX-ST as may for the time being as applicable. ("**Share Buy-Back Mandate**");

(b) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Buy-Back Mandate shall, at the absolute discretion of the Directors, either be cancelled or held in treasury and dealt with in accordance with the Bermuda Companies Act;

(c) the authority conferred on the Directors pursuant to the Share Buy-Back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Ordinary Resolution No. 1 and expiring on the earliest of:

- (i) the conclusion of the next annual general meeting ("**AGM**") of the Company;
- (ii) the date by which the next AGM of the Company is required to be held;
- (iii) the date on which the purchases of Shares by the Company are carried out to the full extent mandated; or
- (iv) the date on which the authority contained in the Share Buy-Back Mandate is varied or revoked by ordinary resolution of the Company in general meeting.

(d) in this Ordinary Resolution No. 1:

"**Prescribed Limit**" means the number of Shares representing ten per cent (10%) of the total issued ordinary share capital of the Company (excluding Treasury Shares, if any) as at the date of the passing of this Ordinary Resolution No. 1 unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Bermuda Companies Act, at any time during the Relevant Period (as hereinafter defined), in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered (excluding any Treasury Shares that may be held by the Company from time to time);

"**Relevant Period**" means the period commencing from the date on which this Ordinary Resolution No. 1 is passed and expiring on the earliest of (i) the date the next annual general meeting of the Company is held or is required to be held, or (ii) the date on which the purchases of the Shares are carried out to the full extent mandated, under the Share Buy-Back Mandate, or (iii) the date on which the Share Buy-Back Mandate is varied or superseded by resolution of the shareholders of the Company in general meeting;

"**Minimum Free Float**" means at least ten per cent (10%) of the total number of issued Shares of the Company (excluding Treasury Shares, preference shares and convertible equity securities) in a class that is listed is at all times held by the public;

"**Maximum Price**" in relation to a Share to be purchased, means an amount (excluding brokerage, commissions, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

- (i) in the case of an On-Market Share Purchase, 105% of the Average Closing Price;
- (ii) in the case of an Off-Market Share Purchase, 120% of the Highest Last Deal Price, where:

"**Average Closing Price**" means the average of the closing market prices of a Share over the last five (5) Market Days ("**Market Day**") being a day on which the SGX-ST is open for securities trading), on which transactions in the Shares were recorded, immediately preceding the date of making the On-Market Share Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5) Market Day period;

"**Highest Last Deal Price**" means the highest price transacted for a Share as recorded on the SGX-ST on the Market Day on which there were trades in the Share immediately preceding the day of the making of the offer pursuant to the Off-Market Share Purchase; and

For the purpose of the definition of **Highest Last Deal Price** above, "**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for the Off-Market Share Purchase, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

(e) the Directors and any one of them be and is hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they/he/she may consider expedient, necessary, desirable, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution No. 1.

SPECIAL RESOLUTION 1: THE PROPOSED CAPITAL REORGANISATION

That:

(a) with effect from such date as the Directors of the Company may determine (the "**Effective Date**"):-

(i) the issued and paid-up share capital of the Company be reduced (the "**Capital Reduction**") from S\$51,230,187 divided into 51,230,187 ordinary shares with a par value of S\$1.00 each, to S\$2,561,509.35 divided into 51,230,187 ordinary shares with a par value of S\$0.05 each, by cancelling the paid-up capital of the Company to the extent of S\$0.95 on each of the ordinary shares with a par value of S\$0.05 in issue on the Effective Date such that each issued ordinary share with a par value of S\$1.00 shall be treated as one (1) fully paid ordinary share with a par value of S\$0.05 as at the Effective Date and any liability of the holder of such shares to make any further contribution to the share capital of the Company on each such share shall be treated as satisfied;

(ii) subject to and forthwith upon the Capital Reduction taking effect, all of the authorised but unissued ordinary shares with a par value of S\$1.00 each in the share capital of the Company (which shall include, without limitation, the authorised but unissued ordinary share capital resulting from the Capital Reduction) be cancelled, and the authorised share capital of the Company of S\$1,000,000,000 be diminished by S\$997,438,490.65 (representing the amount of shares so cancelled) (the "**Authorised Capital Diminution**"), and forthwith upon the Authorised Capital Diminution, the authorised share capital of the Company be increased to S\$50,000,000 by the creation of 948,769,813 ordinary shares with a par value of S\$0.05 each (representing the difference between 1,000,000,000 ordinary shares with a par value of S\$0.05 each and the number of ordinary shares with a par value of S\$0.05 in issue after the Capital Reduction) (the "**Authorised Capital Increase**");

(iii) subject to and forthwith upon the Capital Reduction taking effect, the credit amount arising from the Capital Reduction in the sum of S\$48,668,677.65 be credited to the contributed surplus account of the Company (the "**Crediting of Contributed Surplus**");

(iv) the Directors of the Company be and are hereby authorized to utilize any credit balance in the contributed surplus account of the Company in such manner as may be determined by the Directors in accordance with the Bye-laws and all applicable laws,

((i), (ii), (iii) and (iv), collectively referred to as the "**Proposed Capital Reorganisation**"); and

(b) the Directors of the Company (or any one of them) be and are hereby authorised to take any and all steps, and to do and/or procure to be done any and all acts and things, and to approve, sign and execute any forms, notices, documents which they/he in their/his absolute discretion consider to be necessary, desirable or expedient to implement and carry into effect this Special Resolution No. 1 and to exercise such discretion in connection with, relating to or arising from the Proposed Capital Reorganisation and/or the matters contemplated herein, with such modifications thereto (if any) as they or he may from time to time consider necessary, expedient and/or appropriate in order to implement, finalise and give full effect to the Proposed Capital Reorganisation.

By Order of the Board

Claudia Teo Kwee Yee

Company Secretary

Singapore

5 April 2017

Notes:

Unless The Central Depository (Pte) Limited ("**CDP**") specifies otherwise in a written notice to the Company, CDP shall be deemed to have appointed as CDP's proxies to vote on behalf of CDP at the special general meeting each of the Depositors who are individuals and whose names are shown in CDP's records as at a time not earlier than forty-eight (48) hours prior to the time of the special general meeting. Therefore, Depositors who are individuals can attend and vote at the special general meeting without the lodgement of any Depositor Proxy Form (as defined below).

A Depositor registered and holding Shares through CDP who is an individual but is unable to attend the special general meeting personally and wishes to appoint a nominee to attend and vote on his/her behalf as CDP's proxy must complete, sign and return the proxy form which is despatched together with this Circular to Depositors ("**Depositor Proxy Form**") completed by CDP in accordance with the instructions printed thereon and deposit the duly completed Depositor Proxy Form at the office of the Company's Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than forty-eight (48) hours before the time appointed for holding the special general meeting. Similarly, a Depositor who is a corporation and who wishes to attend the special general meeting must submit the Depositor Proxy Form for the appointment of nominee(s) to attend and vote at the special general meeting on its behalf as CDP's proxy

If a Shareholder who is not a Depositor is unable to attend the special general meeting and wishes to appoint a proxy to attend and vote at the special general meeting in his stead, then he should complete and sign the proxy form despatched to Shareholders who are not Depositors ("**Shareholder Proxy Form**") and deposit the duly completed Shareholder Proxy Form at the office of the Company's Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than 48 hours before the time appointed for holding the special general meeting. Such proxy need not be a member of the Company.

To be effective, the duly completed Depositor Proxy Form or the Shareholder Proxy Form must be deposited at the office of the Company's Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, no later than 9.45 a.m. on 26 April 2017.

The completion and return of the Depositor Proxy Form or the Shareholder Proxy Form will not prevent the Depositor or Shareholder (as the case may be) from attending and voting in person at the special general meeting if he wishes to do so, in place of his/her/its proxy or nominee (as the case may be).

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the SGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the SGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the SGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) 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 or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

CIRCULAR DATED 5 APRIL 2017

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

This Circular is issued by China International Holdings Limited (“**Company**”). If you are in any doubt as to the contents of this Circular or the course of action you should take, you should consult your stockbroker, bank manager, accountant, solicitor or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of the Company, you should hand this Circular at once to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

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



CHINA INTERNATIONAL HOLDINGS LIMITED

(Registration No. 23356)
(Incorporated in Bermuda)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- (1) THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE; AND**
- (2) THE PROPOSED CAPITAL REORGANISATION**

IMPORTANT DATES AND TIMES

- | | | |
|-----------------------------------------------|---|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Last date and time for lodgment of Proxy Form | : | 26 April 2017 at 9:45 a.m. |
| Date and time of Special General Meeting | : | 28 April 2017 at 9:45 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 9:30 a.m. on the same day and at the same place) |
| Place of Special General Meeting | : | Copthorne King's Hotel Singapore Queen Room Level 2 403 Havelock Road Singapore 169632 |

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DEFINITIONS

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

- 2016 Mandate** : The Share Buy-Back Mandate renewed at the SGM of the Company held on 29 April 2016;
- Act** : The Companies Act (Chapter 50) of Singapore, as may be amended or modified from time to time;
- AGM** : The annual general meeting of the Company;
- Approval Date** : The date of the SGM at which the renewal of the Share Buy-Back Mandate is approved;
- Associate** : (a) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means: -
- (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more.
- (b) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more;
- Authorised Capital Diminution** : The cancellation of all of the authorised but unissued Shares with a par value of S\$1.00 each in the Company (which shall include, without limitation, the authorised but unissued share capital resulting from the Capital Reduction) and the diminution of the authorised share capital of the Company of S\$1,000,000,000 by S\$997,438,490.65 representing the amount of Shares so cancelled;
- Authorised Capital Increase** : The increase in the authorised share capital of the Company to S\$50,000,000 by the creation of 948,769,813 Shares with a par value of S\$0.05 each (representing the difference between 1,000,000,000 Shares with a par value of S\$0.05 each and the number of Shares with a par value of S\$0.05 each in issue after the Capital Reduction);
- Average Closing Price** : The average of the closing market prices of a Share over the last 5 Market Days, on which transactions in the Shares were recorded, preceding the day of the On-Market Purchase and deemed to be adjusted for any corporate action that occurs after the relevant 5-Market Day period;
- Bermuda Companies Act** : The Companies Act 1981 of Bermuda, as amended or modified from time to time;

