



## CWT LIMITED

(Company Registration No.: 197000498M)  
(Incorporated in the Republic of Singapore)

### PROPOSED RENEWAL OF THE SHARE BUY BACK MANDATE

#### 1. INTRODUCTION

- 1.1 At the annual general meeting of CWT Limited (the “**Company**”) held on 25 April 2011 (the “**Last General Meeting**”), shareholders of the Company (“**Shareholders**”) had renewed the share buy back mandate approved on 23 April 2010 to enable the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company (the “**Shares**”) (the “**Existing Share Buy Back Mandate**”).

The rationale for the authority and limitations on, and the financial effects of, the Existing Share Buy Back Mandate was set out in Appendix 1 to the Notice of Annual General Meeting circulated to Shareholders together with the annual report of the Company for the financial year ended 31 December 2010.

- 1.2 The Existing Share Buy Back Mandate will expire on the date of the forthcoming annual general meeting (“**AGM**”) of the Company, scheduled to be held on 25 April 2012. The directors of the Company (the “**Directors**”) propose that the Existing Share Buy Back Mandate be renewed at the AGM in terms of Ordinary Resolution No. 9 that will be proposed at the AGM (the “**Share Buy Back Mandate**”).
- 1.3. The Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) assumes no responsibility for the correctness of any of the statements made or opinions expressed in this Appendix 1.

#### 2. DETAILS OF THE SHARE BUY BACK MANDATE

##### 2.1 Shareholders’ Approval

Approval is being sought from Shareholders at the AGM for the renewal of the Existing Share Buy Back Mandate for the purchase by the Company of its issued Shares. If approved, the proposed Share Buy Back Mandate will take effect from the date of the AGM and continue in force until the date of the next annual general meeting or such date as the next annual general meeting is required by law to be held, whichever is the earlier, unless prior thereto, Share Buy Backs are carried out to the full extent mandated or the proposed Share Buy Back Mandate is revoked or varied by the Company in a general meeting. The proposed Share Buy Back Mandate may be put to Shareholders for renewal at each subsequent annual general meeting.

##### 2.2 Rationale

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

The proposed Share Buy Back Mandate will also give the Company the opportunity to buy back Shares when such Shares are under-valued. The buy back of Shares will only be made when the Directors believe that such buy backs would be in the interests of the Company.

## 2.3 Authority and Limits on the Share Buy Back Mandate

The authority and limitations placed on purchases or acquisitions of Shares under the Share Buy Back Mandate, if approved at the AGM, are as follows:

(a) Maximum Number of Shares

The total number of Shares which may be purchased or acquired by the Company pursuant to the Share Buy Back Mandate is limited to that number of Shares representing not more than 10% of the total Shares as at the date of the AGM at which the Share Buy Back Mandate is approved.

For illustrative purposes, on the basis that there are 600,304,650 Shares in issue as at the Latest Practicable Date and assuming that no further Shares are issued on or prior to the date of the AGM, not more than 60,030,465 Shares (representing 10% of the total Shares as at that date) may be purchased by the Company pursuant to the Share Buy Back Mandate.

(b) Duration of Authority

Under the Share Buy Back Mandate, the Company may buy back Shares, at any time and from time to time, on and from the date of the AGM at which the Share Buy Back Mandate is approved up to:

- (i) the date on which the next AGM of the Company is held or required by law to be held; or
- (ii) the date on which the authority conferred by the Share Buy Back Mandate is revoked or varied by the Company in general meeting; or
- (iii) the date on which the Share Buy Backs are carried out to the full extent mandated, whichever is the earlier.

(c) Manner of Share Buy Backs

Share Buy Backs may be made by way of:

- (i) an on-market Share Buy Back transacted through the SGX-ST's Central Limit Order Book trading system; and/or
- (ii) an off-market Share Buy Back effected in accordance with an equal access scheme (as defined in section 76C of the Companies Act).

The Directors may impose such terms and conditions which are not inconsistent with the Share Buy Back Mandate, the Listing Manual and the Companies Act, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes.

(d) Off-market Share Buy Backs

An off-market Share Buy Back on an equal access scheme must satisfy all the following conditions:

- (i) the offers under the scheme must be made to every person who holds issued Shares to purchase or acquire the same percentage of their issued Shares;
- (ii) all of those persons have a reasonable opportunity to accept the offers made; and
- (iii) the terms of all the offers are the same except that there shall be disregarded:
  - (a) differences in consideration attributable to the fact that offers relate to Shares with different accrued dividend entitlements;

- (b) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid; and
- (c) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

If the Company makes an off-market Share Buy Back on an equal access scheme, the Company must issue an offer document to all Shareholders containing at least the following information:

- (i) terms and conditions of the offer;
- (ii) period and procedures for acceptances;
- (iii) reasons for the proposed Share Buy Back;
- (iv) the consequences, if any, of share purchases by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (v) whether the Share Buy Back, if made, would have any effect on the listing of the Shares on the SGX-ST;
- (vi) details of any Share Buy Back made by the Company in the previous 12 months (whether on-market Share Buy Backs or off-market Share Buy Backs), 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; and
- (vii) whether the shares purchased by the Company will be cancelled or kept as Treasury Shares.

