

APPENDIX I DATED 3 OCTOBER 2016

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

This Appendix I is circulated to shareholders (“**Shareholders**”) of Imperium Crown Limited (the “**Company**”) together with the Company’s annual report for the financial year ended 30 June 2016 (“**Annual Report**”). Its purpose is to provide Shareholders with the relevant information relating to, and to seek Shareholders’ approval to renew the Share Buy-Back Mandate (as defined hereinafter) to be tabled at the annual general meeting of the Company to be held on 26 October 2016 at 10:00am at The Chevrans, Lotus Room @ Level 3, 48 Boon Lay Way, Singapore 609961.

The ordinary resolution proposed to be passed in respect of the above matter is set out in the notice of AGM and proxy form which are enclosed with the Annual Report.

This Appendix I has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “**Sponsor**”), for compliance with the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this Appendix I.

This Appendix I has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this Appendix I, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Appendix I.

The contact person for the Sponsor is Ms Jennifer Tan, Senior Manager, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.



APPENDIX I IN RELATION TO THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE (AS DEFINED HEREIN)

CONTENTS

	PAGE
DEFINITIONS	3
LETTER TO SHAREHOLDERS	6
1. INTRODUCTION	6
2. THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE	6
3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS	20
4. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS	21
5. DIRECTORS' RECOMMENDATION	21
6. ACTION TO BE TAKEN BY SHAREHOLDERS	21
7. DIRECTORS' RESPONSIBILITY STATEMENT	21
8. DOCUMENTS AVAILABLE FOR INSPECTION	22

DEFINITIONS

In this Appendix I, the following definitions apply throughout unless the context requires otherwise or unless otherwise stated:

“2016 AGM”	: The AGM of the Company to be convened on 26 October 2016
“ACRA”	: The Accounting and Corporate Regulatory Authority of Singapore
“Act”	: The Companies Act (Chapter 50) of Singapore as amended or modified from time to time
“AGM”	: Annual general meeting
“Annual Report”	: The annual report of the Company for the financial year ended 30 June 2016
“Appendix I”	: This appendix I to Shareholders dated 3 October 2016 in respect of the proposed renewal of the Share Buy-Back Mandate
“Associate”	<ul style="list-style-type: none">(a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:<ul style="list-style-type: none">(i) his immediate family;(ii) the trustee 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; and(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more(b) in relation to a Substantial Shareholder or Controlling Shareholder (being a company) means any company which is its subsidiary or holding company or is a subsidiary of any such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
“Authority”	: The Monetary Authority of Singapore
“Board” or “Board of Directors”	: The board of directors of the Company as at the date of this Appendix I or from time to time, as the case may be
“Catalist”	: The sponsor-supervised listing platform of the SGX-ST
“Catalist Rules”	: The SGX-ST Listing Manual Section B: Rules of Catalist, as amended or modified from time to time
“CDP”	: The Central Depository (Pte) Limited
“Company”	: Imperium Crown Limited

DEFINITIONS

“Constitution”	: The Constitution (formerly known as the Memorandum and Articles of Association) of the Company, as amended or modified from time to time
“Controlling Shareholder”	: A person who: (i) holds directly or indirectly 15.0% or more of the total number of issued Shares excluding treasury shares in the Company (the SGX-ST may determine that a person who satisfies the above is not a Controlling Shareholder); or (ii) in fact exercises control over the Company
“Director”	: A director of the Company as at the date of this Appendix I or from time to time, as the case may be
“EPS”	: Earnings per Share
“FY”	: Financial year ended or ending 30 June
“Group”	: The Company and its subsidiaries collectively
“Latest Practicable Date”	: 23 September 2016, being the latest practicable date prior to the printing of this Appendix I
“Market Day”	: A day on which the SGX-ST is open for trading of securities
“Notice of AGM”	: The notice of AGM dated 3 October 2016
“NTA”	: Net tangible assets
“Purchased Shares”	: Shares purchased by the Company pursuant to a Share Purchase in accordance with the Share Buy-Back Mandate
“Relevant Period”	: Has the meaning ascribed to it in Paragraph 2.2 of this Appendix I
“Securities Accounts”	: The securities accounts maintained by Depositors with CDP, but not including the securities accounts maintained with a Depository Agent
“SGX-ST”	: Singapore Exchange Securities Trading Limited
“Share Buy-back Guidance Note”	: The share buyback guidance note as set out in Appendix 2 of the Take-over Code
“Share Buy-Back Mandate”	: The proposed renewal of the general and unconditional mandate to authorise the Directors to exercise all the powers of the Company to purchase, on behalf of the Company, Shares in accordance with the terms set out in this Appendix I and the rules and regulations set forth in the Act and the Catalist Rules
“Share Purchase”	: The purchase or acquisition of Shares by the Company pursuant to the Share Buy-Back Mandate
“Shareholders”	: The registered holders of Shares except that where the registered holder is CDP, the term “Shareholders” in relation to Shares held by CDP shall mean the persons named as Depositors in the Depository Register maintained by CDP and to whose Securities Accounts such Shares are credited

DEFINITIONS

“Shares”	: Ordinary shares in the issued share capital of the Company
“SIC”	: The Securities Industry Council of Singapore
“Substantial Shareholder”	: A person who has an interest or interests in voting Shares in the Company representing not less than 5.0% of all the voting Shares
“Take-over Code”	: The Singapore Code on Take-overs and Mergers, as amended or modified from time to time
“S\$” and “cents”	: Singapore dollars and cents respectively
“%”	: Percentage and per centum

The terms “Depository”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act (Chapter 289) of Singapore, as amended or modified from time to time. The term “treasury share” shall have the meaning ascribed to it in Section 4 of the Act.

