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## LETTER TO SHAREHOLDERS

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# **CHASEN™**

## **CHASEN HOLDINGS LIMITED**

(the “Company”)

(Company Registration Number: 199906814G)

(Incorporated in the Republic of Singapore)

### **Directors:**

Low Weng Fatt (Managing Director and CEO)  
Siah Boon Hock (Executive Director)  
Yap Koon Bee @ Louis Yap (Non-Executive Director)  
Ng Jwee Phuan @ Frederick (Eric) (Independent Director)  
Tan Sin Huat Dennis (Independent Director)  
Yap Beng Geok Dorothy (Alternate Director to Yap Koon Bee @ Louis Yap)

### **Registered Office:**

18 Jalan Besut  
Singapore 619571

To: The shareholders of  
Chasen Holdings Limited (the “**Shareholders**”)

Date : 15 July 2010

Dear Sir/Madam

### **1. INTRODUCTION**

- 1.1 The Directors refer to (a) the notice of the Annual General Meeting (“**AGM**”) of the Chasen Holdings Limited (the “**Company**”) dated 15 July 2010 (the “**Notice of AGM**”) convening the AGM to be held on 30 July 2010 (“**AGM 2010**”); and (b) Ordinary Resolution No. 10 under the heading “Special Business” set out in the Notice of AGM.
- 1.2 The purpose of this letter to shareholders is to provide Shareholders with information relating to the above-mentioned proposal to be tabled at the AGM 2010 (the “**Letter**”).
- 1.3 This Letter has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, KW Capital Pte. Ltd. (the “**Sponsor**”) for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). The Sponsor has not independently verified the contents of this Letter. The details of the contact person for the Sponsor are:
- Name : Ms Tan Siew Hong (Registered Professional, KW Capital Pte. Ltd.)  
Address : 80 Raffles Place, #25-01 UOB Plaza 1, Singapore 048624  
Contact No. : 6238 3377
- 1.4 This Letter has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Letter, including the correctness of any of the statements or opinions made or reports contained in this Letter.

### **2. THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE**

#### **2.1 Introduction**

Any purchase or acquisition of share by the Company would have to be made in accordance with, and in the manner prescribed by the Companies Act (Cap. 50) (“**Companies Act**”) and the rules set out in the SGX-ST Listing Manual Section B: Rules of Catalist (“**Listing Manual**”) and such other laws and regulations as may, for the time being, be applicable. It is also a requirement that a company which wishes to purchase or acquire its own shares should obtain approval from its shareholders to do so at a general meeting of its shareholders.

At the AGM of the Company held on 24 July 2009, Shareholders had granted a mandate to the directors of the Company ("**Directors**") to exercise all powers of the Company to purchase or otherwise acquire the issued and paid up ordinary shares in its share capital ("**Shares**") on the terms of that mandate (the "**Share Buyback Mandate**").

As the said Share Buyback Mandate will expire on the date of the forthcoming AGM, being 30 July 2010, the Directors propose that the Share Buyback Mandate be renewed at the forthcoming AGM.

## 2.2 Rationale

The Directors constantly seek to increase Shareholders' value and to improve, *inter alia*, the return on equity of the Company and its subsidiaries (collectively, the "**Group**"). A share buyback at the appropriate price level is one of the ways through which the return on equity of the Group may be enhanced. Share buybacks provide the Company with a mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements in an expedient, effective and cost-efficient manner. It will also provide the Directors with greater flexibility over the Company's share capital structure with a view to enhancing the earnings per share ("**EPS**") and/or net tangible asset value per share. The Directors further believe that share buybacks by the Company will help mitigate short-term market volatility, offset the effects of short-term speculation and bolster shareholder confidence.

In addition, subject to the Companies Act, the Share Buyback Mandate may be used to purchase existing Shares which may then be held in treasury, and such treasury shares may consequently be used to, amongst other things, satisfy any awards given under the Chasen Share Performance Share Plan ("**Plan**") approved and adopted by the Company on 16 May 2007.

If and when circumstances permit, the Directors will decide whether to effect the share purchases *via* Market Purchases or Off-market Purchases (each as defined hereinafter), after taking into account the amount of surplus cash available, the prevailing market conditions and the most cost-effective and efficient approach. The Directors will only carry out the share buybacks as and when they consider it to be in the best interest of the Company; and in circumstances that they believe would not result in a material adverse effect on the liquidity and/or the orderly trading of the Shares and/or the financial position of the Group.

In the event that subsequent to the AGM 2010, there are new rules, regulations, directives or laws enacted or promulgated by the relevant competent authorities including (but not limited to) the SGX-ST and the Securities Industry Council ("**SIC**") (collectively referred to as the "**Further Rules**") that augment, supplement or vary the existing provisions governing provisions set out in the Companies Act and/or the Listing Manual, the Company shall, to the extent that the Further Rules impact on the Share Buyback Mandate, disseminate to the public by announcement(s), a memorandum setting out such Further Rules and the extent to which the Share Buyback Mandate is affected by such Further Rules. In such an event, the Company shall not undertake any purchase of Shares until such a memorandum has been publicly disseminated.

## 2.3 Mandate

Approval is being sought from Shareholders at the AGM 2010 for the renewal of the Share Buyback Mandate for the purchase or acquisition by the Company of its Shares. If approved, the Share Buyback Mandate will take effect from the date of the AGM 2010 and continue in force up to the date on which the next AGM is held or such date as the next AGM is required by law to be held, unless prior thereto, share buybacks are carried out to the full extent mandated or the Share Buyback Mandate is revoked or varied by the Company in a general meeting. It is presently intended that the Share Buyback Mandate will be put to Shareholders for renewal at each subsequent AGM.

### 3. AUTHORITY AND LIMITS OF THE SHARE BUYBACK MANDATE

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

#### 3.1 Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company.

The total number of Shares that may be purchased or acquired by the Company is limited to that number of Shares representing not more than 10% of the issued ordinary share capital of the Company (excluding treasury shares) as at the date of the AGM 2010 at which the renewal of the Share Buyback 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 Companies Act, at any time during the period commencing from the date on which the AGM 2010 is held and expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier, in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered (excluding any treasury shares that may be held by the Company from time to time).

