

CIRCULAR DATED 7 DECEMBER 2015

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

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

If you have sold or transferred all your shares in the capital of S i2i Limited (the “**Company**”) held through The Central Depository (Pte) Limited (“**CDP**”), you need not forward this Circular with the Notice of Extraordinary General Meeting and the attached Proxy Form to the purchaser or transferee as arrangements will be made by CDP for a separate Circular with the Notice of Extraordinary General Meeting and the attached Proxy Form to be sent to the purchaser or transferee. If you have sold or transferred all your Shares (as defined herein) represented by physical share certificate(s), you should at once hand over this Circular with the Notice of Extraordinary General Meeting and the attached Proxy Form immediately 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 (“**SGX-ST**”) assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.



S i2i LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 199304568R)

CIRCULAR TO SHAREHOLDERS

in relation to

- (1) THE PROPOSED DISPOSAL OF ALL OF THE ISSUED SHARE CAPITAL OF MEDIARING NETWORK SERVICES PTE. LIMITED AND MEDIARING COMMUNICATIONS PTE. LTD.; AND**
- (2) THE PROPOSED DISPOSAL OF ALL OF THE ISSUED SHARE CAPITAL OF I-GATE HOLDINGS SDN BHD**

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	21 December 2015 at 11.00 A.M.
Date and time of Extraordinary General Meeting	:	23 December 2015 at 11.00 A.M.
Place of Extraordinary General Meeting	:	152 Ubi Avenue 4, Auditorium, Smart Innovation Centre, Singapore 408826

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DEFINITIONS

The following definitions apply throughout this Circular unless otherwise stated:

“2014 ESOP Options”	:	The options granted pursuant to the S i2i Employee Stock Option Plan 2014 which was approved and adopted by the Company on 15 April 2014, and as may be modified from time to time
“%” or “per cent.”	:	Per centum or percentage
“Accounts Receivable”	:	The accounts receivables which the Company has warranted to Netpluz to be recoverable
“Board”	:	The board of Directors for the time being
“Business Day”	:	A day (other than a Saturday or a Sunday) on which banks are open for business in Singapore
“CDP”	:	The Central Depository (Pte) Limited
“Companies Act”	:	The Companies Act (Chapter 50 of Singapore), as amended, modified or re-enacted from time to time
“Company” or “S i2i”	:	S i2i Limited
“CPF”	:	Central Provident Fund
“Directors”	:	The directors of the Company as at the date of this Circular
“EGM”	:	The extraordinary general meeting of the Company to be convened, notice of which is set out on page 36 of this Circular
“EPS”	:	Earnings per Share
“Final Closing”	:	The payment of the Final Closing Purchase Price by Netpluz to the Company, and the completion of the transfer by the Company to Netpluz of the final tranche of 31,977 shares in MRC and 272,474 shares in MRNS (i.e. 26.67% of the share capital of each of MRC and MRNS), as more particularly described in paragraph 6.1.1(d)
“Final Closing Date”	:	The date on which the Final Closing occurs, being a date on or before 1 June 2017, or such other date as the Company and Netpluz may mutually agree, as more particularly described in paragraph 6.1.1(d)
“Final Closing Purchase Price”	:	The sum of S\$800,000, as more particularly described in paragraph 6.1.1(d)

DEFINITIONS

“Financial Statements”	:	The audited balance sheet as at 31 December 2014 and the related audited statements of income and cash flows for the fiscal year ended 31 December 2014 as well as the unaudited balance sheet as at 31 May 2015 and the related unaudited balance statements of income and cash flows for the five month period ended 31 May 2015 of the Voice Entities
“First Closing”	:	The payment of the sum of S\$900,000 by Netpluz to the Company, and the completion of the transfer by the Company to Netpluz of the first tranche of 35,970 shares in MRC and 306,496 shares in MRNS (i.e. 30% of the share capital of each of MRC and MRNS) as more particularly described in paragraph 6.1.1(a)
“First Closing Date”	:	The date on which the First Closing occurs, being the date falling no later than the second Business Day after all conditions precedents to the First Closing have been satisfied, as more particularly described in paragraph 6.1.1(a)
“FY2008”	:	The financial year ended 31 December 2008 as more particularly described in paragraph 2.3
“FY2014”	:	The financial year ended 31 December 2014
“FY2015 2Q Results”	:	The Group’s announced unaudited consolidated financial statements for the six month period ended 30 June 2015
“FY2015 3Q Results”	:	The Group’s announced unaudited consolidated financial statements for the nine month period ended 30 September 2015
“Group”	:	The Company and its subsidiaries
“Homestead”	:	Homestead Shop (M) Sdn. Bhd., a wholly-owned subsidiary of I-Gate
“I-Gate”	:	I-Gate Holdings Sdn Bhd
“I-Gate Disposal”	:	The Company’s proposed sale of 100% of the issued shares of I-Gate to Shamugam for a consideration being RM75,000 pursuant to the terms of the I-Gate SPA
“I-Gate Group”	:	I-Gate and its subsidiaries
“I-Gate SPA”	:	The conditional share purchase agreement dated 18 August 2015 that the Company entered into with Shamugam, a copy of which is available for inspection at the Company’s registered office in accordance with paragraph 21

DEFINITIONS

“Infrastructure Costs”	:	The costs incurred by Netpluz in setting up the network, hosting, equipment, voice and data services as part of the provision of Infrastructure Services and the ongoing cost in relation to the same
“Infrastructure Fee”	:	A monthly infrastructure fee for the provision of Infrastructure Services as more particularly described in paragraph 6.5(b)(v)
“Infrastructure Services”	:	The network services, hosting services, data services provided by Netpluz to the Voice Entities and related ongoing services
“Late Interest”	:	The interest charged at two per cent. (2%) above the average of the three local banks’ prime lending rate
“Latest Practicable Date”	:	30 November 2015, being the latest practicable date prior to the printing of this Circular
“Listing Manual”	:	The Listing Manual of the SGX-ST, as amended, modified or supplemented from time to time
“Managed Services”	:	The information technology-related services that Netpluz currently offers to its customers
“Management Fees”	:	An amount of money paid to Netpluz to incentivize them for the operational management of the Voice Entities ¹
“Maxis”	:	Maxis Berhad
“MRC”	:	Mediating Communications Pte. Ltd.
“MRNS”	:	Mediating Network Services Pte. Limited
“NAV”	:	Net asset value
“Netpluz”	:	Netpluz Asia Pte. Ltd.
“Netpluz Indemnified Parties”	:	Netpluz and any of its affiliates, officers, directors, employees or agents, as more particularly described in paragraph 6.7(a)
“Notice of EGM”	:	The notice of EGM as set out on page 36 of this Circular
“NTA”	:	Net tangible assets
“Proposed Disposals”	:	the Voice Business Disposal and the I-Gate Disposal

¹ The Management Fees will be determined based on the future profits earned by Voice Entities which Netpluz will generate after the First Closing. This is not a part of the Infrastructure Fee but is contingent on the performance and the profit of the Voice Entities after First Closing.

DEFINITIONS

“Proxy Form”	:	The proxy form in respect of the EGM as set out in pages 37 to 38 of this Circular
“RM” and “Malaysian Ringgit”	:	Malaysian Ringgit, the lawful currency of Malaysia
“S\$” and “Singapore cents”	:	Singapore dollars and cents respectively, being the lawful currency of the Republic of Singapore
“Second Closing”	:	The payment of the Second Closing Purchase Price by Netpluz to the Company, and the completion of the transfer by the Company to Netpluz of the second tranche of 23,980 shares in MRC and 204,330 shares in MRNS (i.e. 20% of the share capital of each of MRC and MRNS) as more particularly described in paragraph 6.1.1(b)
“Second Closing Date”	:	The date on which the Second Closing occurs, being a date on or before 1 March 2016, or such other date as the Company and Netpluz may mutually agree, as more particularly described in paragraph 6.1.1(b)
“Second Closing Purchase Price”	:	The sum of S\$600,000 as more particularly described in paragraph 6.1.1(b)
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shamugam”	:	Mr. Shamugam A/L Munusamy
“Shamugam Indemnified Parties”	:	Shamugam and any of his affiliates, officers, directors, employees or agents, as more particularly described in paragraph 11.4(a)
“Share Options II”	:	The options granted pursuant to the 1999 Spicei2i Employee Share Option Scheme II which was approved and adopted by the Company on October 1999, and as may be modified from time to time
“Shareholders”	:	Registered holders of Shares except that where CDP is the registered holder, the term “Shareholder” shall, in relation to such Shares, mean Depositors who have Shares entered against their names in the Depository Register
“Shares”	:	Ordinary shares in the capital of the Company
“Substantial Shareholder”	:	A Shareholder who has an interest or interests in one or more voting Shares in the Company and the total votes attached to that Share, or those Shares, is not less than five per cent. (5%) of the total votes attached to all the voting Shares in the Company

DEFINITIONS

“Third Closing”	:	The payment of the Third Closing Purchase Price by Netpluz to the Company, and the completion of the transfer by the Company to Netpluz of the third tranche of 27,973 shares in MRC and 238,351 shares in MRNS (i.e. 23.33% of the share capital of each of MRC and MRNS), as more particularly described in paragraph 6.1.1(c)
“Third Closing Date”	:	The date on which the Third Closing occurs, being a date on or before 1 December 2016, or such other date as the Company and Netpluz may mutually agree, as more particularly described in paragraph 6.1.1(c)
“Third Closing Purchase Price”	:	The sum of S\$700,000, as more particularly described in paragraph 6.1.1(c)
“US\$”	:	United States Dollars, being the lawful currency of the United States of America
“Voice Business”		The business of MRNS and MRC, being the provision of voice over internet protocol (VOIP), hosting services, local and global connectivity services and other business solutions
“Voice Business Consideration”	:	The sum of S\$3,000,000, being the consideration for the Voice Business Disposal, as more particularly described in paragraph 5.1
“Voice Business Disposal”	:	The proposed sale by the Company of 100% of the issued shares of each of MRNS and MRC to Netpluz pursuant to the Voice Business SPA
“Voice Business SPA”	:	The conditional share purchase agreement dated 18 August 2015 that the Company entered into with Netpluz, a copy of which is available for inspection at the Company’s registered office in accordance with paragraph 21
“Voice Entities”	:	MRNS and MRC

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

The terms **“subsidiary”** and **“substantial shareholder”** shall have the meanings ascribed to them in the Companies Act.

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted.

Any term defined under the Companies Act or the Listing Manual or any statutory modification thereof and used in this Circular shall, where applicable, have the same meaning assigned to it under the Companies Act or the Listing Manual or any modification thereof, as the case may be, unless otherwise provided.

