

ADDENDUM DATED 15 JULY 2019

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

This addendum (the “**Addendum**”) is circulated to the shareholders of Chasen Holdings Limited (the “**Company**”) together with the Company’s annual report for the financial year ended 31 March 2019 (the “**Annual Report 2019**”). The purpose of this Addendum is to provide the shareholders of Chasen Holdings Limited with relevant information pertaining to, and to seek shareholders’ approval to renew, the Share Buyback Mandate (as defined in this Addendum) to be tabled at the Annual General Meeting of the Company to be held on 30 July 2019 at 11.00 a.m. at Rose Room, Level 3, The Chevrans, 48 Boon Lay Way, Singapore 609961.

The Notice of the Annual General Meeting (the “**Notice of AGM**”) and the Proxy Form are enclosed with the Annual Report 2019.

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

If you have sold or transferred all your shares in the capital of the Company, you should immediately send this Addendum, the Notice of AGM and the Proxy Form to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) has not examined the contents of this Addendum. The SGX-ST takes no responsibility for the accuracy of any statements or opinions made or reports contained in this Addendum.

CHASEN™

CHASEN HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 199906814G)

ADDENDUM TO ANNUAL REPORT

IN RELATION TO

THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

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DEFINITIONS

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

"ACRA"	The Accounting and Corporate Regulatory Authority
"Addendum"	This addendum dated 15 July 2019
"AGM"	The annual general meeting of the Company to be held at Rose Room, Level 3, The Chevrans, 48 Boon Lay Way, Singapore 609961 on 30 July 2019 at 11.00 a.m.
"Annual Report 2019"	Has the meaning ascribed to it in paragraph 1.1 of this Addendum
"Associate"	<p>(a) In relation to any Director, CEO, Substantial Shareholder or Controlling Shareholder (being an individual) would mean his immediate family, the trustees of any trust of which he or his immediate family is a beneficiary, or in the case of a discretionary trust, is a discretionary object, or any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and</p> <p>(b) In relation to a Substantial Shareholder or a Controlling Shareholder (being a company) would mean any company that is:</p> <p>(i) its subsidiary;</p> <p>(ii) its holding company;</p> <p>(iii) a subsidiary of its holding company; or</p> <p>(iv) a company in the equity of which the Controlling Shareholder and/or one or more of the entities listed in sub-paragraphs (i) to (iii) above taken together (directly or indirectly) have an interest of 30% or more</p>
"Board"	The board of Directors of the Company for the time being
"CDP"	The Central Depository (Pte) Limited
"CEO"	The chief executive officer of the Company
"Companies Act"	The Companies Act (Chapter 50) of Singapore, as may be amended, supplemented or modified from time to time
"Company"	Chasen Holdings Limited
"Constitution"	The constitution of the Company, as may be amended, supplemented or modified from time to time
"Control"	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company

DEFINITIONS

<i>"Controlling Shareholder"</i>	A person who: <ul style="list-style-type: none">(a) holds directly or indirectly 15% or more of the total number of issued Shares excluding treasury shares and subsidiary holdings (unless the SGX-ST determines that such a person is not a Controlling Shareholder of the Company); or(b) in fact exercises Control over the Company
<i>"Directors"</i>	The directors of the Company for the time being
<i>"EPS"</i>	Earnings per Share
<i>"FY"</i>	The financial year for the Company ended or ending 31 March
<i>"Group"</i>	The Company and its subsidiaries
<i>"Latest Practicable Date"</i>	1 July 2019, being the Latest Practicable Date prior to the printing of this Addendum for ascertaining information included herein
<i>"Listing Manual"</i>	The listing manual of the SGX-ST, or the rules contained therein, as may be amended, supplemented or modified from time to time
<i>"Market Day"</i>	A day on which the SGX-ST is open for trading in securities
<i>"Market Purchase"</i>	Has the meaning ascribed to it in paragraph 3.3(a) of this Addendum
<i>"Notice of AGM"</i>	Has the meaning ascribed to it in paragraph 1.1 of this Addendum
<i>"NTA"</i>	Net tangible assets
<i>"Off-Market Purchase"</i>	Has the meaning ascribed to it in paragraph 3.3(b) of this Addendum
<i>"Ordinary Resolution"</i>	The ordinary resolution as set out in the Notice of AGM
<i>"Register of Members"</i>	The principal register of members (duly registered holders of Shares)
<i>"Regulations"</i>	The regulations of the Company contained in the Constitution for the time being in force, as may be amended, supplemented or modified from time to time
<i>"Relevant Period"</i>	The period commencing from the date on which the last annual general meeting was held and expiring on the date the next annual general meeting is held or is required by law to be held, whichever is the earlier, after the date the resolution relating to the Share Buyback Mandate is passed
<i>"Securities Account"</i>	A securities account maintained by a Depositor with the CDP

DEFINITIONS

<i>"SFA"</i>	The Securities and Futures Act (Chapter 289) of Singapore, as may be amended, supplemented or modified from time to time
<i>"SGX-ST"</i>	Singapore Exchange Securities Trading Limited
<i>"Share Buyback Mandate"</i>	A general mandate given by Shareholders to authorise the Directors to purchase Shares on behalf of the Company in accordance with the terms set out in the Addendum as well as the rules and regulations set forth in the Companies Act and the Listing Manual
<i>"Share Plan"</i>	The Chasen Performance Share Plan approved and adopted by the Company on 16 May 2007, and which expired on 15 May 2017
<i>"Share Plan 2017"</i>	The Chasen Performance Share Plan 2017 approved and adopted by the Company on 28 July 2017
<i>"Shareholders"</i>	Persons (not being Depositors) who are registered as holders of Shares in the Register of Members of the Company and Depositors, who have Shares entered against their names in the Depository Register except where the registered holder is the CDP, the term "Shareholders" shall in relation to such Shares mean the Depositors whose Securities Accounts are credited with the Shares
<i>"Shares"</i>	Ordinary shares in the share capital of the Company
<i>"SIC"</i>	The Securities Industry Council
<i>"Substantial Shareholder"</i>	A person who has an interest or interests in one or more voting shares in the Company, and the total votes attached to that share, or those shares, is not less than 5% of the total votes attached to all the voting shares of the Company
<i>"Take-over Code"</i>	The Singapore Code on Take-overs and Mergers, as may be amended, supplemented or modified from time to time
<i>"S\$" or "\$", and "cents"</i>	Singapore dollars and cents respectively, the lawful currency of the Republic of Singapore
<i>"%"</i>	Percentage or per centum

DEFINITIONS

The terms “**Depositor**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

The terms “**subsidiary**” and “**treasury shares**” shall have the meanings ascribed to them respectively in the Companies Act.

The term “**subsidiary holdings**” shall have the meaning ascribed to it in the Listing Manual.

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

Any reference in this Addendum to an enactment is a reference to that enactment as for the time being amended or re-enacted.

Any word defined under the Companies Act or any statutory modification thereof and used in this Addendum shall, where applicable, have the same meaning assigned to it under the Companies Act or such modification, as the case may be, unless the context otherwise requires.

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

References to “**paragraph**” are to the paragraphs of this Addendum, unless otherwise stated.