Purely for illustrative purposes, on the basis of the existing issued and paid-up capital of the Company as at 6 July 2010 (the “**Latest Practicable Date**”) of approximately S\$62,363,670 comprising 218,241,423 Shares (excluding 1,499,944 treasury shares), and assuming that no further Shares are issued on or prior to the AGM 2010, not more than 21,824,142 Shares (representing approximately 10% of the issued ordinary share capital of the Company (excluding treasury shares) as at that date) may be purchased or acquired by the Company pursuant to the Share Buyback Mandate.

#### 3.2 Duration of Authority

Purchases of Shares may be made, at any time and from time to time, on and from the Approval Date, up to the earliest of the following dates:

- (a) date on which the next AGM is held or required by law to be held;
- (b) date on which the share buybacks are carried out to the full extent mandated; or
- (c) date on which the authority contained in the Share Buyback Mandate is varied or revoked by the Company in general meeting.

#### 3.3 Manner of Purchase of Shares

Purchases of Shares may be made by way of:

- (a) on-market purchases, transacted on the SGX-ST through the SGX-ST’s Central Limit Order Book trading system or through one or more duly licensed stockbrokers appointed by the Company for the purpose (“**Market Purchase**”); and/or
- (b) off-market purchases (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the Listing Rules (“**Off-Market Purchase**”).

Under the Companies Act, an equal access scheme must satisfy all of the following conditions:

- (a) 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;
- (b) all of those persons shall be given a reasonable opportunity to accept the offers made to them; and

- (c) the terms of all the offers are the same, except that there shall be disregarded:
  - (i) differences in consideration attributable to the fact that offers may relate to shares with different accrued dividend entitlements;
  - (ii) (if applicable) differences in consideration attributable to the fact that offers relate to shares with different amounts remaining unpaid; and
  - (iii) 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 buyback;
- (d) the consequences, if any, of share buybacks by the Company that will arise under the Singapore Code on Take-over and Mergers ("**Take-over Code**") or other applicable take-over rules;
- (e) whether the share buyback, if made, could affect the listing of the Shares on the SGX-ST; and
- (f) details of any share buyback made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases.

### 3.4 Maximum 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, 120% of the Highest Last Dealt 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 (5) Market Days, on which the SGX-ST is open for securities trading (each a "**Market Day**"), on which transactions in the Shares were recorded immediately preceding the day of the Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant 5-day period;

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

**“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.

#### **4. STATUS OF PURCHASED SHARES**

##### **4.1 Cancellation**

Any Share purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company as a treasury share. Accordingly, 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.

##### **4.2 Treasury Shares**

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

**(a) *Maximum Holdings***

The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of Shares at that time.

**(b) *Voting and Other Rights***

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

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

**(c) *Disposal and Cancellation***

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

- (i) sell the treasury shares for cash;
- (ii) transfer the treasury shares for the purposes of or pursuant to an employees’ share scheme;
- (iii) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (iv) cancel the treasury shares; or
- (v) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

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

(d) *Reporting Requirements*

Within 30 days of the passing of a Shareholders' resolution to approve the purchase of Shares, our Directors shall lodge a copy of such resolution with the Accounting and Corporate Regulatory Authority of Singapore ("**ACRA**"). The Directors must also lodge a notice with ACRA within 30 days of a share buyback. Such notification is to include details such as the date of the share buyback; the number of Shares purchased or acquired; the number of Shares cancelled; the number of Shares held as Treasury Shares; the Company's issued share capital before and after the share buyback; the amount of consideration paid by the Company for the share buyback and whether the Shares were purchased out of profits or the capital of the Company and such other particulars that might be prescribed.

In addition, our Company must notify the SGX-ST of all share buyback not later than 9.00 a.m.:-

- (i) in the case of a Market Purchase, on the Market Day following the day on which the Market Purchase was made; and
- (ii) in the case of an Off-Market Purchase, on the second Market Day after the close of acceptance of the offer for the Off-Market Purchase.

The notification of such share buyback to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe.

## **5. SOURCE OF FUNDS FOR SHARE BUYBACK**

The Companies Act permits the Company to purchase or acquire its own Shares out of capital or profits so long as the Company is solvent. Payments could be made from capital or profits so long as the Company is solvent.

In the event the Shares which are purchased or acquired by the Company are cancelled immediately on purchase or acquisition (as opposed to being held as treasury shares to the extent permitted under the Companies Act), the Company shall:

- (a) reduce the amount of its share capital where the Shares were purchased or acquired out of capital of the Company;
- (b) reduce the amount of profits where the Shares were purchased or acquired out of the profits of the Company; or
- (c) reduce the amount of its share capital and profits proportionately where the Shares were purchased or acquired out of both capital and profits of the Company

by the total amount of the purchase price paid by the Company for the Shares cancelled.

The Company will use internal resources or external borrowings or a combination of both to fund purchases of Shares pursuant to the Share Buyback Mandate.



The Directors will only carry out the share buyback as and when they consider it to be in the best interest of the Company; and in circumstances that they believe would not result in a material adverse effect on the liquidity and/or the orderly trading of the Shares and/or the financial position of the Group.

## 6. FINANCIAL EFFECTS OF THE SHARE BUYBACK MANDATE

The financial effects on the Company and the Group arising from purchases or acquisition of Shares which may be made pursuant to the Share Buyback Mandate will depend on, *inter alia*, the number of Shares purchased or acquired, the price paid for such Shares and whether the Shares purchased or acquired are held in treasury or cancelled.

### 6.1 Purchase or Acquisition out of Capital or Profits

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (after deducting related brokerage, goods and services tax, stamp duties and clearance fees) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount of profits available for the distribution of cash dividends by the Company will not be reduced.

### 6.2 Information as at the Latest Practicable Date

As at the Latest Practicable Date, the issued capital of the Company comprised 218,241,423 Shares (excluding treasury shares). In addition, the Company has granted share awards under the Plan amounting to 2,166,412 Shares which have not yet vested as at the Latest Practicable Date.

### 6.3 Previous Share Purchases

The Company bought back 96,000 Shares in the last twelve months preceding the Latest Practicable Date. The highest and lowest price paid for the purchases were S\$0.210 and S\$0.200 respectively. The total consideration paid for the purchases was S\$19,700.91.