DEFINITIONS

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

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

Any discrepancies in the tables included herein between the listed amounts and 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.

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

All statements other than statements of historical facts included in this Circular are or may be forward looking statements. Forward-looking statements include but are not limited to those using words such as “**intend**”, “**project**”, “**plan**”, “**potential**”, “**strategy**”, “**forecast**” and similar expressions or verbs such as “**will**”, “**would**”, “**should**”, “**could**”, “**may**”, or “**might**”. These statements reflect the Company’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ from those described in such forward-looking statements. Shareholders should not place undue reliance on such forward-looking statements and the Company does not undertake any obligation to update publicly or revise any forward-looking statements.

LETTER TO SHAREHOLDERS

S i2i LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 199304568R)

Directors:

Dr. Bhupendra Kumar Modi (Non-Executive Director and Chairman)
Ashok Kumar Goyal (Non-Independent Non-Executive Director)
Thomas Henrik Zilliacus (Lead Independent Director)
Hanif M. Dahya (Independent Director)
Maneesh Tripathi (Executive Director and Group Chief Executive Officer)

Registered Office:

152 Ubi Avenue 4
Level 4
Smart Innovation Centre
Singapore 408826

7 December 2015

To: The Shareholders of the Company

Dear Sir/Madam,

- (1) **PROPOSED DISPOSAL OF ALL OF THE ISSUED SHARE CAPITAL OF MEDIATING NETWORK SERVICES PTE. LIMITED (“MRNS”) AND MEDIATING COMMUNICATIONS PTE. LTD. (“MRC”) (COLLECTIVELY, THE “VOICE ENTITIES”)**
- (2) **PROPOSED DISPOSAL OF ALL OF THE ISSUED SHARE CAPITAL OF I-GATE HOLDINGS SDN BHD (“I-GATE”)**

1 INTRODUCTION

1.1 The Company has made efforts during the past two years to find suitable and willing buyers for the Voice Entities and I-Gate as these businesses were not considered to be focal businesses moving forwards. On 18 August 2015, the Company announced its proposal to dispose of all of its legal and beneficial interests in three of its wholly-owned subsidiaries and that the Company had entered into the following share purchase agreements:

- (a) the Voice Business SPA whereby the Company will sell 100% of the issued shares of MRNS and MRC to Netpluz for an aggregate consideration of S\$3,000,000 in four separate instalments (the **“Voice Business Disposal”**), and
- (b) the I-Gate SPA whereby the Company will sell 100% of the issued shares of I-Gate to Shamugam for a consideration being RM75,000 (the **“I-Gate Disposal”**),

(the Voice Business Disposal and the I-Gate Disposal collectively referred to as the **“Proposed Disposals”**).

For the avoidance of doubt, Shareholders should note that pursuant to the terms and conditions of the I-Gate SPA and the Voice Business SPA, the completion of the I-Gate Disposal is not conditional upon the completion of the Voice Business Disposal, and *vice versa*.

1.2 The Board of Directors is convening an EGM to be held on 23 December 2015 to seek the approval of Shareholders for the Proposed Disposals.

LETTER TO SHAREHOLDERS

1.3 The purpose of this Circular is to explain the reasons for, and to provide Shareholders with information relating to the Proposed Disposals, including the rationale for the Proposed Disposals and the financial effects thereof on the Group and to seek Shareholders' approval for the Proposed Disposals at the forthcoming EGM.

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

2 INFORMATION ON MRNS, MRC AND THE VOICE BUSINESS

2.1 MRNS and MRC are wholly-owned subsidiaries of the Company and are involved in the business of providing voice over internet protocol (VOIP), hosting services, local and global connectivity services and other business solutions ("**Voice Business**").

2.2 Revenue of the Voice Entities

The revenue of Voice Entities was (a) S\$4.34 million for FY2014; (b) S\$2.01 million for the six months ended 30 June 2015; and (c) S\$2.72 million for the nine months ended 30 September 2015. This makes up approximately 1%, 0.9% and 0.8% respectively of the revenue of the Group for the corresponding periods.

2.3 History of the Voice Entities

The Company was previously acquired by the Spice Group in 2009. At the date of the acquisition, the Voice Entities had already been subsidiaries of the Company and had already formed part of the Group. The business performance and net asset value of the Voice Business have been in overall decline since the financial year ended 31 December 2008 ("**FY2008**"). As at FY2008, the net asset value of the Voice Business was S\$3,610,752. By the end of the financial year ended 31 December 2009, the net asset value of the Voice Business was S\$3,379,337. As at the end of the financial year ended 31 December 2014, the net asset value of the Voice Business was S\$1,353,655. The net asset value of the Voice Business as at 30 June 2015 was approximately S\$1,322,000 and approximately S\$1,114,000* as at 30 September 2015. The Voice Disposal has been structured at an agreed net asset value of S\$1,105,000. For the purposes of this paragraph, each net asset value stated excludes intra-group balances.

* Adjusted approximately in accordance with agreed net assets value of S\$1,105,000 referred to above.

3 INFORMATION ON NETPLUZ

3.1 General information on Netpluz

(a) Netpluz is a private limited company incorporated in the Republic of Singapore and was set up by a team of information-communications professionals with more than 15 years of industry expertise and experience.

(b) This team of information-communications professionals were ex-employees of the Company (previously known as "Mediarig Limited"). The Company had independently recruited them through the usual process of the human resources department at that time. They subsequently resigned from the Company between three to four years ago. Following this, they became entrepreneurs and started another business (which they exited a year ago) and eventually came to start Netpluz.

LETTER TO SHAREHOLDERS

- (c) Netpluz is in the business of simplifying and satisfying the communication needs of its clients through the delivery of high quality managed data, voice and video services over a single, converged network. Netpluz designs and operationalises managed services with cost efficiency and business productivity as the baseline, with uncompromising service standards. With its core competencies and dedication, Netpluz aspires to become the top managed communications service provider in the Asia Pacific region.
- (d) The directors and shareholders of Netpluz has been disclosed in the Company's announcement dated 18 September 2015.

3.2 Common shareholders in NGV Pte Ltd

- (a) It is noted that MRNS has an investment of approximately S\$27,000 since 2006 in a company called NGV Pte Ltd which constitutes a 9.7% shareholding of NGV Pte Ltd. The Company understands that a person who is a shareholder and director of Netpluz is also a director and shareholder of NGV Pte Ltd. As per the latest available information from the website of NGV Pte Ltd, NGV Pte Ltd is a global communication service provider. NGV Pte Ltd provides telecom solution at competitive prices and strives to provide telecom solutions that is accessible to all.
- (b) Save as discussed in paragraph 3.2 and to the best of the Company's knowledge and belief, the directors and shareholders of Netpluz are not related to any director or controlling shareholder of the Company.

3.3 Financial standing of Netpluz

- (a) The share capital of Netpluz stands at S\$1.46 million based on the business profile search conducted on Netpluz and the Company understands that the capital required for the consideration of the Voice Business Disposal will be funded by the existing shareholders and new investors of Netpluz.

4 RATIONALE OF THE VOICE BUSINESS DISPOSAL

- 4.1** In line with the presentation made by the Company on 30 April 2015, the Company has previously stated that it wishes to substantially reduce costs and its strategy is to disengage or close non-strategic business units.
- 4.2** The voice over internet protocol business industry is not considered to be a major growth industry and most players in this space have either consolidated or exited the business due to intense cost pressures. The disposal of the Voice Business would not have any significant impact in the future growth strategy of the Company and the Voice Business Disposal will help to release working capital.
- 4.3** The Company also notes that the disposal of the Voice Entities will not, significantly, impact the profits of the Group and will gain cash of approximately S\$3.5 million via release of working capital and receipt of the total consideration amount.

LETTER TO SHAREHOLDERS

5 CONSIDERATION FOR THE VOICE BUSINESS DISPOSAL

5.1 The consideration for the Voice Business Disposal is S\$3,000,000 (the “**Voice Business Consideration**”) payable in four instalments, and subject to such adjustments as described in paragraph 6.1.

5.2 The consideration was arrived at on a willing-buyer and willing-seller basis after taking into account, *inter alia*, the net asset value of the Voice Entities.

The net assets of the Voice Entities as at 30 June 2015 were approximately S\$1,322,000; and S\$1,114,000* as at 30 September 2015 and the consideration for the Voice Business of S\$3 million is based on the negotiated and mutually agreed net asset value of the Voice Entities of S\$1,105,000. At the First Closing, the Company will transfer the relevant number of shares in the Voice Entities to Netpluz on the basis of the Voice Entities having a net asset value of S\$1,105,000.

For the avoidance of doubt, the equivalent sum of money in excess of the agreed NAV of S\$1,105,000 of the Voice Entities shall be returned to the Company by way of a dividend declaration or otherwise prior to First Closing.

As an illustration, taking the NAV of the Voice Entities as at 30 June 2015, S\$217,000 will be distributed to the Company by dividend or otherwise such that the NAV of the Voice Entities shall be S\$1,105,000 prior to First Closing.

* Adjusted approximately in accordance with agreed net assets value of S\$1,105,000 referred to above.

5.3 The Company is of the view that the deferred consideration structure is in the best interests of the Company as it allows the Company to realise a greater gain on disposal of the Voice Entities as compared to a sale involving a single payment. In general, a disposal involving a single payment and closing is likely to elicit a more conservative valuation by the purchaser (i.e. Netpluz in this case).

5.4 The Voice Business Consideration is higher than the NAV of the Voice Entities and the Company would have received S\$1.5 million upon Second Closing which shall take place within four months of the First Closing and is in excess of the NAV of the Voice Entities.

5.5 To mitigate and guard against any risk of payment default by Netpluz or the incurring of substantial losses by the Voice Entities under the stewardship of Netpluz, the Company has negotiated for:

(a) a proportionate number of shares of the Voice Entities shall be transferred against receipt of each instalment of the Voice Business Consideration, as further described in paragraph 6.1;

(b) roll-back rights which, *inter alia*, transfers board and operational control back to the Company if there is a payment default prior to the Final Closing, and are further described in paragraph 6.4;

(c) post closing covenants which require, *inter alia*, that the net assets of the Voice Entities be maintained above S\$1,105,000 and that Netpluz funds any losses in the Voice Entities, and are further described in paragraphs 6.5(b)(vi), (vii) and (viii);

LETTER TO SHAREHOLDERS

- (d) ensuring that the Infrastructure Services (if any) provided by Netpluz to the Voice Entities shall be capped at a rate being the lesser of (x) the then prevailing market prices or (y) the existing fees paid by the Company for such infrastructure services; and
- (e) certain rights of oversight during the periods prior to the Third Closing. In particular, prior to the Third Closing, each of Netpluz and the Company has the right to appoint two directors in the Voice Entities. Netpluz and the Company shall also jointly appoint a finance manager who shall report directly to Netpluz and the Company up to the Third Closing.

