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BAN LEONG TECHNOLOGIES LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 199303898C)

ADDENDUM TO ANNUAL REPORT

in relation to

THE PROPOSED RENEWAL OF THE SHARE BUY BACK MANDATE

LETTER TO SHAREHOLDERS

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BAN LEONG TECHNOLOGIES LIMITED

(Incorporated in the Republic of Singapore)
Company No.199303898C

Directors

Teng Woo Boon (Managing Director)
Boyd Dainton (Executive Director)
Neo Gim Kiong (Non-Executive Director)
Ch'ng Jit Koon (Non-Executive Director)
Loh Yih (Independent Director)
Tan Eng Bock (Independent Director)

Registered Office

150 Ubi Avenue 4, Level 4
Singapore 408825

14 July 2010

To: The Shareholders of Ban Leong Technologies Limited

Dear Sir/Madam

RENEWAL OF SHARE BUY BACK MANDATE

1. BACKGROUND

1.1 We refer to the following: - (a) the Notice of the Annual General Meeting ("AGM") of BAN LEONG TECHNOLOGIES LIMITED (the "Company") dated 14 July 2010, accompanying the Annual Report 2010 of the Company and (b) Ordinary Resolution No. 9 under the heading "As Special Business" set out in the Notice of the AGM.

1.2 At the last Extraordinary General Meeting ("EGM") held on 23 July 2009, Shareholders had approved the grant of a mandate (the "Share Buy Back Mandate") to enable the Company to purchase or otherwise acquire its issued ordinary shares in the capital of the Company ("Ordinary Shares").

The authority and limitations on the Share Buy Back Mandate as set out in the Company's Letter to Shareholders dated 8 July 2009 (the "Letter") and Ordinary Resolution 1 set out in the Notice of the last EGM remained unchanged.

1.3 The Share Buy Back Mandate was expressed to take effect on the date of the passing of Ordinary Resolution 1 at the last EGM and will expire on the date of the forthcoming AGM, being 29 July 2010. The Directors propose that the Share Buy Back Mandate be renewed again at the forthcoming AGM.

2. THE PROPOSED RENEWAL OF SHARE BUY BACK MANDATE

The Ordinary Resolution No. 9 as set out in the Notice of AGM, if passed at the AGM, will renew the Shares Buy Back Mandate approved by the Shareholders of the Company from the date of the last EGM until the date that the AGM of the Company is held or is required by law to be held, whichever is the earlier.

2.1 Rationale

The proposed Share Buy Back Mandate will give the Directors the flexibility to purchase or acquire the Shares of the Company if and when circumstances permit. The Directors believe that a share buy back will provide the Company and its Directors with a mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements, in an expedient and cost-efficient manner. It also allows the Directors to exercise greater control over the Company's share capital structure, dividend payout and cash reserves.

The buy back of Shares may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the EPS of the Company, and will only be made when the Directors believe that such buy back would benefit the Company and its Shareholders.

The Directors will only make a share purchase as and when the circumstances permit and only if the Directors are of the view that such purchases are in the best interests of the Company and the shareholders and that it would not have a material adverse effect on the financial position of the Company.

The Directors will ensure that the share purchases will not have any effect on the listing of the Company's securities including the Ordinary Shares listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST"). Rule 723 of the Listing Manual of the SGX-ST requires at least ten per cent (10%) of any class of a company's listed securities (disregarding shares held in treasury) to be held by the public at all times. The Directors shall safeguard the interests of public shareholders before undertaking any Share Purchases. Before exercising the Shares Buy Back Mandate, the Directors shall at all times take due cognizance of (a) the then shareholding spread of the Company in respect of the number of Ordinary Shares held by substantial shareholders and by non-substantial shareholders and (b) the volume of trading on SGX-ST in respect of the Ordinary Shares immediately before the exercise of any share purchase.

Based on 117,181,818 Ordinary Shares in issued as at the 21 June 2010, the "Latest Practicable Date", 34,922,000 Ordinary Shares (approximately 29.80%) are held by the public. The Company is of the view that there is sufficient number of Ordinary Shares in issue held by public shareholders, which would permit the Company to undertake share purchases of up to ten per cent (10%) of its issued ordinary share capital without affecting the listing status of the Ordinary Shares on SGX-ST. The Company will ensure that the share purchases will not cause market illiquidity or affect orderly trade.