DEFINITIONS

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| Board | : | The Board of Directors of the Company, as at the date of this Circular; |
| Bye-laws | : | The bye-laws of the Company as amended, supplemented or modified from time to time; |
| Capital Reduction | : | The reduction of the issued and paid-up share capital of the Company; |
| Capital Reorganisation Announcement | : | The announcement issued by the Company informing the Shareholders of the Effective Date; |
| CDP | : | The Central Depository (Pte) Limited; |
| CIHL Share Option Scheme | : | The share option scheme adopted by the Company on 8 March 2010; |
| Circular | : | This circular to Shareholders dated 5 April 2017 in respect of the proposed renewal of the Share Buy-Back Mandate and proposed Capital Reorganisation; |
| Company | : | China International Holdings Limited; |
| Control | : | The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company; |
| Controlling Shareholder | : | A person who (i) holds directly or indirectly 15% or more of the total number of issued Shares excluding Treasury Shares in the Company (the SGX-ST may determine that a person who satisfies the above is not a Controlling Shareholder) or (ii) in fact exercises control over the Company; |
| Crediting of Contributed Surplus Account | : | The crediting of credit arising from the Capital Reduction in the sum of S\$48,668,677.65 to the contributed surplus account of the Company; |
| Depositor Proxy Form | : | The proxy form which is despatched with this Circular allowing a Depositor to appoint a nominee to attend and vote as CDP's proxy at the SGM; |
| Director | : | A director of the Company as at the date of this Circular; |
| Effective Date | : | The date on which the Proposed Capital Reorganisation is to take effect, being such date as may be determined later by the Directors and announced by the Company; |
| EPS | : | Earnings per Share; |
| Executive Director | : | A director of the Company who performs an executive function; |
| FY | : | Financial year ended or ending 31 December, as the case may be; |
| Group | : | The Company and its Subsidiaries; |

DEFINITIONS

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| Highest Last Dealt Price | : | The highest price transacted for a Share as recorded on the SGX-ST on the Market Day on which there were trades in the Shares immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase. For this purpose, the expression, “ <i>day of the making of the offer</i> ” means the day on which the Company announces its intention to make an offer for the Share Purchase, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; |
| Independent Director | : | Any independent director of the Company as may be appointed from time to time; |
| Latest Practicable Date | : | 28 March 2017, being the latest practicable date prior to despatch of this Circular; |
| Listing Manual | : | The listing manual of the SGX-ST and its relevant rule(s), as amended or modified from time to time; |
| Market Day | : | A day on which SGX-ST is open for trading in securities; |
| New Share Certificates | : | The share certificates for Shares which reflect a par value of S\$0.05 each; |
| Old Share Certificates | : | The share certificates for Shares which reflect a par value of S\$1.00 each; |
| NTA | : | Net tangible assets; |
| Non-Executive Director | : | Any director of the Company, which shall include any Independent Director, who performs a non-executive function; |
| Off-Market Purchases | : | Off-market purchases (if effected otherwise than on the SGX-ST) pursuant to an equal access scheme(s) (as defined in section 76C of the Act), which scheme(s) shall satisfy all the conditions prescribed by the Listing Manual; |
| On-Market Purchases | : | On-market purchases through the SGX-ST’s ready market, or as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose; |
| Options | : | Share options granted under the CIHL Share Option Scheme; |
| PRC | : | The People’s Republic of China; |
| Proposed Capital Reorganisation | : | The Capital Reduction, the Authorised Capital Diminution, the Authorised Capital Increase, and the Crediting of Retained Earnings, details of which are set out in paragraph 3.3 of this Circular; |
| Register of Members | : | The register of members of the Company; |

DEFINITIONS

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| Securities Accounts | : | The securities accounts maintained by Depositors with CDP, but not including the securities accounts maintained with a Depository Agent; |
| SGM | : | The special general meeting of the Company to be convened and held on 28 April 2017 at 9.45 a.m. (or as soon thereafter following the conclusion or adjournment of the special general meeting of the Company to be held at 9.30 a.m. on the same day and at the same place), notice of which is set out on page SGM-1 of this Circular; |
| SGX-ST | : | The Singapore Exchange Securities Trading Limited; |
| Share Buy-Back Mandate | : | The proposed general mandate to be given by the Shareholders to authorise the Directors to exercise all powers of the Company to purchase or acquire, on behalf of the Company, Shares in accordance with the terms set out in this Circular; |
| Share Transfer Agent | : | The Company's Singapore share transfer agent, being, Boardroom Corporate & Advisory Services Pte. Ltd.; |
| Share Purchase | : | The purchase of Shares by the Company pursuant to the Share Buy-Back Mandate; |
| Shareholders | : | Registered holders of the Shares; |
| Shareholder Proxy Form | : | The proxy form which is despatched with this Circular allowing a Shareholder to appoint a proxy to attend and vote on its behalf at the SGM; |
| Shares | : | Ordinary shares in the share capital of the Company; |
| Subsidiaries | : | Has the meaning ascribed to it in section 5 of the Act; |
| Substantial Shareholder | : | A person who has an interest or interests in one or more voting Shares 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; |
| Take-over Code or Code | : | The Singapore Code on Take-overs and Mergers; |
| Treasury Share | : | A Share that was or is treated as having been acquired and held by the Company and has been held continuously by the Company since it was so acquired and has not been cancelled; |
| Currencies, Units and Others | | |
| % or per cent | : | Percentage or per centum; |
| RMB and RMB cents | : | PRC Renminbi and cents, respectively, being the lawful currency of PRC; and |
| S\$ and cents | : | Singapore dollars and cents, respectively, being the lawful currency of Singapore. |

The terms **Depositor**, **Depository Agent** and **Depository Register** shall have the same meanings ascribed to them in Section 81SF of the Securities and Futures Act (Cap 289) of Singapore.

DEFINITIONS

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.

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

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

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

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

Unless otherwise stated, the following exchange rate has been used in this Circular:

S\$1.00: RMB4.9179.

The exchange rate as set out above is used for illustration purposes only and should not be construed as a representation that the relevant amounts have been or could be converted at the rate above or at any other rate or at all.

LETTER TO SHAREHOLDERS

CHINA INTERNATIONAL HOLDINGS LIMITED

(Registration No. 23356)
(Incorporated in Bermuda)

Directors

| | |
|--------------------------|--------------------------|
| Shan Chang | (Non-executive Chairman) |
| Zhang Rong Xiang | (Managing Director) |
| Zhu Jun | (Executive Director) |
| Shen Xia | (Executive Director) |
| Chee Teck Kwong, Patrick | (Independent Director) |
| Teo Woon Keng John | (Independent Director) |

Registered Office

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

5 April 2017

To: The Shareholders of the Company

Dear Sir / Madam,

1. INTRODUCTION

1.1 The Board wishes to convene a special general meeting to be held at 9.45 a.m. on 28 April 2017 (or as soon thereafter following the conclusion or adjournment of the AGM to be held on the same day and at the same place) to seek Shareholders' approval for:

- (a) the renewal of the Share Buy-Back Mandate; and
- (b) the Proposed Capital Reorganisation.

1.2 The purpose of this Circular is to provide Shareholders with information relating to the renewal of the Share Buy-Back Mandate and the Proposed Capital Reorganisation to be proposed at the special general meeting, notice of which is set out on page SGM-1 of this Circular.

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

2. THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

2.1 Introduction

The Share Buy-Back Mandate is a general mandate to be given by the Shareholders that allows the Company to purchase or acquire its issued Shares at any time during the duration and on the terms of the Share Buy-Back Mandate. It is a requirement under the Listing Manual that a company which wishes to purchase or acquire its own shares should obtain approval of its shareholders at a general meeting. At the special general meeting of the Company held on 30 April 2009, Shareholders had approved the adoption of the Share Buy-Back Mandate to enable the Company to purchase or otherwise acquire Shares and to hold such Shares as Treasury Shares.

At the special general meeting held on 29 April 2016, the Shareholders had approved a resolution stated as Resolution 1 in the notice of the special general meeting dated 13 April 2016 in relation to the renewal of the Share Buy-Back Mandate (the "**2016 Mandate**"). The authority conferred on the Directors pursuant to the 2016 Mandate will expire on the conclusion of the AGM next following the passing of the said 2016 Mandate on or the date by which such AGM is required to be held, whichever is the earlier. The forthcoming AGM of the Company will be held on 28 April 2017. As such, the 2016 Mandate will expire at the conclusion of the said AGM. Although the Company has not undertaken any purchases or acquisitions of its Shares pursuant to the authority conferred by the 2016 Mandate, it is proposed nonetheless that such authority be renewed. Accordingly, the renewal of the Share Buy-Back Mandate will be tabled as an ordinary resolution (as defined in the Bye-laws) for Shareholders' approval at the forthcoming special general meeting.

LETTER TO SHAREHOLDERS

2.2 Rationale for the Proposed Renewal of the Share Buy-Back Mandate

The Company proposes to seek Shareholders' approval for the proposed renewal of the Share Buy-Back Mandate to give Directors the flexibility to undertake share purchases or acquisitions up to ten per cent (10%) of the Company's total issued shares (excluding Treasury Shares), as at the date of passing of the resolution at the Company's SGM, as described in section 2.3 below at any time, subject to market conditions, during the period when the Share Buy-Back Mandate is in force.

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

- (a) In managing the business of the Company, management strives to increase Shareholders' value by improving, *inter alia*, the return on equity of the Company. A buy-back of Shares at the appropriate price level is one of the ways through which the return on equity of the Group may be enhanced.
- (b) The Directors believe that the Share Buy-Back Mandate provides the Company with a mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements in an expedient, effective and cost-efficient manner. It will also provide the Directors with greater flexibility over the Company's share capital structure with a view to enhancing the earnings and/or net asset value per Share.
- (c) The Directors further believe that buy-backs of Shares by the Company will help mitigate short-term market volatility, offset the effects of short-term speculation and bolster Shareholder confidence.

The Share Purchases will only be undertaken as and when the Directors consider it to be in the best interests of the Company. If and when circumstances permit, the Directors will decide whether to effect the Share Purchases via On-Market Purchases or Off-Market Purchases, after taking into account the amount of surplus cash available, the prevailing market conditions and the most cost-effective and efficient approach. The Directors do not propose to carry out buy-backs of Shares to an extent that would, or in circumstances that might, result in a material adverse effect on the liquidity, the orderly trading of the Shares, the financial position of the Company and/or result in the Company being delisted from the SGX-ST. For example, the Directors will ensure that the Share Buyback will not be carried out to such an extent that the free float of the Company's Shares held by the public falls to below ten per cent (10%).

Any Share Purchase will have to be made in accordance with, and in the manner prescribed by, the Bermuda Companies Act, the Memorandum of Association of the Company, the Bye-laws and such other laws and regulations as may, for the time being, be applicable. As the Company is listed on the SGX-ST, it is also required to comply with Part XIII of Chapter 8 of the Listing Manual, which relates to the purchase or acquisition of issued ordinary shares in the capital of a company listed on the SGX-ST.

2.3 The terms of the proposed Share Buy-Back Mandate

The authority and limitations placed on the Share Purchases by the Company under the proposed Share Buy-Back Mandate, the renewal of which if approved at the SGM, are summarised below:

2.3.1 Maximum number of Shares

Pursuant to the Share Buy-Back Mandate, the Company may only acquire Shares that are issued and fully paid-up.