To the best of the Company's knowledge, Netpluz is a company of substance and not merely a special purpose vehicle. Accordingly, the Board is not aware of any matter that will result in Netpluz being unable to fulfil the post closing covenants described in subparagraph (c) above.

- 5.6 As the VOIP sector is a sunset industry, the Company had found it difficult in the past to find purchasers for the Voice Entities. The Company also notes that the significant costs associated with liquidating the Voice Entities would not be in the interests of the Company to incur.
- 5.7 The Company understands that the deferred consideration method may not be a market norm but notes that such a method will enable the Company to receive a consideration on disposal which is greater than the agreed net asset value of the Voice Entities whilst having a firm risk mitigation plan in place (which is further described in paragraph 6.9 below).

6 SALIENT TERMS OF THE VOICE BUSINESS DISPOSAL

6.1 Disposal instalments

- 6.1.1 The payment of the Voice Business Consideration referred to in paragraph 5.1 above is as follows:
 - (a) Netpluz shall pay S\$900,000 upon completion of the transfer of 35,970 shares in MRC and 306,496 shares in MRNS (i.e. 30% of the share capital of each of MRC and MRNS) on the date falling no later than the second Business Day after all conditions precedents to the first closing have been satisfied ("**First Closing Date**") and such closing to be known as the "**First Closing**";
 - (b) Netpluz shall pay S\$600,000 (the "**Second Closing Purchase Price**") upon completion of the transfer of 23,980 shares in MRC and 204,330 shares in MRNS (i.e. 20% of the share capital of each of MRC and MRNS) on or before 1 March 2016 or such other date as the Company and Netpluz may mutually agree ("**Second Closing Date**") and such closing to be known as the "**Second Closing**";
 - (c) Netpluz shall pay S\$700,000 (the "**Third Closing Purchase Price**") upon completion of the transfer of 27,973 shares in MRC and 238,351 shares in MRNS (i.e. 23.33% of the share capital of each of MRC and MRNS) on or before 1 December 2016 or such other date as the Company and Netpluz may mutually agree ("**Third Closing Date**") and such closing to be known as the "**Third Closing**"; and

LETTER TO SHAREHOLDERS

- (d) (Subject to paragraph 6.2(c)(ii)) Netpluz shall pay S\$800,000 (the “**Final Closing Purchase Price**”) upon completion of the transfer of 31,977 shares in MRC and 272,474 shares in MRNS (i.e. 26.67% of the share capital of each of MRC and MRNS) on or before 1 June 2017 or such other date as the Company and Netpluz may mutually agree (“**Final Closing Date**” and such closing to be known as the “**Final Closing**”).

In other words, Netpluz’s shareholding in the Voice Entities will increase proportionately with the payments made by Netpluz in accordance with the manner described below:

Date	Payment by Netpluz	Shares transferred in MRC and MRNS to Netpluz		Increase in Netpluz’s shareholding in Voice Entities	Netpluz’s resultant shareholding in Voice Entities
First Closing Date	S\$900,000	MRC	35,970	30%	30%
		MRNS	306,496		
Second Closing Date	S\$600,000	MRC	23,980	20%	50%
		MRNS	204,330		
Third Closing Date	S\$700,000	MRC	27,973	23.33%	73.33%
		MRNS	238,351		
Final Closing Date	S\$800,000	MRC	31,977	26.67%	100%
		MRNS	272,474		

- 6.1.2** The Company is securing a part payment of S\$1,500,000 (S\$900,000 on First Closing and S\$600,000 on Second Closing by 1 March 2016) which is greater than the agreed net assets of the Voice Entities being approximately S\$1,105,000. At all times, the Company is transferring only a proportionate number of shares to Netpluz against each payment instalment. The roll-back rights as highlighted in Clause 6.4 ensures that, in the event of non-payment, Netpluz’s shareholding in the Voice Entities is frozen at that level of payment. This condition is to safeguard the Company should any unforeseen event of default occur.

6.2 Conditions precedent and long stop date

- (a) The First Closing is conditional upon, *inter alia*, the following conditions being satisfied in Netpluz’s sole discretion and opinion:
- (i) Netpluz and its solicitors, accountants or other advisors having had reasonable opportunity to perform the searches and other due diligence reasonable or customary in a transaction of a similar nature to that contemplated herein and that both Netpluz and its advisors are satisfied with the results of such due diligence;
 - (ii) written confirmation being obtained that (x) all liabilities of the Voice Entities being discharged or settled in full prior to completion save for those reflected in the Financial Statements, incurred or arising after 31 December 2014 in the ordinary course of business, arising under any contract disclosed to Netpluz or which would not have a material adverse effect on the relevant Voice Entity or its business; (y) evidence that the charge created by MRC in favour of DBS

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Bank will be fully satisfied within 30 days from the First Closing Date; and (z) evidence that the net assets of the Voice Entities are not less than an aggregate S\$1,105,000 with a total cash balance of not less than S\$100,000 based on the audited accounts of the Voice Entities for the financial year ended 31 December 2014;

- (iii) the Company having made all requisite announcements, or obtained all shareholders' approvals, as may be required under the Listing Manual in respect of the Voice Business Disposal and/or the First Closing;
 - (iv) all necessary approvals and consents from all relevant governmental, regulatory or other authorities and third parties for the sale and transfer of the shares in the Voice Entities and completion of the terms of the Voice Business SPA having been obtained by the Voice Entities on terms and conditions acceptable to Netpluz and continuing to be in force;
 - (v) all of the terms, covenants, conditions and undertakings of the Voice Business SPA having been complied with or performed by the Voice Entities and the Company and each representation and warranty made by the Voice Entities and the Company being true and accurate in all respects on the date such representations and warranties were made and on the First Closing with the same force and effect as if they had been made at and as of the First Closing Date; and
 - (vi) the key employees of the Voice Entities identified by Netpluz having entered into a fixed term employment contract with Netpluz until the end of 2015 on such terms as maybe agreed by the key employees and Netpluz.
- (b) The Second Closing and Third Closing are conditional upon:
- (i) the First Closing and the Second Closing, as the case may be, having been completed in accordance with the terms and conditions of the Voice Business SPA; and
 - (ii) the Company having made all requisite announcements, or obtained all shareholders' approvals, as may be required under the Listing Manual in respect of the Voice Business Disposal and/or each such closing and if required.
- (c) The Final Closing is conditional upon:
- (i) the First Closing, the Second Closing and the Third Closing having been completed in accordance with the terms and conditions of the Voice Business SPA;
 - (ii) the Company having made all requisite announcements, or obtained all shareholders' approvals, as may be required under the Listing Manual in respect of the Voice Business Disposal and/or each such closing; and

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- (iii) the Accounts Receivable having been recovered as per agreed terms on or prior to the Final Closing Date and Netpluz and the Company hereby undertake:
 - (x) to use all reasonable diligence and co-operation to recover the Accounts Receivables prior to the Final Closing; and
 - (y) (during the period from the First Closing Date to the Final Closing Date) in the event the Company decides to take legal action against the debtors from whom any of the Accounts Receivable are owed, Netpluz will allow access to all documents and cooperate with the Company in respect of all actions and legal actions that the Company takes.

Provided Always That if the Accounts Receivables are not recovered in full prior to the Final Closing Date, the Company agrees to reduce the Final Closing Purchase Price on a pro-rated basis and up to a maximum of S\$430,000. For the avoidance of doubt: (a) in the event the amount of Accounts Receivables recovered is less than the maximum of S\$430,000, the Company shall provide a discount of the shortfall amount from the Voice Business Consideration at the Final Closing Date; and (b) the deduction will come from the last instalment (being the Final Closing Purchase Price).

- (d) If Netpluz or the Company shall for any reason be unable to complete the First Closing by 15 December 2015 and this is not extended by 90 days as may be mutually agreed by Netpluz and the Company, the Voice Business SPA will be terminated and Netpluz and the Company shall not be liable to each other for any claims or liabilities under the Voice Business SPA and the roll-back clauses in paragraph 6.4 will apply unconditionally.

6.3 The Company to discharge certain encumbrances

The Company shall arrange for the discharge and release of all collateral created by the Company in favour of DBS Bank within 30 days from the date of the First Closing. There are no outstanding liabilities secured by such collateral and the Company will not be required to make any repayment or provide substitute security to DBS Bank to procure such discharge and release.

6.4 Roll-back rights

- (a) If Netpluz fails to complete the Second Closing or the Third Closing in accordance with the Voice Business SPA:
 - (i) its shareholding in the Voice Entities shall remain at the level immediately prior to such closing;
 - (ii) the Company will regain control of the board of directors and operations of each Voice Entity. Netpluz shall be liable to transfer to each of the Voice Entities all the customer contracts which may have been transferred to Netpluz¹ subject to the terms of Voice Business SPA and cease to hold any bank accounts authority in respect of each of the Voice Entities; and

¹ The business of Netpluz is similar to the Voice Entities, hence cost optimisation and economies of scale are expected to be achieved by consolidating the customer contracts from the Voice Entities to Netpluz.

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- (iii) Netpluz shall be obliged to remain as the outsourced supplier to each of the Voice Entities for Infrastructure Services¹, if so required by the Company and at a price mutually agreed between the Netpluz and the Company, which in any event shall not exceed the lesser of (x) the then prevailing market prices for such infrastructure services or (y) the existing fees being paid by the Company for such infrastructure services immediately prior to the First Closing.
- (b) If Netpluz fails to complete the Final Closing in accordance with the Voice Business SPA:
 - (i) its shareholding in the Voice Entities shall remain at the level immediately prior to such closing, being 73.33%;
 - (ii) the Company will have joint control of the board of directors and operations of each Voice Entity, along with Netpluz;
 - (iii) Netpluz shall be liable, on a demand made by the Company, to transfer to each of the Voice Entities all the customers contracts and business and all the bank accounts of the Voice Entities shall be jointly managed by the Company and Netpluz; and
 - (iv) Netpluz shall remain as the exclusive outsourced supplier to each of the Voice Entities for Infrastructure Services, which in any event shall not exceed the lesser of (x) the then prevailing market prices for such services or (y) the existing fees being paid by the Company for such Infrastructure Services immediately prior to the First Closing.
- (c) If the roll-back rights conferred on the Company are exercised by the Company as contemplated in paragraph 6.4, Netpluz shall be liable to either:
 - (i) remit an amount equivalent to; or
 - (ii) transfer to the Company a number of shares equivalent in value to;the amount by which the net assets of the Voice Entities is reduced below S\$1,105,000.