### 6.4 Illustrative Financial Effects

For illustrative purposes only and on the basis of the assumptions set out below, the financial effects of the:

- (a) acquisition of 21,824,142 Shares by the Company pursuant to the Share Buyback Mandate by way of purchases made entirely out of capital and held as treasury shares (provided 1,499,944 treasury shares were outstanding);
- (b) acquisition of 21,824,142 Shares by the Company pursuant to the Share Buyback Mandate by way of purchases made entirely out of profits and cancelled;
- (c) acquisition of 21,824,142 Shares by the Company pursuant to the Share Buyback Mandate by way of purchases made entirely out of capital and cancelled; and
- (d) acquisition of 21,824,142 Shares by the Company pursuant to the Share Buyback Mandate by way of purchases made entirely out of profits and held as treasury shares

on the audited financial statements of the Group and the Company for the financial year ended 31 March 2010 are set out below:

#### *Purchases made entirely out of capital and Shares purchased held as treasury shares*

##### **Market Purchase**

**For illustrative purposes only**, in a Market Purchase, assuming that the Maximum Price is S\$0.382, which is 5% above the Average Closing Price of a Share over the last five (5) Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date, the maximum amount of funds required for the purchase of up to 21,824,142

Shares (representing approximately 10% of the total issued ordinary share capital of the Company (excluding treasury shares) as at the Latest Practicable Date, which is the maximum number of Shares the Company is able to purchase) under and during the duration of the Share Buyback Mandate, is approximately S\$8,336,823. On these assumptions and assuming the following:

- (i) the purchase of Shares took place at the beginning of the financial year on 1 April 2009;
- (ii) the purchase of Share was financed entirely by the internal resources of the Company; and
- (iii) the transaction costs incurred for the purchase of Shares pursuant to the Share Buyback Mandate were insignificant and have been ignored for the purpose of computing the financial effects,

the impact of the purchase of Shares by the Company undertaken in accordance with the Share Buyback Mandate on the Company's and the Group's audited financial statements for financial year ended 31 March 2010 is as follows:

	Group		Company	
	Before Share Purchase S\$'000	After Share Purchase S\$'000	Before Share Purchase S\$'000	After Share Purchase S\$'000
<b>As at 31 March 2010</b>				
Share Capital <sup>(1)</sup>	33,194	33,194	62,722	62,722
Translation Reserve	32	32	0	0
Performance Share Plan Reserve	160	160	160	160
Revenue Reserve	13,040	13,040	1,671	1,671
	46,426	46,426	64,553	64,553
Minority Interest	4,875	4,875	0	0
	51,301	51,301	64,553	64,553
Treasury Shares	(358)	(8,695)	(358)	(8,695)
Total Equity	50,943	42,606	64,195	55,858
Total Equity	50,943	42,606	64,195	55,858
Less: Minority interest	(4,875)	(4,875)	0	0
Total Shareholders Funds	46,068	37,731	64,195	55,858
Current Assets	50,111	41,774	22,734	14,397
Current Liabilities	22,293	22,293	2,365	2,365
Cash & Cash Equivalents	16,210	7,873	9,572	1,235
Total Borrowings <sup>(2)</sup>	12,640	12,640	2,875	2,875
Net Tangible Assets (NTA) <sup>(3)</sup>	40,393	32,056	64,195	55,858
Net Profit After Tax Attributable to Shareholders	4,690	4,690	1,337	1,337
Number of Shares ('000)	218,241	196,417	218,241	196,417
Weighted Average Number of Shares('000)	151,773	129,949	151,773	129,949
<b>Financial Ratios</b>				
NTA per Share (cents) <sup>(4)</sup>	18.5	16.3	29.4	28.4
Gearing (%) <sup>(5)</sup>	27%	34%	4%	5%
Current Ratio (times) <sup>(6)</sup>	2.2	1.9	9.6	6.1
EPS (cents) <sup>(7)</sup>	3.1	3.6	0.9	1.0



Notes:

- (1) Share Capital includes rights issue of S\$9,457,175 and it is assumed that the rights are issued on 31 March 2010
- (2) Total Borrowings pertain to finance leases and bank loans
- (3) Net Tangible Assets equal Total Shareholders Funds less Intangible Assets
- (4) NTA per Share equals NTA divided by Total Number of Shares
- (5) Gearing equals Total Borrowings divided by Total Shareholders Funds
- (6) Current Ratio equals Current Assets divided by Current Liabilities
- (7) EPS equals Net Profit After Tax attributable to Shareholders divided by the Weighted Average Number of Shares

### **Off-Market Purchase**

**For illustrative purposes only**, in an Off-Market Purchase, assuming that the Maximum Price is S\$0.468, which is 20% above the Highest Last Dealt Price for a Share as recorded on the Market Day on which there were trades in the Shares immediately preceding the Latest Practicable Date, the maximum amount of funds required for the purchase of up to 21,824,142 Shares (representing approximately 10% of the total issued share capital of the Company (excluding treasury shares) as at the Latest Practicable Date, which is the maximum number of Shares the Company is able to purchase) under and during the duration of the Share Buyback Mandate, is approximately S\$10,213,699. On these assumptions and further assuming:

- (i) the purchase of Shares took place at the beginning of the financial year on 1 April 2009;
- (ii) the purchase of Share was financed entirely by the internal resources of the Company; and
- (iii) the transaction costs incurred for the purchase of Shares pursuant to the Share Buyback Mandate were insignificant and have been ignored for the purpose of computing the financial effects,

the impact of the purchase of Shares by the Company undertaken in accordance with the Share Buyback Mandate on the Company's and the Group's audited financial statements for financial year ended 31 March 2010 is as follows:

	Group		Company	
	Before Share Purchase S\$'000	After Share Purchase S\$'000	Before Share Purchase S\$'000	After Share Purchase S\$'000
<b>As at 31 March 2010</b>				
Share Capital <sup>(1)</sup>	33,194	33,194	62,722	62,722
Translation Reserve	32	32	0	0
Performance Share Plan Reserve	160	160	160	160
Revenue Reserve	13,040	13,040	1,671	1,671
	46,426	46,426	64,553	64,553
Minority Interest	4,875	4,875	0	0
	51,301	51,301	64,553	64,553
Treasury Shares	(358)	(10,572)	(358)	(10,572)
Total Equity	50,943	40,729	64,195	53,981
Total Equity	50,943	40,729	64,195	53,981
Less: Minority interest	(4,875)	(4,875)	0	0
Total Shareholders Funds	46,068	35,854	64,195	53,981