In accordance with Rule 882 of the Listing Manual, the total number of Shares that may be purchased is limited to that number of Shares representing not more than ten per cent (10%) of the issued ordinary share capital of the Company as at the Approval Date. Any Shares which are held as Treasury Shares will be disregarded for purposes of computing the ten per cent (10%) limit.

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For illustrative purposes only, on the basis of 51,230,187 Shares (excluding Treasury Shares) of par value S\$1.00 each in issue as at the Latest Practicable Date and assuming that no further Shares are issued on or prior to the SGM, not more than 5,123,018 Shares (representing ten per cent (10%) of the Shares in issue (excluding Treasury Shares, if any) as at the Approval Date) of par value S\$1.00 each may be purchased or acquired by the Company pursuant to the proposed Share Buy-back Mandate.

The Company may not acquire its own Shares if as a result thereof, the issued share capital of the Company would be reduced below the minimum subscribed capital specified in its Memorandum of Association.

2.3.2 Duration of authority

Approval for the renewal of the Share Buy-Back Mandate is being sought from Shareholders at the date of the SGM for the purchase by the Company of its issued Shares.

If approved, the Share Buy-Back Mandate will take effect from the passing of the resolution approving the renewal of the said mandate at the SGM and continue in force up to the earliest of:

- (i) the conclusion of the next AGM;
- (ii) the date by which such AGM is required to be held;
- (iii) the date on which the Share Purchases are carried out to the full extent mandated;
or
- (iv) the date on which the authority contained by the Share Buy-Back Mandate is revoked or varied by an ordinary resolution (as defined in the Bye-laws) of the Shareholders in general meeting.

The authority conferred on the Directors by the Share Buy-Back Mandate to purchase or acquire Shares may be renewed at each AGM or other general meetings of the Company.

2.3.3 Manner of Share Purchases

Share Purchases may be made by way of:

- (i) On-Market Purchases; and/or
- (ii) Off-Market Purchases.

The Directors may impose such terms and conditions which are not inconsistent with the Share Buy-Back Mandate, the Listing Manual, the Memorandum of Association of the Company, the Bye-laws, the Bermuda Companies Act and section 76C of the Act, as they consider fit in the interests of the Company in connection with or in relation to an equal access scheme or schemes.

While the Company is not bound by section 76C of the Act, any equal access scheme pursuant to the Share Buy-Back Mandate will need to satisfy the conditions of section 76C of the Act. Under section 76C of the Act, an equal access scheme must satisfy all of the following conditions:

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

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

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

- (i) the terms and conditions of the offer;
- (ii) the period and procedures for acceptances;
- (iii) the reasons for the proposed Share Purchase;
- (iv) the consequences, if any, of Share Purchases by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (v) whether the Share Purchase, if made, could affect the listing of the Shares on the Official Listing of SGX-ST;
- (vi) details of any Shares purchased made by the Company in the previous 12 months (whether by way of On-Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such Share Purchases, where relevant, and the total consideration paid for such Share Purchases; and
- (vii) whether the Shares purchased will be cancelled or kept as Treasury Shares.

2.3.4 Maximum Purchase Price

The purchase price (excluding brokerage, commissions, stamp duties, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors.

However, the purchase price to be paid for a Share pursuant to the Share Purchases as determined by the Directors must not exceed:

- (i) in the case of an On-Market Purchase, 105% of the Average Closing Price of the Shares; and
- (ii) in the case of an Off-Market Purchase, 120% of the Highest Last Dealt Price of the Shares,

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

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

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2.4 Status of purchased Shares

Under the Bermuda Companies Act, any Share purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is purchased or acquired to be held, and is held by the Company as a Treasury Share. Where purchased or acquired Shares are cancelled and not held as Treasury Shares, the amount of the issued share capital of the Company will be diminished by the nominal value of such Shares purchased or acquired by the Company. However, this shall not be taken as reducing the amount of the Company's authorised share capital.

Any Shares purchased or acquired by the Company (and not held as Treasury Shares by the Company) and cancelled will be automatically de-listed by the SGX-ST and (where applicable) all certificates in respect thereof will be cancelled by the Company as soon as reasonably practicable following the settlement of any such purchase.

2.4.1 Purchased Shares held as Treasury Shares

Under the Bermuda Companies Act, a company may purchase its own shares if authorised by its memorandum of association or bye-laws. The shares so purchased shall be cancelled or, if authorised by its memorandum of association or bye-laws, held as treasury shares. If the shares purchased are cancelled, the amount of the company's issued, but not its authorised share capital will be diminished by the aggregate nominal value of those shares accordingly. Under the laws of Bermuda, if a company holds shares as treasury shares, the company shall be entered in the register of members as the member holding the treasury shares but the company is not permitted to exercise any rights in respect of those shares.

A company may not acquire its own shares to be held as treasury shares if, as a result of the acquisition, all of the company's issued shares, other than the shares to be held as treasury shares, would be non-voting shares.

No acquisition by a company of its own shares, regardless whether or not to be held as treasury shares may be effected if on the date on which the acquisition is to be effected, there are reasonable grounds for believing that the company is, or after the acquisition would be, unable to pay its liabilities as they become due.

2.4.2 Voting and other rights

The Company cannot exercise any rights in respect of Treasury Shares, including any right to attend or vote at meetings, and any purported exercise of such a right is void.

In addition, no dividend may be paid, and no other distribution of the Company's assets (whether in cash or otherwise) may be made, to the Company in respect of Treasury Shares. However, an allotment of Shares as fully paid bonus Shares in respect of Treasury Shares is allowed. Any Shares so allotted shall be treated for the purposes of the Bermuda Companies Act as if they had been acquired by the Company at the time they were allotted.

2.4.3 Disposal and cancellation

Where purchased Shares are held as Treasury Shares, the Company may:

- (i) continue to hold all or any of such Treasury Shares;
- (ii) dispose of or transfer all or any of the Treasury Shares for cash or other consideration; or
- (iii) cancel all or any of the Treasury Shares.

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In the event of any sale, transfer and/or cancellation of Treasury Shares, the Company will immediately make an announcement stating the following:

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

2.5 Source of funds

2.5.1 In undertaking Share Purchases, the Company may only apply funds legally available for such purchase in accordance with the Bermuda Companies Act, the Bye-laws and the applicable laws in Singapore. The Company may not purchase its Shares for a consideration other than cash or, in the case of an On-Market Share Purchase, for settlement other than in accordance with the trading rules of the SGX-ST.

2.5.2 Under the Bermuda Companies Act, a purchase of shares may only be funded out of the capital paid up on the shares to be purchased, or out of the funds of the company which would otherwise be available for dividend or distribution, or out of the proceeds of a fresh issue of shares made for the purpose of the purchase, and the premium (if any) payable on the purchase (i.e. the amount paid in excess of the nominal value of the shares to be purchased) must be provided for out of the funds of the company which would otherwise be available for dividend or distribution, or out of the company's share premium account before the shares are purchased.

2.5.3 The Company may use its internal resources of funds, external borrowings, or a combination of internal resources and external borrowings to finance buy-backs of its Shares. It is not possible for the Company to realistically calculate or quantify the impact of purchases that may be made pursuant to the Share Buy-Back Mandate on the net asset value and earnings per share as the resultant effect would depend on 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 purchase. The Directors will only make purchases or acquisitions pursuant to the Share Buy-Back Mandate in circumstances which they believe will not result in any material adverse effect to the financial position of the Company or would cause the Company to be insolvent.

2.6 Financial effects of the Share Buy-Back Mandate

2.6.1 General

The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Buy-Back Mandate will depend on, *inter alia*, the number of Shares purchased or acquired and the price paid for such Shares and the manner in which the purchase is funded.

Where purchased Shares are cancelled, the Company's total issued share capital will be diminished by the total nominal amount of those Shares purchased by the Company. The NTA of the Company and the Group will be reduced by the aggregate purchase price paid by the Company for the Shares. The purchase price paid by the Company for the Shares (excluding brokerage, commissions, stamp duties, applicable goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

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As at the Latest Practicable Date, the issued and paid-up capital of the Company is S\$51,230,187 comprising 51,230,187 Shares of par value S\$1.00 each. As at the Latest Practicable Date, there are no Treasury Shares held by the Company and no Shares are reserved for issue by the Company.

2.6.2 Assumptions

The financial effects on the Company and the Group, based on the audited financial statements of the Company and the Group for FY2016, are based on the assumptions set out below:

- (i) the Share Buy-Back Mandate had been effective on the Latest Practicable Date and the Company had purchased a maximum of 5,123,018 Shares of par value S\$1.00 each representing ten per cent (10%) of the total issued share capital of the Company (excluding Treasury Shares, if any) as at the Latest Practicable Date out of capital;
- (ii) there was no issuance of Shares pursuant to the exercise of Options or otherwise after the Latest Practicable Date; and
- (iii) the consideration for the purchase or acquisition of the Shares are funded solely by the internal funds and/or external borrowings.

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

- (i) Number of Shares purchased or acquired

Based on the issued and paid-up ordinary share capital of the Company as at the Latest Practicable Date and assuming no further Shares are issued on or prior to the SGM, the purchase by the Company of up to the maximum limit of ten per cent (10%) of its issued share capital (excluding Treasury Shares, if any) will result in the purchase or acquisition of 5,123,018 Shares of par value S\$1.00 each.

- (ii) Maximum price paid for Shares purchased or acquired

(a) In the case of an On-Market Purchase by the Company and assuming that the Company purchases or acquires 5,123,018 Shares of par value S\$1.00 each at the Maximum Price of S\$0.489 for one (1) Share (being the price equivalent to five per cent (5%) above the average of the closing market prices of the Shares over the last five (5) Market Days preceding the Latest Practicable Date on which transactions in the Shares were recorded), the maximum amount of funds required for the purchase or acquisition of 5,123,018 Shares is S\$2.505 million, equivalent to RMB12.320 million (based on an exchange rate of S\$1.00 : RMB4.9179).

(b) In the case of an Off-Market Purchase by the Company and assuming that the Company purchases or acquires 5,123,018 Shares of par value S\$1.00 each at the Maximum Price of S\$0.559 for one (1) Share (being the price equivalent to twenty per cent (20%) above the highest price transacted for a Share as recorded on the Market Day on which there were trades in the Shares immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 5,123,018 Shares is S\$2.864 million, equivalent to RMB14.084 million (based on an exchange rate of S\$1.00 : RMB4.9179).

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2.6.3 Illustration of financial effects

The financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Buy-Back Mandate, on the Company's audited accounts of the Group and the Company for FY2016 as if the Share Buy-Back Mandate, had been effective on 31 December 2016 are presented below.