In other words, where Netpluz defaults on payment on the Second or Third Closing Date, Netpluz's shareholding will be frozen at the relevant level and the control of the Board and operations of the Voice Entities will be returned to the Company. Where Netpluz defaults on payment on the Final Closing Date, its shareholding of the Voice Entities will remain at 73.33% and the Company together with Netpluz will control the board and operations of the Voice Entities jointly.

Also, any default by Netpluz which triggers the roll-back rights will require Netpluz to *inter alia* remit a sum of money to restore the NAV of the Voice Entities to S\$1,105,000 should the NAV of the Voice Entities fall below that amount at the time of the default.

¹ This is intended to ease the transition for the Voice Entities in the event, customer contracts are to be transferred back from Netpluz. For the avoidance of doubt, the Voice Entities are not obliged to exclusively outsource to Netpluz, but will be free to choose other suppliers in the event of a roll-back.

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6.5 Post closing covenants

- (a) Upon the completion of the First Closing, Netpluz shall manage and take responsibility of any compliance matter (legal, contractual or otherwise) in relation to the Voice Entities.
- (b) Netpluz shall comply with the following post-closing covenants from the First Closing till the Final Closing:
 - (i) The Voice Entities shall be managed by Netpluz on an “as-is” structure. For the avoidance of doubt, unless otherwise approved as per the terms set out at paragraph 6.5(b)(iii), Netpluz and the Company have agreed that all customer contracts, Company contracts and business deals contemplated will not be transferred out of the Voice Entities until after the Final Closing;
 - (ii) Netpluz will provide a monthly management information statement to the Company on business results and operations;
 - (iii) If a customer contract, Company contract or any contemplated business deal is to be transferred out from the Voice Entities, Netpluz shall ensure that a majority vote is obtained from the board of directors of the Voice Entities approving such a transfer;
 - (iv) Netpluz shall consolidate the Voice Entities’ Infrastructure Services under their existing infrastructure for cost efficiency and savings purposes. All Infrastructure Costs incurred by the Voice Entities as a result of the Infrastructure Services provided by Netpluz shall not exceed the lower of (x) the prevailing market price for such Infrastructure Services and (y) the existing fees being paid by the Company for such Infrastructure Services prior to the First Closing¹;
 - (v) Netpluz shall be entitled to charge a monthly infrastructure fee to the Voice Entities for the provision of Infrastructure Services (“**Infrastructure Fee**”) and this shall be part of the Infrastructure Costs incurred by the Voice Entities as referred in paragraph 6.5(b)(iv). The Infrastructure Fee will be lower than or equal to the servicing cost that Netpluz charges its existing clients in order to ensure that in the event of a roll-back (as noted in paragraph 6.4), the cost structure remains lower or equal to the monthly infrastructure fee paid by the Voice Entities for such infrastructure (even if such costs are outsourced to Netpluz) as at the date of the Voice Business SPA;
 - (vi) Netpluz shall ensure that the net assets of the Voice Entities, in the aggregate and at the end of each calendar month, shall be not less than S\$1,105,000², failing which Netpluz shall promptly notify the boards of the Voice Entities. Netpluz shall also submit an action plan with dates to restore the net assets to the agreed value. If such event occurs prior to the Second Closing and Netpluz fails to cure such default within sixty days from the date of such notification, the Company may, at its option, enforce its roll-back rights (as noted in paragraph 6.4) from the date of such default and up till 1 March 2016 on the basis that Netpluz has defaulted on the completion of the Second Closing. This is without

1 This ensures that the cost structure of the Infrastructure Services and other associated services remain equal to or lower than the cost prior to the First Closing for the purposes of business continuity and cost efficacy. These costs will be determined based on the business requirement which is a variable component of business.

2 The value S\$1,105,000 is a mutually agreed net assets value of the Voice Entities and serves as a benchmark for the financial position of the Voice Entities at the time of First Closing in the event of roll back.

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prejudice to the right of the Company to insist that Netpluz proceeds with the Second Closing and pays the Second Closing Purchase Price and restores the net assets value of the Voice Entities to the level of S\$1,105,000;

- (vii) If Netpluz fails to maintain the net assets of the Voice Entities at not less than the agreed value of S\$1,105,000 any time after Second Closing, then, the Company shall have the right, but not the obligation, to exercise its roll-back rights (as noted in paragraph 6.4) from the date of such default and up to the stipulated date of the Final Closing. This is without prejudice to the right of the Company to insist that Netpluz proceeds with the Third Closing and the Final Closing and pays the Third Closing Purchase Price and the Final Closing Purchase Price. If Netpluz duly completes both the Third Closing and the Final Closing, then, the Company shall not be entitled to any further indemnification on account of the failure to maintain the net assets value of the Voice Entities at the stipulated level of S\$1,105,000;
- (viii) Netpluz shall be responsible to fund any losses in the Voice Entities. The Company shall not be liable for such losses but shall remain entitled to receive the Voice Business Consideration in accordance with the Voice Business SPA. The liability of Netpluz is to fund losses occurring until the time Netpluz retains the management control of the Voice Entities (i.e. when Netpluz obtains a majority of the Board on and after the Third Closing). If the Company exercises its roll-back right (as noted in paragraph 6.4) to regain management control, Netpluz shall not bear losses occurring after such roll-back, and shall not be entitled to any profits or gains (if any) made by the Voice Entities after such roll-back;
- (ix) Netpluz shall have the exclusive right to operate the bank accounts of the Voice Entities. However, both Netpluz and the Company agree that no cash shall be paid to the directors or promoters or shareholders or to any related parties of the Voice Entities save for the payment to Netpluz in respect of the fees for Infrastructure Services and Management Fees;
- (x) Netpluz shall offer Managed Services to the Voice Entities at a mutually agreeable price;
- (xi) Netpluz shall have full control over the deployment of employees and use of assets of the Voice Entities, except if the roll-back is triggered, whereupon full control authority on the employees, assets and bank accounts reverts back to the Company;
- (xii) Netpluz shall ensure that the Earnings before Interest Tax Depreciation and Amortization (EBITDA) is utilized to incentivize the management of the Voice Entities;
- (xiii) Unless the Company otherwise approves, prior to any board or shareholder meeting of the Voice Entities, certain reserved matters may not be undertaken by the Voice Entities without the approval of the Company's representatives (the list of reserved matters is set out in Annex A);

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- (xiv) Netpluz and the Company shall jointly interview and appoint a finance manager whose salary shall not exceed S\$5,000 per month to be borne equally between Netpluz and the Company;
 - (xv) Netpluz shall not use the brand “MediaRing” and all other related brand names and related brand intellectual property rights associated or assigned to the Company or its subsidiaries; and
 - (xvi) The Company will have right of access to the Voice Entities records and premises for the purpose of making such investigations as are necessary to implement the provisions of the Voice Business SPA and the rights of the Company contained therein.
- (c) Subject to the Voice Entities’ net assets of S\$1,105,000 not being affected by the writing off of any inter-company loans, if any inter-company loan amount is due from the Company to the Voice Entities at any time on and from the date of the Voice Business SPA, such inter-company loan amount shall not be repayable by the Company and it shall be deemed to be duly settled and discharged by the Voice Entities. On and from the First Closing, neither Netpluz nor the Voice Entities shall have any right to demand any outstanding inter-company loans from the Company or any of its affiliates.

The Company would like to point out that post closing covenants described in paragraph 6.5(b)(vi), (vii) and (viii) are key covenants which operate to ensure that Netpluz maintains the net assets of Voice Entities to be at least S\$1,105,000 prior to the Final Closing and that any losses incurred by the Voice Entities following the First Closing Date will have to be made good by Netpluz.

6.6 Warranties

Under the Voice Business SPA, the Company is required to make certain customary representations and warranties in respect of the business and financial position of the Voice Entities.

6.7 Indemnity and limitation of liability

- (a) Subject to paragraph 6.7(b), the Company shall indemnify Netpluz and any of its affiliates, officers, directors, employees or agents (collectively, the “**Netpluz Indemnified Parties**”) for any losses or expenses suffered or incurred by the Netpluz Indemnified Parties to the extent arising from (a) any breach of any representation or warranty of the Company contained in the Voice Business SPA; (b) any breach of any covenant of the Company contained in the Voice Business SPA requiring performance subsequent to the First Closing; or (c) any liabilities of any Voice Entities which accrue prior to the First Closing, but are not disclosed in the Financial Statements or during due diligence or otherwise known to Netpluz prior to the First Closing.
- (b) The indemnity referred to in paragraph 6.7(a) does not cover any individual claim less than US\$1,000. In addition, the aggregate liability of the Company under the Voice Business SPA shall in no event exceed US\$500,000.

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6.8 Customer contracts, if any which are transferred pursuant to paragraph 6.5(b)(iii)

- (a) Whilst Netpluz shall be responsible for compliance (legal, contractual or otherwise) of the Voice Entities, the approval of the majority of the directors of the Voice Entities is required in order for Netpluz to transfer a customer contract out of the Voice Entities.
- (b) Netpluz will only be able to secure a majority of its directors on the Board of the Voice Entities after the Third Closing, the Company can effectively veto a transfer of a customer contract prior to that date.
- (c) To mitigate the risks surrounding the liabilities and obligations that would be retained in the Voice Entities following the transfer of the customer contracts, the Company has negotiated for the roll-back rights and post closing covenants.

6.9 Transaction risk management

Between the First and Second Closing (and also up to Final Closing), the Company has certain rights of oversight over the Voice Entities which includes the following:

- (a) The Company has certain rights of board participation in the Voice Entities and veto rights in respect of certain matters of the Voice Entities;
- (b) A finance manager will be appointed who will report to Netpluz and the Company jointly up to the Third Closing Date;
- (c) Netpluz shall provide a monthly management information statement to the Company on the business results and operations of the Voice Entities; and
- (d) The Company can require Netpluz to fund any losses incurred by the Voice Entities should the Voice Entities become loss-making.

Further, Netpluz is required to maintain the net asset value of the Voice Entities at above S\$1,105,000 at all times and the Company has put the following risk management measures in place in the event a shortfall occurs:

- (a) In the event that the NAV of the Voice Entities falls below S\$1,105,000 between First Closing and Second Closing

The Company can require Netpluz to remedy the shortfall. Failing which, the Company can exercise its roll-back rights to, *inter alia*, regain control of the board and operations of the Voice Entities. In addition, the Company remains entitled to insist upon Second Closing and to require that Netpluz restores the NAV of the Voice Entities to S\$1,105,000.