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

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

LETTER TO SHAREHOLDERS

CHASEN HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 199906814G)

Directors:

Ng Jwee Phuan @ Frederick (Eric) (*Non-Executive Chairman
and Independent Director*)
Low Weng Fatt (*Managing Director and CEO*)
Siah Boon Hock (*Executive Director*)
Tan Sin Huat Dennis (*Independent Director*)
Chew Mun Yew (*Independent Director*)
Chew Choy Seng (*Independent Director*)

Registered Office:

18 Jalan Besut
Singapore 619571

To : The Shareholders of Chasen Holdings Limited

Date : 15 July 2019

Dear Sir / Madam

THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

1. INTRODUCTION

- 1.1** The Directors wish to refer to (a) the notice of the annual general meeting to Shareholders dated 15 July 2019 (the “**Notice of AGM**”) accompanying the Company’s annual report for FY2019 (the “**Annual Report 2019**”), convening the AGM to be held on 30 July 2019 and (b) Ordinary Resolution 8 under the heading of “special business” set out in the Notice of AGM.
- 1.2** The purpose of this Addendum is to provide Shareholders with information relating to the above-mentioned proposal to be tabled at the AGM.
- 1.3** The SGX-ST takes no responsibility for the accuracy of any statements or opinions made or reports contained in this Addendum.

2. THE SHARE BUYBACK MANDATE

2.1 Introduction

Section 76B(1) of the Companies Act provides, amongst others, that notwithstanding Section 76, a company may in accordance with this section and Sections 76C to 76G, purchase or otherwise acquire shares issued by it if it is expressly permitted to do so by its constitution. Regulation 17 of the Constitution permits the Company to purchase or otherwise acquire Shares issued by it.

Any purchase or acquisition of Shares by the Company would have to be made in accordance with, and in the manner prescribed by the Companies Act and the Listing Manual and such other laws and regulations as may, for the time being, be applicable.

LETTER TO SHAREHOLDERS

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 extraordinary general meeting of the Company held on 29 December 2011, Shareholders had approved the grant of a Share Buyback Mandate to enable the Company to purchase or otherwise acquire its issued Shares in the capital of the Company. The rationale for, the authority and limitations on, and the financial effects of, the Share Buyback Mandate were set out in the Company's circular to Shareholders dated 14 December 2011.

The Share Buyback Mandate was subsequently renewed at the annual general meetings of the Company held on 26 July 2012, 26 July 2013, 29 July 2014, 29 July 2015, 29 July 2016, 28 July 2017, and at the last annual general meeting of the Company held on 27 July 2018. As the said mandate will expire on the date of the forthcoming AGM, being 30 July 2019, 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, amongst others, the return on equity of 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 EPS and/or NTA 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, the Company intends to buy back odd lots arising from possible odd lots resulting from any share consolidation or bonus share dividend that may occur in the future.

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, amongst other things, to satisfy any awards already given and/or to be given under the Share Plan and the Share Plan 2017.

If and when circumstances permit, the Directors will decide whether to effect the share buybacks via Market Purchases or Off-Market Purchases, after taking into account the amount of surplus cash available, the prevailing market conditions, and the most cost-effective and efficient approach. The Directors do not propose to carry out share buybacks to an extent that would, or in circumstances that might, 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, 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 SIC (collectively, the **"Further Rules"**) that

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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 for the renewal of the Share Buyback Mandate for the purchase or acquisition by the Company of its issued Shares. If approved, the Share Buyback Mandate will take effect from the date of the AGM and will continue in force up to the date on which the next annual general meeting is held or such date as the next annual general meeting is required by law to be held, unless prior hereto, 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 annual general meeting.

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 (excluding treasury shares) of the Company as at the date of the resolution passed by the Shareholders for the Share Buyback Mandate (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 Relevant Period, 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 of approximately S\$82,469,000 comprising 387,026,748 Shares (excluding 1,841,107 treasury shares) as at the Latest Practicable Date, and assuming that no further Shares are issued, purchased or acquired by the Company or held as treasury shares on or prior to the AGM, not more than approximately 38,702,674 Shares (representing approximately 10% of the issued ordinary share capital of the Company as at that date, excluding the 1,841,107 treasury shares currently held) may be purchased or acquired by the Company pursuant to the Share Buyback Mandate.

LETTER TO SHAREHOLDERS

3.2 Duration of Authority

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

3.3 Manner of Purchase of Shares

Purchases of Shares may be made by way of:

- (a) on-market purchases (each a **"Market Purchase"**), transacted on the SGX-ST through the SGX-ST trading system 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 (each an **"Off-Market Purchase"**) (if effected otherwise than on the SGX-ST) made 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 Manual.

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

- (aa) offers for the purchase or acquisition of issued shares shall be made to every person who holds issued shares to purchase or acquire the same percentage of their issued shares;
- (ab) all of those persons shall be given a reasonable opportunity to accept the offers made to them; and
- (ac) 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 may relate to shares with different amounts remaining unpaid; and

LETTER TO SHAREHOLDERS

- (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:

- (1) the terms and conditions of the offer;
- (2) the period and procedures for acceptances;
- (3) the reasons for the proposed share buy-back;
- (4) the consequences, if any, of share purchases by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (5) whether the share buy-back, if made, could affect the listing of the Shares on the SGX-ST;
- (6) details of any share buy-back made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases made in accordance with an equal access scheme), giving the total number of the Shares purchased, the purchase price per Share or the highest or lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (7) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

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 below); 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 below),

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

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For the above purposes:

“Average Closing Price” means the average of the closing market prices of a Share over the last 5 Market Days, on which transactions in the Shares were recorded, preceding the day of the 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 UNDER THE SHARE BUYBACK MANDATE

4.1 Cancellation

Under Section 76B(5) of the Companies Act, any Share purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company as a treasury share in accordance with Section 76H of the Companies Act. Apart from this, Shares are deemed to be purchased or acquired on the date on which the Company would become entitled to exercise the rights attached to the Shares. Accordingly, the total number of issued 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 Reporting Requirements

Within 30 days of the passing of a Shareholders’ resolution to approve the purchase of Shares, the Directors shall lodge a copy of such resolution with the ACRA. The Directors must also lodge a notice with the ACRA within 30 days of such a share buyback. Such notification is to include, amongst others, 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 the share buyback; the Company’s issued share capital 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 as may be required in the prescribed form.

In addition, the Company must notify the SGX-ST of and announce via SGX-NET all share buybacks not later than 9.00 a.m.:

- (a) in the case of a Market Purchase, on the Market Day following the day on which the Market Purchase was made; and

LETTER TO SHAREHOLDERS

- (b) 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. Pursuant to Rule 886(2) of the Listing Manual, the notification must be in the form of Appendix 8.3.1 (or 8.3.2 for an issuer with a dual listing on another stock exchange).

5. 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:

5.1 Maximum Holdings

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

5.2 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.

5.3 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 for Finance.

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Where Shares purchased or acquired by the Company are cancelled, such Shares will automatically be de-listed by the SGX-ST. Certificates in respect of such cancelled Shares will be cancelled and destroyed by the Company as soon as is reasonably practicable after the Shares have been acquired.

Section 76K(1D) of the Companies Act provides that where a public company cancels or disposes treasury shares in accordance with Section 76K(1C), the directors of the company shall lodge with the Registrar a prescribed notice of the cancellation or disposal of treasury shares together with the prescribed fee within 30 days after the cancellation or disposal of treasury shares.

6. SOURCE OF FUNDS FOR SHARE BUYBACK

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

It is an offence for a Director or manager of the Company to approve or authorise a share buyback, knowing that the Company is not solvent. For this purpose, pursuant to the Companies Act, a company is solvent if at the date of the payment the following conditions are satisfied:

- (a) there is no ground on which the company could be found to be unable to pay its debts;
- (b) if –
 - (i) it is intended to commence winding up of the company within the period of 12 months immediately after the date of the payment, the company will be able to pay its debts in full within the period of 12 months after the date of commencement of the winding up; or
 - (ii) it is not intended so to commence winding up, the company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of the payment; and
- (c) the value of the company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the proposed purchase or acquisition, become less than the value of its liabilities (including contingent liabilities).