2.2 Authority and Limits on the Share Buy Back Mandate

The authority and limitations placed on the Shares Buy Back Mandate, if renewed at the AGM, are similar to those approved by Shareholders and are as follows: -

(a) Maximum Number of Ordinary Shares

The total number of Shares that may be purchased or acquired is limited to that number of Shares representing not more than 10% of the issued share capital of the Company, ascertained as at the date of the AGM at which the Share Buy Back Mandate is approved (the "Approval Date"), unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Act, at any time during the relevant period, in which event the total number of Shares of the Company shall be taken to be the total number of Shares of the Company as altered. Any of the Ordinary Shares which are held as treasury shares will be disregarded for the purposes of computing the 10% limit.

(b) Duration of Authority

Unless varied or revoked by the Company in general meeting, purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the Approval Date, up to the earlier of:

- (a) the conclusion of the next AGM or the date by which such AGM is required to be held;
- (b) the date on which the buy back of the Shares are carried out to the full extent mandated; or
- (c) the date on which the authority conferred in the Share Buy Back Mandate is varied or revoked, whichever is the earlier.

(c) Manner of Share Purchases

Purchases of Shares may be made by way of, inter alia:

- (a) on-market purchases ("Market Purchase"), transacted on the SGX-ST through the ready market or, as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (b) off-market purchases ("Off-Market Purchase") (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Act and the Listing Manual.

2.2 Authority and Limits on the Share Buy Back Mandate (cont'd)

(c) Manner of Share Purchases

- (b) The Directors may impose such terms and conditions which are not inconsistent with the Share Buy Back Mandate, the Listing Manual and the Act as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes. An Off-Market Purchase must, however, satisfy all the following conditions:
 - (i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
 - (ii) all of those persons shall be given a reasonable opportunity to accept the offers made; and
 - (iii) the terms of all the offers shall be the same, except that there shall be disregarded:
 - (aa) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;
 - (bb) (if applicable) differences in consideration attributable to the fact that the offers relates to Shares with different amounts remaining unpaid; and
 - (cc) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

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

- (a) the terms and conditions of the offer;
- (b) the period and procedures for acceptances;
- (c) the reasons for the proposed Share buy back;
- (d) the consequences, if any, of Share buy back by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (e) whether the Share buy back, if made, would have any effect on the listing of the Shares on the Official List of SGX-ST; and
- (f) details of any Share buy back made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases in accordance with an equal access scheme), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases.

(d) Purchase Price

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

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

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

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

For the above purposes:

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

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

2.3 Shares Purchased Since the Last Approval

The Company did not buy back any Ordinary Shares subsequent to the EGM held on 23 July 2009.

2.4 Status of Purchased Shares Under the Share Buy Back Mandate

2.4.1 Cancellation

Any Share which is purchased or acquired by the Company shall, unless held as treasury shares to the extent permitted under the Act, be deemed cancelled immediately on purchase or acquisition, and all rights and privileges attached to that Share will expire on cancellation. The total number of Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.

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

2.4.2 Treasury Shares

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

(i) Maximum Holdings

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

(ii) Voting and Other Rights

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

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

(iii) Disposal and Cancellation

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

- (a) sell the treasury shares for cash;
- (b) transfer the treasury shares for the purposes of or pursuant to an employees' share scheme;
- (c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the treasury shares; or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister of Finance.

Rule 704(26) of the Listing Manual requires that any sale, transfer, cancellation and/or use of treasury shares, must be announced stating the following:-

- (a) date of the sale, transfer, cancellation and/or use;
- (b) purpose of such sale, transfer, cancellation and/or use;
- (c) number of treasury shares sold, transferred, cancelled and/or used;
- (d) number of treasury shares before and after such sale, transfer, cancellation and/or use;
- (e) percentage of the number of treasury shares against the total number of shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use; and
- (f) value of the treasury shares if they are used for a sale or transfer, or cancelled.

2.5 Funding of Share Purchases

The Company may purchase or acquire its Ordinary Shares out of its distributable profits as well as out of capital so long as the Company is solvent. The Company may use internal resources and/or external borrowings to finance purchases of its Shares pursuant to the Share Buy Back Mandate.

Based on 117,181,818 Ordinary Shares in issue and paid-up in the share capital of the Company as at 21 June 2010 (the "Latest Practicable Date"), the purchase by the Company of 10% of its issued Ordinary Shares, disregarding any treasury shares held by the Company and assuming no further Ordinary Shares are issued, and no Ordinary Shares are purchased or acquired by the Company on or prior to the AGM, will result in the purchase or acquisition of 11,718,181 Ordinary Shares.

Assuming that the Company purchases or acquires the 11,718,181 Shares by way of Market Purchases at the Maximum Price of S\$0.1575 for each Share (being the price equivalent to 105% of the Average Closing Price of the Shares for the five consecutive Market Days on which the Shares were traded on the Official List of SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required is approximately S\$1,845,614.