(e) Maximum Purchase Price to be paid for the Shares

The purchase price (excluding brokerage, commission, applicable goods and services tax and other purchase-related expenses) to be paid for the Shares will be determined by the Directors. However, the purchase price for a Share shall not exceed:

- (i) in the case of an on-market Share Buy Back, 5% above the Average Closing Market Price of the Shares; and
- (ii) in the case of an off-market Share Buy Back pursuant to an equal access scheme, 20% above the Average Closing Market Price of the Shares.

For the above purposes:

**“Average Closing Market Price”** means the average of the closing market prices of the Shares over the last 5 Market Days, on which transactions in the Shares were recorded, immediately preceding the day on which an on-market Share Buy Back was made, or as the case may be, the date of the making of the offer pursuant to an off-market Share Buy Back on an equal access scheme, and deemed to be adjusted for any corporate action that occurs after the relevant 5-Market Day period; and

**“date of the making of the offer”** means the date on which the Company announces its intention to make an offer for an off-market Share Buy Back, stating therein the purchase price (which shall not be more than the maximum price for an off-market Share Buy Back calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the off-market Share Buy Back.

The Listing Manual restricts a listed company from purchasing shares by way of on-market Share Buy Backs at a price per Share which is more than 5% above the **“average closing market price”**, being the average of the closing market prices of the Shares over the last 5

Market Days on which transactions in the Shares were recorded, before the day on which the purchases were made and deemed to be adjusted for any corporate action that occurs after the relevant 5-day period.

Although the Listing Manual does not prescribe a maximum price in relation to purchases of shares by way of off-market Share Buy Backs, the Company has set a cap of 20% above the average closing price of a Share as the maximum price for a Share to be purchased or acquired by way of off-market Share Buy Backs.

## **2.4 Funding of Share Buy Backs**

In financing the Share Buy Backs, the Company may only apply funds legally available in accordance with its Articles of Association and the applicable laws in Singapore. The Company may not buy back its Shares on the SGX-ST for a consideration other than in cash or, in the case of an on-market Share Buy Back, for settlement otherwise than in accordance with the trading rules of the SGX-ST.

The Company intends to use its internal funds and borrowings to finance the buy back of Shares. In considering the use of external funding, the Company will take into consideration the availability of external financing and the resulting impact on the prevailing gearing level of the Company and the Group. The Company will only exercise the Share Buy Back Mandate in the interest of the Company and the Group without causing adverse financial impact to the Company and the Group. In particular, the Company will have regard to any relevant financial covenants which are applicable to the Company and/or the Group under any agreements for banking and credit facilities which may be granted by a financial institution to the Company and/or the Group from time to time. The Company will not buy back any Shares if such purchases would lead to any breaches of the relevant financial covenants.

The Companies Act stipulates that any purchases of Shares may be made out of the Company's capital or profits so long as the Company is solvent. Where the consideration paid by the Company for the Share Buy Backs is made out of profits, such consideration (excluding related brokerage, goods and services tax, stamp duties and clearance fees) will correspondingly reduce the amount of profits available for the distribution of cash dividends by the Company. However, where the consideration paid by the Company for the Share Buy Backs is made out of capital, the amount of profits available for the distribution of cash dividends by the Company will not be reduced.

## **2.5 Status of Purchased Shares**

The Shares purchased or acquired by the Company under the Share Buy Back shall be deemed to be cancelled on purchase or acquisition unless held in treasury in accordance with section 76H of the Companies Act. The number of Shares held as Treasury Shares cannot at any time exceed 10% of the total number of issued Shares.

Where Shares purchased or acquired by the Company under the Share Buy Back are held as Treasury Shares, the Company may at any time:

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

In the event that the Treasury Shares purchased or acquired by the Company under the Share Buy Back Mandate are subsequently sold, transferred, cancelled and/or used, the Company will, pursuant to Rule 704(28) of the Listing Manual, immediately announce any sale, transfer, cancellation and/or use of the Treasury Shares, stating the following:

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

Where Shares purchased or acquired by the Company under the Share Buy Back Mandate are cancelled, such Shares will be automatically 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.

The Company shall not exercise any right in respect of the Treasury Shares, including:

- (a) the right to attend or vote at meetings; and
- (b) the right to receive dividends or any other distribution (in cash or otherwise) of its assets (including any distribution of assets to members on a winding up).

The Company may receive allotments of fully paid bonus shares in respect of the Treasury Shares and the Treasury Shares may be sub-divided or consolidated so long as the total value of the Treasury Shares after the subdivision or consolidation is the same as before the subdivision or consolidation, as the case may be.

Any Shares allotted as fully paid bonus shares in respect of the Treasury Shares shall be treated for the purposes of the Companies Act as if they were purchased by the Company at the time they were allotted, in circumstances in which section 76H of the Companies Act applied.

## **2.6 Financial Effects of the Proposed Share Buy Back**

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital or profits so long as the Company is solvent. For this purpose, a company is "**insolvent**" if:

- (a) it is unable to pay its debts in full as they become due in the normal course of business. The Companies Act further requires the company to be able to pay its debts as they fall due in the normal course of business not only at the time of the purchase or acquisition but also during the period of 12 months after the purchase or acquisition;
- (b) the value of its assets is less than the value of its liabilities (including contingent liabilities), having regard to the most recent financial statements of the company and all other circumstances that the directors or managers of the company know or ought to know affect or may affect such values. The Companies Act further requires that the value of the company's assets must not be less than the value of its liabilities not only at the time of the purchase or acquisition but also after such purchase or acquisition.