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 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 an adverse effect on the liquidity and/or the orderly trading of the shares and/or the financial condition of the Group.

LETTER TO SHAREHOLDERS

7. FINANCIAL EFFECTS OF THE SHARE BUYBACK MANDATE

The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Buyback Mandate will depend on, amongst others, the number of Shares purchased or acquired, the price paid for such Shares, and whether the Shares purchased or acquired are held as treasury shares or cancelled. The financial effects on the Company and the Group, based on the audited financial statements of the Group for FY2019, are based on the assumptions set out below.

7.1 Purchase or Acquisition out of Capital or Distributable Profits

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of distributable profits, such consideration (excluding 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 available for the distribution of cash dividends by the Company will not be reduced.

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.

7.2 Information as at the Latest Practicable Date

As at the Latest Practicable Date, the issued capital of the Company comprised 387,026,748 Shares (excluding 1,841,107 treasury shares). The Company has no outstanding share awards under the Share Plan and/or the Share Plan 2017 as at the Latest Practicable Date. The Company has no outstanding warrants which have not been exercised. The Company has no subsidiary holdings as at the Latest Practicable Date.

7.3 Illustrative Financial Effects

For illustrative purposes only, on the basis of 387,026,748 Shares (excluding 1,841,107 treasury shares currently held) in issue as at the Latest Practicable Date, and on the basis of the assumptions set out below, the financial effects of the:

LETTER TO SHAREHOLDERS

- (a) acquisition of 38,702,674 Shares (excluding 1,841,107 treasury shares currently held) by the Company pursuant to the Share Buyback Mandate by way of purchases made entirely out of capital and held as treasury shares;
- (b) acquisition of 38,702,674 Shares (excluding 1,841,107 treasury shares currently held) by the Company pursuant to the Share Buyback Mandate by way of purchases made entirely out of distributable profits and cancelled;
- (c) acquisition of 38,702,674 Shares (excluding 1,841,107 treasury shares currently held) by the Company pursuant to the Share Buyback Mandate by way of purchases made entirely out of capital and cancelled; and
- (d) acquisition of 38,702,674 Shares (excluding 1,841,107 treasury shares currently held) by the Company pursuant to the Share Buyback Mandate by way of purchases made entirely out of distributable profits and held as treasury shares,

on the audited financial statements of the Group and the Company for FY2019 are set out below:

- (aa) 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\$0.088, which is 5% above the Average Closing Price of a Share over the last 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 38,702,674 Shares (representing approximately 10% of the total issued share capital of the Company as at the Latest Practicable Date, which is the maximum number of Shares the Company is able to purchase), excluding 1,841,107 treasury shares currently held under and during the duration of the Share Buyback Mandate, is approximately S\$3,405,835. On these assumptions and assuming the following:

- (i) the purchase of Shares took place at the beginning of the financial year on 1 April 2018;
- (ii) the purchase of Shares was financed entirely by the internal resources of the Group;
- (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; and
- (iv) there were no issuances of Shares after the Latest Practicable Date,

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 FY2019 are as follows:

LETTER TO SHAREHOLDERS

	Group		Company	
	Before Share Buyback	After Share Buyback	Before Share Buyback	After Share Buyback
<u>As at 31 March 2019</u>	S\$'000	S\$'000	S\$'000	S\$'000
Share Capital	53,086	53,086	82,614	82,614
Capital Reserve	(530)	(530)	100	100
Warrants Reserve	-	-	-	-
Currency Translation Reserve	(1,137)	(1,137)	-	-
Performance Share Plan Reserve	-	-	-	-
Fair Value Reserve	(4,636)	(4,636)	(4,636)	(4,636)
Revenue Reserve	23,905	23,905	7,363	7,363
	70,688	70,688	85,441	85,441
Non-controlling Interest	4,665	4,665	-	-
	75,353	75,353	85,441	85,441
Treasury Shares	(145)	(3,550)	(145)	(3,550)
Total Equity	75,208	71,803	85,296	81,891
Total Equity	75,208	71,803	85,296	81,891
Less: Non-controlling Interest	(4,665)	(4,665)	-	-
Total Shareholders' Funds	70,543	67,138	85,296	81,891
Current Assets	75,652	72,247	49,819	49,819
Current Liabilities	52,325	52,325	6,290	9,696
Cash and Cash Equivalents	13,362	9,957	898	898
Total Borrowings ⁽¹⁾	36,927	36,927	9,053	9,053
NTA ⁽²⁾	59,984	56,579	85,296	81,891
Net Profit After Tax Attributable to Shareholders	5,374	5,374	4,274	4,274
Number of Shares ('000)	387,027	348,324	387,027	348,324
Weighted Average Number of Shares ('000)	385,795	347,092	385,795	347,092

Financial Ratios

NTA per Share (cents) ⁽³⁾	15.5	16.2	22.0	23.5
Gearing (%) ⁽⁴⁾	52	55	11	11
Current Ratio (times) ⁽⁵⁾	1.4	1.4	7.9	5.1
EPS (cents) ⁽⁶⁾	1.4	1.5	1.1	1.2

LETTER TO SHAREHOLDERS

Notes:

- (1) Total Borrowings pertain to finance leases, bank overdrafts and bank loans
- (2) NTA equals Total Shareholders' Funds less Intangible Assets
- (3) NTA per Share equals NTA divided by Total Number of Shares as at the Latest Practicable Date
- (4) Gearing equals Total Borrowings divided by Total Shareholders' Funds
- (5) Current Ratio equals Current Assets divided by Current Liabilities
- (6) EPS equals Net Profit After Tax attributable to Shareholders divided by the Weighted Average Number of Shares as at the Latest Practicable Date

Off-Market Purchase

For illustrative purposes only, in an Off-Market Purchase, assuming that the Maximum Price is S\$0.106, which is 20% above the Highest Last Dealt Price transacted for a Share as recorded on the Market Day on which there were trades in the Shares immediately preceding the Latest Practicable Date, the maximum amount of funds required for the purchase of up to 38,702,674 Shares (representing approximately 10% of the total issued share capital of the Company as at the Latest Practicable Date, which is the maximum number of Shares the Company is able to purchase), excluding 1,841,107 treasury shares currently held under and during the duration of the Share Buyback Mandate, is approximately S\$4,102,483.

On these assumptions and assuming the following:

- (i) the purchase of Shares took place at the beginning of the financial year on 1 April 2018;
- (ii) the purchase of Shares was financed entirely by the internal resources of the Group;
- (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; and
- (iv) there were no issuances of Shares after the Latest Practicable Date,

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 FY2019 are as follows:

LETTER TO SHAREHOLDERS

	Group		Company	
	Before Share Buyback S\$'000	After Share Buyback S\$'000	Before Share Buyback S\$'000	After Share Buyback S\$'000
<u>As at 31 March 2019</u>				
Share Capital	53,086	53,086	82,614	82,614
Capital Reserve	(530)	(530)	100	100
Warrants Reserve	-	-	-	-
Currency Translation Reserve	(1,137)	(1,137)	-	-
Performance Share Plan Reserve	-	-	-	-
Fair Value Reserve	(4,636)	(4,636)	(4,636)	(4,636)
Revenue Reserve	23,905	23,905	7,363	7,363
	70,688	70,688	85,441	85,441
Non-controlling Interest	4,665	4,665	-	-
	75,353	75,353	85,441	85,441
Treasury Shares	(145)	(4,247)	(145)	(4,247)
Total Equity	75,208	71,106	85,296	81,194
Total Equity	75,208	71,106	85,296	81,194
Less: Non-controlling Interest	(4,665)	(4,665)	-	-
Total Shareholders' Funds	70,543	66,441	85,296	81,194
Current Assets	75,652	71,550	49,819	49,819
Current Liabilities	52,325	52,325	6,290	10,392
Cash and Cash Equivalents	13,362	9,260	898	898
Total Borrowings ⁽¹⁾	36,927	36,927	9,053	9,053
NTA ⁽²⁾	59,984	55,882	85,296	81,194
Net /Profit After Tax Attributable to Shareholders	5,374	5,374	4,274	4,274
Number of Shares ('000)	387,027	348,324	387,027	348,324
Weighted Average Number of Shares ('000)	385,795	347,092	385,795	347,092
<u>Financial Ratios</u>				
NTA per Share (cents) ⁽³⁾	15.5	16.0	22.0	23.3
Gearing (%) ⁽⁴⁾	52	56	11	11
Current Ratio (times) ⁽⁵⁾	1.4	1.4	7.9	4.8
EPS (cents) ⁽⁶⁾	1.4	1.5	1.1	1.2

LETTER TO SHAREHOLDERS

Notes:

- (1) Total Borrowings pertain to finance leases, bank overdrafts and bank loans
- (2) NTA equals Total Shareholders' Funds less Intangible Assets
- (3) NTA per Share equals NTA divided by Total Number of Shares as at the Latest Practicable Date
- (4) Gearing equals Total Borrowings divided by Total Shareholders' Funds
- (5) Current Ratio equals Current Assets divided by Current Liabilities
- (6) EPS equals Net Profit After Tax attributable to Shareholders divided by the Weighted Average Number of Shares as at the Latest Practicable Date

- (ab) Purchases made entirely out of distributable profits and Shares purchased cancelled

Market Purchases

For illustrative purposes only, in a Market Purchase, assuming that the Maximum Price is S\$0.088, which is 5% above the Average Closing Prices of a Share over the last 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 38,702,674 Shares (representing approximately 10% of the total issued share capital of the Company as at the Latest Practicable Date, which is the maximum number of Shares the Company is able to purchase), excluding 1,841,107 treasury shares currently held under and during the duration of the Share Buyback Mandate, is approximately S\$3,405,835.

However, having regard to:

- (1) the amount of the Company's distributable profits as at 31 March 2019 of approximately S\$7,363,000; and
- (2) the Maximum Price of S\$0.088, as at the Latest Practicable Date,

the Company will be able to acquire up to 83,670,454 Shares (representing approximately 21.62% of the total issued share capital of the Company as at the Latest Practicable Date, which is the maximum number of Shares the Company is able to purchase excluding 1,841,107 treasury shares currently held under and during the duration of the Share Buyback Mandate) in a Market Purchase.

On these assumptions and assuming the following:

- (i) the purchase of Shares took place at the beginning of the financial year on 1 April 2018;
- (ii) the purchase of Shares was financed entirely by the internal resources of the Group;
- (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; and

LETTER TO SHAREHOLDERS

(iv) there were no issuances of Shares after the Latest Practicable Date,

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 FY2019 are as follows:

	Group		Company	
	Before Share Buyback	After Share Buyback	Before Share Buyback	After Share Buyback
As at 31 March 2019	S\$'000	S\$'000	S\$'000	S\$'000
Share Capital	53,086	53,086	82,614	82,614
Capital Reserve	(530)	(530)	100	100
Warrants Reserve	-	-	-	-
Currency Translation Reserve	(1,137)	(1,137)	-	-
Performance Share Plan Reserve	-	-	-	-
Fair Value Reserve	(4,636)	(4,636)	(4,636)	(4,636)
Revenue Reserve	23,905	16,542	7,363	-*
	70,688	63,325	85,441	78,078
Non-controlling Interest	4,665	4,665	-	-
Total Equity	75,353	67,990	85,441	78,078
Total Equity	75,353	67,990	85,441	78,078
Less: Non-controlling Interest	(4,665)	(4,665)	-	-
Total Shareholders' Funds	70,688	63,325	85,441	78,078
Current Assets	75,652	68,289	49,819	49,819
Current Liabilities	52,325	52,325	6,290	13,653
Cash and Cash Equivalents	13,362	5,999	898	898
Total Borrowings ⁽¹⁾	36,927	36,927	9,053	9,053
NTA ⁽²⁾	60,129	52,766	85,441	78,078
Net Profit After Tax Attributable to Shareholders	5,374	5,374	4,274	-
Number of Shares ('000)	387,027	303,356	387,027	303,356
Weighted Average Number of Shares ('000)	385,795	302,125	385,795	302,125

*capped by revenue reserve available for buyback.

Financial Ratios

NTA per Share (cents) ⁽³⁾	15.5	17.4	22.1	25.7
Gearing (%) ⁽⁴⁾	52	58	11	12
Current Ratio (times) ⁽⁵⁾	1.4	1.3	7.9	3.6
EPS (cents) ⁽⁶⁾	1.4	1.8	1.1	-

LETTER TO SHAREHOLDERS

Notes:

- (1) Total Borrowings pertain to finance leases, bank overdrafts and bank loans
- (2) NTA equals Total Shareholders' Funds less Intangible Assets
- (3) NTA per Share equals NTA divided by Total Number of Shares as at the Latest Practicable Date
- (4) Gearing equals Total Borrowings divided by Total Shareholders' Funds
- (5) Current Ratio equals Current Assets divided by Current Liabilities
- (6) EPS equals Net Profit After Tax attributable to Shareholders divided by the Weighted Average Number of Shares as at the Latest Practicable Date

Off-Market Purchase

For illustrative purposes only, in an Off-Market Purchase, assuming that the Maximum Price is S\$0.106, which is 20% above the Highest Last Dealt Price transacted for a Share as recorded on the Market Day on which there were trades in the Shares immediately preceding the Latest Practicable Date, the maximum amount of funds required for the purchase of up to 38,702,674 Shares (representing approximately 10% of the total issued share capital of the Company as at the Latest Practicable Date, which is the maximum number of Shares the Company is able to purchase), excluding 1,841,107 treasury shares currently held under and during the duration of the Share Buyback Mandate, is approximately S\$4,102,483.

However, having regard to:

- (1) the amount of the Company's distributable profits as at 31 March 2019 of approximately S\$7,363,000; and
- (2) the Maximum Price of S\$0.106, as at the Latest Practicable Date,

the Company will be able to acquire up to 69,462,264 Shares (representing approximately 17.95% of the total issued share capital of the Company as at the Latest Practicable Date, which is the maximum number of Shares the Company is able to purchase excluding 1,841,107 treasury shares currently held under and during the duration of the Share Buyback Mandate) in a Market Purchase.