	Group		Company	
	Before Share Purchase S\$'000	After Share Purchase S\$'000	Before Share Purchase S\$'000	After Share Purchase S\$'000
<b>As at 31 March 2010</b>				
Current Assets	50,111	39,897	22,734	12,520
Current Liabilities	22,293	22,293	2,365	2,365
Cash & Cash Equivalents	16,210	5,996	9,572	(642)
Total Borrowings <sup>(2)</sup>	12,640	12,640	2,875	2,875
Net Tangible Assets (NTA) <sup>(3)</sup>	40,393	30,179	64,195	53,981
Net Profit After Tax Attributable to Shareholders	4,690	4,690	1,337	1,337
Number of Shares ('000)	218,241	196,417	218,241	196,417
Weighted Average Number of Shares ('000)	151,773	129,949	151,773	129,949
<b>Financial Ratios</b>				
NTA per Share (cents) <sup>(4)</sup>	18.5	15.4	29.4	27.5
Gearing (%) <sup>(5)</sup>	27%	35%	4%	5%
Current Ratio (times) <sup>(6)</sup>	2.2	1.8	9.6	5.3
EPS (cents) <sup>(7)</sup>	3.1	3.6	0.9	1.0

Notes:

- (1) Share Capital includes rights issue of S\$9,457,175 and it is assumed that the rights are issued on 31 March 2010
- (2) Total Borrowings pertain to finance leases and bank loans
- (3) Net Tangible Assets equal Total Shareholders Funds less Intangible Assets
- (4) NTA per Share equals NTA divided by Total Number of Shares
- (5) Gearing equals Total Borrowings divided by Total Shareholders Funds
- (6) Current Ratio equals Current Assets divided by Current Liabilities
- (7) EPS equals Net Profit After Tax attributable to Shareholders divided by the Weighted Average Number of Shares

Purchases made entirely out of profit and Shares purchased cancelled

**Market Purchase**

**For illustrative purposes only**, in a Market Purchase, assuming that the Maximum Price is S\$0.382, which is 5% above the Average Closing Price of a Share over the last five (5) Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date, the maximum amount of funds required for the purchase of up to 21,824,142 Shares (representing approximately 10% of the total issued share capital of the Company (excluding treasury shares) as at the Latest Practicable Date which is the maximum number of Shares the Company is able to purchase) under and during the duration of the Share Buyback Mandate, is approximately S\$8,336,823.

However, having regard to the amount of the Company's distributable profits for the financial year ended 31 March 2010 of approximately S\$1,312,576 and the Maximum Price of S\$0.382 as at the Latest Practicable Date, the Company will only be able to acquire up to 3,436,062 Shares (representing approximately 1.57% of the total issued share capital of the Company (excluding treasury shares) as at the Latest Practicable Date) in a Market Purchase. On these assumptions and further assuming:

- (i) the purchase of Shares took place at the beginning of the financial year on 1 April 2009;
- (ii) the purchase of Share was financed entirely by the internal resources of the Company; and

- (iii) the transaction costs incurred for the purchase of Shares pursuant to the Share Buyback Mandate were insignificant and have been ignored for the purpose of computing the financial effects,

the impact of the purchase of Shares by the Company undertaken in accordance with the Share Buyback Mandate on the Company's and the Group's audited financial accounts for financial year ended 31 March 2010 is as follows:

	Group		Company	
	Before Share Purchase S\$'000	After Share Purchase S\$'000	Before Share Purchase S\$'000	After Share Purchase S\$'000
<b>As at 31 March 2010</b>				
Share Capital <sup>(1)</sup>	33,194	33,194	62,722	62,722
Translation Reserve	32	32	0	
Performance Share Plan Reserve	160	160	160	160
Revenue Reserve	12,682	11,369	1,313	0*
	46,068	44,755	64,195	62,882
Minority Interest	4,875	4,875	0	0
Total Equity	50,943	49,630	64,195	62,882
Total Equity	50,943	49,630	64,195	62,882
Less: Minority Interest	(4,875)	(4,875)	0	0
Total Shareholders Funds	46,068	44,755	64,195	62,882
Current Assets	50,111	48,798	22,734	21,421
Current Liabilities	22,293	22,293	2,365	2,365
Cash & Cash Equivalents	16,210	14,897	9,572	8,259
Total Borrowings <sup>(2)</sup>	12,640	12,640	2,875	2,875
Net Tangible Assets (NTA) <sup>(3)</sup>	40,393	39,080	64,195	62,882
Net Profit After Tax Attributable to Shareholders	4,690	3,377	1,313	0
Number of Shares ('000)	218,241	214,805	218,241	214,805
Weighted Average Number of Shares ('000)	218,241	214,805	218,241	214,805
<b>* capped by revenue reserve available for buyback.</b>				
<b>Financial Ratios</b>				
NTA Per Share (cents) <sup>(4)</sup>	18.5	18.2	29.4	29.3
Gearing (%) <sup>(5)</sup>	27%	28%	4%	5%
Current Ratio (times) <sup>(6)</sup>	2.2	2.2	9.6	9.1
EPS (cents) <sup>(7)</sup>	2.1	1.6	0.6	0.0

Notes:

- (1) Share Capital includes rights issue of S\$9,457,175 and it is assumed that the rights are issued on 31 March 2010
- (2) Total Borrowings pertains to finance leases and bank loans
- (3) NTA equals Total Shareholders Funds less Intangible Assets
- (4) NTA per Share equals NTA divided by Total number of Shares
- (5) Gearing equals Total Borrowings divided by Total Shareholders Funds
- (6) Current Ratio equals Current Assets divided by Current Liabilities
- (7) EPS equals Net Profit After Tax attributable to Shareholders divided by the Weighted Average Number of Shares

### Off-Market Purchase

**For illustrative purposes only**, in an Off-Market Purchase, assuming that the Maximum Price is S\$0.468, which is 20% above the Highest Dealt Price for a Share as recorded on the Market Day on which there were trades in the Shares immediately preceding the Latest Practicable Date, the maximum amount of funds required for the purchase of up to 21,824,142 Shares (representing approximately 10% of the total issued share capital of the Company (excluding treasury shares) as at the Latest Practicable Date) under and during the duration of the Share Buyback Mandate, is approximately S\$10,213,699.