- (b) In the event that the NAV of the Voice Entities falls below S\$1,105,000 between Second Closing and Third Closing

The Company can exercise the roll-back rights that are the same as that described in subparagraph (a) above, and the Company continues to have the right to require that Netpluz proceeds with the Third Closing except that the Company will not be indemnified for the shortfall of the NAV of the Voice Entities.

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However, the Company notes that (i) this occurs in the circumstances where the Company had already received the First and Second Closing Purchase Price which is in excess of the agreed NAV of the Voice Entities; and (ii) if the Third Closing takes place, the Company's exposure to the decrease in NAV is proportionately reduced to 26.67% based on its residual shareholding in the Voice Entities.

- (c) In the event that the NAV of the Voice Entities falls below S\$1,105,000 between Third Closing and Final Closing

The Company can exercise its roll-back rights to, *inter alia*, jointly control the board and operations of the Voice Entities together with Netpluz. In addition, the Company continues to have the right to require that Netpluz proceeds with Final Closing except that the Company will not be indemnified for the shortfall of the NAV of the Voice Entities.

7 INFORMATION ON I-GATE

- 7.1 I-Gate is a company incorporated in Malaysia and engages in investment holding and the provision of management services. I-Gate's subsidiaries are in the business of the retail of mobile telecommunication equipment and distribution of mobile and accessories. The following are subsidiaries within the I-Gate Group:

Subsidiary Name	Business	Status	Country of incorporation	Shareholding percentage
RVT Event & Retail Management Sdn. Bhd.	Conceptual design work, event and complex management	Non-Operating	Malaysia	100
Real & Virtual Technologies Sdn. Bhd.	Developing innovative service delivery platforms and solutions	Non-Operating	Malaysia	100
Dot Mobile Sdn. Bhd.	Dealer in mobile telecommunication equipment and its related products	Operating	Malaysia	100
Homestead Shop (M) Sdn. Bhd.	Dealer in mobile telecommunication equipment and its related products	Operating	Malaysia	100
BTC Academy Sdn. Bhd.	Providing education services	Non-Operating	Malaysia	70

7.2 Revenue of I-Gate

The revenue of I-Gate Group was (a) S\$3.73 million for FY2014; (b) S\$1.07 million for the six months ended 30 June 2015; and (c) S\$1.49 million for the nine months ended 30 September 2015. This makes up approximately 0.8%, 0.5% and 0.5% respectively, of the revenue of the Group for the same periods.

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8 INFORMATION ON SHAMUGAM

- 8.1 Shamugam is a retiree who had previously worked for many years in the telecommunications industry/company in Malaysia and is a Malaysian citizen.
- 8.2 Shamugam had approached one of the directors of I-Gate Holdings Sdn Bhd and entered into discussions with the Company on the I-Gate Disposal.
- 8.3 To the best of the Company's knowledge and belief, Shamugam is not acting as a nominee to any third party in relation to the I-Gate Disposal. There was no introducer for the I-Gate Disposal and no introducer fee was agreed to be paid or shall be paid by the Company in relation to the I-Gate Disposal.
- 8.4 To the best of the Company's knowledge and belief, there is no relationship between Shamugam and any directors, controlling shareholders or associates of the Company.

9 RATIONALE FOR THE I-GATE DISPOSAL

- 9.1 The Company is entering into the I-Gate Disposal with Shamugam on a willing-buyer, willing-seller basis. In line with the presentation made by the Company on 30 April 2015, the Company has previously stated that it wishes to, *inter alia*, eventually cease its mobile phone business operations in Malaysia. As noted in that presentation, the Company's strategy is to disengage or close loss making or non-strategic business units.
- 9.2 Given the above, the Company is seeking to divest I-Gate which has been a loss-making entity and has been a drain on the Company. The sale of the I-Gate Group to Shamugam will allow the Company to exit its investment in the I-Gate Group at book value.
- 9.3 The Company also notes that I-Gate's operations has reduced to being two shops carrying out the mobile/operator business and three shop lots sublet under a management arrangement with a third party. Having assessed that the cost of closing down and terminating all rental liabilities, restoration, separation cost of staff and other related costs were well above the book value of the I-Gate Group, the Board considered it to be prudent to divest the I-Gate Group at book value which increases the gain on disposal whilst avoiding having to incur closing costs.

10 CONSIDERATION FOR THE I-GATE DISPOSAL

- 10.1 The consideration of the I-Gate Disposal is RM75,000 and shall be payable by Shamugam to the Company by way of wire transfer. The consideration was arrived at on a willing-buyer and willing-seller basis and was calculated with reference to the net asset value of the I-Gate Group.

11 SALIENT TERMS OF THE I-GATE DISPOSAL

11.1 Conditions precedent

The closing of the I-Gate Disposal is conditional upon, *inter alia*, the following being satisfied:

- (a) Shamugam having completed the due diligence in relation to the I-Gate Group and having submitted a list of variances as found to be rectified by the Company;

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- (b) Submission to Shamugam of certain documents in relation to the I-Gate Group, including the following:
- (i) Bank guarantee, guarantee or any performance guarantee provided by the I-Gate Group to Maxis¹;
 - (ii) Staff list working in certain retail outlets to be retained by Shamugam;
 - (iii) Rental agreements for certain retail outlets together with relevant statements of deposits, last due rentals, penalties and fines fully paid up till June 2015;
 - (iv) All management agreements in respect of certain retail outlets together with relevant statements showing last due rentals, fines and penalties duly paid as of June 2015;
 - (v) All suppliers, vendors statement of accounts up to June 2015;
 - (vi) The audited accounts for I-Gate for the financial year ended 31 December 2014 and the certified true management accounts for the period between 1 January 2015 to 30 June 2015;
 - (vii) All tax, goods and services tax and related submissions for the last three years;
 - (viii) The licence to operate as a retailer or as a retail store;
 - (ix) Written confirmation of Maxis Berhad and Plaza Low Yat and S Alliance partners consenting to the change of shareholder further to the I-Gate Disposal²; and
 - (x) The balance sheet and profit and loss statement which is net of and free of all intercompany loans and any transfer agreements between the I-Gate Group and the Company; and
- (c) the Company having made all requisite announcements, or obtained all shareholders' approvals, as may be required under the Listing Manual in respect of the I-Gate Disposal.

11.2 Other terms

- (a) The Company guarantees to Shamugam that the net assets of the I-Gate Group are at least RM70,000 after all adjustments with reference to the balance sheet dated 31 March 2015³.

1 These bank guarantees or performance guarantees are related to the contract which the I-Gate Group has with Maxis for performance of their obligations under the agreement with Maxis and have been submitted to Shamugam.

2 The subsidiaries of I-Gate are retail partners for the telecom operator Maxis in Malaysia through retail stores in two locations, Plaza Low Yat and Ikon Cheras Mall. These are the two shops which retail Maxis products as its business. There are other retail stores under management contracts known as S Alliance partners which are located in the shopping malls known as Plaza Low Yat and Plaza Alam Sentral.

As per the distribution contract with Maxis, Maxis exclusive partner agreement ("MEP") and lease agreement with Plaza Low Yat, prior approval is required in case of change in management, constitution, nature and control of MEP's business/tenancy.

3 The adjustments are on account of intra-Group balances, which are not part of net assets under disposal. The total outstanding amount of intercompany loans (including interest and supplies of goods) made by the Company to I-Gate as at 31 March 2015 was RM 24.7 million. Such loans will be written off and/or restructured in a tax efficient manner based on the advice of tax advisers and will not continue to be outstanding following the I-Gate disposal.

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- (b) All past liabilities other than those which are part of the audited accounts for the year ended 31 December 2014 and management accounts made up to 30 June 2015, of any kind known or unknown, vendor related, government authority related, compliance related, tax related or any other liability in cash or kind, prior to the I-gate Disposal will remain as the liability of the Company and will not be transferred to Shamugam. All liabilities accruing after the I-Gate Disposal will belong to Shamugam.
- (c) If any of the conditions to closing are not satisfied, the Company must return the full consideration and indemnify Shamugam for legal costs and other costs associated with the I-Gate Disposal subject to such costs not exceeding US\$10,000.

The indemnification provided by the Company in favour of Shamugam in subparagraph (c) above was a negotiated term with Shamugam, which the Company agreed to, to allow Shamugam to recover resources spent on due diligence and legal expenses in the event the I-Gate Disposal does not go through. The sum of US\$10,000 represents the maximum amount which is reimbursable to Shamugam if the Company is unable to satisfy the conditions precedent.

The I-Gate Group has become an insignificant part of the Group's business and is considered a non-core asset of the Group. The costs and time required to wind up the I-Gate Group may be substantial, hence the sale of the I-Gate Group at no less than book value may be expedient.

The amount of US\$10,000 is a negotiated maximum amount to be paid if the Company is not able to complete the conditions precedent and would be applied to reimburse Shamugam for costs on legal and other expenses incurred for this transaction. The Company will exercise full caution and due diligence that it only pays the actual amount which has been expensed up to a maximum of US\$10,000.

11.3 Warranties

Under the I-Gate SPA, the Company is required to make certain customary representations and warranties in respect of the business and financial position of I-Gate.

11.4 Indemnities and Limitation of Liability

- (a) Subject to paragraph 11.4(b), the Company shall indemnify Shamugam and any of his affiliates, officers, directors, employees or agents (the "**Shamugam Indemnified Parties**") for any losses or expenses arising from (i) any breach of any warranty of the I-Gate SPA; (ii) any breach of any post-closing covenant in the I-Gate SPA; or (iii) any liabilities of any I-Gate Group member which accrue prior to the closing of the I-Gate SPA but which are not disclosed in the financial statements of I-Gate or during due diligence or otherwise known to Shamugam prior to the closing of the I-Gate Disposal.
- (b) The indemnity referred to in paragraph 11.4(a) does not cover individual claims less than US\$1,000. In addition, the aggregate liability of the Company under the I-Gate SPA shall in no event exceed US\$3,000,000.

11.5 Closing date

Closing of the I-Gate Disposal shall take place at the offices of the Company on the second day following the fulfilment of the conditions precedent set out at paragraph 11.1 or on such other date or at such other time and place as the Company and Shamugam shall agree.

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12 RELATIVE FIGURES UNDER CHAPTER 10 OF THE LISTING MANUAL

12.1 Relative figures for the Proposed Disposals under Chapter 10 of the Listing Manual

12.1.1 Under Rule 1006 of the Listing Manual, the relative figures for the Proposed Disposals based on FY2015 2Q Results and FY2015 3Q Results are as follows:

Rule	Basis	Comparison (%)	
		FY2015 2Q Results	FY2015 3Q Results
1006(a)	The net asset value ¹ (“NAV”) represented by I-Gate and the Voice Entities to be disposed, compared with the Group’s net asset value	2.50	2.05
1006(b)	The net losses ² attributable to I-Gate and the Voice Entities for the six months’ period ended 30 June 2015 and nine months’ period ended 30 September 2015 compared with the Group’s net losses for the six months’ period ended 30 June 2015 and nine months’ ended 30 September 2015, respectively	5.12	16.52*
1006(c)	The aggregate value of the consideration received, compared with Company’s market capitalization based on the total number of issued shares, excluding treasury shares	56.58 ³	30.63 ^{4**}
1006(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable.	Not applicable.