The actual impact of the Share Buy Back on the financials of the Company and the Group will depend on the exact number of Shares purchased or acquired, the purchase prices at the relevant time of purchase, how the purchase or acquisition is funded, whether the Shares purchased or

acquired are held in treasury or immediately cancelled on purchase or acquisition as well as how the Shares held in treasury are subsequently dealt with by the Company in accordance with section 76K of the Companies Act.

#### 2.6.1 Information as at the Latest Practicable Date

As at the Latest Practicable Date, the issued share capital of the Company comprises 600,304,650 Shares.

Purely for illustrative purposes, on the basis of 600,304,650 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued and no Shares are held by the Company as Treasury Shares on or prior to the AGM, the purchase by the Company of 10% of its issued Shares will result in the purchase or acquisition of 60,030,465 Shares.

#### 2.6.2 Illustrative Financial Effects

The illustrations in this section have been prepared on the following assumptions:

- (a) the proposed Share Buy Backs will be made entirely out of the Company's accumulated profits;
- (b) the proposed Share Buy Backs will be financed by borrowings of up to S\$79,900,549 (in the case of on-market Share Buy Backs) and up to S\$91,366,368 (in the case of off-market Share Buy Backs) and the interest cost is assumed to be 2% per annum; and
- (c) the proposed Share Buy Backs are effected on 1 January 2011.

##### 2.6.2.1 On-Market Share Buy Back

Assuming that the Company purchases or acquires the 60,030,465 Shares at the maximum price of S\$1.331 for one Share (being the price equivalent to 5% above the average of the closing market prices of the Shares for the 5 consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 60,030,465 Shares is S\$79,900,549.

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

- (a) acquisition of 60,030,465 Shares by the Company pursuant to the Share Buy Back Mandate by way of purchases made entirely out of accumulated profits and all held as Treasury Shares; and
- (b) acquisition of 60,030,465 Shares by the Company pursuant to the Share Buy Back Mandate by way of purchases made entirely out of accumulated profits and all cancelled,

The audited accounts of the Company and the Group for the financial year ended 31 December 2011 are set out as follow:

**(a) Purchases made entirely out of accumulated profits and all held as Treasury Shares**

As at 31 December 2011 (S\$'000)	Group		Company	
	Before Share Buy Back	After Share Buy Back	Before Share Buy Back	After Share Buy Back
Share capital	174,338	174,338	174,338	174,338
Other reserves	(14,387)	(14,387)	9,232	9,232
Accumulated profits	316,219	314,619	119,877	118,277
Non-controlling interests	33,030	33,030	-	-
	509,200	507,600	303,447	301,847
Treasury Shares	-	(80,006)	-	(80,006)
Total Equity	509,200	427,594	303,447	221,841
Net Tangible Assets ("NTA")	362,050	280,444	303,116	221,510
Current assets	1,002,819	1,001,219	130,475	128,875
Current liabilities	816,071	816,071	150,304	150,304
Non-current liabilities	278,580	358,586	118,543	198,549
Total borrowings	392,161	472,167	55,380	135,386
Cash and cash equivalents	211,982	210,382	6,453	4,853
Net Borrowings	180,179	261,785	48,927	130,533
Net profit after tax and non-controlling interests	57,145	55,545	21,174	19,574
Number of Shares as at 31 December 2011 ('000)	600,305	540,275	600,305	540,275
Weighted average number of Shares for FY2011 ('000)	595,044	535,014	595,044	535,014
<b>Financial Ratios</b>				
NTA per share <sup>(1)</sup> (cents)	60.31	51.91	50.49	41.00
Gross debt gearing <sup>(2)</sup> (times)	0.77	1.10	0.18	0.61
Net debt gearing <sup>(3)</sup> (times)	0.35	0.61	0.16	0.59
Current ratio <sup>(4)</sup> (times)	1.23	1.23	0.87	0.86
Earnings per share <sup>(5)</sup> (cents)	9.60	10.38	3.56	3.66
Return on equity <sup>(6)</sup> (%)	12.00	14.08	6.98	8.82

**Notes:**

- (1) "NTA per Share" is calculated based on the Net Tangible Assets (Total assets less Total liabilities, Intangible assets, Deferred tax assets and adding back Deferred tax liabilities) and the number of issued and paid-up Shares as at 31 December 2011.
- (2) "Gross debt gearing" is the ratio of the Total Borrowings to the Total Equity.
- (3) "Net debt gearing" is the ratio of the net borrowings (Total borrowings less Cash and cash equivalents) to the Total Equity.
- (4) "Current Ratio" is the ratio of Current Assets to Current Liabilities (Total Current Liabilities less Deferred Gains). Deferred Gains is excluded from the computation of Current Ratio as it is a non-cash item.
- (5) "Earnings per share" is calculated based on the Net profit after tax and non-controlling interests and the Weighted average number of issued and paid-up Shares; and
- (6) "Return on equity" is calculated based on the Net profit after tax and non-controlling interests and the Total equity less non-controlling interests.