The Company will not show illustrations for acquisition of Shares out of profits because the profits of the Company and the Group as at 31 December 2016 will not be sufficient for the Company to make any acquisitions of Shares up to the maximum limit of ten per cent (10%) of its issued share capital (excluding Treasury Shares, if any).

(i) **Share Purchases made entirely out of capital and cancelled**

| | Group | | | Company | | |
|--------------------------------------|------------------------------|--------------------------------|---------------------------------|------------------------------|--------------------------------|---------------------------------|
| | Before Share Purchases | After Share Purchases | | Before Share Purchases | After Share Purchases | |
| | | On-Market Share Purchase | Off-Market Share Purchase | | On-Market Share Purchase | Off-Market Share Purchase |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| As at 31 December 2016 | | | | | | |
| Shareholders' fund | 69,138 | 66,633 | 66,274 | 115,089 | 112,584 | 112,225 |
| NTA ⁽¹⁾ | 64,985 | 62,480 | 62,121 | 115,089 | 112,584 | 112,225 |
| Current assets | 233,864 | 231,359 | 231,000 | 100,602 | 98,097 | 97,738 |
| Current liabilities | 167,691 | 167,691 | 167,691 | 25,367 | 25,367 | 25,367 |
| Working capital | 66,173 | 63,668 | 63,309 | 75,235 | 72,730 | 72,371 |
| Total borrowings | 35,241 | 35,241 | 35,241 | – | – | – |
| Number of Shares as at LPD ('000) | 51,230 | 46,107 | 46,107 | 51,230 | 46,107 | 46,107 |
| Financial Ratios | | | | | | |
| NTA per Share (S\$) | 1.27 | 1.36 | 1.35 | 2.25 | 2.44 | 2.43 |
| Earnings/(loss) per Share (S\$) | 0.255 | 0.283 | 0.283 | (0.022) | (0.025) | (0.025) |
| Gearing (times) ⁽²⁾ | 0.51 | 0.53 | 0.53 | – | – | – |
| Current ratio (times) ⁽³⁾ | 1.39 | 1.38 | 1.38 | 3.97 | 3.87 | 3.85 |

Notes:

- (1) "NTA" equals Shareholders' funds less intangible assets.
- (2) "Gearing" equals total borrowings divided by Shareholders' funds.
- (3) "Current ratio" equals current assets divided by current liabilities.

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(ii) Share Purchases made entirely out of capital and held as Treasury Shares

| | Group | | | Company | | |
|--------------------------------------|------------------------|--------------------------|---------------------------|------------------------|--------------------------|---------------------------|
| | Before Share Purchases | After Share Purchases | | Before Share Purchases | After Share Purchases | |
| | | On-Market Share Purchase | Off-Market Share Purchase | | On-Market Share Purchase | Off-Market Share Purchase |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| As at 31 December 2016 | | | | | | |
| Shareholders' fund | 69,138 | 66,633 | 66,274 | 115,089 | 112,584 | 112,225 |
| NTA ⁽¹⁾ | 64,985 | 62,480 | 62,121 | 115,089 | 112,584 | 112,225 |
| Current assets | 233,864 | 231,359 | 231,000 | 100,602 | 98,097 | 97,738 |
| Current liabilities | 167,691 | 167,691 | 167,691 | 25,367 | 25,367 | 25,367 |
| Working capital | 66,173 | 63,668 | 63,309 | 75,235 | 72,730 | 72,371 |
| Total borrowings | 35,241 | 35,241 | 35,241 | – | – | – |
| Number of Shares as at LPD ('000) | 51,230 | 46,107 | 46,107 | 51,230 | 46,107 | 46,107 |
| Treasury Shares ('000) | – | 5,123 | 5,123 | – | 5,123 | 5,123 |
| Financial Ratios | | | | | | |
| NTA per Share (S\$) | 1.27 | 1.36 | 1.35 | 2.25 | 2.44 | 2.43 |
| Earnings/(loss) per Share (S\$) | 0.255 | 0.283 | 0.283 | (0.022) | (0.025) | (0.025) |
| Gearing (times) ⁽²⁾ | 0.51 | 0.53 | 0.53 | – | – | – |
| Current ratio (times) ⁽³⁾ | 1.39 | 1.38 | 1.38 | 3.97 | 3.87 | 3.85 |

Notes:

- (1) "NTA" equals Shareholders' funds less intangible assets.
- (2) "Gearing" equals total borrowings divided by Shareholders' funds.
- (3) "Current ratio" equals current assets divided by current liabilities.

Shareholders should note that the financial effects set out above, based on the respective aforementioned assumptions, are for illustrative purposes only. In particular, it is important to note that the above analysis is based on historical audited FY2016 numbers and is not necessarily representative of future financial performance.

Although the Share Buy-Back Mandate would authorise the Company to purchase or acquire such number of Shares representing up to ten per cent (10%) of the Company's issued share capital (excluding Treasury Shares) as at the date the renewal of the Share Buy-Back Mandate is approved, the Company may not necessarily buy back or be able to buy back up to ten per cent (10%) of the issued share capital (excluding Treasury Shares) in full. The Company will take into account both financial factors (for example, cash surplus, debt position and working capital

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requirement) and non-financial factors (for example, share market conditions and the performance of the Shares) in assessing the relative impact of a Share buy-back before execution. In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased in treasury.

Purchases of Shares by the Company pursuant to the Share Buy-Back Mandate will only be made in circumstances where it is considered by the Board to be in the best interests of the Company. It should be noted that purchases pursuant to the Share Buy-Back Mandate may not be carried out to the full ten per cent (10%) as mandated. Further, the Directors do not propose to exercise the Share Buy-Back Mandate to such an extent as would have a material adverse effect on the working capital requirements of the Company or the gearing levels which, in the opinion of the Directors, are from time to time appropriate for the Company.

2.7 Listing Manual

2.7.1 Under the Listing Manual, a listed company may only purchase shares by way of a market acquisition at a price which is not more than five per cent (5%) above the average closing market price. The term “average closing market price”, as defined under the Listing Manual, means the average of the closing market prices of shares over the last five (5) market days, on which transactions in the shares were recorded, before the day on which purchases are made and deemed to be adjusted for any corporate action that occurs after the relevant five (5) day period. The Maximum Price for a Share in relation to an On-Market Purchase and an Off-Market Purchase by the Company, referred to in Section 2.3.4 of this Circular, conforms to this restriction.

2.7.2 Reporting requirements

Additionally, the Listing Manual also specifies that a listed company shall notify all purchases or acquisitions of its shares to SGX-ST not later than 9:00 a.m.:

- (i) in the case of an On-Market Purchase, on the market day following the day of purchase or acquisition of any of its shares; and
- (ii) 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 notification shall be in such form and shall include such details as may be prescribed in the Listing Manual which include, details of the total number of shares purchased and the purchase price per share or the highest and lowest prices paid for such shares, as applicable.

2.7.3 No share purchase during development of price-sensitive information

While the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an “insider” in relation to any proposed purchase of its own issued shares, the Company will not undertake any Share Purchase pursuant to the Share Buy-Back Mandate at any time after any matter or development of a price sensitive nature has occurred or has been the subject of a decision until such price sensitive information has been publicly announced. In particular, in line with the best practices on dealings in securities issued by SGX-ST under Rule 1207(19) of the Listing Manual, the Company will not purchase or acquire any Shares pursuant to the Share Buy-Back Mandate during the period commencing two weeks immediately preceding the announcement of the Company’s financial statements for each of the first three quarters of its financial year and one month immediately preceding the announcement of the Company’s financial statements of its full-year and ending on the date of the announcement of the relevant results.

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The Listing Manual also requires a listed company to ensure that at least ten per cent (10%) of its Shares is at all times held by public Shareholders. The term “public”, as defined under the Listing Manual, means persons other than the directors, substantial shareholders, chief executive officers or controlling shareholders of the company and its subsidiaries, as well as Associates of such persons.

As at the Latest Practicable Date, 17,952,750 Shares of par value S\$1.00 each representing 35.04% of the issued share capital of the Company are held in the hands of the public. In the event that the Company purchases the maximum number of Shares representing ten per cent (10%) of its issued ordinary share capital from such public Shareholders, the resultant percentage of the issued Shares held by the public Shareholders would be reduced to approximately 27.83%.

Accordingly, the Company is of the view that there is, at present, a sufficient number of Shares in public hands that would permit the Company to potentially undertake buy-backs of the Shares up to the full ten per cent (10%) limit pursuant to the proposed Share Buy-Back Mandate, without affecting adversely the orderly trading, liquidity and listing status of the Shares on SGX-ST.

Save for its Shares and Options, as at the Latest Practicable Date, the Company has no securities listed on the SGX-ST.

2.8 Tax implications

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

2.9 Take-over Code implications arising from Share Purchases

2.9.1 Obligation to make a take-over offer

An increase of a Shareholder's proportionate interest in the voting rights of the Company resulting from a Share buy-back by the Company will be treated as an acquisition for the purposes of Rule 14 of the Code. Under Rule 14 of the Code, a Shareholder and persons acting in concert with the Shareholder will incur an obligation to make a mandatory take-over offer if, *inter alia*, he and persons acting in concert with him increase their voting rights in the Company to thirty per cent (30%) or more or, if they, together hold between thirty per cent (30%) and fifty per cent (50%) of the Company's voting rights, increase their voting rights in the Company by more than 1 per cent (1%) in any period of six (6) months.

2.9.2 Persons acting in concert

Under the 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 control of that company. Unless the contrary is established, the following persons will, *inter alia*, be presumed to be acting in concert:

- (i) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the above companies and any company whose associated companies include any of the above companies;
- (ii) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by its directors, their close relatives and related trusts;
- (iii) a company with any of its pension funds and employee share schemes;
- (iv) a person with any investment company, unit trust or other fund in respect of the investment account which such person manages on a discretionary basis;

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

For this purpose, ownership or control of at least twenty per cent (20%) but not more than fifty per cent (50%) of the voting rights of a company will be regarded as the test for 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 Share Purchase by the Company are set out in Appendix 2 of the Takeover Code.

2.9.3 Effect of Rule 14 and Appendix 2 of the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 is that:

- (a) unless exempted, directors of a company and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such directors and their concert parties would increase to thirty per cent (30%) or more, or if the voting rights of such directors and their concert parties fall between thirty per cent (30%) and 50 per cent (50%) of the Company's voting rights, the voting rights of such directors and their concert parties would increase by more than one per cent (1%) in any period of six (6) months; and
- (b) a Shareholder who is not acting in concert with 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 thirty per cent (30%) or more, or if the voting rights of such directors and their concert parties fall between thirty per cent (30%) and fifty per cent (50%) of the Company's voting rights, the voting rights of such Shareholder would increase by more than one per cent (1%) in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buy-Back Mandate as the case may be.