On these assumptions and assuming the following:

- (i) the purchase of Shares took place at the beginning of the financial year on 1 April 2018;
- (ii) the purchase of Shares was financed entirely by the internal resources of the Group;
- (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; and

LETTER TO SHAREHOLDERS

(iv) there were no issuances of Shares after the Latest Practicable Date,

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 FY2019 are as follows:

	Group		Company	
	Before Share Buyback S\$'000	After Share Buyback S\$'000	Before Share Buyback S\$'000	After Share Buyback S\$'000
<u>As at 31 March 2019</u>				
Share Capital	53,086	53,086	82,614	82,614
Capital Reserve	(530)	(530)	100	100
Warrants Reserve	-	-	-	-
Currency Translation Reserve	(1,137)	(1,137)	-	-
Performance Share Plan Reserve	-	-	-	-
Fair Value Reserve	(4,636)	(4,636)	(4,636)	(4,636)
Revenue Reserve	23,905	16,542	7,363	-*
	70,688	63,325	85,441	78,078
Non-controlling Interest	4,665	4,665	-	-
Total Equity	75,353	67,990	85,441	78,078
Total Equity	75,353	67,990	85,441	78,078
Less: Non-controlling Interest	(4,665)	(4,665)	-	-
Total Shareholders' Funds	70,688	63,325	85,441	78,078
Current Assets	75,652	68,289	49,819	49,819
Current Liabilities	52,325	52,325	6,290	13,653
Cash and Cash Equivalents	13,362	5,999	898	898
Total Borrowings ⁽¹⁾	36,927	36,927	9,053	9,053
NTA ⁽²⁾	60,129	52,766	85,441	78,078
Net Profit After Tax Attributable to Shareholders	5,374	5,374	4,274	-
Number of Shares ('000)	387,027	317,565	387,027	317,565
Weighted Average Number of Shares ('000)	385,795	316,333	385,795	316,333

*capped by revenue reserve available for buyback.

Financial Ratios

NTA per Share (cents) ⁽³⁾	15.5	16.6	22.1	24.6
Gearing (%) ⁽⁴⁾	52	58	11	12
Current Ratio (times) ⁽⁵⁾	1.4	1.3	7.9	3.6
EPS (cents) ⁽⁶⁾	1.4	1.7	1.1	-

LETTER TO SHAREHOLDERS

Notes:

- (1) Total Borrowings pertain to finance leases, bank overdrafts and bank loans
- (2) NTA equals Total Shareholders' Funds less Intangible Assets
- (3) NTA per Share equals NTA divided by Total Number of Shares as at the Latest Practicable Date
- (4) Gearing equals Total Borrowings divided by Total Shareholders' Funds
- (5) Current Ratio equals Current Assets divided by Current Liabilities
- (6) EPS equals Net Profit After Tax attributable to Shareholders divided by the Weighted Average Number of Shares as at the Latest Practicable Date

(ac) Purchases made entirely out of capital and Shares purchased cancelled

Market Purchases

For illustrative purposes only, in a Market Purchase, assuming that the Maximum Price is S\$0.088, which is 5% above the Average Closing Price of a Share over the last 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 38,702,674 Shares (representing approximately 10% of the total issued share capital of the Company as at the Latest Practicable Date, which is the maximum number of Shares the Company is able to purchase), excluding 1,841,107 treasury shares currently held under and during the duration of the Share Buyback Mandate, is approximately S\$3,405,835. On these assumptions and assuming the following:

- (i) the purchase of Shares took place at the beginning of the financial year on 1 April 2018;
- (ii) the purchase of Shares was financed entirely by the internal resources of the Group;
- (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; and
- (iv) there were no issuances of Shares after the Latest Practicable Date,

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 FY2019 are as follows:

LETTER TO SHAREHOLDERS

	Group		Company	
	Before Share Buyback	After Share Buyback	Before Share Buyback	After Share Buyback
<u>As at 31 March 2019</u>	S\$'000	S\$'000	S\$'000	S\$'000
Share Capital ⁽¹⁾	52,941	49,536	82,469	79,064
Capital Reserve	(530)	(530)	100	100
Warrants Reserve	-	-	-	-
Currency Translation Reserve	(1,137)	(1,137)	-	-
Performance Share Plan Reserve	-	-	-	-
Fair Value Reserve	(4,636)	(4,636)	(4,636)	(4,636)
Revenue Reserve	23,905	23,905	7,363	7,363
	70,543	67,138	85,296	81,891
Non-controlling Interest	4,665	4,665	-	-
Total Equity	75,208	71,803	85,296	81,891
Total Equity	75,208	71,803	85,296	81,891
Less: Non-controlling Interest	(4,665)	(4,665)	-	-
Total Shareholders' Funds	70,543	67,138	85,296	81,891
Current Assets	75,652	72,246	49,819	49,819
Current Liabilities	52,325	52,325	6,290	9,696
Cash and Cash Equivalents	13,362	9,956	898	898
Total Borrowings ⁽²⁾	36,927	36,927	9,053	9,053
NTA ⁽³⁾	59,984	56,579	85,296	81,891
Net Profit After Tax Attributable to Shareholders	5,374	5,374	4,274	4,274
Number of Shares ('000)	387,027	348,324	387,027	348,324
Weighted Average Number of Shares ('000)	385,795	347,092	385,795	347,092

Financial Ratios

NTA per Share (cents) ⁽⁴⁾	15.5	16.2	22.0	23.5
Gearing (%) ⁽⁵⁾	52	55	11	11
Current Ratio (times) ⁽⁶⁾	1.4	1.4	7.9	5.1
EPS (cents) ⁽⁷⁾	1.4	1.5	1.1	1.2

LETTER TO SHAREHOLDERS

Notes:

- (1) Share Capital excludes 1,841,107 treasury shares which are deemed as cancelled
- (2) Total Borrowings pertain to finance leases, bank overdrafts and bank loans
- (3) NTA equals Total Shareholders' Funds less Intangible Assets
- (4) NTA per Share equals NTA divided by Total Number of Shares as at the Latest Practicable Date
- (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 as at the Latest Practicable Date

Off-Market Purchase

For illustrative purposes only, in an Off-Market Purchase, assuming that the Maximum Price is S\$0.106, which is 20% above the Highest Last Dealt Price transacted for a Share as recorded on the Market Day on which there were trades in the Shares immediately preceding the Latest Practicable Date, the maximum amount of funds required for the purchase of up to 38,702,674 Shares (representing approximately 10% of the total issued share capital of the Company as at the Latest Practicable Date, which is the maximum number of Shares the Company is able to purchase), excluding 1,841,107 treasury shares currently held under and during the duration of the Share Buyback Mandate, is approximately S\$4,102,483. On these assumptions and assuming the following:

- (i) the purchase of Shares took place at the beginning of the financial year on 1 April 2018;
- (ii) the purchase of Shares was financed entirely by the internal resources of the Group;
- (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; and
- (iv) there were no issuances of Shares after the Latest Practicable Date,

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 FY2019 are as follows:

LETTER TO SHAREHOLDERS

	Group		Company	
	Before Share Buyback S\$'000	After Share Buyback S\$'000	Before Share Buyback S\$'000	After Share Buyback S\$'000
<u>As at 31 March 2019</u>				
Share Capital ⁽¹⁾	52,941	48,839	82,469	78,367
Capital Reserve	(530)	(530)	100	100
Warrants Reserve	-	-	-	-
Currency Translation Reserve	(1,137)	(1,137)	-	-
Performance Share Plan Reserve	-	-	-	-
Fair Value Reserve	(4,636)	(4,636)	(4,636)	(4,636)
Revenue Reserve	23,905	23,905	7,363	7,363
	70,543	66,441	85,296	81,194
Non-controlling Interest	4,665	4,665	-	-
Total Equity	75,208	71,106	85,296	81,194
Total Equity	75,208	71,106	85,296	81,194
Less: Non-controlling Interest	(4,665)	(4,665)	-	-
Total Shareholders' Funds	70,543	66,441	85,296	81,194
Current Assets	75,652	71,550	49,819	49,819
Current Liabilities	52,325	52,325	6,290	10,392
Cash and Cash Equivalents	13,362	9,260	898	898
Total Borrowings ⁽²⁾	36,927	36,927	9,053	9,053
NTA ⁽³⁾	59,984	55,882	85,296	81,194
Net Profit After Tax Attributable to Shareholders	5,374	5,374	4,274	4,274
Number of Shares ('000)	387,027	348,324	387,027	348,324
Weighted Average Number of Shares ('000)	385,795	347,092	385,795	347,092
<u>Financial Ratios</u>				
NTA per Share (cents) ⁽⁴⁾	15.5	16.0	22.0	23.3
Gearing (%) ⁽⁵⁾	52	56	11	11
Current Ratio (times) ⁽⁶⁾	1.4	1.4	7.9	4.8
EPS (cents) ⁽⁷⁾	1.4	1.5	1.1	1.2