**(b) Purchases made entirely out of accumulated profits and all cancelled**

As at 31 December 2011 (S\$'000)	Group		Company	
	Before Share Buy Back	After Share Buy Back	Before Share Buy Back	After Share Buy Back
Share capital	174,338	174,338	174,338	174,338
Other reserves	(14,387)	(14,387)	9,232	9,232
Accumulated profits	316,219	234,613	119,877	38,271
Non-controlling interests	33,030	33,030	-	-
Total Equity	509,200	427,594	303,447	221,841
Net Tangible Assets ("NTA")	362,050	280,444	303,116	221,510
Current assets	1,002,819	1,001,219	130,475	128,875
Current liabilities	816,071	816,071	150,304	150,304
Non-current liabilities	278,580	358,586	118,543	198,549
Total borrowings	392,161	472,167	55,380	135,549
Cash and cash equivalents	211,982	210,382	6,453	4,853
Net borrowings	180,179	261,785	48,927	130,533
Net profit after tax and non-controlling interests	57,145	55,545	21,174	19,574
Number of Shares as at 31 December 2011 ('000)	600,305	540,275	600,305	540,275
Weighted average number of Shares for FY2011 ('000)	595,044	535,014	595,044	535,014
<b>Financial Ratios</b>				
NTA per share <sup>(1)</sup> (cents)	60.31	51.91	50.49	41.00
Gross debt gearing <sup>(2)</sup> (times)	0.77	1.10	0.18	0.61
Net debt gearing <sup>(3)</sup> (times)	0.35	0.61	0.16	0.59
Current ratio <sup>(4)</sup> (times)	1.23	1.23	0.87	0.86
Earnings per share <sup>(5)</sup> (cents)	9.60	10.38	3.56	3.66
Return on equity <sup>(6)</sup> (%)	12.00	14.08	6.98	8.82

**Notes:**

- (1) "NTA per Share" is calculated based on the Net Tangible Assets (Total assets less Total liabilities, Intangible assets, Deferred tax assets and adding back Deferred tax liabilities) and the number of issued and paid-up Shares as at 31 December 2011.
- (2) "Gross debt gearing" is the ratio of the Total Borrowings to the Total Equity.
- (3) "Net debt gearing" is the ratio of the net borrowings (Total borrowings less Cash and cash equivalents) to the Total Equity.
- (4) "Current Ratio" is the ratio of Current Assets to Current Liabilities (Total Current Liabilities less Deferred Gains). Deferred Gains is excluded from the computation of Current Ratio as it is a non-cash item.
- (5) "Earnings per share" is calculated based on the Net profit after tax and non-controlling interests and the Weighted average number of issued and paid-up Shares; and
- (6) "Return on equity" is calculated based on the Net profit after tax and non-controlling interests and the Total equity less non-controlling interests.

**2.6.2.2 Off-Market Share Buy Back**

Assuming that the Company purchases or acquires the 60,030,465 Shares at the maximum price of S\$1.522 for one Share (being the price equivalent to 20% above the average of the closing market prices of the Shares for the 5 consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 60,030,465 Shares is S\$91,366,368.



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

- (a) acquisition of 60,030,465 Shares by the Company pursuant to the Share Buy Back Mandate by way of purchases made entirely out of accumulated profits and all held as Treasury Shares; and
- (b) acquisition of 60,030,465 Shares by the Company pursuant to the Share Buy Back Mandate by way of purchases made entirely out of accumulated profits and all cancelled,

on the audited accounts of the Company and the Group for the financial year ended 31 December 2011 are set out below:

**(a) Purchases made entirely out of accumulated profits and all held as Treasury Shares**

As at 31 December 2011 (S\$'000)	Group		Company	
	Before Share Buy Back	After Share Buy Back	Before Share Buy Back	After Share Buy Back
Share capital	174,338	174,338	174,338	174,338
Other reserves	(14,387)	(14,387)	9,232	9,232
Accumulated profits	316,219	314,389	119,877	118,047
Non-controlling interests	33,030	33,030	-	-
	509,200	507,370	303,447	301,617
Treasury Shares	-	(91,487)	-	(91,487)
Total Equity	509,200	415,883	303,447	210,130
Net Tangible Assets ("NTA")	362,050	268,733	303,116	209,799
Current assets	1,002,819	1,000,989	130,475	128,645
Current liabilities	816,071	816,071	150,304	150,304
Non-current liabilities	278,580	370,067	118,543	210,030
Total borrowings	392,161	483,648	55,380	146,867
Cash and cash equivalents	211,982	210,152	6,453	4,623
Net Borrowings	180,179	273,496	48,927	142,244
Net profit after tax and non-controlling interests	57,145	55,315	21,174	19,344
Number of Shares as at 31 December 2011 ('000)	600,305	540,275	600,305	540,275
Weighted average number of Shares for FY2011 ('000)	595,044	535,014	595,044	535,014
<b>Financial Ratios</b>				
NTA per share <sup>(1)</sup> (cents)	60.31	49.74	50.49	38.83
Gross debt gearing <sup>(2)</sup> (times)	0.77	1.16	0.18	0.70
Net debt gearing <sup>(3)</sup> (times)	0.35	0.66	0.16	0.68
Current ratio <sup>(4)</sup> (times)	1.23	1.23	0.87	0.86
Earnings per share <sup>(5)</sup> (cents)	9.60	10.34	3.56	3.62
Return on equity <sup>(6)</sup> (%)	12.00	14.45	6.98	9.21