However, Shareholders will be subject to the provisions of Rule 14 of the Take-over Code if they acquire Shares after the Company's Share Purchases. For the purpose of the Take-over Code, an increase in the percentage of voting rights as a result of the Share Purchases will be taken into account in determining whether a Shareholder and persons acting in concert with him have increased their voting rights by more than one per cent (1%) in any period of 6 months.

Shareholders (including Directors) and their concert parties who hold more than fifty per cent (50%) of the Company's voting rights are under no obligation to make a take-over offer if the voting rights of such Shareholders and their concert parties were to increase as a result of the Company purchasing or acquiring Shares.

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If the Company decides to cease the Share Purchases before it has purchased in full such number of Shares authorised by its Shareholders at the SGM, the Company will promptly inform its Shareholders of such cessation. This will assist Shareholders to determine if they can buy any more Shares without incurring an obligation under Rule 14 of the Take-over Code.

2.9.4 Application of the Take-over Code

The shareholdings of the Substantial Shareholders and Director(s) as at the Latest Practicable Date and after the purchase by the Company (assuming the Company purchased a maximum 5,123,018 Shares of par value S\$1.00 each, being ten per cent (10%) of the total number of shares in the issued share capital of the Company (excluding Treasury Shares, if any) as at the Latest Practicable Date, and there was no change in the number of Shares held or deemed to be held by the Substantial Shareholders and Director(s) pursuant to the Share Buy-Back Mandate as the case may be, are as follows:

| | Before Share Purchase | | | After Share Purchase | | |
|------------------------------------------------------------|-----------------------|-----------------|-------|----------------------|-----------------|-------|
| | Number of Shares | | | Number of Shares | | |
| | Direct Interest | Deemed Interest | %(*) | Direct Interest | Deemed Interest | % |
| Directors | | | | | | |
| Zhang Rong Xiang | 206,950 | – | 0.40 | 206,950 | – | 0.45 |
| Substantial Shareholders (other than directors) | | | | | | |
| Wellful Holdings Limited | 14,569,231 | – | 28.44 | 14,569,231 | – | 31.60 |
| China Construction Group Inc | 11,001,256 | – | 21.47 | 11,001,256 | – | 23.86 |
| Wisdom Accord Limited | 7,500,000 | – | 14.64 | 7,500,000 | – | 16.27 |
| Lin Rongqiang ⁽¹⁾ | – | 14,569,231 | 28.44 | – | 14,569,231 | 31.60 |
| China Construction Holdings Limited ⁽²⁾ | – | 11,001,256 | 21.47 | 11,001,256 | – | 23.86 |
| Fok Hei Yu ⁽³⁾ | – | 11,001,256 | 21.47 | – | 11,001,256 | 23.86 |
| John Howard Batchelor ⁽³⁾ | – | 11,001,256 | 21.47 | – | 11,001,256 | 23.86 |
| Zheng Dagang ⁽⁴⁾ | – | 7,500,000 | 14.64 | – | 7,500,000 | 16.27 |

Notes:

(*) – Based on 51,230,187 Shares of par value S\$1.00 each issued as at Latest Practicable Date.

- (1) Wellful Holdings Limited is an investment holding company. Lin Rongqiang is the sole shareholder of Wellful Holdings Limited. Accordingly, Lin Rongqiang is deemed to be interested in the Shares held by Wellful Holdings Limited by virtue of Section 4 of the Securities and Futures Act (Cap.289).
- (2) China Construction Group Inc is a company incorporated in Bermuda. China Construction Holdings Limited is the sole shareholder of China Construction Group Inc. Accordingly, China Construction Holdings Limited is deemed to be interested in the Shares held by China Construction Group Inc by virtue of Section 4 of the Securities and Futures Act (Cap.289).
- (3) China Construction Group Inc is a company incorporated in Bermuda. By way of a deed of appointment dated 28 August 2013, Mr. Fok Hei Yu and Mr. John Howard Batchelor were jointly and severally appointed as receivers over 100% of the shares in China Construction Group Inc. Accordingly, Mr. Fok Hei Yu and Mr. John Howard Batchelor are deemed to be interested in the Shares held by China Construction Group Inc by virtue of Section 4 of the Securities and Futures Act (Cap.289).
- (4) Wisdom Accord Limited is an investment holding company. Zheng Dagang is the sole shareholder of Wisdom Accord Limited. Accordingly, Zheng Dagang is deemed to be interested in the Shares held by Wisdom Accord Limited by virtue of Section 4 of the Securities and Futures Act (Cap.289).

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2.9.5 Exemption

As at the Latest Practicable Date, Wellful Holdings Limited holds an aggregate of 14,569,231 Shares of par value S\$1.00 each in the issued capital of the Company representing approximately 28.44% of the aggregate voting rights in the Company (excluding Treasury Shares).

The sole shareholder of Wellful Holdings Limited is Lin Rongqiang, holding 100% of the total issued share capital. Neither Wellful Holdings Limited nor Lin Rongqiang are considered parties acting in concert with each of any Director of the Company under the Take-over Code.

Pursuant to Rule 14 of the Take-over Code, Wellful Holdings Limited would incur an obligation to make a general offer for the Company in the event that their aggregate voting rights in the Company increases to thirty per cent (30%) as a result of the purchase of Shares by the Company under the Share Buyback Mandate.

For the purposes of illustration, on the basis of 51,230,187 Shares of par value S\$1.00 each in issue as at the Latest Practicable Date, assuming that (i) no further Shares are issued by the Company on or prior to the SGM approving the renewal of the Share Buyback Mandate, (ii) the Company purchases the maximum number of 5,123,018 Shares of par value S\$1.00 each under the Share Buyback Mandate, representing ten per cent (10%) of the total number of Shares in issue as at the date of the SGM, and (iii) the purchased Shares are either cancelled or held as Treasury Shares:

- (a) the total number of Shares in issue (excluding Treasury Shares) will be reduced from 51,230,187 to 46,107,169 Shares of par value S\$1.00 each; and
- (b) the percentage of the aggregate voting rights in the Company held by Wellful Holdings Limited will increase approximately from 28.44% to 31.60%.

In accordance with the Share Buyback Guidance Note set out in Appendix 2 of the Take-over Code, Wellful Holdings Limited will not be required to make a general offer for the Company under Rule 14 of the Take-over Code in relation to the Share Buy-Back Mandate if as a result of the Company buying back its own Shares, the voting rights of the Wellful Holdings Limited in the Company increases to thirty per cent (30%) or more, provided, it is a Shareholder who is not acting in concert with the Directors.

If the Company ceases to buy back its Shares under the renewed Share Buyback Mandate and the resultant aggregate voting rights held by Wellful Holdings Limited and its concert parties as a result of the Share Buyback is less than thirty per cent (30%), Wellful Holdings Limited and its concert parties may acquire further voting rights in the Company. However, the increase in their percentage of total voting rights in the Company as a result of the Share Purchases will be taken into account together with any voting rights acquired by Wellful Holdings Limited (by whatever means) in determining whether Wellful Holdings Limited and its concert parties have increased their aggregate voting rights in the Company to thirty per cent (30%) or more.

The Directors are not aware of any facts or factors which suggest or imply that any particular person(s) and/or Shareholder(s) are, or may be regarded as, parties acting in concert with the Directors such that their respective interests in voting Shares in the capital of the Company should or ought to be consolidated, and consequences under the Take-over Code would ensue as a result of a purchase of Shares by the Company pursuant to the Share Buy-Back Mandate.

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Save as disclosed, none of the other Substantial Shareholders or Directors (together with persons acting in concert with it or them) will become obligated to make a mandatory take-over offer for the Company under the Share Buy-Back Mandate if the Company purchases up to the maximum ten per cent (10%) of the issued Shares (excluding Treasury Shares) under the Share Buy-Back Mandate.

The statements herein do not purport to be a comprehensive or exhaustive description of all the relevant provisions of, or all implications that may arise under the Take-over Code. Shareholders who are in any doubt as to whether they would incur any obligations to make a take-over offer as a result of any Share Purchases pursuant to the Share Buy-Back Mandate are advised to consult their professional advisers and/or the Securities Industry Council of Singapore and/or the relevant authorities at the earliest opportunity before they acquire any Shares during the period when the Share Buy-Back Mandate is in force.

2.10 Details of Share Purchases pursuant to a Share Buy-Back Mandate

The Company has not purchased any Shares during the 12 months preceding the Latest Practicable Date.

2.11 Limits on shareholdings

There are no limitations under Bermuda law on the rights of owners of Shares to hold or vote their Shares, solely by reason that they are non-Bermudians. The Company does not have any limitation under its Bye-laws on the shareholdings of the Shareholders. However, Bye-law 192(B) of the Bye-laws requires that for so long as the shares of the Company are listed on a Designated Stock Exchange (which is defined in the Bye-laws to include the SGX-ST), substantial shareholders (having the meaning ascribed to it in the Act) have to disclose particulars of the shares in the Company beneficially owned by them and of any change in the percentage level of such interests. Such requirement to disclose does not apply to The Central Depository (Pte) Limited. Additionally, under Rule 723 of the Listing Manual, a company should ensure that at least ten per cent (10%) of a class of its listed securities (excluding treasury shares, preference shares and convertible equity securities) is at all times held by the public (as defined in the Listing Manual). The Company shall use its best efforts to ensure that it does not effect a Share Purchase if the Share Purchase would result in the number of Shares remaining in the hands of the public falling to such a level as to cause market illiquidity or adversely affect the listing status of the Company.

3. THE PROPOSED CAPITAL REORGANISATION

3.1 Introduction

As at the Latest Practicable Date, the authorised share capital of the Company is S\$1,000,000,000 divided into 1,000,000,000 Shares with a par value of S\$1.00 each, of which 51,230,187 Shares have been issued and fully paid-up. As at the Latest Practicable Date, there are no Treasury Shares held by the Company and no Shares are reserved for issue by the Company.

Bye-law 62(B) of the Bye-laws provides that the Company may by special resolution (as defined in the Bye-laws) reduce its share capital in any manner authorized and subject to any conditions prescribed by law. Bye-law 62(A) of the Bye-laws provides that the Company may from time to time by ordinary resolution (as defined in the Bye-laws), *inter alia*, cancel any shares which at the date of the passing of the resolution have not been taken or agreed to be taken by any person, and diminish the amount of its share capital by the amount of the shares so cancelled; or increase its capital by the creation of new shares. The Company's Bye-laws also provides that a special resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required under the Bye-laws or the Bermuda Companies Act.

Shareholders' approval by special resolution, will be sought at the forthcoming SGM for the Proposed Capital Reorganisation to, *inter alia*, reduce the par value of each Share from S\$1.00 to S\$0.05.