However, having regard to the amount of the Company's distributable profits for the financial year ended 31 March 2010 of approximately S\$1,312,576 and the Maximum Price of S\$0.468 as at the Latest Practicable Date, the Company will only be able to acquire up to 2,804,649 Shares (representing approximately 1.28% of the total issued share capital of the Company (excluding treasury shares) as at the Latest Practicable Date) in an Off-Market Purchase. On these assumptions and further assuming:

- (i) the purchase of Shares took place at the beginning of the financial year on 1 April 2009;
- (ii) the purchase of Share was financed entirely by the internal resources of the Company; and
- (iii) the transaction costs incurred for the purchase of Shares pursuant to the Share Buyback Mandate were insignificant and have been ignored for the purpose of computing the financial effects,

the impact of the purchase of Shares by the Company undertaken in accordance with the Share Buyback Mandate on the Company's and the Group's audited financial statements for financial year ended 31 March 2010 is as follows:

	Group		Company	
	Before Share Purchase S\$'000	After Share Purchase S\$'000	Before Share Purchase S\$'000	After Share Purchase S\$'000
<b>As at 31 March 2010</b>				
Share Capital <sup>(1)</sup>	33,194	33,194	62,722	62,722
Translation Reserve	32	32	0	0
Performance Share Plan Reserve	160	160	160	160
Revenue Reserve	12,682	11,369	1,313	0*
	46,068	44,755	64,195	62,882
Minority Interest	4,875	4,875	0	0
Total Equity	50,943	49,630	64,195	62,882
	50,943	49,630	64,195	62,882
Total Equity	50,943	49,630	64,195	62,882
Less: Minority Interest	(4,875)	(4,875)	0	0
Total Shareholders Funds	46,068	44,755	64,195	62,882
	50,111	48,798	22,734	21,421
Current Assets	50,111	48,798	22,734	21,421
Current Liabilities	22,293	22,293	2,365	2,365
Cash & Cash Equivalents	16,210	14,897	9,572	8,259
	12,640	12,640	2,875	2,875
Total Borrowings <sup>(2)</sup>	12,640	12,640	2,875	2,875
Net Tangible Assets (NTA) <sup>(3)</sup>	40,393	39,080	64,195	62,882

	Group		Company	
	Before Share Purchase S\$'000	After Share Purchase S\$'000	Before Share Purchase S\$'000	After Share Purchase S\$'000
<b>As at 31 March 2010</b>				
Net Profit After Tax Attributable to Shareholders	4,690	3,377	1,313	0
Number of Shares ('000)	218,241	215,437	218,241	215,437
Weighted Average Number of Shares ('000)	218,241	215,437	218,241	215,437

\* capped by revenue reserve available for buyback.

### **Financial Ratios**

NTA Per Share (cents) <sup>(4)</sup>	18.5	18.1	29.4	29.2
Gearing (%) <sup>(5)</sup>	27%	28%	4%	5%
Current Ratio (times) <sup>(6)</sup>	2.2	2.2	9.6	9.1
EPS (cents) <sup>(7)</sup>	2.1	1.6	0.6	0.0

Notes:

- (1) Share Capital includes rights issue of S\$9,457,175 and it is assumed that the rights are issued on 31 March 2010
- (2) Total Borrowings pertains to finance leases and bank loans
- (3) Net Tangible Assets equals Total Shareholders Funds less Intangible Assets
- (4) NTA per Share equals NTA divided by Total number of Shares
- (5) Gearing equals Total Borrowings divided by Total Shareholders Funds
- (6) Current Ratio equals Current Assets divided by Current Liabilities
- (7) EPS equals Net Profit After Tax attributable to Shareholders divided by the Weighted Average Number of Shares

### **Purchases made entirely out of capital and Shares purchased cancelled**

#### **Market Purchase**

**For illustrative purposes only**, in a Market Purchase, assuming that the Maximum Price is S\$0.382, which is 5% above the Average Closing Price of a Share over the last five (5) Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date, the maximum amount of funds required for the purchase of up to 21,824,142 Shares (representing approximately 10% of the total issued share capital of the Company (excluding treasury shares) as at the Latest Practicable Date, which is the maximum number of Shares the Company is able to purchase under and during the duration of the Share Buyback Mandate, is approximately S\$8,336,823. On these assumptions further assuming:

- (i) the purchase of Shares took place at the beginning of the financial year on 1 April 2009;
- (ii) the purchase of Shares was financed entirely by the internal resources of the Company; and
- (iii) the transaction costs incurred for the purchase of Shares pursuant to the Share Buyback Mandate were insignificant and have been ignored for the purpose of computing the financial effects,

the impact of the purchase of Shares by the Company undertaken in accordance with the Share Buyback Mandate on the Company's and the Group's audited financial statements for financial year ended 31 March 2010 is as follows:

	Group		Company	
	Before Share Purchase S\$'000	After Share Purchase S\$'000	Before Share Purchase S\$'000	After Share Purchase S\$'000
<b><u>As at 31 March 2010</u></b>				
Share Capital <sup>(1)</sup>	32,836	24,499	62,364	54,027
Translation Reserve	32	32	0	0
Performance Share Plan Reserve	160	160	160	160
Revenue Reserve	13,040	13,040	1,671	1,671
	46,068	37,731	64,195	55,858
Minority Interest	4,875	4,875	0	0
Total Equity	50,943	42,606	64,195	55,858
	50,943	42,606	64,195	55,858
Total Equity	50,943	42,606	64,195	55,858
Less: Minority Interest	(4,875)	(4,875)	0	0
Total Shareholders Funds	46,068	37,731	64,195	55,858
Current Assets	50,111	41,774	22,734	14,397
Current Liabilities	22,293	22,293	2,365	2,365
Cash & Cash Equivalents	16,210	7,873	9,572	1,235
Total Borrowings <sup>(2)</sup>	12,640	12,640	2,875	2,875
Net Tangible Assets (NTA) <sup>(3)</sup>	40,393	32,056	64,195	55,858
Net Profit After Tax Attributable to Shareholders	4,690	4,690	1,337	1,337
Number of Shares ('000)	218,241	196,417	218,241	196,417
Weighted Average Number of Shares ('000)	218,241	196,417	218,241	196,417
<b><u>Financial Ratios</u></b>				
NTA Per Share (cents) <sup>(4)</sup>	18.5	16.3	29.4	28.4
Gearing (%) <sup>(5)</sup>	27%	34%	4%	5%
Current Ratio (times) <sup>(6)</sup>	2.2	1.9	9.6	6.1
EPS (cents) <sup>(7)</sup>	2.1	2.4	0.6	0.7

Notes:

- (1) Share Capital includes rights issue of S\$9,457,175 but excludes S\$358,424 Treasury Shares which are "deemed" as cancelled and it is assumed that the rights are issued on 31 March 2010
- (2) Total Borrowings pertains to finance leases and bank loans
- (3) NTA equals Total Shareholders Funds less Intangible Assets
- (4) NTA per Share equals NTA divided by Total Number of Shares
- (5) Gearing equals Total Borrowings divided by Total Shareholders Funds
- (6) Current Ratio equals Current Assets divided by Current Liabilities
- (7) EPS equals Net Profit After Tax attributable to Shareholders divided by the Weighted Average Number of Shares



### Off-Market Purchase

**For illustrative purposes only**, in an Off-Market Purchase, assuming that the Maximum Price is S\$0.468, which is 20% above the Highest Last Dealt Price for a Share as recorded on the Market Day on which there were trades in the Shares immediately preceding the Latest Practicable Date, the maximum amount of funds required for the purchase of up to 21,824,142 Shares (representing approximately 10% of the total issued share capital of the Company (excluding treasury shares) as at the Latest Practicable Date) under and during the duration of the Share Buyback Mandate, is approximately S\$10,213,699. On these assumptions and further assuming:

- (i) the purchase of Shares took place at the beginning of the financial year on 1 April 2009;
- (ii) the purchase of Shares was financed entirely by the internal resources of the Company; and
- (iii) the transaction costs incurred for the purchase of Shares pursuant to the Share Buyback Mandate were insignificant and have been ignored for the purpose of computing the financial effects,

the impact of the purchase of Shares by the Company undertaken in accordance with the Share Buyback Mandate on the Company's and the Group's audited financial statements for financial year ended 31 March 2010:

	Group		Company	
	Before Share Purchase S\$'000	After Share Purchase S\$'000	Before Share Purchase S\$'000	After Share Purchase S\$'000
<b>As at 31 March 2010</b>				
Share Capital <sup>(1)</sup>	32,836	22,622	62,364	52,150
Translation Reserve	32	32	0	0
Performance Share Plan Reserve	160	160	160	160
Revenue Reserve	13,040	13,040	1,671	1,671
	46,068	35,854	64,195	53,981
Minority Interest	4,875	4,875	0	0
Total Equity	50,943	40,729	64,195	53,981
Total Equity	50,943	40,729	64,195	53,981
Less: Minority Interest	(4,875)	(4,875)	0	0
Total Shareholders Funds	46,068	35,854	64,195	53,981
Current Assets	50,111	39,897	22,734	12,520
Current Liabilities	22,293	22,293	2,365	2,365
Cash & Cash Equivalents	16,210	5,996	9,572	(642)
Total Borrowings <sup>(2)</sup>	12,640	12,640	2,875	2,875
Net Tangible Assets (NTA) <sup>(3)</sup>	40,393	30,179	64,195	53,981
Net Profit After Tax Attributable to Shareholders	4,690	4,690	1,337	1,337
Number of Shares ('000)	218,241	196,417	218,241	196,417
Weighted Average Number of Shares ('000)	218,241	196,417	218,241	196,417
<b>Financial Ratios</b>				
NTA Per Share (cents) <sup>(4)</sup>	18.5	15.4	29.4	27.5
Gearing (%) <sup>(5)</sup>	27%	35%	4%	5%
Current Ratio (times) <sup>(6)</sup>	2.2	1.8	9.6	5.3
EPS (cents) <sup>(7)</sup>	2.1	2.4	0.6	0.7

Notes:

- (1) Share Capital includes rights issue of S\$9,457,175 (but excludes S\$358,424 Treasury Shares which are “deemed” as cancelled) and it is assumed that the rights are issued on 31 March 2010
- (2) Total Borrowings pertains to finance leases and bank loans
- (3) NTA equals Total Shareholders Funds less Intangible Assets
- (4) NTA per Share equals NTA divided by Total Number of Shares
- (5) Gearing equals Total Borrowings divided by Total Shareholders Funds
- (6) Current Ratio equals Current Assets divided by Current Liabilities
- (7) EPS equals Net Profit After Tax attributable to Shareholders divided by the Weighted Average Number of Shares

Purchases made entirely out of profits and Shares purchased held as treasury shares

**Market Purchase**

**For illustrative purposes only**, in a Market Purchase, assuming that the Maximum Price is S\$0.382, which is 5% above the Average Closing Price of a Share over the last five (5) Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date, the maximum amount of funds required for the purchase of up to 21,824,142 Shares (representing approximately 10% of the total issued share capital of the Company (excluding treasury shares) as at the Latest Practicable Date which is the maximum number of Shares the Company is able to purchase) under and during the duration of the Share Buyback Mandate, is approximately S\$8,336,823.

However, having regard to the amount of the Company’s distributable profits for the financial year ended 31 March 2010 of approximately S\$1,312,576 and the Maximum Price of S\$0.382 as at the Latest Practicable Date, the Company will only be able to acquire up to 3,436,062 Shares (representing approximately 1.57% of the total issued share capital of the Company (excluding treasury shares) as at the Latest Practicable Date) in a Market Purchase. On these assumptions and further assuming:

- (i) the purchase of Shares took place at the beginning of the financial year on 1 April 2009;
- (ii) the purchase of Share was financed entirely by the internal resources of the Company; and
- (iii) the transaction costs incurred for the purchase of Shares pursuant to the Share Buyback Mandate were insignificant and have been ignored for the purpose of computing the financial effects,

the impact of the purchase of Shares by the Company undertaken in accordance with the Share Buyback Mandate on the Company’s and the Group’s audited financial accounts for financial year ended 31 March 2010 is as follows:

	Group		Company	
	Before Share Purchase S\$'000	After Share Purchase S\$'000	Before Share Purchase S\$'000	After Share Purchase S\$'000
<b>As at 31 March 2010</b>				
Share Capital <sup>(1)</sup>	33,194	33,194	62,722	62,722
Translation Reserve	32	32	0	0
Performance Share Plan Reserve	160	160	160	160
Revenue Reserve	12,682	11,369	1,313	0*
	46,068	44,755	64,195	62,882
Minority Interest	4,875	4,875	0	0
Total Equity	50,943	49,630	64,195	62,882
Treasury Shares	(358)	(1,671)	(358)	(1,671)
Total Equity	50,585	47,959	63,837	61,211
Total Equity	50,585	47,959	63,837	61,211
Less: Minority Interest	(4,875)	(4,875)	0	0
Total Shareholders Funds	45,710	43,084	63,837	61,211
Current Assets	50,111	48,798	22,734	21,421
Current Liabilities	22,293	22,293	2,365	2,365
Cash & Cash Equivalents	16,210	14,897	9,572	8,259
Total Borrowings <sup>(2)</sup>	12,640	12,640	2,875	2,875
Net Tangible Assets (NTA) <sup>(3)</sup>	40,035	37,409	63,837	61,211
Net Profit After Tax Attributable to Shareholders	4,690	3,377	1,313	0
Number of Shares ('000)	218,241	214,805	218,241	214,805
Weighted Average Number of Shares ('000)	218,241	214,805	218,241	214,805

\* capped by revenue reserve available for buyback.