Notes:

1. The NAV represented by I-Gate and the Voice Entities (i) as at 30 June 2015 is approximately S\$1,347,000; and (ii) as at 30 September 2015 is approximately S\$1,137,000***; and the NAV of the Group (i) as at 30 June 2015 is approximately S\$53,771,000; and (ii) as at 30 September 2015 is approximately S\$55,595,000. The NAV represented for the Proposed Disposals excludes any intra-Group balances.
2. As at 30 June 2015, a net loss of approximately S\$192,000 is attributable to I-Gate and the Voice Entities for the six months ended 30 June 2015 and the net loss attributable to the Group for the six months ended 30 June 2015 is approximately S\$3,746,000.

As at 30 September 2015, a net loss of approximately S\$378,000 is attributable to I-Gate and the Voice Entities for the nine months ended 30 September 2015 and the net loss attributable to the Group for the nine months ended 30 September 2015 is approximately S\$2,288,000.
3. Determined by dividing the consideration of S\$3,027,000 and the market capitalisation of the Company of approximately S\$5.348 million as at 14 August 2015.

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The market capitalisation of the Company was determined by multiplying closing share price of Shares on 14 August 2015 (S\$0.39 per Share) by the issued share capital of the Company as at 14 August 2015 (13.712 million Shares).

Conversions were based on the exchange rate of RM2.806 per S\$1 prevailing on 30 June 2015.

4. Determined by dividing the consideration of S\$3,024,000 as at 30 September 2015 and the market capitalisation of the Company of approximately S\$9.873 million as at 27 November 2015.

The market capitalisation of the Company was determined by multiplying closing share price of Shares on 27 November 2015 (S\$0.72 per Share) by the issued share capital of the Company as at 27 November 2015 (13.712 million Shares).

Conversions were based on the exchange rate of RM3.096 per S\$1 prevailing on 30 September 2015.

- * The increase in ratio in the FY 2015 3Q Results against the corresponding ratio in the FY 2015 2Q Results is mainly due to a reduction in cumulative losses at the Group level due to the profits arising for the quarter ended 30 September 2015.
- ** The reduction in ratio in the FY 2015 3Q Results against the corresponding ratio in the FY 2015 2Q Results is mainly due to an increase in the market capitalization of the Company as a result of the increase in share price of the Company.
- *** Approximate adjustment in accordance with agreed net assets value of S\$1,105,000 (as discussed in paragraph 2.3 of this Circular) and approximately S\$23,000 (equivalent to RM70,000 as mentioned in paragraph 11.2(a) of this Circular).

12.1.2 As the relative figure under Rule 1006(c) exceeds 20%, the Proposed Disposals constitute a Major Transaction as defined in Chapter 10 of the Listing Manual and are subject to the approval of Shareholders in general meeting.

12.2 Relative figures for each of the I-Gate Disposal and the Voice Business Disposal under Chapter 10 of the Listing Manual

12.2.1 The relative figures that were computed on the relevant bases set out in Rule 1006 of the Listing Manual in respect of the Voice Business Disposal based on the Group's FY2015 2Q Results and FY2015 3Q Results are as follows:

Rule	Basis	Comparison (%)	
		FY2015 2Q Results	FY2015 3Q Results
1006(a)	The NAV ¹ represented by the Voice Entities to be disposed, compared with the Group's net asset value	2.46	2.00
1006(b)	The net losses ² attributable to the Voice Entities for the six months' period ended 30 June 2015 and nine months period ended 30 September 2015 compared with the Group's net losses for the six months' period ended 30 June 2015 and nine months' ended 30 September 2015, respectively	0.07	3.06*

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Rule	Basis	Comparison (%)	
		FY2015 2Q Results	FY2015 3Q Results
1006(c)	The aggregate value of the consideration received, compared with Company's market capitalization based on the total number of issued shares, excluding treasury shares	56.10 ³	30.39 ^{4**}
1006(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable.	Not applicable.

Notes:

1. The NAV represented by the Voice Entities (i) as at 30 June 2015 is approximately S\$1,322,000; and (ii) as at 30 September 2015, approximately S\$1,114,000***; and the NAV of the Group (i) as at 30 June 2015 is approximately S\$53,771,000 and (ii) as at 30 September 2015 is approximately S\$55,595,000. The NAV represented for the Voice Business Disposal excludes any intra-Group balances.
 2. As at 30 June 2015, a net loss of approximately S\$3,000 is attributable to the Voice Entities for the six months ended 30 June 2015 and the net loss attributable to the Group for the six months ended 30 June 2015 is approximately S\$3,746,000. The net loss attributable to the Voice Entities of approximately S\$3,000 for the period January to June 2015 is not due to a one off non-recurring expenditure.

As at 30 September 2015, a net loss of approximately S\$70,000 is attributable to the Voice Entities for the nine months ended 30 September 2015 and the net loss attributable to the Group for the nine months ended 30 September 2015 is approximately S\$2,288,000. The net loss attributable to the Voice Entities of approximately S\$70,000 for the period January to September 2015 is not due to a one off non-recurring expenditure.
 3. Determined by dividing the consideration of S\$3,000,000 and the market capitalisation of the Company of approximately S\$5.348 million as at 14 August 2015.

The market capitalisation of the Company was determined by multiplying closing share price of Shares on 14 August 2015 (S\$0.39 per Share) by the issued share capital of the Company as at 14 August 2015 (13.712 million Shares).
 4. Determined by dividing the consideration of S\$3,000,000 and the market capitalisation of the Company of approximately S\$9.873 million as at 27 November 2015.

The market capitalisation of the Company was determined by multiplying closing share price of Shares on 27 November 2015 (S\$0.72 per Share) by the issued share capital of the Company as at 27 November 2015 (13.712 million Shares).
- * The increase in ratio in the FY 2015 3Q Results against the corresponding ratio in the FY 2015 2Q Results is mainly due to a reduction in cumulative losses at the Group level due to the profits arising for the quarter ended 30 September 2015.
- ** The reduction in ratio in the FY 2015 3Q Results against the corresponding ratio in the FY 2015 2Q Results is mainly due to an increase in the market capitalization of the Company as a result of the increase in share price of the Company.
- *** Approximate adjustment in accordance with agreed net assets value of S\$1,105,000 (as discussed in paragraph 2.3 of this Circular).

12.2.2 As the relative figure under Rule 1006(c) exceeds 20%, the Voice Business Disposal constitute a Major Transaction as defined in Chapter 10 of the Listing Manual.

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12.2.3 The relative figures that were computed on the relevant bases set out in Rule 1006 of the Listing Manual in respect of the I-Gate Disposal based on the Group's FY2015 2Q Results are as follows:

Rule	Basis	Comparison (%)	
		FY2015 2Q Results	FY2015 3Q Results
1006(a)	The net asset value ¹ (“NAV”) represented by I-Gate to be disposed, compared with the Group's net asset value	0.05	0.04
1006(b)	The net losses ² attributable to I-Gate for the six months' period ended 30 June 2015 and nine months period ended 30 September 2015 compared with the Group's net losses for the six months' period ended 30 June 2015 and nine months' ended 30 September 2015 respectively	5.05	13.46*
1006(c)	The aggregate value of the consideration received, compared with Company's market capitalization based on the total number of issued shares, excluding treasury shares	0.50 ³	0.24 ^{4**}
1006(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable.	Not applicable

Notes:

- The NAV represented by I-Gate (i) as at 30 June 2015 is approximately S\$25,000 (or RM69,000); and (ii) as at 30 September 2015 is approximately S\$23,000*** (or RM72,000***); and the NAV of the Group (i) as at 30 June 2015 is approximately S\$53,771,000 and (ii) as at 30 September 2015 is approximately S\$55,595,000. The NAV represented for the I-Gate Disposal excludes any intra-Group balances.
- As at 30 June 2015, a net loss of approximately S\$189,000 is attributable to I-Gate for the six months ended 30 June 2015 and the net loss attributable to the Group for the six months ended 30 June 2015 is approximately S\$3,746,000.

As at 30 September 2015, a net loss of approximately S\$308,000 is attributable to I-Gate for the nine months ended 30 September 2015 and the net loss attributable to the Group for the nine months ended 30 September 2015 is approximately S\$2,288,000.
- Determined by dividing the consideration of approximately S\$27,000 (or RM75,000) and the market capitalisation of the Company of approximately S\$5.348 million as at 14 August 2015.

The market capitalisation of the Company was determined by multiplying closing share price of Shares on 14 August 2015 (S\$0.39 per Share) by the issued share capital of the Company as at 14 August 2015 (13.712 million Shares).

Conversions were based on the exchange rate of RM2.806 per S\$1 prevailing on 30 June 2015.

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4. Determined by dividing the consideration of approximately S\$24,000 (or RM75,000) and the market capitalisation of the Company of approximately S\$9.873 million as at 27 November 2015.
- The market capitalisation of the Company was determined by multiplying closing share price of Shares on 27 November 2015 (S\$0.72 per Share) by the issued share capital of the Company as at 27 November 2015 (13.712 million Shares).
- Conversions were based on the exchange rate of RM3.096 per S\$1 on 30 September 2015.
- * The increase in ratio in the FY 2015 3Q Results against the corresponding ratio in the FY 2015 2Q Results is mainly due to a reduction in cumulative losses at the Group level due to the profits arising for the quarter ended 30 September 2015.
- ** The reduction in ratio in the FY 2015 3Q Results against the corresponding ratio in the FY 2015 2Q Results is mainly due to an increase in the market capitalization of the Company as a result of the increase in share price of the Company.
- *** Approximate adjustment in accordance with the agreed net assets value of approximately S\$23,000 (equivalent to RM70,000 as mentioned in paragraph 11.2(a) of this Circular).

12.2.4 The Company had previously consulted the SGX-ST as to whether shareholders' approval was required for the I-Gate Disposal and the SGX-ST had subsequently informed the Company that the Company was required to seek shareholders' approval for the I-Gate Disposal pursuant to Rule 1014(2) of the Listing Manual.