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The purpose of this Circular is to provide Shareholders with relevant information pertaining to the Proposed Capital Reorganisation to be tabled at the forthcoming SGM and to seek Shareholders' approval for the special resolution relating to the same.

3.2 Rationale for the Proposed Capital Reorganisation

During the three (3)-month period prior to the Latest Practicable Date, the Shares have been trading between approximately S\$0.412 and approximately S\$0.580 with a volume weighted average price of approximately S\$0.45, which is below the existing par value per Share of S\$1.00. The concept of par value is applicable to the Company as it is a company incorporated in Bermuda. Under the laws of Bermuda, shares of a Bermuda company cannot be issued for an amount less than the par value of the shares. The Proposed Capital Reorganisation will provide the Company with greater flexibility to issue new Shares in the future should fund raising opportunities or requirements arise and facilitate corporate actions which may require the issuance of new Shares.

The amount of credit arising from the Capital Reduction will be transferred to the contributed surplus account of the Company. The Crediting of Contributed Surplus Account will increase the balance in the contributed surplus account of the Company. No cash is required to support such increase in the contributed surplus account of the Company.

The Directors will, as long as the Company is solvent and satisfies the requirements under the Bermuda Companies Act and the Bye-laws, be authorised to utilise any credit balance in the contribute surplus account of the Company in such manner as they may determine in accordance with the Bye-laws and all applicable laws. Bye-law 148 of the Bye-laws provides amongst others that the Company may make a distribution out of any contributed surplus in accordance with the Bermuda Companies Act. As such, subject to the Bye-laws and all applicable laws, the proposed Crediting of Contributed Surplus Account will increase the credit balance in the said account of the Company and provide the Company with greater flexibility in relation to future distributions, if any, out of contributed surplus. Shareholders should note that whether or not the Company will make a distribution out of contributed surplus and the timing and amount of distribution to be paid will depend on the Company's earnings, financial position including cash flow position, future capital requirements, future plans and other relevant factors. Purchases by the Company of its own shares or redemptions by the Company of its own preference shares may be also made out of funds which are otherwise available for dividend or distribution. As at the date of this Circular, Shareholders should note that there are currently no plans to make any distribution out of the increased contributed surplus arising from the Proposed Capital Reorganisation.

The Directors are therefore of the view that the Proposed Capital Reorganisation will mitigate the limitations generally associated with the concept of par value and provide the Company with flexibility on its future capital structure to enable the Company to take advantage of opportunities as and when they arise.

3.3 Details of the Proposed Capital Reorganisation

3.3.1 The Proposed Capital Reorganisation

The Proposed Capital Reorganisation will involve the following:

- (a) the reduction of the issued and paid-up share capital of the Company (the "**Capital Reduction**") from S\$51,230,187 divided into 51,230,187 Shares with a par value of S\$1.00 each, to S\$2,561,509.35 divided into 51,230,187 Shares with a par value of S\$0.05 each, by cancelling the paid-up capital of the Company to the extent of S\$0.95 on each of the Shares with a par value of S\$0.05 in issue on the Effective Date, such that each issued Share with a par value of S\$1.00 shall be treated as one (1) fully paid Share with a par value of S\$0.05 as at the Effective Date, and any liability of the holder of such Shares to make any further contribution to the share capital of the Company on each such Share shall be treated as satisfied. As at the Latest Practicable Date, all issued Shares in the capital of the Company have been fully paid-up;

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- (b) subject to and forthwith upon the Capital Reduction taking effect, the cancellation of all of the authorised but unissued Shares with a par value of S\$1.00 each in the Company (which shall include, without limitation, the authorised but unissued share capital resulting from the Capital Reduction) and the diminution of the authorised share capital of the Company of S\$1,000,000,000 by S\$997,438,490.65 representing the amount of Shares so cancelled (the “**Authorised Capital Diminution**”), and forthwith upon the Authorised Capital Diminution, the authorised share capital of the Company be increased to S\$50,000,000 by the creation of 948,769,813 Shares with a par value of S\$0.05 each (representing the difference between 1,000,000,000 Shares with a par value of S\$0.05 each and the number of Shares with a par value of S\$0.05 each in issue after the Capital Reduction (the “**Authorised Capital Increase**”); and
- (c) subject to and forthwith upon the Capital Reduction taking effect, the credit arising from the Capital Reduction in the sum of S\$48,668,677.65 shall be credited to the contributed surplus account of the Company (the “**Crediting of Contributed Surplus**”), to be utilised in such manner as may be determined by the Directors in accordance with the Bye-laws and all applicable laws.

3.3.2 Effect of the Proposed Capital Reorganisation

Upon the Proposed Capital Reorganisation taking effect on the Effective Date:

- (a) the par value of each issued and unissued Share will be reduced from S\$1.00 to S\$0.05;
- (b) the issued share capital (based on the number of issued Shares as at the Latest Practicable Date) will be S\$2,561,509.35 (divided into 51,230,187 Shares with a par value of S\$0.05 each). The number of issued Shares will remain unchanged at 51,230,187 Shares; and
- (c) the authorised share capital will be reduced from S\$1,000,000,000, divided into 1,000,000,000 Shares with a par value of S\$1.00 each, to S\$50,000,000, divided into 1,000,000,000 Shares with a par value of S\$0.05 each.

As at the Latest Practicable Date, the Directors are of the opinion that, there are no reasonable grounds for believing that, on the Effective Date, the Company is, or after the Proposed Capital Reorganisation would be, unable to pay its liabilities as they become due.

Upon the Proposed Capital Reorganisation becoming effective, there is no change in the number of issued and paid-up Shares held by, or the percentage level of shareholding of, each Shareholder or Depositor as a result of the Proposed Capital Reorganisation. The Shares with a par value of S\$0.05 each will rank *pari passu* in all respects with each other. Other than the costs and expenses incurred in relation to the Proposed Capital Reorganisation, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company.

The Proposed Capital Reorganisation will also not result in a return of capital or cash to Shareholders.

The amount of credit arising from the Capital Reduction will be transferred to the contributed surplus account of the Company.

Please refer to paragraph 3.4 below for more information regarding the financial effects of the Proposed Capital Reorganisation.

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3.3.3 Conditions Precedent for the Proposed Capital Reorganisation

The implementation of the Proposed Capital Reorganisation is subject to, inter alia, the following:

- (a) the approval of the Shareholders for the Proposed Capital Reorganisation by way of a special resolution (as defined in the Bye-laws) at the SGM, that is to say, the Proposed Capital Reorganisation has to be approved by a resolution passed by a majority of not less than three-fourths (3/4) of the votes cast by the Shareholders, being entitled so to do, present and voting at the SGM (either voting in person or by duly authorised corporate representative or by proxy) of which not less than twenty-one (21) clear days' notice shall be given;
- (b) compliance with relevant legal procedures and requirements under Bermuda law and Singapore law (if any) to effect the Proposed Capital Reorganisation, including but not limited to the following:
 - (i) the publication of a notice in an appointed newspaper in Bermuda at a date not more than thirty (30) days and not less than fifteen (15) days before the Effective Date as required under Section 46 of the Bermuda Companies Act;
 - (ii) the publication of a books closure notice in an appointed newspaper in Bermuda;
 - (iii) the filing of a certified true copy of the special resolution approving the Capital Reorganisation, the relevant prescribed forms relating to the alteration of share capital, with a copy of the newspaper notice referred to in item (i) above, with the Bermuda Registrar within 30 days of the Effective Date; and
- (c) the receipt of all necessary approvals (if any) from the regulatory authorities, as maybe required in respect of the Proposed Capital Reorganisation.

Section 46(2)(b) of the Bermuda Companies Act provides that no company shall reduce the amount of its share capital if, on the date the reduction is to be effected, there are reasonable grounds for believing that the company is, or after the reduction would be, unable to pay its liabilities as they become due.

3.3.4 Effective Date

Upon the approval of Shareholders for the Proposed Capital Reorganisation by way of a special resolution being duly passed at the SGM as mentioned above, an announcement will be issued by the Company informing the Shareholders of the Effective Date ("**Capital Reorganisation Announcement**").

3.3.5 Issue of Share Certificates

(a) ***Deposit of Share Certificates with CDP***

Shareholders who hold physical share certificates for Shares with a par value of S\$1.00 each in their own names (the "**Old Share Certificates**") and who wish to deposit the same with CDP and have their Shares with a par value of S\$0.05 each credited to their Securities Accounts must deposit their Old Share Certificates, together with duly executed instruments of transfer in favour of CDP, no later than twelve (12) Market Days prior to the Effective Date. After the Effective Date, CDP will only accept for deposit share certificates for Shares which reflect a par value of S\$0.05 each (the "**New Share Certificates**"). Shareholders who wish to have their Shares credited to their Securities Accounts after the Effective Date must first deliver their Old Share Certificates to the Share Transfer Agent, Boardroom

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Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, in exchange for New Share Certificates. The New Share Certificates will then be sent by ordinary mail to the registered addresses of the Shareholders at their own risk within ten (10) Market Days from the date of receipt of the Old Share Certificates. Upon receipt of the New Share Certificates in their own names, Shareholders may then proceed to deposit the said New Share Certificates in their own names with CDP.

(b) Issue of New Share Certificates

Depositors having Shares standing to the credit of their Securities Accounts and Shareholders who have deposited their Old Share Certificates with CDP at least twelve (12) Market Days prior to the Effective Date need not take any action. The Company will arrange with CDP to facilitate the exchange of the Old Share Certificates for the New Share Certificates.

Shareholders who have not deposited their Old Share Certificates as aforesaid or who do not wish to deposit their Old Share Certificates with CDP are advised to forward all their Old Share Certificates to the Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, as soon as possible after the Capital Reorganisation Announcement and, preferably, not later than twelve (12) Market Days after the Effective Date for cancellation and exchange for New Share Certificates. The New Share Certificates will be sent by ordinary mail to the registered addresses of the Shareholders at their own risk, within ten (10) Market Days from the Effective Date or the date of receipt of the Old Share Certificates, whichever is the later.

Shareholders are to deliver their respective Old Share Certificates to the Share Transfer Agent or CDP in accordance with the provisions set out in this paragraph 3.3.5 only after the Capital Reorganisation Announcement is made.

No receipts will be issued by the Share Transfer Agent for the receipt of Old Share Certificates tendered.

Shareholders should note that New Share Certificates will not be issued to Shareholders unless their Old Share Certificates have been tendered to the Share Transfer Agent for cancellation.

Please notify the Share Transfer Agent if you have lost any of your existing Old Share Certificates or if there is any change in your address from that reflected in the Register of Members.