#### Financial Ratios

NTA Per Share (cents) <sup>(4)</sup>	18.3	17.4	29.3	28.5
Gearing (%) <sup>(5)</sup>	28%	29%	5%	5%
Current Ratio (times) <sup>(6)</sup>	2.2	2.2	9.6	9.1
EPS (cents) <sup>(7)</sup>	2.1	1.6	0.6	0.0

Notes:

- (1) Share Capital includes rights issue of S\$9,457,175 and it is assumed that the rights are issued on 31 March 2010
- (2) Total Borrowings pertains to finance leases and bank loans
- (3) NTA equals Total Shareholders Funds less Intangible Assets
- (4) NTA per Share equals NTA divided by Total number of Shares
- (5) Gearing equals Total Borrowings divided by Total Shareholders Funds
- (6) Current Ratio equals Current Assets divided by Current Liabilities
- (7) EPS equals Net Profit After Tax attributable to Shareholders divided by the Weighted Average Number of Shares

### Off-Market Purchase

**For illustrative purposes only**, in an Off-Market Purchase, assuming that the Maximum Price is S\$0.468, which is 20% above the Highest Dealt Price for a Share as recorded on the Market Day on which there were trades in the Shares immediately preceding the Latest Practicable Date, the maximum amount of funds required for the purchase of up to 21,824,142 Shares (representing approximately 10% of the total issued share capital of the Company (excluding treasury shares) as at the Latest Practicable Date) under and during the duration of the Share Buyback Mandate, is approximately S\$10,213,699.

However, having regard to the amount of the Company's distributable profits for the financial year ended 31 March 2010 of approximately S\$1,312,576 and the Maximum Price of S\$0.468 as at the Latest Practicable Date, the Company will only be able to acquire up to 2,804,649 Shares (representing approximately 1.28% of the total issued share capital of the Company (excluding treasury shares) as at the Latest Practicable Date) in an Off-Market Purchase. On these assumptions and further assuming:

- (i) the purchase of Shares took place at the beginning of the financial year on 1 April 2009;
- (ii) the purchase of Share was financed entirely by the internal resources of the Company; and
- (iii) the transaction costs incurred for the purchase of Shares pursuant to the Share Buyback Mandate were insignificant and have been ignored for the purpose of computing the financial effects,

the impact of the purchase of Shares by the Company undertaken in accordance with the Share Buyback Mandate on the Company's and the Group's audited financial statements for financial year ended 31 March 2010 is as follows:

	Group		Company	
	Before Share Purchase S\$'000	After Share Purchase S\$'000	Before Share Purchase S\$'000	After Share Purchase S\$'000
<b>As at 31 March 2010</b>				
Share Capital <sup>(1)</sup>	33,194	33,194	62,722	62,722
Translation Reserve	32	32	0	0
Performance Share Plan Reserve	160	160	160	160
Revenue Reserve	12,682	11,369	1,313	0*
	46,068	44,755	64,195	62,882
Minority Interest	4,875	4,875	0	0
Total Equity	50,943	49,630	64,195	62,882
Treasury Shares	(358)	(1,671)	(358)	(1,671)
Total Equity	50,585	47,959	63,837	61,211
Total Equity	50,585	47,959	63,837	61,211
Less: Minority Interest	(4,875)	(4,875)	0	0
Total Shareholders Funds	45,710	43,084	63,837	61,211
Current Assets	50,111	48,798	22,734	21,421
Current Liabilities	22,293	22,293	2,365	2,365
Cash & Cash Equivalents	16,210	14,897	9,572	8,259
Total Borrowings <sup>(2)</sup>	12,640	12,640	2,875	2,875
Net Tangible Assets (NTA) <sup>(3)</sup>	40,035	37,409	63,837	61,211

	Group		Company	
	Before Share Purchase S\$'000	After Share Purchase S\$'000	Before Share Purchase S\$'000	After Share Purchase S\$'000
<b>As at 31 March 2010</b>				
Net Profit After Tax Attributable to Shareholders	4,690	3,377	1,313	0
Number of Shares ('000)	218,241	215,437	218,241	215,437
Weighted Average Number of Shares ('000)	218,241	215,437	218,241	215,437

\* capped by revenue reserve available for buyback.

#### Financial Ratios

NTA Per Share (cents) <sup>(4)</sup>	18.3	17.4	29.3	28.4
Gearing (%) <sup>(5)</sup>	28%	29%	5%	5%
Current Ratio (times) <sup>(6)</sup>	2.2	2.2	9.6	9.1
EPS (cents) <sup>(7)</sup>	2.1	1.6	0.6	0.0

Notes:

- (1) Share Capital includes rights issue of S\$9,457,175 and it is assumed that the rights are issued on 31 March 2010
- (2) Total Borrowings pertains to finance leases and bank loans
- (3) Net Tangible Assets equals Total Shareholders Funds less Intangible Assets
- (4) NTA per Share equals NTA divided by Total number of Shares
- (5) Gearing equals Total Borrowings divided by Total Shareholders Funds
- (6) Current Ratio equals Current Assets divided by Current Liabilities
- (7) EPS equals Net Profit After Tax attributable to Shareholders divided by the Weighted Average Number of Shares

**Shareholders should note that the financial effects set out above are based on the abovementioned assumptions and are purely for illustrative purposes only. Although the Share Buyback Mandate would authorise the Company to purchase or acquire up to 10% of the Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of the Shares. In addition, the Company may cancel all or parts of the Shares repurchased or hold all or part of the Shares repurchased in treasury. The above analysis is based on historical figures for the financial year ended 31 March 2010 and is not necessary representative of the Company's or the Group's future financial performance.**

## 7. LISTING RULES

The Listing Manual specifies that a listed company shall announce all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m. (a) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares; and (b) in the case of an Off-Market Purchase, on the second Market Day after the close of acceptances of the offer. Such announcement currently requires the inclusion of details, including but not limited to, of the total number of shares purchased, the purchase price per share or the highest and lowest prices paid for such shares, as applicable.