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires Shares at the Maximum Price of S\$0.18 for each Share (being the price equivalent to 120% of the Average Closing Price of the Shares for the five consecutive Market Days on which the Shares were traded on the Official List of SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 11,718,181 Shares is S\$2,109,273.

2.6 Illustrative Financial Effects

- 2.6.1 The financial effects on the Company and the Group arising from the proposed purchases of the Company's Ordinary Shares which may be made pursuant to the proposed Shares Buy Back Mandate will depend on, inter alia, whether the purchase or acquisition is made out of profits and/or capital of the Company, the number of Ordinary Shares purchased or acquired and the consideration paid at the relevant time and whether the Ordinary Shares purchased or acquired are held in treasury or cancelled.

Purchases or Acquisition out of Profits/Capital

Under the Companies Act, purchases or acquisitions of Ordinary Shares by the Company may be made out of the Company's profits and/or capital.

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

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

Where the consideration paid by the Company for the purchase or acquisition of Ordinary Shares is made out of both the capital and the profits of the Company, the Company shall reduce the amount of its share capital and profits proportionately by the total amount of the Purchase Price.

The illustrative financial effects set out below are based on the audited consolidated financial statements for the financial year ended 31 March 2010, on the conditions set out in paragraphs 2.2(d) and 2.5 above and assuming the following:

- (a) the purchase or acquisition of 11,718,181 Ordinary Shares by the Company pursuant to the Shares Buy Back Mandate;
- (b) there was no issuance of Shares pursuant to the exercise of share options and/or vesting of Awards after the Latest Practicable Date;
- (c) such Share purchases are funded solely by internal resources and/or borrowings.

Illustrative financial effects:

	Market Purchase		Off-Market Purchase	
	Before	After	Before	After
As at 31 March 2010	S\$' 000	S\$' 000	S\$' 000	S\$' 000
Shareholders' fund	22,483	20,638	22,483	20,374
Net Tangible Assets	19,039	17,194	19,039	16,930
Current Assets	43,167	41,322	43,167	41,058
Current Liabilities	25,851	25,851	25,851	25,851
Working Capital	17,316	15,471	17,316	15,207
Net Debt	9,988	9,988	9,988	9,988
No. of shares ('000)	117,182	105,464	117,182	105,464
Financial Ratios				
NTA per share(S\$)	0.16	0.16	0.16	0.16
Gearing (times)	0.44	0.48	0.44	0.49
Current Ratio (times)	1.67	1.60	1.67	1.59
Basic EPS (cents)	2.75	3.06	2.75	3.06

Notes:

The disclosed financial effects remain the same irrespective of whether:

- (a) the purchase of the Shares is effected out of capital or profits; or
- (b) the purchased Shares are held in treasury or are cancelled.

2.6.2 Shareholders should note that the financial effects set out above are for illustration purposes only. The results of the Group and the Company for the financial year ended 31 March 2010 may not be representative of the future performance. Although the Share Buy Back Mandate would authorize the Company to purchase or acquire up to 10% of the issued Ordinary Shares (excluding any shares held in treasury), the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of the issued Ordinary Shares (excluding shares held in treasury).

2.6.3 The Company may cancel all or part of the share repurchased or hold all or part of the share repurchased in treasury.

2.6.4 The Directors do not propose to exercise the Shares Buy Back Mandate in a manner and to such extent that the working capital requirements of the Group would be materially adversely affected.

2.7. Taxation

Pursuant to Section 10J of the Income Tax Act, Chapter 134 of Singapore, where a company buys back its own shares and makes payment out of its contributed capital, it will not be regarded as a payment of dividend. Where a company buys back its own shares using its distributable profits, it is deemed as having paid a dividend to the shareholders from whom the shares are purchased or acquired.

Shareholders who are in doubt as to their respective tax positions or any such tax implications or who may be subject to tax in a jurisdiction other than Singapore should consult their own professional advisors.

2.8 Take-Over Implications Under the Singapore Code on Takeovers and Mergers

2.8.1. Obligation to make a take-over offer

Pursuant to the Take-over Code, an increase of a shareholder's proportionate interest in the voting rights of the Company resulting from a share buy back by the Company will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code ("**Rule 14**").

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

2.8.2 Persons acting in concert

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

Unless the contrary is established, the following persons will be presumed to be acting in concert, namely, (a) a company with any of its directors and (b) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies and companies of which such companies are associated companies, all with each other. For this purpose, ownership or control of at least 20 per cent but not more than 50 per cent of the voting rights of a company will be regarded as the test of associated company status.