3.3.6 Share Certificates Not Valid for Settlement of Trades on the SGX-ST

Shareholders who hold physical share certificates are reminded that their Old Share Certificates are no longer good for settlement of trading in the Shares on the SGX-ST, as the Company is under a book-entry (scripless) settlement system, but will continue to be accepted for cancellation and issue of New Share Certificates in replacement thereof for an indefinite period by the Share Transfer Agent. The New Share Certificates will not be valid for delivery pursuant to trades done on the SGX-ST although they will continue to be prima facie evidence of legal title.

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3.4 Financial effects based on the audited consolidated financial statements of the group as at 31 December 2016

The proforma financial effects of the Proposed Capital Reorganisation on the share capital, Shareholders' funds and reserves, NTA, earnings and gearing of the Company are set out below. The proforma financial effects have been prepared based on the audited financial statements of the Company. The proforma financial effects are purely for illustrative purposes only and are therefore not necessarily indicative of the actual results of the Company and the Group or the related effect on the financial position that would have been attained had the Proposed Capital Reorganisation taken place.

3.4.1 Effect on share capital

The effects of the Proposed Capital Reorganisation on the share capital of the Company as at the Latest Practicable Date are as follows:

| | Before the Proposed Capital Reorganisation | After the Proposed Capital Reorganisation |
|------------------------------------------------|-----------------------------------------------|----------------------------------------------|
| <u>Authorised share capital</u> | | |
| Number of shares ('000) | 1,000,000 | 1,000,000 |
| Par value (S\$) | 1.00 | 0.05 |
| Total (S\$'000) | 1,000,000 | 50,000 |
| <u>Issued and paid-up share capital</u> | | |
| Number of shares | 51,230,187 | 51,230,187 |
| Par value (S\$) | 1.00 | 0.05 |
| Total (S\$) | 51,230,187 | 2,561,509.35 |

3.4.2 Effect on shareholders' funds and reserves

The Shareholders' funds and reserves of the Company before and after the Proposed Capital Reorganisation (based on the latest audited consolidated financial statements of the Group as at 31 December 2016) are as follows:

| | Before the Proposed Capital Reorganisation | After Capital Reduction and Crediting of Contributed Surplus |
|---------------------|-----------------------------------------------|--------------------------------------------------------------------|
| | RMB ('000) | RMB ('000) |
| Share capital | 257,321 | 12,866 |
| Share premium | 46,060 | 46,060 |
| Treasury shares | – | – |
| Other reserves | 16,212 | 16,212 |
| Retained earnings | (319,188) | (319,188) |
| Contributed surplus | 565,589 | 810,044 ⁽¹⁾ |
| Total | 565,994 | 565,994 |

Notes:

- (1) The increase in contributed surplus was created because the reduction in par value of the Shares did not result in any return of capital to Shareholders. Accordingly, the capital remained intact but it has been presented with a reduced share capital and a corresponding increase in retained earnings.

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3.4.3 Effect on NTA, earnings and gearing

Save for the costs and expenses relating to the Proposed Capital Reorganisation, the implementation of the Proposed Capital Reorganisation will not have any effect on the net tangible assets, earnings and gearing of the Group. No capital will be returned to Shareholders and there will be no change in the number of Shares held by Shareholders immediately after the Proposed Capital Reorganisation.

The pro forma financial effects of the Proposed Capital Reorganisation on the Company above have been prepared for illustrative purpose only and do not reflect the actual future financial situation of the Group after the completion of the Proposed Capital Reorganisation.

4. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of Directors' and Substantial Shareholders in the Shares as recorded in the Register of Directors' Shareholdings and Register of Substantial Shareholders, respectively, as at the Latest Practicable Date, are as follows:

4.1 Interests of Directors

Save as disclosed in the table below, none of the Directors has any interest, direct or indirect, in the share capital of the Company or any of its subsidiaries.

| | Direct Interest | | Deemed Interest | | Total Interest | |
|--------------------------|------------------|------|------------------|---|------------------|------|
| | Number of Shares | % | Number of Shares | % | Number of Shares | % |
| Shan Chang | – | – | – | – | – | – |
| Zhang Rong Xiang | 206,950 | 0.40 | – | – | 206,950 | 0.40 |
| Zhu Jun | – | – | – | – | – | – |
| Shen Xia | – | – | – | – | – | – |
| Chee Teck Kwong, Patrick | – | – | – | – | – | – |
| Teo Woon Keng John | – | – | – | – | – | – |

At the special general meeting of the Company held on 5 August 2015, Shareholders had approved a resolution stated as Resolution 2 in the notice of the special general meeting dated 20 July 2015 in relation to the consolidation of every twenty (20) existing issued and unissued ordinary shares with a par value of S\$0.05 each in the authorized and issued capital of the Company into one (1) ordinary share with a par value of S\$1.00 each in the authorized and issued capital of the Company (the “**Share Consolidation**”). Following the Share Consolidation, the details of the share options granted by the Company to the Directors pursuant to the CIHL Share Option Scheme approved by the Shareholders on 8 March 2010 are as follows:

| Aggregate Options | Aggregate Options granted | Exercised | Date of grant | Expiry Date |
|----------------------------|---------------------------|-----------|----------------|----------------|
| Name of Participant | | | | |
| Shan Chang | 400,000 | Nil | 10 March 2014 | 9 March 2019 |
| Zhang Rong Xiang | 500,000 | Nil | 10 March 2014 | 9 March 2019 |
| Zhu Jun | 500,000 | Nil | 10 March 2014 | 9 March 2019 |
| Shen Xia | 500,000 | Nil | 10 March 2014 | 9 March 2019 |
| Chee Teck Kwong, Patrick | 400,000 | Nil | 10 March 2014 | 9 March 2019 |
| Teo Woon Keng John | Nil | Nil | Not applicable | Not applicable |

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4.2 Interests of Substantial Shareholders

As at the Latest Practicable Date, the shareholdings of the Substantial Shareholders are as follows:

| | Direct Interest | | Deemed Interest | | Total Interest | |
|----------------------------------------------------|------------------|-------|------------------|-------|------------------|-------|
| | Number of Shares | %(*) | Number of Shares | %(*) | Number of Shares | %(*) |
| Wellful Holdings Limited | 14,569,231 | 28.44 | – | – | 14,569,231 | 28.44 |
| China Construction Group Inc | 11,001,256 | 21.47 | – | – | 11,001,256 | 21.47 |
| Wisdom Accord Limited | 7,500,000 | 14.64 | – | – | 7,500,000 | 14.64 |
| Lin Rongqiang ⁽¹⁾ | – | – | 14,569,231 | 28.44 | 14,569,231 | 28.44 |
| China Construction Holdings Limited ⁽²⁾ | – | – | 11,001,256 | 21.47 | 11,001,256 | 21.47 |
| Fok Hei Yu ⁽³⁾ | – | – | 11,001,256 | 21.47 | 11,001,256 | 21.47 |
| John Howard Batchelor ⁽³⁾ | – | – | 11,001,256 | 21.47 | 11,001,256 | 21.47 |
| Zheng Dagang ⁽⁴⁾ | – | – | 7,500,000 | 14.64 | 7,500,000 | 14.64 |

Notes:

(*) – Based on 51,230,187 Shares of par value S\$1.00 each issued as at Latest Practicable Date.

- (1) Wellful Holdings Limited is an investment holding company. Lin Rongqiang is the sole shareholder of Wellful Holdings Limited. Accordingly, Lin Rongqiang is deemed to be interested in the Shares held by Wellful Holdings Limited by virtue of Section 4 of the Securities and Futures Act (Cap.289).
- (2) China Construction Group Inc is a company incorporated in Bermuda. China Construction Holdings Limited is the sole shareholder of China Construction Group Inc. Accordingly, China Construction Holdings Limited is deemed to be interested in the Shares held by China Construction Group Inc by virtue of Section 4 of the Securities and Futures Act (Cap.289).
- (3) China Construction Group Inc is a company incorporated in Bermuda. By way of a deed of appointment dated 28 August 2013, Mr. Fok Hei Yu and Mr. John Howard Batchelor were jointly and severally appointed as receivers over 100% of the shares in China Construction Group Inc. Accordingly, Mr. Fok Hei Yu and Mr. John Howard Batchelor are deemed to be interested in the Shares held by China Construction Group Inc by virtue of Section 4 of the Securities and Futures Act (Cap.289).
- (4) Wisdom Accord Limited is an investment holding company. Zheng Dagang is the sole shareholder of Wisdom Accord Limited. Accordingly, Zheng Dagang is deemed to be interested in the Shares held by Wisdom Accord Limited by virtue of Section 4 of the Securities and Futures Act (Cap.289).

5. **SPECIAL GENERAL MEETING**

The Board is convening a special general meeting to be held at Copthorne King's Hotel Singapore, Queen Room Level 2, 403 Havelock Road, Singapore 169632 on 28 April 2017 at 9.45 a.m. on 28 April 2017 at 9.45 a.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 9:30 a.m. on the same day and at the same place) to seek the approval of the Shareholders for the ordinary resolution proposed in relation to the renewal of the Share Buy-Back Mandate, and for the special resolution proposed in relation to the Proposed Capital Reorganisation. The Notice of SGM is set out on page SGM-1 of this Circular.

6. **ACTION TO BE TAKEN BY SHAREHOLDERS**

- 6.1 Shareholders (other than CDP) who are unable to attend the SGM and wish to appoint a proxy to attend and vote at the SGM on their behalf will find attached to this Circular a Shareholder Proxy Form (the “**Shareholder 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 arrive at the offices of the Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 not less than forty-eight

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(48) hours before the time appointed for the holding of the SGM. The completion and return of a Shareholder Proxy Form by a Shareholder does not preclude him from attending and voting in person at the SGM in place of his proxy if he finds that he is able to do so, and in such event, the instrument appointing a proxy shall be deemed to be revoked.

- 6.2 Depositors whose names are shown in the records of CDP as at a time not earlier than forty-eight (48) hours before the time appointed for the SGM supplied by CDP to the Company, may attend as CDP's proxies. Such Depositors who are individuals and who wish to attend the SGM in person need not take any further action and may attend and vote at the SGM, as CDP's proxies, without the lodgement of any proxy form.
- 6.3 Such Depositors who are not individuals and Depositors who are unable to attend personally and wish to appoint a nominee to attend and vote on their behalf as CDP's proxies, will find attached to this Circular a Depositor Proxy Form (the "**Depositor 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 arrive at the office of the Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. not less than forty-eight (48) hours before the time appointed for the holding of the SGM. The completion and return of a Depositor Proxy Form by a Depositor who is an individual does not preclude him from attending and voting in person as CDP's proxy at the SGM in place of his nominee if he finds that he is able to do so.