13 FINANCIAL EFFECTS OF THE PROPOSED DISPOSALS

13.1 Unless otherwise stated, the unaudited proforma financial effects of the Proposed Disposals, that are set out in paragraph 13.2, have been computed using the audited consolidated accounts of the Group for FY2014, on the basis that the Proposed Disposals have already taken place.

As these financial effects are based on the Group's audited consolidated accounts for FY2014 and are presented for illustration purposes only, they will not reflect the future financial position of the Group after the Proposed Disposals have taken place in 2014.

13.2 The unaudited proforma financial effects of the Proposed Disposals are set out as follows:

(a) Gain on disposal

The Proposed Disposals gives rise to a gain on disposal of approximately S\$1,680,000 as at 30 June 2015 and approximately S\$1,887,000, as at 30 September 2015.

(b) NTA

Assuming completion of the Proposed Disposals had taken place on 31 December 2014, the effects on the consolidated NTA of the Group are as follows:

	Before the Proposed Disposals	After the Proposed Disposals
NTA (S\$)	58,095,000	59,775,000
NTA per Share (Singapore cents)	1.06	1.09

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(c) Earnings per Share

Assuming completion of the Proposed Disposals had taken place on 1 January 2014, the effects on the consolidated earnings of the Group are as follows:

	Before Proposed Disposals	After Proposed Disposals
Net Loss attributable to Shareholders (S\$)	55,835,000	54,888,000
Loss per Share (Singapore cents)	1.02	1.00

13.3 The unaudited proforma financial effects of the Voice Business Disposal are set out as follows:

(a) Gain on disposal

The Voice Business Disposal gives rise to a gain on disposal of approximately S\$1,678,000 as at 30 June 2015 and approximately S\$1,886,000 as at 30 September 2015.

(b) NTA

Assuming completion of the Voice Business Disposal had taken place on 31 December 2014, the effects on the consolidated NTA of the Group are as follows:

	Before the Voice Business Disposal	After the Voice Business Disposal
NTA (S\$)	58,095,000	59,844,000
NTA per Share (Singapore cents)	1.06	1.09

(c) Earnings per Share

Assuming completion of the Voice Business Disposal had taken place on 1 January 2014, the effects on the consolidated earnings of the Group are as follows:

	Before Voice Business Disposal	After Voice Business Disposal
Net Loss attributable to Shareholders (S\$)	55,835,000	56,257,000
Loss per Share (Singapore cents)	1.02	1.03

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13.4 The unaudited proforma financial effects of the I-Gate Disposal are set out as follows:

(a) Gain on disposal

The I-Gate Disposal gives rise to a gain on disposal of approximately S\$2,000 as at 30 June 2015 and approximately S\$1,000 as at 30 September 2015.

(b) NTA

Assuming completion of the I-Gate Disposal had taken place on 31 December 2014, the effects on the consolidated NTA of the Group are as follows:

	Before the I-Gate Disposal	After the I-Gate Disposal
NTA (S\$)	58,095,000	58,026,000
NTA per Share (Singapore cents)	1.06	1.06

(c) Earnings per Share

Assuming completion of the I-Gate Disposal had taken place on 1 January 2014, the effects on the consolidated earnings of the Group are as follows:

	Before I-Gate Disposal	After I-Gate Disposal
Net Loss attributable to Shareholders (S\$)	55,835,000	54,466,000
Loss per Share (Singapore cents)	1.02	0.99

14 USE OF PROCEEDS FOR THE I-GATE AND VOICE BUSINESS DISPOSAL

14.1 The proceeds from the I-Gate Disposal and Voice Business Disposal shall be utilized for further investments on strategic businesses, working capital, and operational use.

14.2 Following the I-Gate Disposal and the Voice Business Disposal, primarily the remaining businesses of the Company will be in relation to the distribution of operator products and services and ICT distribution and managed services.

LETTER TO SHAREHOLDERS

15 DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

15.1 The interests of the Directors and Substantial Shareholders in the Shares, the Share Options II and 2014 ESOP Options as at the Latest Practicable Date, as recorded in the Register of Directors' Shareholdings and the Register of Substantial Shareholders' Shareholdings of the Company, as maintained under the provisions of the Companies Act are set out below:

15.2 Interests in Shares

	<u>Direct Interests</u>		<u>Deemed Interests</u>		<u>Total Interests</u>	
	<u>Number of Shares</u>	<u>%</u>	<u>Number of Shares</u>	<u>%</u>	<u>Number of Shares</u>	<u>%</u>
<u>Directors</u>						
Dr. Bhupendra Kumar Modi ⁽²⁾	–	–	4,304,651	31.39	4,304,651	31.39
Mr. Thomas Henrik Zilliacus	48,700	0.36	–	–	48,700	0.36
Mr. Ashok Kumar Goyal ⁽³⁾	–	–	17,875	0.13	17,875	0.13
Mr. Hanif M. Dahya	–	–	–	–	–	–
Mr. Maneesh Tripathi	–	–	–	–	–	–
<u>Substantial Shareholders</u>						
Dr. Bhupendra Kumar Modi ⁽²⁾	–	–	4,304,651	31.39	4,304,651	31.39
Mr. Dilip Modi ⁽⁴⁾	–	–	3,638,921	26.54	3,638,921	26.54
Ms. Divya Tongya ⁽⁵⁾	–	–	3,638,921	26.54	3,638,921	26.54
S Global Innovation Centre Pte Ltd ^{(2a)(4)(5)(6a)}	3,638,921	26.54	–	–	3,638,921	26.54
S Global Holdings Pte Ltd ^{(2b)(2c)(6)}	410,660	3.00	3,850,991	28.08	4,261,651	31.08
Lee Foundation, States of Malaya ⁽⁷⁾	–	–	1,775,550	12.95	1,775,550	12.95
Lee Foundation ⁽⁸⁾	–	–	1,775,550	12.95	1,775,550	12.95
Lee Pineapple Company (Pte) Ltd ⁽⁹⁾	–	–	1,775,550	12.95	1,775,550	12.95
Paramount Assets Management Pte Ltd ⁽⁷⁾⁽⁸⁾⁽⁹⁾	1,775,550	12.95	–	–	1,775,550	12.95

Notes:

- (1) The above percentages are calculated based on the Company's share capital comprising 13,712,452 issued and paid-up Shares as at the Latest Practicable Date.
- (2) Dr. Bhupendra Kumar Modi is deemed to be interested in 4,304,651 Shares comprising the following:
 - (a) 3,638,921 Shares held directly by S Global Innovation Centre Pte Ltd as S Global Innovation Centre Pte Ltd is controlled by Dr Bhupendra Kumar Modi, Dilip Modi and Divya Tongya. By virtue of Section 7 of the Companies Act, Spice Global Investments Pvt Ltd, Orion Telecoms Ltd, Dai (Mauritius) Company Ltd, Falcon Securities Ltd, Guiding Star Ltd, Christchurch Investments Ltd, S Global Holdings Ltd, Prospective Infrastructure Pvt Ltd and Smart Ventures Private Ltd (previously known as S i2i Mobility Private Ltd) are deemed to be interested in the 3,638,921 shares held through S Global Innovation Centre Pte Ltd;
 - (b) 410,660 Shares held directly by S Global Holdings Pte Ltd as S Global Holdings Pte Ltd is wholly-owned by Dr Bhupendra Kumar Modi;
 - (c) 212,070 Shares held directly by Spice Bulls Pte Ltd as Spice Bulls Pte Ltd is wholly-owned by S Global Holdings Pte Ltd, which is in turn wholly-owned by Dr Bhupendra Kumar Modi; and
 - (d) 43,000 Shares held directly by Innovative Management Pte Ltd as Innovative Management Pte Ltd is wholly-owned by Dr. Bhupendra Kumar Modi.

LETTER TO SHAREHOLDERS

- (3) Mr. Ashok Kumar Goyal is deemed to be interested in 17,875 Shares held directly by Philip Securities Pte Ltd. in a nominee account.
- (4) Mr. Dilip Modi is deemed to be interested in 3,638,921 Shares held directly by S Global Innovation Centre Pte. Ltd. as S Global Innovation Centre Pte. Ltd. is controlled by Dr. Bhupendra Kumar Modi, Mr. Dilip Modi and Ms. Divya Tongya.
- (5) Ms. Divya Tongya is deemed to be interested in 3,638,921 Shares held directly by S Global Innovation Centre Pte. Ltd. as S Global Innovation Centre Pte. Ltd. is controlled by Dr. Bhupendra Kumar Modi, Mr. Dilip Modi and Ms. Divya Tongya.
- (6) S Global Holdings Pte Ltd is deemed to be interested in 3,850,991 Shares comprising the following:
- (a) 3,638,921 Shares directly held by S Global Innovation Centre Pte. Ltd.; and
- (b) 212,070 Shares held directly by Spice Bulls Pte Ltd as Spice Bulls Pte Ltd is wholly-owned by S Global Holdings Pte Ltd.
- (7) Lee Foundation, States of Malaya, by virtue of its interest in not less than 20% of the total issued share capital of Lee Pineapple Company (Pte) Ltd, is deemed to be interested in 1,775,550 Shares held directly by Paramount Assets Investments Pte Ltd, a wholly-owned subsidiary of Lee Pineapple Company (Pte) Ltd.
- (8) Lee Foundation, by virtue of its interest in not less than 20% of the total issued share capital of Lee Pineapple Company (Pte) Ltd, is deemed to be interested in 1,775,550 Shares held directly by Paramount Assets Investments Pte Ltd, a wholly-owned subsidiary of Lee Pineapple Company (Pte) Ltd.
- (9) Lee Pineapple Company (Pte) Ltd is deemed to be interested in 1,775,550 Shares held directly by Paramount Assets Investments Pte Ltd, a wholly-owned subsidiary of Lee Pineapple Company (Pte) Ltd.

15.3 Interest in Share Options II

Director	As at the Latest Practicable Date	
	Total number of Share Options II granted	Total number of Share Options II exercisable
Mr. Thomas Henrik Zilliacus	785*	785*

* adjusted on account of share consolidation as announced by the Company on 19 June 2015.

15.4 Interest in 2014 ESOP Options

Director	As at the Latest Practicable Date	
	Total number of 2014 ESOP Options granted	Total number of 2014 ESOP Options exercisable
Mr. Thomas Henrik Zilliacus	137,125*	_(1)
Mr. Maneesh Tripathi	137,125*	_(1)
Mr. Ashok Kumar Goyal	411,250*	_(1)

* adjusted on account of share consolidation as announced by the Company on 19 June 2015.

Note:

- (1) These 2014 ESOP Options were granted on 27 March 2015 and are exercisable two (2) years from the date of grant.

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15.5 Save as disclosed above, none of the Directors or Substantial Shareholders is related to one another in any way.