LETTER TO SHAREHOLDERS

Notes:

- (1) Share Capital excludes 1,841,107 treasury shares which are deemed as cancelled
- (2) Total Borrowings pertain to finance leases, bank overdrafts and bank loans
- (3) NTA equals Total Shareholders' Funds less Intangible Assets
- (4) NTA per Share equals NTA divided by Total Number of Shares as at the Latest Practicable Date
- (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 as at the Latest Practicable Date

- (ad) Purchases made entirely out of distributable 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\$0.088, which is 5% above the Average Closing Price of a Share over the last 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 38,702,674 Shares (representing approximately 10% of the total issued share capital of the Company (excluding 1,841,107 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\$3,405,835.

However, having regard to:

- (1) the amount of the Company's distributable profits as at 31 March 2019 of approximately S\$7,363,000; and
- (2) the Maximum Price of S\$0.088, as at the Latest Practicable Date,

the Company will be able to acquire up to 83,670,454 Shares (representing approximately 21.62% of the total issued share capital of the Company as at the Latest Practicable Date, which is the maximum number of Shares the Company is able to purchase excluding 1,841,107 treasury shares currently held under and during the duration of the Share Buyback Mandate) 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 2018;
- (ii) the purchase of Shares was financed entirely by the internal resources of the Group;
- (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; and

LETTER TO SHAREHOLDERS

(iv) there were no issuances of Shares after the Latest Practicable Date,

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 FY2019 are as follows:

	Group		Company	
	Before Share Buyback S\$'000	After Share Buyback S\$'000	Before Share Buyback S\$'000	After Share Buyback S\$'000
<u>As at 31 March 2019</u>				
Share Capital	53,086	53,086	82,614	82,614
Capital Reserve	(530)	(530)	100	100
Warrants Reserve	-	-	-	-
Currency Translation Reserve	(1,137)	(1,137)	-	-
Performance Share Plan Reserve	-	-	-	-
Fair Value Reserve	(4,636)	(4,636)	(4,636)	(4,636)
Revenue Reserve	23,905	23,905	7,363	7,363*
	70,688	70,688	85,441	85,441
Non-controlling Interest	4,665	4,665	-	-
Total Equity	75,353	75,353	85,441	85,441
Treasury Shares	(145)	(7,508)	(145)	(7,508)
Total Equity	75,208	67,845	85,296	77,933
Total Equity	75,208	67,845	85,296	77,933
Less: Non-controlling Interest	(4,665)	(4,665)	-	-
Total Shareholders' Funds	70,543	63,180	85,296	77,933
Current Assets	75,652	68,289	49,819	49,819
Current Liabilities	52,325	52,325	6,290	13,653
Cash and Cash Equivalents	13,362	5,999	898	898
Total Borrowings ⁽¹⁾	36,927	36,927	9,053	9,053
NTA ⁽²⁾	59,984	52,621	85,296	77,933
Net Profit After Tax Attributable to Shareholders	5,374	5,374	4,274	4,274
Number of Shares ('000)	387,027	303,356	387,027	303,356
Weighted Average Number of Shares ('000)	385,795	302,125	385,795	302,125

*capped by revenue reserve available for buyback

Financial Ratios

NTA per Share (cents) ⁽³⁾	15.5	17.3	22.0	25.7
Gearing (%) ⁽⁴⁾	52	58	11	12
Current Ratio (times) ⁽⁵⁾	1.4	1.3	7.9	3.6
EPS (cents) ⁽⁶⁾	1.4	1.8	1.1	1.4

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Notes:

- (1) Total Borrowings pertain to finance leases, bank overdrafts and bank loans
- (2) NTA equals Total Shareholders' Funds less Intangible Assets
- (3) NTA per Share equals NTA divided by Total Number of Shares as at the Latest Practicable Date
- (4) Gearing equals Total Borrowings divided by Total Shareholders' Funds
- (5) Current Ratio equals Current Assets divided by Current Liabilities
- (6) EPS equals Net Profit After Tax attributable to Shareholders divided by the Weighted Average Number of Shares as at the Latest Practicable Date

Off-Market Purchase

For illustrative purposes only, in an Off-Market Purchase, assuming that the Maximum Price is S\$0.106, which is 20% above the Highest Last Dealt Price transacted for a Share as recorded on the Market Day on which there were trades in the Shares immediately preceding the Latest Practicable Date, the maximum amount of funds required for the purchase of up to 38,702,674 Shares (representing approximately 10% of the total issued share capital of the Company as at the Latest Practicable Date, which is the maximum number of Shares the Company is able to purchase), excluding 1,841,107 treasury shares currently held under and during the duration of the Share Buyback Mandate, is approximately S\$4,102,483.

However, having regard to:

- (1) the amount of the Company's distributable profits as at 31 March 2019 of approximately S\$7,363,000; and
- (2) the Maximum Price of S\$0.106, as at the Latest Practicable Date,

the Company will be able to acquire up to 69,462,264 Shares (representing approximately 17.95% of the total issued share capital of the Company as at the Latest Practicable Date, which is the maximum number of Shares the Company is able to purchase excluding 1,841,107 treasury shares currently held under and during the duration of the Share Buyback Mandate) in a Market Purchase.

On these assumptions and assuming the following:

- (i) the purchase of Shares took place at the beginning of the financial year on 1 April 2018;
- (ii) the purchase of Shares was financed entirely by the internal resources of the Group;
- (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; and

LETTER TO SHAREHOLDERS

(iv) there were no issuances of Shares after the Latest Practicable Date,

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 FY2019 are as follows:

	Group		Company	
	Before Share Buyback	After Share Buyback	Before Share Buyback	After Share Buyback
<u>As at 31 March 2019</u>	S\$'000	S\$'000	S\$'000	S\$'000
Share Capital	53,086	53,086	82,614	82,614
Capital Reserve	(530)	(530)	100	100
Warrants Reserve	-	-	-	-
Currency Translation Reserve	(1,137)	(1,137)	-	-
Performance Share Plan Reserve	-	-	-	-
Fair Value Reserve	(4,636)	(4,636)	(4,636)	(4,636)
Revenue Reserve	23,905	23,905	7,363	7,363*
	70,688	70,688	85,441	85,441
Non-controlling Interest	4,665	4,665	-	-
Total Equity	75,353	75,353	85,441	85,441
Treasury Shares	(145)	(7,508)	(145)	(7,508)
Total Equity	75,208	67,845	85,296	77,933
Total Equity	75,208	67,845	85,296	77,933
Less: Non-controlling Interest	(4,665)	(4,665)	-	-
Total Shareholders' Funds	70,543	63,180	85,296	77,933
Current Assets	75,652	68,289	49,819	49,819
Current Liabilities	52,325	52,325	6,290	13,653
Cash and Cash Equivalents	13,362	5,999	898	898
Total Borrowings ⁽¹⁾	36,927	36,927	9,053	9,053
NTA ⁽²⁾	59,984	52,621	85,296	77,933
Net Profit After Tax Attributable to Shareholders	5,374	5,374	4,274	4,274
Number of Shares ('000)	387,027	317,565	387,027	317,565
Weighted Average Number of Shares ('000)	385,795	316,333	385,795	316,333