7. DIRECTORS' RECOMMENDATION

The Directors, having carefully considered the terms and rationale of the renewal of Share Buy-Back Mandate set out in paragraph 2 of this Circular, are of the view that the proposed renewal is in the best interest of the Company and accordingly, recommend that Shareholders vote in favour of the ordinary resolution relating to the proposed renewal of the Share Buy-Back Mandate set out in the notice of SGM.

The Directors, having considered the rationale of the Proposed Capital Reorganisation set out in paragraph 3 of this Circular, are of the view that the Proposed Capital Reorganisation is in the best interests of the Company and recommend that Shareholders vote in favour of the special resolution relating to the Proposed Capital Reorganisation set out in the notice of SGM.

Shareholders are advised to read this Circular in its entirety and for any Shareholder who may require advice in the context of his specific investment, to consult his professional adviser.

8. 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 Share Buy-Back Mandate and the Proposed Capital Reorganisation, the issuer and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

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

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9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the office of the Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, during normal business hours from the date of this Circular up to and including the date of the SGM:

- (i) The memorandum of association of the Company and the Bye-laws; and
- (ii) The Company's annual report for FY2016.

Yours faithfully

For and on behalf of the Board of Directors of **China International Holdings Limited**

SHAN CHANG
CHAIRMAN

NOTICE OF SPECIAL GENERAL MEETING

CHINA INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda)
(Company Registration No. 23356)

NOTICE IS HEREBY GIVEN that a Special General Meeting of China International Holdings Limited ("**Company**") will be held at Copthorne King's Hotel Singapore, Queen Room Level 2, 403 Havelock Road, Singapore 169632 on 28 April 2017 at 9.45 a.m. for the purpose of considering and, if thought fit, passing, the following resolutions:

All references to the Circular in this Notice of Special General Meeting ("**Notice**") shall mean the Company's Circular to Shareholders dated 5 April 2017 (the "**Circular**"). All capitalised terms used in this Notice but not otherwise defined herein shall have the meanings given to them in the Circular.

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

That:

(a) approval be and is hereby given for the exercise by the directors of the Company ("**Directors**") of all the powers of the Company to purchase or otherwise acquire the issued ordinary shares in the share capital of the Company ("**Shares**") not exceeding in aggregate the Prescribed Limit (as hereinafter defined), and subject to the Minimum Free Float (as hereinafter defined) at such price or price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

- (i) on-market purchases, transacted on the ready market of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), or as the case may be, other stock exchange for the time being on which the Shares may be listed or quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose ("**On-Market Share Purchases**"); and/or
- (ii) off-market purchases (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit and in the best interests of the Company, which scheme(s) shall satisfy all the conditions prescribed by section 76C of the Companies Act (Chapter 50) of Singapore and the Listing Manual of the SGX-ST ("**Off-Market Share Purchases**"),

and otherwise in accordance with all other applicable laws and regulations (including the provisions of the Companies Act 1981 of Bermuda, as amended, supplemented or modified from time to time ("**Bermuda Companies Act**")) and the provisions in the Listing Manual of the SGX-ST as may for the time being as applicable. ("**Share Buy-Back Mandate**");

(b) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Buy-Back Mandate shall, at the absolute discretion of the Directors, either be cancelled or held in treasury and dealt with in accordance with the Bermuda Companies Act;

(c) the authority conferred on the Directors pursuant to the Share Buy-Back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Ordinary Resolution No. 1 and expiring on the earliest of:

- (i) the conclusion of the next annual general meeting ("**AGM**") of the Company;
- (ii) the date by which the next AGM of the Company is required to be held;
- (iii) the date on which the purchases of Shares by the Company are carried out to the full extent mandated; or

NOTICE OF SPECIAL GENERAL MEETING

(iv) the date on which the authority contained in the Share Buy-Back Mandate is varied or revoked by ordinary resolution of the Company in general meeting.

(d) in this Ordinary Resolution No. 1:

“Prescribed Limit” means the number of Shares representing ten per cent (10%) of the total issued ordinary share capital of the Company (excluding Treasury Shares, if any) as at the date of the passing of this Ordinary Resolution No. 1 unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Bermuda Companies Act, at any time during the Relevant Period (as hereinafter defined), in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered (excluding any Treasury Shares that may be held by the Company from time to time);

“Relevant Period” means the period commencing from the date on which this Ordinary Resolution No. 1 is passed and expiring on the earliest of (i) the date the next annual general meeting of the Company is held or is required to be held, or (ii) the date on which the purchases of the Shares are carried out to the full extent mandated, under the Share Buy-Back Mandate, or (iii) the date on which the Share Buy-Back Mandate is varied or superseded by resolution of the shareholders of the Company in general meeting;

“Minimum Free Float” means at least ten per cent (10%) of the total number of issued Shares of the Company (excluding Treasury Shares, preference shares and convertible equity securities) in a class that is listed is at all times held by the public;

“Maximum Price” in relation to a Share to be purchased, means an amount (excluding brokerage, commissions, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of an On-Market Share Purchase, 105% of the Average Closing Price;

(ii) in the case of an Off-Market Share Purchase, 120% of the Highest Last Dealt Price, where:

“Average Closing Price” means the average of the closing market prices of a Share over the last five (5) Market Days (**“Market Day”** being a day on which the SGX-ST is open for securities trading), on which transactions in the Shares were recorded, immediately preceding the date of making the On-Market Share Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5) Market Day period;

“Highest Last Dealt Price” means the highest price transacted for a Share as recorded on the SGX-ST on the Market Day on which there were trades in the Share immediately preceding the day of the making of the offer pursuant to the Off-Market Share Purchase; and

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

(e) the Directors and any one of them be and is hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they/he/she may consider expedient, necessary, desirable, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution No. 1.

NOTICE OF SPECIAL GENERAL MEETING

SPECIAL RESOLUTION 1: THE PROPOSED CAPITAL REORGANISATION

That:

- (a) with effect from such date as the Directors of the Company may determine (the “**Effective Date**”):-
- (i) the issued and paid-up share capital of the Company be reduced (the “**Capital Reduction**”) from S\$51,230,187 divided into 51,230,187 ordinary shares with a par value of S\$1.00 each, to S\$2,561,509.35 divided into 51,230,187 ordinary shares with a par value of S\$0.05 each, by cancelling the paid-up capital of the Company to the extent of S\$0.95 on each of the ordinary shares with a par value of S\$0.05 in issue on the Effective Date such that each issued ordinary share with a par value of S\$1.00 shall be treated as one (1) fully paid ordinary share with a par value of S\$0.05 as at the Effective Date and any liability of the holder of such shares to make any further contribution to the share capital of the Company on each such share shall be treated as satisfied;
 - (ii) subject to and forthwith upon the Capital Reduction taking effect, all of the authorised but unissued ordinary shares with a par value of S\$1.00 each in the share capital of the Company (which shall include, without limitation, the authorised but unissued ordinary share capital resulting from the Capital Reduction) be cancelled, and the authorised share capital of the Company of S\$1,000,000,000 be diminished by S\$997,438,490.65 (representing the amount of shares so cancelled) (the “**Authorised Capital Diminution**”), and forthwith upon the Authorised Capital Diminution, the authorised share capital of the Company be increased to S\$50,000,000 by the creation of 948,769,813 ordinary shares with a par value of S\$0.05 each (representing the difference between 1,000,000,000 ordinary shares with a par value of S\$0.05 each and the number of ordinary shares with a par value of S\$0.05 in issue after the Capital Reduction) (the “**Authorised Capital Increase**”);
 - (iii) subject to and forthwith upon the Capital Reduction taking effect, the credit amount arising from the Capital Reduction in the sum of S\$48,668,677.65 be credited to the contributed surplus account of the Company (the “**Crediting of Contributed Surplus**”);
 - (iv) the Directors of the Company be and are hereby authorized to utilize any credit balance in the contributed surplus account of the Company in such manner as may be determined by the Directors in accordance with the Bye-laws and all applicable laws,
- ((i), (ii), (iii) and (iv), collectively referred to as the “**Proposed Capital Reorganisation**”); and
- (b) the Directors of the Company (or any one of them) be and are hereby authorised to take any and all steps, and to do and/or procure to be done any and all acts and things, and to approve, sign and execute any forms, notices, documents which they/he in their/his absolute discretion consider to be necessary, desirable or expedient to implement and carry into effect this Special Resolution No. 1 and to exercise such discretion in connection with, relating to or arising from the Proposed Capital Reorganisation and/or the matters contemplated herein, with such modifications thereto (if any) as they or he may from time to time consider necessary, expedient and/or appropriate in order to implement, finalise and give full effect to the Proposed Capital Reorganisation.

By Order of the Board
Claudia Teo Kwee Yee
Company Secretary
Singapore

5 April 2017

NOTICE OF SPECIAL GENERAL MEETING

Notes:

Unless The Central Depository (Pte) Limited (“**CDP**”) specifies otherwise in a written notice to the Company, CDP shall be deemed to have appointed as CDP’s proxies to vote on behalf of CDP at the special general meeting each of the Depositors who are individuals and whose names are shown in CDP’s records as at a time not earlier than forty-eight (48) hours prior to the time of the special general meeting. Therefore, Depositors who are individuals can attend and vote at the special general meeting without the lodgement of any Depositor Proxy Form (as defined below).

A Depositor registered and holding Shares through CDP who is an individual but is unable to attend the special general meeting personally and wishes to appoint a nominee to attend and vote on his/her behalf as CDP’s proxy must complete, sign and return the proxy form which is despatched together with this Circular to Depositors (“**Depositor Proxy Form**”) completed by CDP in accordance with the instructions printed thereon and deposit the duly completed Depositor Proxy Form at the office of the Company’s Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than forty-eight (48) hours before the time appointed for holding the special general meeting. Similarly, a Depositor who is a corporation and who wishes to attend the special general meeting must submit the Depositor Proxy Form for the appointment of nominee(s) to attend and vote at the special general meeting on its behalf as CDP’s proxy

If a Shareholder who is not a Depositor is unable to attend the special general meeting and wishes to appoint a proxy to attend and vote at the special general meeting in his stead, then he should complete and sign the proxy form despatched to Shareholders who are not Depositors (“**Shareholder Proxy Form**”) and deposit the duly completed Shareholder Proxy Form at the office of the Company’s Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, not less than 48 hours before the time appointed for holding the special general meeting. Such proxy need not be a member of the Company.

To be effective, the duly completed Depositor Proxy Form or the Shareholder Proxy Form must be deposited at the office of the Company’s Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, no later than 9.45 a.m. on 26 April 2017.

The completion and return of the Depositor Proxy Form or the Shareholder Proxy Form will not prevent the Depositor or Shareholder (as the case may be) from attending and voting in person at the special general meeting if he wishes to do so, in place of his/her/its proxy or nominee (as the case may be).

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the SGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the SGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the SGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) 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 or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member’s breach of warranty.