**Notes:**

- (1) "NTA per Share" is calculated based on the Net Tangible Assets (Total assets less Total liabilities, Intangible assets, Deferred tax assets and adding back Deferred tax liabilities) and the number of issued and paid-up Shares as at 31 December 2011.
- (2) "Gross debt gearing" is the ratio of the Total Borrowings to the Total Equity.
- (3) "Net debt gearing" is the ratio of the net borrowings (Total borrowings less Cash and cash equivalents) to the Total Equity.
- (4) "Current Ratio" is the ratio of Current Assets to Current Liabilities (Total Current Liabilities less Deferred Gains). Deferred Gains is excluded from the computation of Current Ratio as it is a non-cash item.
- (5) "Earnings per share" is calculated based on the Net profit after tax and non-controlling interests and the Weighted average number of issued and paid-up Shares; and
- (6) "Return on equity" is calculated based on the Net profit after tax and non-controlling interests and the Total equity less non-controlling interests.

**(b) Purchases made entirely out of accumulated profits and all cancelled**

As at 31 December 2011	Group		Company	
(S\$'000)	Before Share Buy Back	After Share Buy Back	Before Share Buy Back	After Share Buy Back
Share capital	174,338	174,338	174,338	174,338
Other reserves	(14,387)	(14,387)	9,232	9,232
Accumulated profits	316,219	222,902	119,877	26,560
Non-controlling interests	33,030	33,030	-	-
Total Equity	509,200	415,883	303,447	210,130
Net Tangible Assets ("NTA")	362,050	268,733	303,116	209,799
Current assets	1,002,819	1,000,989	130,475	128,645
Current liabilities	816,071	816,071	150,304	150,304
Non-current Liabilities	278,580	370,067	118,543	210,030
Total borrowings	392,161	483,648	55,380	146,867
Cash and cash equivalents	211,982	210,152	6,453	4,623
Net Borrowings	180,179	273,496	48,927	142,244
Net profit after tax and non-controlling interests	57,145	55,315	21,174	19,344
Number of Shares as at 31 December 2011 ('000)	600,305	540,275	600,305	540,275
Weighted average number of Shares for FY2011 ('000)	595,044	535,014	595,044	535,014
<b>Financial Ratios</b>				
NTA per share <sup>(1)</sup> (cents)	60.31	49.74	50.49	39.83
Gross debt gearing <sup>(2)</sup> (times)	0.77	1.16	0.18	0.70
Net debt gearing <sup>(3)</sup> (times)	0.35	0.66	0.16	0.68
Current ratio <sup>(4)</sup> (times)	1.23	1.23	0.87	0.86
Earnings per share <sup>(5)</sup> (cents)	9.60	10.34	3.56	3.62
Return on equity <sup>(6)</sup> (%)	12.00	14.45	6.98	9.21

**Notes:**

- (1) "NTA per Share" is calculated based on the Net Tangible Assets (Total assets less Total liabilities, Intangible assets, Deferred tax assets and adding back Deferred tax liabilities) and the number of issued and paid-up Shares as at 31 December 2011.
- (2) "Gross debt gearing" is the ratio of the Total Borrowings to the Total Equity.

- (3) "Net debt gearing" is the ratio of the net borrowings (Total borrowings less Cash and cash equivalents) to the Total Equity.
- (4) "Current Ratio" is the ratio of Current Assets to Current Liabilities (Total Current Liabilities less Deferred Gains). Deferred Gains is excluded from the computation of Current Ratio as it is a non-cash item.
- (5) "Earnings per share" is calculated based on the Net profit after tax and non-controlling interests and the Weighted average number of issued and paid-up Shares; and
- (6) "Return on equity" is calculated based on the Net profit after tax and non-controlling interests and the Total equity less non-controlling interests.

**Shareholders should note that the financial effects illustrated above are for illustrative purposes only. In particular, it is important to note that the above analysis is based on the latest audited accounts of the Group and the Company as at 31 December 2011, and is not necessarily representative of the future financial performance of the Group. Although the proposed Share Buy Back Mandate would authorise the Company to purchase up to 10% of the issued Shares as at the date that the Share Buy Back Mandate is obtained, the Company may not necessarily buy back or be able to buy back 10% of the issued Shares in full.**

## **2.7 Taxation**

Shareholders who are in doubt as to their respective tax positions or any tax implications should consult their own tax advisors to take into account the tax law applicable, whether in or outside Singapore, to their particular situations.

## **2.8 Reporting Requirements**

Within 30 days of the passing of a Shareholder's resolution to approve or renew the proposed Share Buy Back Mandate, the Company shall lodge a copy of such resolution with the Registrar.

The Company shall lodge with the Registrar a notice of Share Buy Back within 30 days of such Share Buy Back. Such notification shall include the date of the purchases, the number of Shares purchased by the Company, the number of Shares cancelled, the number of Shares held as Treasury Shares, the Company's issued share capital before and after the purchases, the amount of consideration paid by the Company for the purchases, whether the Shares were purchased out of the profits or the capital of the Company and such other particulars as may be required in the prescribed form.