*capped by revenue reserve available for buyback

Financial Ratios

NTA per Share (cents) ⁽³⁾	15.5	16.6	22.0	24.5
Gearing (%) ⁽⁴⁾	52	58	11	12
Current Ratio (times) ⁽⁵⁾	1.4	1.3	7.9	3.6
EPS (cents) ⁽⁶⁾	1.4	1.7	1.1	1.4

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Notes:

- (1) Total Borrowings pertain to finance leases, bank overdrafts and bank loans
- (2) NTA equals Total Shareholders' Funds less Intangible Assets as at the Latest Practicable Date
- (3) NTA per Share equals NTA divided by Total Number of Shares
- (4) Gearing equals Total Borrowings divided by Total Shareholders' Funds
- (5) Current Ratio equals Current Assets divided by Current Liabilities
- (6) EPS equals Net Profit After Tax attributable to Shareholders divided by the Weighted Average Number of Shares as at the Latest Practicable Date

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 issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of the issued Shares. In addition, the Company may cancel all or part of the Shares repurchased, or hold all or part of the Shares repurchased in treasury. The above analysis is based on historical figures for FY2019 and is not necessarily representative of the Company's or the Group's future financial performance.

8. 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 under an equal access scheme, 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 price paid 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 issued 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 Rule 1207(19)(c) of the Listing Manual, the Company and its officers should not and will not deal in the Company's securities during the period commencing two weeks before the announcement of the Company financial statements for each of the first three quarters of its financial year and one month before the announcement of the Company's full year financial statements and if they are in possession of unpublished price-sensitive information of the Group.

The Listing Manual requires a listed company to ensure that at least 10% of the total number of any class of its listed securities is held by public shareholders. As at the

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Latest Practicable Date, approximately 68.36% of the issued Shares are held by public Shareholders. 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.

9. TAKE-OVER OBLIGATIONS

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

9.1 Obligation to make a Take-over 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 take-over offer for the Company under Rule 14 of the Take-over Code.

9.2 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), 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 individuals will, amongst others, be presumed to be acting in concert:

- (a) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the above companies, any company whose associated companies include any of the above companies; and 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. 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;
- (b) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trusts;

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- (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, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser; and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 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 or where they have reason to believe a bona fide offer for their company may be imminent;
- (g) partners; and
- (h) the following persons and entities:
 - (i) an individual, his close relatives, his related trusts, and any person who is accustomed to act according to his instructions, companies controlled by any of the aforementioned persons; and
 - (ii) any person who has provided financial assistance (other than a bank in its 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 and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

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

In general terms, the effect of Rule 14 and Appendix 2 is that, unless exempted, Directors 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 6 months.

Under Appendix 2, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its own Shares, the voting rights of such Shareholder in the Company would

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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 Ordinary 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 6 months.

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

Shareholders are advised to consult their professional advisers and/or the SIC at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any share buybacks by the Company.

9.4 Application of the Take-over Code

On 12 February 2007, pursuant to a reverse take-over, 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 (the "Concert Parties") are presumed to be acting in concert with each other in relation to the Company for the purposes of the Take-over Code.

As at the Latest Practicable Date, the direct shareholding interest of each of Low Weng Fatt and his concert parties, Siah Boon Hock, Yap Koon Bee @ Louis Yap, Yeo Seck Cheong and Cheong Tuck Nang are 13.15%, 2.80%, 9.04%, 3.93% and 2.05% respectively, amounting to an aggregate of approximately 30.97%. The shareholdings of the Concert Parties before and after the proposed Share Buyback Mandate (assuming for a Market Purchase (a) the Company purchases a maximum 38,702,674 Shares, being 10% of the total number of Shares in issue, (b) the 38,702,674 Shares are not held as treasury shares and are cancelled and (c) there was no change in the number of Shares held or deemed to be held by the Concert Parties and (d) there is no exercise of warrants; and for an Off-Market Purchase (a) the Company purchases a maximum 38,702,674 Shares, being 10% of the total number of Shares in issue, (b) the 38,702,674 Shares are not held as treasury shares and are cancelled and (c) there is no exercise of warrants) are set out as follows:

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MARKET PURCHASE	Before Share Buyback ⁽¹⁾		After Share Buyback ⁽²⁾	
	Direct Interest		Direct Interest	
	No. of Shares	%	No. of Shares	%
Concert Parties				
Low Weng Fatt	50,883,708	13.15	50,883,708	14.61
Siah Boon Hock	10,824,901	2.80	10,824,901	3.11
Yap Koon Bee @ Louis Yap	35,002,583	9.04	35,002,583	10.05
Yeo Seck Cheong	15,198,165	3.93	15,198,165	4.36
Cheong Tuck Nang	7,945,912	2.05	7,945,912	2.28
TOTAL	119,855,269	30.97	119,855,269	34.41

Notes:

- (1) The percentages are calculated on the basis of the existing issued share capital of 387,026,748 ordinary shares (excluding 1,841,107 treasury shares).
- (2) The percentages are calculated on the basis of the issued share capital of 348,324,073 after a share buyback of 38,702,674 Shares, being 10% of the existing issued share capital of the Company as at the Latest Practicable Date excluding 1,841,107 treasury shares.

OFF MARKET PURCHASE	Before Share Buyback ⁽¹⁾		After Share Buyback ⁽²⁾	
	Direct Interest		Direct Interest	
	No. of Shares	%	No. of Shares	%
Concert Parties				
Low Weng Fatt	50,883,708	13.15	45,795,337	13.15
Siah Boon Hock	10,824,901	2.80	9,742,411	2.80
Yap Koon Bee @ Louis Yap	35,002,583	9.04	31,502,325	9.04
Yeo Seck Cheong	15,198,165	3.93	13,678,349	3.93
Cheong Tuck Nang	7,945,912	2.05	7,151,321	2.05
TOTAL	119,855,269	30.97	107,869,743	30.97

Notes:

- (1) The percentages are calculated on the basis of the existing issued share capital of 387,026,748 ordinary shares (excluding 1,841,107 treasury shares).
- (2) The percentages are calculated on the basis of the issued share capital of 348,324,073 after a share buyback of 38,702,674 shares, being 10% of the existing issued share capital of the Company as at the Latest Practicable Date excluding 1,841,107 treasury shares.

Therefore (i) the direct interests of Low Weng Fatt, (ii) the aggregate direct interests of Low Weng Fatt and one or more of Siah Boon Hock, Yeo Seck Cheong and Cheong Tuck Nang, and (iii) the aggregate direct interests of one or more Siah Boon Hock, Yeo Seck Cheong and Cheong Tuck Nang, and their concert parties will increase by more than 1% within a 6 month period.

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Accordingly, under the Take-over Code, the Concert Parties and the parties acting in concert with them (collectively the "Relevant Persons"), unless exempted, will become obliged to make a general offer under the Take-over Code for the Shares not owned by them, if as a result of the exercise of the Share Buyback Mandate, their interest in the voting rights of the Company increase by more than 1% within a 6-month period.