Consequently, a Director and persons acting in concert (as such term is defined in the Take-over Code) with him could, depending on the level of increase in his or their interest in the Company, become obliged to make a mandatory offer in accordance with Rule 14 as a result of the Company's buy back of Shares.

Unless exempted, Directors of the Company and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and their concert parties would increase to 30 per cent or more, or if the voting rights of such Directors and their concert parties fall between 30 per cent and 50 per cent of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by 1 per cent in any period of 6 months.

2.8.3 Application of the Take-over Code

Teng Woo Boon is currently the Managing Director and Controlling Shareholder of the Company. Together with his spouse, Teo Su Ching, they collectively hold approximately 36.48% of the issued share capital of the Company as at the Latest Practicable Date. In the event that the Company should pursuant to the Share Buy Back Mandate, purchase or cancel up to 10% of the total issued Shares, the holding of Teng Woo Boon and parties acting in concert with him could increase by more than 1% in any period of six months. Under the Take-over Code, Teng Woo Boon and parties acting in concert with him would therefore incur a mandatory take-over obligation for the issued Shares not owned by them.

2.8.4 Securities Industry Council's waiver

The Company has sought a ruling from Securities Industry Council ("SIC") in relation to the obligation of Teng Woo Boon and parties acting in concert with him to make a mandatory offer under Rule 14 in respect of any share buy backs undertaken by the Company pursuant to the proposed Share Buy Back Mandate.

The SIC has on 9 April 2009, waived the obligation of Teng Woo Boon and parties acting in concert with him from having to make a mandatory general offer under Rule 14 of the Take-over Code if their aggregate shareholding in the Company increases by more than 1% over a 6-months period, as a result of the Share Buy Back Mandate, subject to the following conditions:

- (a) this circular contains advice to the effect that by voting for the Share Buy Back Mandate, Shareholders are waiving their rights to a general offer to be made, at the required price from Teng Woo Boon and parties acting in concert with him who, as a result of the Company buying back its Shares, would increase their aggregate percentage of total voting rights by more than 1% in any 6-months period; the names of Teng Woo Boon and his concert parties, and their voting rights at the time of the resolution and after the proposed buy-back under the Share Buy Back Mandate are disclosed in this circular;
- (b) the resolution to approve the Share Buy Back Mandate is approved by a majority of those Shareholders present and voting at the EGM on a poll who could not become obliged to make an offer as a result of the Share Buy Back Mandate;
- (c) Teng Woo Boon and his concert parties abstain from voting for and/or recommending Shareholders to vote in favour of the resolution to approve the Share Buy Back Mandate; and
- (d) Teng Woo Boon and his concert parties have not acquired and will not acquire any Shares in the Company between the date on which they know that the announcement of the Share Buy Back Mandate is imminent and the earlier of:
 - (i) the date on which authority of the Share Buy Back Mandate expires; and
 - (ii) the date on which the Company announces it has bought back such number of shares as authorized by the Share Buy Back Mandate or it has decided to cease buying back its shares, as the case may be, if such acquisitions, taken together with the Share Buy Back Mandate, would cause their aggregate voting rights in the Company to increase by more than 1% in the preceding 6 months.

If the Company ceases to buy back its Shares and the increase in the aggregate voting rights held by Teng Woo Boon and his concert parties as a result of the Company repurchasing its Share at the time of such cessation is less than 1% in any 6-months period, Teng Woo Boon and his concert parties will be allowed to acquire voting shares in the Company. However, any increase in Teng Woo Boon and his concert parties' percentage voting rights as a result of the Company's repurchase of its own Shares will be taken into account together with any Company Shares acquired by Teng Woo Boon and his concert parties (by whatever means) in determining whether Teng Woo Boon and his concert parties have increased their voting rights by more than 1% in any 6-months period.

2.8.5 Aggregate shareholding and voting rights

Based on the shareholdings of Teng Woo Boon and parties acting in concert with him as at the Latest Practicable Date, their aggregate shareholding and voting rights in the Company at the time of voting and after the exercise of the proposed Share Buy Back Mandate are as follows:

Shareholder	Total number of Shares held	Before Share Buy Back	After Share Buy Back
		Approximate % of total voting Shares	Approximate % of total voting Shares
Teng Woo Boon	40,061,000	34.19	37.98
Teo Su Ching	2,678,000	2.29	2.54
Total	42,739,000	36.48	40.52

Substantial Shareholders' Interests in the Company's Shares

As at the Latest Practicable date, the interest of the Substantial Shareholders as recorded in the Registers of Substantial Shareholders' are as follows: -