## **2.9 Listing Manual**

The Listing Manual specifies that a listed company shall notify the SGX-ST of any on-market share purchases not later than 9.00 a.m. on the Market Day following the day on which the on-market share purchase was made, and of any off-market share purchases, not later than 9.00 a.m. on the second Market Day after the close of acceptance of the offer for the off-market share purchase. The notification of such share purchases to the SGX-ST shall be in the form of Appendix 8.3.1 under the Listing Manual and shall include such details that the SGX-ST may prescribe. The Company shall make arrangements with its stockbrokers to ensure that they provide the Company in a timely fashion the necessary information which will enable the Company to make the notifications to the SGX-ST.

## **2.10 Suspension of Buy Back of Shares**

As the Company would be considered an "insider" in relation to any Share Buy Back, the Company will not buy Shares after a price sensitive development has occurred or has been the subject of a decision until such time as the price sensitive information has been publicly announced. In particular, the Company will not buy Shares during the period commencing 1 month before the announcement of the Company's annual results and during the period commencing 2 weeks before the announcement of the Company's results for the first three quarters of its financial year, as the case may be, and ending on the date of announcement of the relevant results.

## 2.11 Listing Status on SGX-ST

The Listing Manual provides that a listed company shall ensure that at least 10% of a class of its listed securities is at all times held by the public.

As at the Latest Practicable Date, approximately 37.115% of the issued share capital of the Company is held in the hands of the public. Assuming that a Share Buy Back was carried out on the Latest Practicable Date, and the Company bought back a maximum number of 60,030,465 Shares, approximately 27.115% of the issued share capital of the Company will be held in the hands of the public.

The Directors will use their best efforts to ensure that the Company does not carry out Share Buy Backs if it would result in the number of Shares remaining in the hands of the public falling to such a level as to adversely affect the listing status of the Company.

## 2.12 Take-over Implications under the Take-over Code

Appendix 2 of the Take-over Code contains the Share Buy Back 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.

### Obligation to Make a Take-over Offer

Pursuant to Appendix 2 of the Take-over Code, any increase in the percentage of voting rights held by a Shareholder and persons acting in concert with him resulting from a Share Buy Back by the Company will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code.

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

Consequently, depending on the number of Shares purchased or acquired by the Company and the number of issued Shares at that time, a Shareholder or group of Shareholders acting in concert with each other could obtain or consolidate effective control of the Company and could become obliged to make a take-over offer under Rule 14 of the Take-over Code.

### 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 persons, *inter alia*, will be presumed to be acting in concert, namely:

- (a) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights;
- (b) 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);
- (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 whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;

- (e) a financial or other professional adviser, including a stockbroker, with its clients in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 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) an individual, his close relatives, his related trusts, any person who is accustomed to act according to his instructions and companies controlled by any of the foregoing persons and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons for the purchase of voting rights.

For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status.

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

In general terms, the effect of Appendix 2 of the Take-over Code is that:

- (a) unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code 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;
- (b) a Shareholder who is not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 of the Take-over Code 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 on the Share Buy Back Mandate.

**Shareholders who are in doubt as to whether they would incur any obligation to make a take-over offer as a result of any purchase of Shares by the Company pursuant to the Share Buy Back Mandate are advised to consult their professional advisers and/or the SIC before they acquire any Shares in the Company during the period when the Share Buy Back Mandate is in force.**

The interests of the Directors and substantial Shareholders of the Company as at the Latest Practicable Date are set out below in paragraph 3 of this Appendix.

## **2.13 Ruling Sought from SIC in connection with the Proposed Share Buy Back Mandate**

In connection with the share buy back mandate granted by the Shareholders on 8 January 2009, an application was made to the SIC on 6 October 2008 for certain rulings and confirmations on the issues that may arise under the Take-over Code. On 5 December 2008, SIC ruled that the Loi Family Group Shareholders and the Liao Family Group Shareholders would be regarded as members of a group acting in concert with respect to the Company.

#### Shareholding Interests of the Loi Family Group Shareholders in the Company

As at the Latest Practicable Date, C & P Holdings Pte Ltd (“C&P”) has a direct interest in 31.930% of the total issued share capital of the Company. As Mr Loi Kai Meng and Mr Loi Pok Yen are directors of C&P, Mr Loi Kai Meng, Mr Loi Pok Yen and C&P are presumed to be persons acting in concert under the Take-over Code.

In addition to Mr Loi Kai Meng and Mr Loi Pok Yen, the following persons are also presumed to be persons acting in concert:

- (a) Mdm Lim Lay Khia @ Mdm Lim Lay Choo, who is the wife of Mr Loi Kai Meng;
- (b) Mr Loi Win Yen, who is the son of Mr Loi Kai Meng;
- (c) Ms Loi Yan Yi, who is the daughter of Mr Loi Kai Meng;
- (d) LKMPL, which is a company owned by Mr Loi Kai Meng, Mr Loi Pok Yen and the individuals listed in (a) to (c) above. LKMPL owns approximately 30% of the total issued share capital of C&P. Under the Take-over Code, C&P is an associated company of LKMPL and is also presumed to be acting in concert with LKMPL;
- (e) Penjuru Capital, which is wholly-owned by Mr Loi Pok Yen; and
- (f) Mdm Tong Siow Oon Sylvia, who is the wife of Mr Loi Pok Yen.