As the present total shareholding of the Relevant Persons is not less than 30% but not more than 50%, they will be exempted from the requirement under Rule 14 and Appendix 2 of the Take-over Code to make a general offer for the Company in the event that their total shareholding increases by more than 1% in any 6-month period as a result of the Company acquiring its own shares under the Share Buyback Mandate (the "Relevant Scenario"), subject to the following conditions:

- (a) the circular to Shareholders on the resolution to authorise the renewal of the Share Buyback Mandate to contain advice to the effect that by voting for the resolution for the renewal of the Share Buyback Mandate, Shareholders are waiving their rights to a general offer at the required price from the Relevant Persons who, as a result of the Company buying back its Shares, would increase their voting rights by more than 1% in any 6-month period; and the names of the Relevant Persons, their voting rights at the time of the resolution and after the share buyback to be disclosed in the same circular;
- (b) the resolution to authorise the renewal of the Share Buyback Mandate to be approved by a majority of those Shareholders present and voting at the meeting on a poll who could not become obliged to make an offer as a result of the share buyback;
- (c) the Relevant Persons abstain from voting for and/or recommending Shareholders to vote in favour of the resolution to authorise the renewal of the Share Buyback Mandate;
- (d) within 7 days after the passing of the resolution to authorise the renewal of the Share Buyback Mandate, each of the Directors to submit to the SIC a duly signed form as prescribed by the SIC; and
- (e) the Relevant Persons, together holding between 30% and 50% of the Company's voting rights, not to have acquired and not to acquire any Shares between the date on which they know that the announcement of renewal of the Share Buyback Mandate is imminent and the earlier of:
 - (aa) the date on which the authority of the renewed Share Buyback Mandate expires; and
 - (ab) the date on which the Company announces it has brought back such number of Shares as authorised by Shareholders at the latest general meeting or it has decided to cease buying back its Shares, as the case may be,

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(the “**relevant period**”)

if such acquisitions, taken together with the share buyback under the renewed Share Buyback Mandate, would cause their aggregate voting rights in the Company to increase by more than 1% in the any 6-month period.

It follows that where the aggregate voting rights held by the Relevant Persons increase by more than 1% solely as a result of the Relevant Scenario and none of them has acquired any shares of the Company during the relevant period defined in paragraph (e) above, then the Relevant Persons would be eligible for an exemption from the requirement to make a general offer under Rule 14, or where already exempted, would continue to be exempted.

As at Latest Practicable Date, the conditions have not been fulfilled. In the event the Shareholders approve the resolution relating to the proposed renewal of the Share Buyback Mandate, the Company will or would have fulfilled the conditions.

If the Company ceases to buy back its Shares under the Share Buyback Mandate and the increase in the aggregate voting rights held by the Relevant Persons as a result of the Company repurchasing its Shares at the time of such cessation is less than 1% in any 6 month period, the Relevant Persons will be allowed to acquire voting shares in the Company. However, any increase in the Relevant Persons’ percentage of voting rights in the Company as a result of the share buyback will be taken into account together with any Shares acquired by the Relevant Persons (by whatever means) in determining whether the Relevant Parties have increased their aggregate voting rights in the Company by more than 1% in any 6 month period.

Shareholders should therefore note that by voting in favour of the resolution to approve the Share Buyback Mandate, they will be waiving their rights to a general offer at the required price by Relevant Persons in the circumstances set out above.

For the purposes of this Addendum, “required price” shall mean in relation to the offer required to be made under the provisions of Rule 14.1 of the Take-over Code, the offer shall be in cash or be accompanied by a cash alternative at a price in accordance with Rule 14.3 of the Take-over Code which is the highest of the highest price paid by the Relevant Persons for the Shares (i) within 6 months of the offer and during the offer period, (ii) acquired through the exercise of instruments convertible into securities which carry voting rights within 6 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 6 months of the offer and during the offer period; or at such price as determined by the SIC under Rule 14.3 of the Take-over Code.

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

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As at the Latest Practicable Date, the Relevant Persons consist of the Concert Parties.

Shareholders are advised to consult their professional advisers and/or the SIC at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any share buybacks by the Company.

10. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

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

	Direct Interest	Shareholding %	Deemed Interest	%
Directors				
Low Weng Fatt ⁽¹⁾	50,883,708	13.15	662,500	0.17
Siah Boon Hock	10,824,901	2.80	-	-
Ng Jwee Phuan @ Frederick (Eric) ⁽²⁾	56,000	0.01	1,539,125	0.40
Tan Sin Huat, Dennis ⁽³⁾	10,500	0.002	79,500	0.02
Chew Mun Yew	-	-	-	-
Chew Choy Seng	-	-	-	-
Substantial Shareholders (excluding Directors)				
Yap Koon Bee @ Louis Yap	35,002,583	9.04	-	-

Notes:

- (1) Low Weng Fatt is deemed to be interested in the 662,500 Shares held by his spouse, Chua Kim Eng.
- (2) Ng Jwee Phuan @ Frederick (Eric) is deemed to be interested in the 1,539,125 Shares held through Citibank Nominees Singapore Pte Ltd.
- (3) Tan Sin Huat, Dennis is deemed to be interested in the 79,500 Shares held through DBS Nominees (Private) Ltd.

Save as disclosed in this Addendum and other than through their respective shareholdings in the Company, none of the Directors or Substantial Shareholders has any interest, direct or indirect, in the share capital of the Company or any of its subsidiaries.

11. SHARES PURCHASED BY THE COMPANY

No purchases or acquisitions of Shares have been made or effected by the Company pursuant to the Share Buyback Mandate in the 12 months preceding the Latest Practicable Date.

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12. DIRECTORS' RECOMMENDATION

Having considered the rationale for the Share Buyback Mandate, the Directors, save for Low Weng Fatt, and Siah Boon Hock, who are members of the Relevant Persons, are of the opinion that the proposed renewal of the Share Buyback Mandate is in the best interests of the Company.

Accordingly, the Directors, save for Low Weng Fatt, and Siah Boon Hock, recommend that Shareholders vote in favour of Ordinary Resolution 8, being the ordinary resolution relating to the proposed renewal of the Share Buyback Mandate.

13. ABSTENTION FROM VOTING

The Relevant Persons will abstain from voting at the AGM in respect of the Ordinary 8 relating to the renewal of the Share Buyback Mandate in view of Appendix 2 of the Take-over Code and would not accept nominations as proxy or otherwise for voting at the AGM in respect of the said Ordinary Resolution 8.

The Relevant Persons have also undertaken to ensure that their Associates will abstain from making any recommendation and from voting at the AGM in respect of Ordinary Resolution 8 and would not accept nominations as proxy or otherwise for voting at the AGM relating to the renewal of the Share Buyback Mandate.

14. ANNUAL GENERAL MEETING

The AGM, notice of which is enclosed with the Annual Report 2019, will be held on 30 July 2019 at Rose Room, Level 3, The Chevrans, 48 Boon Lay Way, Singapore 609961 at 11.00 a.m. for the purpose of considering and, if thought fit, passing the resolutions set out in the Notice of AGM.

15. APPROVALS AND RESOLUTIONS

Shareholders' approval for the proposed renewal of the Share Buyback Mandate is sought at the AGM. The resolutions relating to the proposed renewal of the Share Buyback Mandate is contained in the Notice of AGM as Ordinary Resolution 8.

16. ACTIONS TO BE TAKEN BY SHAREHOLDERS

If a Shareholder is unable to attend the AGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the Proxy Form attached to the Annual Report 2019 in accordance with the instructions printed thereon.

The completion and lodgement of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the AGM if he so wishes.

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17. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Addendum and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Addendum constitutes full and true disclosure of all material facts about the proposed renewal of the Share Buyback Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Addendum misleading. Where information in the Addendum has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Addendum in its proper form and context.

18. DOCUMENTS FOR INSPECTION

Copies of the following may be inspected by Shareholders at the registered office of the Company at 18 Jalan Besut, Singapore 619571 during normal business hours from the date of this Addendum up to the date of the AGM:

- (a) the Constitution; and
- (b) the annual report of the Company for FY2019.

Yours faithfully

For and on behalf of the Board

Low Weng Fatt
Managing Director and CEO

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