While the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its Shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the proposed Share Buyback Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced. In particular, in line with the best

practices on securities dealings stipulated in the Listing Manual, the Company will not deal in the Shares during the period commencing two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year, or one month before half year or financial year, as the case may be, and ending on the date of announcement of the relevant results.

The Listing Manual requires a listed company to ensure that at least 10% of the total number of Shares (excluding preference shares, convertible equity securities and treasury shares) in a class that is listed must be held by public Shareholders at all times. As at the Latest Practicable Date, approximately 43.512% of the Shares are held by public Shareholders. Assuming the Company exercises the Share Buyback Mandate in full and purchases 10% of the Shares (excluding treasury shares) through Market Purchase from the public, the public float will be reduced to approximately 37.236%. Accordingly, the Company is of the view that there is a sufficient number of the Shares in issue held by public Shareholders which would permit the Company to undertake purchases or acquisitions of its Shares through Market Purchases up to the full 10% limit pursuant to the Share Buyback Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to affect orderly trading.

## **8. TAKE-OVER OBLIGATIONS**

Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note applicable as at the Latest Practicable Date. The takeover implications arising from any purchase or acquisition by the Company of its Shares are set out below:

### **8.1 Obligation to make a Takeover Offer**

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

### **8.2 Persons Acting in Concert**

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

- (a) A company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
- (b) A company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the above companies, and any company whose associated companies include any of the above companies. For this purpose, a company is an associated company of another company if the second company owns or controls at least 20% but not more than 50% of the voting rights of the first-mentioned company;
- (c) A company with any of its pension funds and employee share schemes;
- (d) A person with any investment company, unit trust or other fund in respect of the investment account which such person manages on a discretionary basis;



- (e) A financial or other professional adviser, with its clients in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholding of the adviser and any of those funds in the client total 10% or more of the client's equity share capital;
- (f) Directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer where they have reason to believe a *bona fide* offer for their company may be imminent;
- (g) Partners;
- (h) An individual, his close relatives, his related trusts, and any person who is accustomed to act according to the instructions and companies controlled by any of the above; and
- (i) Any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.

The circumstances under which Shareholders of the Company (including Directors of the Company) and persons acting in concert with them respectively will incur an obligation to make a takeover offer under Rule 14 after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

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

In general terms, the effect of Rule 14 and Appendix 2 is that, unless exempted, Directors of the Company and persons acting in concert with them will incur an obligation to make a take-over offer for the Company 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% or more, or if the voting rights of such Directors and their concert parties fall between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six months.

Under Appendix 2, a Shareholder not acting in concert with the Directors of the Company will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder in the Company would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of 6 months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buyback Mandate.

However, Shareholders will be subject to the provisions of Rule 14 if they acquire Shares after the Company's share buyback. For this purpose, an increase in the percentage of voting rights as a result of the Share Buyback will be taken into account in determining whether a Shareholder and persons acting in concert with him have increased their voting rights by more than 1% in any period of six months.

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

On 12 February 2007, pursuant to a reverse takeover, the Company acquired Chasen Logistics Services Limited from Low Weng Fatt, Siah Boon Hock, Yap Koon Bee @ Louis Yap, Yeo Seck Cheong and Cheong Tuck Nang. Low Weng Fatt, Siah Boon Hock, Yap Koon Bee @ Louis Yap, Yeo Seck Cheong and Cheong Tuck Nang are presumed to be acting in concert with each other in relation to the Company for the purposes of the Take-Over Code.

However, in view of the fact that the aggregate interest of the parties acting in concert is above 50%, the mandatory offer under Rule 14 would not be triggered.

Shareholders are reminded that those 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 Share Buybacks by the Company should consult the Securities Industry Council and/or their professional advisers at the earliest opportunity.

## 9. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and Substantial Shareholders in the Shares before and after the Share Buyback (on the assumption that the Share Buyback exercise is exercised in full) base on their interest as recorded in the Register of Directors' Shareholdings and Register of Substantial Shareholders, respectively, as at the Latest Practicable Date are set out as follows:

	Before Share Buyback				After Share Buyback			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
<b>Directors</b>								
Low Weng Fatt <sup>(1)</sup>	50,397,708	23.093	165,000	0.076	50,397,708	25.658	165,000	0.084
Siah Boon Hock <sup>(2)</sup>	10,287,401	4.714	—	—	10,287,401	5.238	—	—
Yap Koon Bee @ Louis Yap	34,881,083	15.983	—	—	34,881,083	17.759	—	—
Ng Jwee Phuan @ Frederick (Eric)	254,250	0.116	—	—	254,250	0.129	—	—
Yap Beng Geok Dorothy <sup>(3)</sup>	57,750	0.026	7,732,912	3.543	57,750	0.029	7,732,912	3.937
Tan Sin Huat Dennis	—	—	—	—	—	—	—	—
<b>Substantial Shareholders (other than Directors)</b>								
Yeo Seck Cheong	19,503,165	8.937	—	—	19,503,165	9.929	—	—

Notes:-

- (1) 3,000,000 shares are held by Hong Leong Finance Nominees Pte Ltd. Low Weng Fatt is deemed to be interested in the 165,000 shares held by his spouse.
- (2) 2,000,000 shares are held by Hong Leong Finance Nominees Pte Ltd.
- (3) Yap Beng Geok Dorothy is deemed to be interested in the 7,732,912 shares held by her spouse, Cheong Tuck Nang.
- (4) The percentages are calculated on the basis of 218,241,423 ordinary shares (excluding 1,499,944 treasury shares).

## 10. DIRECTORS' RECOMMENDATION

Having considered the rationale for the Share Buyback Mandate, the Directors are of the opinion that the renewal of the Share Buyback Mandate is in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the Ordinary Resolution relating to the proposed Share Buyback Mandate.

## **11. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept responsibility for the accuracy of the information given in this Letter and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and opinions expressed in this Letter are fair and accurate in all material respects as at the date hereof and that there are no material facts the omission of which would make any statement in this Letter misleading.

Yours faithfully  
For and on behalf of the Board

Low Weng Fatt  
Managing Director and CEO