As illustrated below, the Loi Family Group Shareholders have a total direct interest in approximately 54.585% of the total issued share capital of the Company as at the Latest Practicable Date.

Shareholding Interest in CWT Limited (%) <sup>(1)</sup>			
	<u>Direct</u>	<u>Deemed</u>	<u>Total</u>
C&P	31.930	–	31.930
LKMPL <sup>(2)</sup>	4.997	31.930	36.927
Loi Kai Meng <sup>(3)</sup>	11.161	37.253	48.414
Lim Lay Khia @ Lim Lay Choo	0.325	–	0.325
Loi Pok Yen <sup>(4)</sup>	2.349	2.682	5.031
Loi Win Yen	0.966	–	0.966
Loi Yan Yi	0.175	–	0.175
Penjuru Capital	2.499	–	2.499
Tong Siow Onn Sylvia	0.183	–	0.183
	<b>54.585</b>		

#### **Notes:**

- (1) The percentage shareholding interest is based on the total issued share capital of 600,304,650 Shares.
- (2) LKMPL is deemed to be interested in the Shares held by C&P. LKMPL is owned by Mr Loi Kai Meng (40%), Mr Loi Pok Yen (10%), Mdm Lim Lay Khia @ Lim Lay Choo (30%), Mr Loi Win Yen (10%) and Ms Loi Yan Yi (10%).
- (3) Mr Loi Kai Meng is deemed to be interested in the Shares held by C&P and LKMPL. He is also deemed to be interested in 1,950,000 Shares which are held by his spouse, Mdm Lim Lay Khia @ Lim Lay Choo.
- (4) Mr Loi Pok Yen is deemed to be interested in 15,000,000 Shares held by Penjuru Capital and 1,100,000 Shares held by his spouse, Mdm Tong Siow Oon, Sylvia. Mr Loi Pok Yen holds 100% interest in Penjuru Capital.

#### Shareholding Interests of the Liao Family Group Shareholders in the Company

Mr Liao Chung Lik is a director of both C&P and SLPL. As SLPL has an interest of more than 20% in the issued share capital of C&P, SLPL is deemed to be interested in the Shares of the Company which are held by C&P.

SLPL is controlled by Mr Liao Chung Lik, his father Mr Stanley Liao, his mother Mdm Chuang Yong Hoon, his brother Mr Liao Chung Chi and his sister Ms Liao Chung Hui.

Under the Take-over Code, Mr Liao Chung Lik is presumed to be acting in concert with C&P, SLPL, Mr Stanley Liao, Mdm Chuang Yong Hoon, Mr Liao Chung Chi and Ms Liao Chung Hui.

As illustrated below, the Liao Family Group Shareholders and C&P have a total direct interest in approximately 39.472% of the total issued share capital of the Company as at the Latest Practicable Date.

<b>Shareholding Interest in CWT Limited (%)<sup>(1)</sup></b>			
	<b><u>Direct</u></b>	<b><u>Deemed</u></b>	<b><u>Total</u></b>
C&P	31.930	–	31.930
SLPL <sup>(2)</sup>	3.262	31.930	35.192
Liao Chung Lik <sup>(3)</sup>	2.715	3.262	5.977
Stanley Liao	1.565	–	1.565
	<b>39.472</b>		

**Notes:**

- (1) The percentage shareholding interest is based on the total issued share capital of 600,304,650 Shares.
- (2) SLPL is deemed to be interested in the Shares held by C&P.
- (3) Mr Liao Chung Lik is deemed to be interested in the Shares which are directly held by SLPL.

As at the Latest Practicable Date, as the Loi Family Group Shareholders and the Liao Family Group Shareholders jointly control the Shares held by C&P and control in aggregate more than 50% of the total number of Shares, neither the Loi Family Group Shareholders nor the Liao Family Group Shareholders would incur an obligation to make a general offer for the Company under Rule 14 of the Take-over Code as a result of the Company buying back its Shares under the proposed Share Buy Back Mandate.

## 2.14 No Previous Purchases of Shares

The Company has not undertaken any purchase or acquisition of Shares pursuant to the Existing Share Buy Back Mandate approved by Shareholders at the Last General Meeting in the last 12 months immediately preceding the Latest Practicable Date.

## 3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors and substantial Shareholders, direct or indirect, in the Shares as recorded in the Register of Directors' Shareholding and the Register of Substantial Shareholders respectively as at the Latest Practicable Date are set out below:

	<b><u>Direct Interest</u></b>		<b><u>Deemed Interest</u></b>		<b><u>Total Interest</u></b>	
	<b><u>Number of Shares</u></b>	<b><u>%<sup>(1)</sup></u></b>	<b><u>Number of Shares</u></b>	<b><u>%<sup>(1)</sup></u></b>	<b><u>Number of Shares</u></b>	<b><u>%<sup>(1)</sup></u></b>
<b>Directors</b>						
Loi Kai Meng <sup>(2)</sup>	67,000,000	11.161	223,630,000	37.253	290,630,000	48.414
Liao Chung Lik <sup>(3)</sup>	16,301,000	2.715	19,581,000	3.262	35,882,000	5.977
Loi Pok Yen <sup>(4)</sup>	14,100,000	2.349	16,100,000	2.682	30,200,000	5.031
Jimmy Yim Wing Kuen	1,089,000	0.181	–	–	1,089,000	0.181
Hu Jian Ping	–	–	–	–	–	–
Tan Wee Liang	–	–	–	–	–	–