16 MISCELLANEOUS

16.1 Directors' and controlling Shareholders' interests

Save as set out in this Circular, none of the Directors or controlling Shareholders has any interest, direct or indirect, in the Proposed Disposals.

16.2 Caution in respect of dealings in the Company's shares

Shareholders and the public are advised to exercise caution before making any decision in respect of their dealings in the Company's shares. Shareholders who are in any doubt about this Circular should consult their stockbroker, bank manager, solicitor or other professional adviser.

17 DIRECTORS' RECOMMENDATION

17.1 Having considered, amongst others, the terms and the rationale for, and the financial effects of the Proposed Disposals set out in this Circular, the Directors are of the opinion that the Proposed Disposals are in the best interests of the Company.

17.2 Accordingly, the Directors recommend that Shareholders vote in favour of the resolutions relating to the Proposed Disposals at the EGM as stated in the Notice of EGM.

18 EXTRAORDINARY GENERAL MEETING

The Notice of EGM of which is set out on page 36 of this Circular, will be held on 23 December 2015, at 11.00 A.M. at 152 Ubi Avenue 4, Auditorium, Smart Innovation Centre, Singapore 408826, for the purpose of considering, and if thought fit, passing with or without any modifications, the ordinary resolutions set out in the Notice of EGM.

19 ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend and vote at the EGM on their behalf should complete, sign and return the Proxy Form attached to the Notice of EGM in accordance with the instructions printed thereon as soon as possible and in any event so as to reach the Company's Share Registrar's office at Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623, not less than 48 hours before the time fixed for the EGM. The appointment of a proxy by a Shareholder does not preclude him from attending and voting in person at the EGM if he wishes to do so.

A Depositor shall not be regarded as a Shareholder entitled to attend the EGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register, as certified by the CDP at least 48 hours before the EGM.

LETTER TO SHAREHOLDERS

20 DIRECTORS' RESPONSIBILITY STATEMENT

- 20.1 The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Disposals and the Company (and its subsidiaries), and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in 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.

21 DOCUMENTS FOR INSPECTION

- 21.1 A copy of the Voice Business SPA and the I-Gate SPA will be made available for inspection during normal business hours at the Company's registered office at 152, Ubi Avenue 4, Level 4, Smart Innovation Centre, Singapore 408826 from the date of this Circular up to and including the date falling three months after the date of this Circular.

Yours faithfully

For and on behalf of
the Board of Directors of
S i2i Limited

MANEESH TRIPATHI
Executive Director and Group Chief Executive Officer
7 December 2015

NOTICE OF EXTRAORDINARY GENERAL MEETING

S i2i LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 199304568R)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of S i2i Limited (the “**Company**”) will be held at 152 Ubi Avenue 4, Auditorium, Smart Innovation Centre, Singapore 408826 on 23 December 2015 at 11.00 A.M., for the purpose of considering and, if thought fit, passing (with or without modification) the following resolutions:

ORDINARY RESOLUTION 1: THE PROPOSED DISPOSAL OF ALL OF THE ISSUED SHARE CAPITAL OF MEDIARING NETWORK SERVICES PTE. LIMITED AND MEDIARING COMMUNICATIONS PTE. LTD.

THAT:

- (a) approval be and is hereby given for the Company to effect and complete the Voice Business Disposal and all transactions in relation thereto, on the terms and subject to the conditions set out in the Voice Business SPA, the principal terms of which are set out in the Circular; and
- (b) the Directors be and are hereby authorised to complete and to do all acts and things (including but not limited to the execution of all such agreements and documents as may be required) as they/he/she may consider necessary, desirable, expedient or in the interests of the Company, to give effect to the approvals given by this ordinary resolution.

ORDINARY RESOLUTION 2: THE PROPOSED DISPOSAL OF ALL OF THE ISSUED SHARE CAPITAL OF I-GATE HOLDINGS SDN BHD

THAT:

- (a) approval be and is hereby given for the Company to effect and complete the I-Gate Disposal and all transactions in relation thereto, on the terms and subject to the conditions set out in the I-Gate SPA, the principal terms of which are set out in the Circular; and
- (b) the Directors be and are hereby authorised to complete and to do all acts and things (including but not limited to the execution of all such agreements and documents as may be required) as they/he/she may consider necessary, desirable, expedient or in the interests of the Company, to give effect to the approvals given by this ordinary resolution.

All capitalised terms used in this Notice which are not defined herein shall have the same meanings ascribed to them in the Circular dated 7 December 2015.

By Order of the Board

MANEESH TRIPATHI
Executive Director and Group Chief Executive Officer
7 December 2015

Notes:

- 1. A shareholder entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint not more than 2 proxies to attend and vote on his/her behalf. A proxy need not be a shareholder of the Company.
- 2. The instrument appointing a proxy or proxies must be deposited at the office of the Company’s Share Registrar, 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 set for the Extraordinary General Meeting.

S i2i LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 199304568R)

PROXY FORM

IMPORTANT

1. For investors who have used their CPF moneys to buy ordinary shares in the capital of S i2i Limited, the Circular is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We (Name) _____

of _____ (Address)
being a Shareholder/Shareholders of S i2i Limited (the "Company"), hereby appoint:-

Name	Address	NRIC/Passport No.	Proportion of Shareholding (%)

and/or (delete as appropriate)

Name	Address	NRIC/Passport No.	Proportion of Shareholding (%)

or failing whom the Chairman of the Extraordinary General Meeting as *my/our proxy/proxies to vote for *me/us on *my/our behalf at the Extraordinary General Meeting of the Company to be convened on 23 December 2015 at 11 AM at 152 Ubi Avenue 4, Auditorium, Smart Innovation Centre, Singapore 408826 and at any adjournment thereof. *I/We direct *my/our proxy/proxies to vote for or against the Ordinary Resolutions to be proposed at the Extraordinary General Meeting as indicated hereunder. If no specific direction as to voting is given, the *proxy/proxies will vote or abstain from voting at *his/her/their discretion, as *he/she/they will on any other matter arising at the Extraordinary General Meeting.

As Ordinary Resolutions:		NUMBER OF VOTES FOR*	NUMBER OF VOTES AGAINST*
1.	To approve the proposed disposal of all of the issued share capital of Mediating Network Services Pte. Limited and Mediating Communications Pte. Ltd.		
2.	To approve the proposed disposal of all of the issued share capital of I-Gate Holdings Sdn Bhd		

Note:

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

Dated this _____ day of _____ 2015.

Total Number of Shares held in:	
CDP Register	
Register of Members	

Signature(s) of Shareholder(s)/Common Seal
of Corporate Shareholder

* Delete accordingly

IMPORTANT: PLEASE READ NOTES OVERLEAF BEFORE COMPLETING THIS PROXY FORM

Notes:–

1. A member of the Company entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint one or two proxies to attend and vote in his stead.
2. Where a member appoints more than one proxy, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy and if no percentage is specified, the first named proxy shall be treated as representing 100 per cent of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.
3. A proxy need not be a member of the Company.
4. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Cap. 50 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and registered in your name in the Register of Members, you should insert the aggregate number of Shares. If no number is inserted, this form of proxy will be deemed to relate to all the Shares held by you.
5. The instrument appointing a proxy or proxies must be deposited at the office of the Company's Share Registrar, 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 set for the Extraordinary General Meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or by his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
7. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. A corporation which is a shareholder of the Company may, in accordance with Section 179 of the Companies Act, Cap. 50 of Singapore, authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Extraordinary General Meeting.
9. The Company shall be entitled to reject the instrument appointing a proxy or proxies, if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies if a shareholder of the Company, being the appointor, is not shown to have shares entered against his/her name in the Depository Register as at 48 hours before the time appointed for holding the Extraordinary General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

ANNEX A: RESERVED MATTERS UNDER THE VOICE ENTITIES SPA

1. Mergers, restructurings, arrangements, amalgamations, consolidations and divestments of or by any of the Voice Entities.
2. Voluntary commencement of winding up proceedings for insolvency or bankruptcy of any of the Voice Entities or general assignment for the benefit of their creditors or any consent to the entry of a decree or order for relief from creditors under any applicable laws or any admission by any of the Voice Entities of:
 - A. Its inability to pay its debts; or
 - B. Any other action constituting a cause for the involuntary declaration of insolvency or bankruptcy.
3. Acquisition of other business (by way of shares purchase, business transfer, slump sale, asset purchase or any other mode of acquiring a business) by any of the Voice Entities.
4. Creation of joint ventures or partnerships, or creation of a subsidiary by any of the Voice Entities which will create a major liability on the company in excess of Singapore Dollars One Hundred Thousand (S\$100,000) at any point of time, or such liabilities which cumulatively cross Singapore Dollars Four Hundred Thousand (S\$400,000) at any point of time.
5. Sale or transfer (including by way of demerger) of all or substantially all fixed and current assets of any of the Voice Entities or closure of an existing business or commencement of any business beyond the purview of the annual plan or business plan of any of the Voice Entities.
6. Increase, decrease, buy-back or other alteration or modification of authorized or issued share-capital, or creation or issue or allotment of other securities (including equity shares, preference shares, non-voting shares, warrants, options, debentures, bonds and such other instruments) and terms thereof by any of the Voice Entities.
7. Amendments to the memorandum and articles of any of the Voice Entities.
8. Any disposal, transfer, encumbrance or any dealing with the intellectual property of any of the Voice Entities other than in the ordinary course of business.
9. Availing of debt by any of the Voice Entities in excess of Singapore Dollars Two Hundred Thousand (S\$200,000) or beyond what is approved in the annual plan or business plan (for the purposes of this provision, "debt" will include but not be limited to short and long-term debt and guarantees). Generation of equity can be done with Board approval.
10. Declaration or payment of any dividend which is in excess of profits declared in the past financial year or distribution of profits or commissions to share-holders, employees, or directors of any of the Voice Entities.
11. Increase or decrease the size of the board of directors of any of the Voice Entities.
12. Adopt or amend the terms of employee stock option plan or any other similar plan or the issue of options or rights under such plan by any of the Voice Entities.
13. Any decision with regard to the listing of the securities of any of the Voice Entities.

14. Changes to material accounting or tax policies or practices other than those required by applicable law.
15. Capital expenditure, including constructions, leases and licenses for use of land or building (or any part thereof) and indebtedness in excess of the levels agreed upon in the annual business plan/budgets of any of the Voice Entities or their respective subsidiaries.
16. Any of the Voice Entities giving any guarantee, indemnity or security in respect of the obligations of any person.
17. Entering into any transaction that would or is likely to effect a change in control in any of the Voice Entities.
18. Entering into any litigation having a financial impact exceeding Singapore Dollars One Hundred Thousand (S\$100,000).

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