Substantial Shareholder	Direct Interest		Deemed Interest	
	No. of shares	%	No. of shares	%
1. Teng Woo Boon ⁽¹⁾	40,061,000	34.19	2,678, 000	2.29
2. Teo Su Ching ⁽²⁾	2,678, 000	2.29	40,061,000	34.19
3. Boyd Dainton ⁽³⁾	-	-	19,690,818	16.80
4. Neo Gim Kiong ⁽⁴⁾	694,000	0.59	3,700,000	3.16
5. McGregor Christine Anne ⁽⁵⁾	2,509,000	2.14	17,181,818	14.66
6. Teng Kin Chong	7,951,000	6.78	-	-

Notes:

- (1) Teng Woo Boon's deemed interest arose through 2,678,000 shares held by his wife, Teo Su Ching.
- (2) Teo Su Ching's deemed interest arose through 40,061,000 shares held by her husband, Teng Woo Boon.
- (3) Boyd Dainton's deemed interest arose through 2,671,376 held by Dainton Nominees Pty Ltd, 14,510,442 shares held by Sheffield Trading Pty Ltd and 2,509,000 shares held by his wife, McGregor Christine Anne.
- (4) Neo Gim Kiong's deemed interest arose through 3,700,000 held by Dollar Tree Inc Pte Ltd.
- (5) McGregor Christine Anne's deemed interest arose through 2,671,376 held by Dainton Nominees Pty Ltd and 14,510,442 shares held by Sheffield Trading Pty Ltd.

2.8.6 Advice to Shareholders

Shareholders should therefore note that by voting for the proposed Share Buy Back Mandate, they are waiving their rights to a take-over offer by Teng Woo Boon and parties acting in concert with him under the circumstances set out above. Such take-over offer, if required to be made and had not been exempted by SIC, would have to be made in cash or be accompanied by a cash alternative at the Required Price (defined below).

"Required Price" means in relation to the offer required to be made under the provisions of Rule 14.1 of the Take-over Code, the highest of the price paid by the offeror and/or any person(s) acting in concert with them for the Company's Shares (i) during the offer period and within the preceding six months, (ii) acquired through the exercise of instruments convertible into securities which carry voting rights within six months of the offer and during the offer period, or (iii) acquired through the exercise of rights to subscribe for, and options in respect of, securities which carry voting rights within six months of the offer or during the offer period; or at such price as determined by SIC under Rule 14.3 of the Take-over Code.

Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Take-over Code as a result of the proposed Share Buy Back Mandate by the Company are advised to consult their professional advisers and/or the SIC and/or other relevant authorities before they acquire any Shares in the Company during the period when the proposed Share Buy Back Mandate is in force.

3. DIRECTORS' RECOMMENDATION

Teng Woo Boon who is a Controlling Shareholder and the Managing Director, will abstain from voting on the resolution in relation to the Share Buy Back Mandate, and has therefore refrained from making any recommendations to Shareholders on Ordinary Resolution 9. The rest of the Directors are of the opinion that the proposed Share Buy Back Mandate is in the best interests of the Company and they recommend that Shareholders vote in favour of the proposed renewal of the Share Buy Back Mandate.

4. ABSTENTION FROM VOTING

Teng Woo Boon and his concert parties (including his Associate, Teo Su Ching) shall decline to accept appointment as proxies for any Shareholder to vote in respect of Ordinary Resolutions 1 to 9 that are proposed in the notice of the AGM unless the Shareholder concerned shall have given instructions in his proxy form as to the manner in which the votes are to be cast in respect thereof.

5. ACTION TO BE TAKEN BY SHAREHOLDERS

5.1 Shareholders who are unable to attend the AGM and wish to appoint a proxy to attend and vote at the AGM on their behalf must complete, sign and return the Proxy Form attached to this Annual Report in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at 150 Ubi Avenue 4 Level 4, Singapore 408825 not less than 48 hours before the time fixed for the AGM. The completion and return of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the AGM should he subsequently decide to do so, although the appointment of the proxy shall be deemed to be revoked by such attendance.

5.2 A Depositor shall not be regarded as a shareholder of the Company and not entitled to attend the AGM and to speak and vote thereat unless his name appears on the Depository Register at least 48 hours before the AGM.

6. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors confirm that this Addendum constitutes full and true disclosure of all material facts about the Share Buy Back Mandate and they collectively and individually accept responsibility for the accuracy of the information given in this Addendum and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and opinions expressed in this Addendum are fair and accurate and that there are no material facts the omission of which would make any statement in this Addendum misleading.

Yours faithfully,

Teng Woo Boon
Managing Director