	<u>Direct Interest</u>		<u>Deemed Interest</u>		<u>Total Interest</u>	
	Number of Shares	% <sup>(1)</sup>	Number of Shares	% <sup>(1)</sup>	Number of Shares	% <sup>(1)</sup>
<b>Substantial Shareholders<sup>(9)</sup></b>						
C&P <sup>(5)</sup>	191,680,000	31.930	–	–	191,680,000	31.930
LKMPL <sup>(5), (6)</sup>	30,000,000	4.997	191,680,000	31.930	221,680,000	36.927
SLPL <sup>(5), (7)</sup>	19,581,000	3.262	191,680,000	31.930	211,261,000	35.192
Lim Soo Seng (Pte.) Limited <sup>(5), (8)</sup>	2,624,000	0.437	191,680,000	31.930	194,304,000	32.367

**Notes:**

- (1) The percentage shareholding interest is based on the issued share capital of 600,304,650 Shares as at the Latest Practicable Date.
- (2) Mr Loi Kai Meng is deemed to be interested in the Shares held by C&P and LKMPL. He is also deemed to be interested in 1,950,000 Shares which are held by his spouse, Mdm Lim Lay Khia @ Lim Lay Choo.
- (3) Mr Liao Chung Lik is deemed to be interested in 19,581,000 Shares which are directly held by SLPL.
- (4) Mr Loi Pok Yen is deemed to be interested in 15,000,000 Shares held by Penjuru Capital and 1,100,000 Shares held by his spouse, Mdm Tong Siow Oon, Sylvia. Mr Loi Pok Yen holds 100% interest in Penjuru Capital.
- (5) C&P is majority-owned by LKMPL, SLPL and Lim Soo Seng (Pte.) Limited, each of whom owns more than 20% of its issued share capital.
- (6) LKMPL is deemed to be interested in the Shares held by C&P.
- (7) SLPL is deemed to be interested in the Shares held by C&P.
- (8) Lim Soo Seng (Pte.) Limited is deemed to be interested in the Shares held by C&P.
- (9) Excluding Mr Loi Kai Meng, Mr Liao Chung Lik and Mr Loi Pok Yen, who are listed under the section relating to the Directors.

#### 4. DIRECTORS' RECOMMENDATION

The Directors are of the opinion that the proposed Share Buy Back Mandate is in the best interests of the Company and accordingly recommend that Shareholders vote in favour of Ordinary Resolution No. 9 (relating to the proposed Share Buy Back Mandate) at the AGM.

#### 5. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix 1 and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix 1 contains full and true disclosure of all material facts about the proposed Share Buy Back 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 Appendix 1 misleading. Where information in this Appendix 1 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 Appendix 1 in its proper form and context.

#### 6. DEFINITIONS

The following definitions or such other definitions as the SGX-ST may from time to time determine, shall apply throughout this Appendix, unless the context otherwise requires:

- a. "CDP" means The Central Depository (Pte) Limited;
- b. "C&P" means C & P Holdings Pte Ltd;

- c. **“Companies Act”** means the Singapore Companies Act, Chapter 50 (as amended or modified from time to time);
- d. **“Latest Practicable Date”** means 16 March 2012, being the latest practicable date prior to the printing of this Appendix;
- e. **“Liao Family Group Shareholders”** mean SLPL, Mr Liao Chung Lik, Mr Stanley Liao, Mdm Chuang Yong Hoon, Mr Liao Chung Chi and Ms Liao Chung Hui;
- f. **“Listing Manual”** means the Listing Manual of SGX-ST, as amended or modified from time to time;
- g. **“LK MPL”** means Loi Kai Meng (Pte.) Limited;
- h. **“Loi Family Group Shareholders”** mean C&P, Mr Loi Kai Meng, Mr Loi Pok Yen, Mdm Lim Lay Khia @ Mdm Lim Lay Choo, Mr Loi Win Yen, Ms Loi Yan Yi, LK MPL, Penjuru Capital and Mdm Tong Siow Oon, Sylvia;
- i. **“Market Days”** means days on which the SGX-ST is open for trading in securities;
- j. **“Penjuru Capital”** means Penjuru Capital Pte. Ltd.;
- k. **“Registrar”** means the Registrar of Companies appointed under the Companies Act and includes any Deputy or Assistant Registrar of Companies;
- l. **“SGX-ST”** means the Singapore Exchange Securities Trading Limited;
- m. **“Shareholder”** means registered holders of the Shares except that where the registered holder is CDP, the term **“Shareholders”** shall, in relation to such Shares, mean the persons whose direct securities accounts maintained with CDP are credited with the Shares;
- n. **“Share Buy Back”** means the purchase or acquisition of Shares by the Company in accordance with the Companies Act;
- o. **“SIC”** means the Securities Industry Council;
- p. **“SLPL”** means Stanley Liao Private Limited;
- q. **“Take-over Code”** means the Singapore Code on Take-overs and Mergers;
- r. **“Treasury Shares”** has the meaning ascribed to in the Companies Act;
- s. **“%”** means per centum or percentage; and
- t. **“S\$”** or **“cents”** means Singapore dollars and cents, respectively.

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