The term “subsidiary” shall have the meaning ascribed to it in Section 5 of the Act.

Any reference in this Appendix I to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act, the Catalist Rules or any statutory modification thereof and used in this Appendix I shall, where applicable, have the meaning assigned to it under the Act, the Catalist Rules or any such statutory modification thereof, as the case may be, unless otherwise provided.

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

Any reference to a time of a day or date in this Appendix I shall be a reference to Singapore time and dates unless otherwise stated.

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

LETTER TO SHAREHOLDERS

IMPERIUM CROWN LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 199505053Z)

Directors :

Wan Jinn Woei (Executive Chairman and Chief Executive Officer)
Yong Chor Ken (Non-Executive and Non-Independent Director)
Chen Yeow Sin (Lead Independent Director)
Poh Wee Chiow, Roger (Independent Director)

Registered Office :

25 Bukit Batok Crescent,
#08-01 The Elitist
Singapore 658066

3 October 2016

To: The Shareholders of Imperium Crown Limited

Dear Sir / Madam,

THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE**1. INTRODUCTION**

Reference is made to the Notice of AGM dated 3 October 2016, accompanying the Annual Report, convening the AGM to be held on 26 October 2016. The proposed ordinary resolution 8 in the Notice of AGM relates to the proposed renewal of the Share Buy-Back Mandate to enable the Company to purchase or otherwise acquire its own issued ordinary Shares.

The purpose of this Appendix I is to provide Shareholders with information relating to, and to seek Shareholders' approval for, the proposed renewal of the Share Buy-Back Mandate to be tabled at the forthcoming AGM.

2. THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE**2.1 The Existing Share Buy-Back Mandate**

At the Extraordinary General Meeting of the Company held on 28 October 2015 ("EGM"), the Shareholders had approved the adoption of the Share Buy-Back Mandate to enable the Company to purchase or otherwise acquire Shares. As the Share Buy-Back Mandate will expire on the date of the forthcoming 2016 AGM, the Directors propose that the Share Buy-Back Mandate be renewed at the 2016 AGM.

2.2 Background

The Act allows a Singapore-incorporated company to purchase or otherwise acquire its issued ordinary shares, stocks and preference shares if the purchase or acquisition is permitted under its Constitution.

Any purchase or acquisition of Shares by the Company would have to be made in accordance with, and in the manner prescribed by the Constitution, the Act, the Catalyst Rules, the Take-over Code and such other laws and regulations as may, for the time being, be applicable.

It is a requirement under the Act and the Catalyst Rules that a company which wishes to purchase or otherwise acquire its own shares should obtain approval of its shareholders to do so at a general meeting. Accordingly, approval is sought from Shareholders at the 2016 AGM for the proposed renewal of the Share Buy-Back Mandate.

If the Share Buy-Back Mandate is approved by Shareholders at the 2016 AGM, the authority conferred will remain in force until the date on which the next AGM is held or required by law to be held (when it will lapse unless it is renewed) or the date on which the Share Purchases are carried out to the full extent mandated, whichever is the earlier, unless prior to that, the Share

LETTER TO SHAREHOLDERS

Buy-Back Mandate is varied or revoked by resolution of the Shareholders in general meeting (the “**Relevant Period**”). Subject to its continued relevance to the Company, the Share Buy-Back Mandate will be put to Shareholders for renewal at each subsequent AGM of the Company.

2.3 Rationale for the Proposed Renewal of the Share Buy-Back Mandate

The Share Buy-Back Mandate gives the Company the flexibility to purchase the Shares if and when circumstances permit. The Directors believe that the Share Purchase would also allow the Company and its Directors to better manage the Company’s share capital structure, dividend payout and cash reserves. A Share Purchase made at an appropriate price level is one of the ways through which the return on equity of the Group may be enhanced.

The Share Buy-Back Mandate will provide the Company with a mechanism to facilitate the return of surplus cash over and above the Group’s ordinary capital requirements in an expedient and cost-efficient manner. Share Purchases also provide the Directors with the opportunity to exercise control over the Company’s share capital structure with a view to enhancing the EPS and/or NTA per Share.

The Company may undertake Share Purchases to mitigate short-term market volatility (by way of stabilising the supply and demand of issued Shares) and offset the effects of share price speculation and bolster Shareholders’ confidence. Further, Share Purchases will allow management to effectively manage and minimise the dilution impact, if any, that may be associated with any share-based incentive scheme of the Company. The Directors may also purchase existing Shares to be held in treasury, and such treasury shares may consequently be transferred for the purposes of employee share schemes implemented by the Company.

If and when circumstances permit, the Directors will decide whether to effect the Share Purchases via Market Purchases (as defined hereinafter) or Off-Market Purchases (as defined hereinafter), after taking into account the amount of surplus cash available, the then prevailing market conditions and the most cost effective and efficient approach.

The Share Purchases will only be undertaken as and when the Directors consider it to be in the best interests of the Company and/or Shareholders. No Share Purchases will be made in circumstances which the Directors believe will have or may have a material adverse effect on the financial condition, liquidity and the orderly trading of the Shares and the working capital requirements and gearing level of the Company and the Group.

2.4 Authority and limits of the Share Buy-Back Mandate

The authority and limitations placed on the Share Purchases by the Company under the proposed Share Buy-Back Mandate, if approved at the 2016 AGM, are summarised below:-

2.4.1 Maximum number of Shares

Only Shares that are issued and fully paid-up may be purchased or acquired by the Company pursuant to the Share Buy-Back Mandate.

The total number of Shares which can be purchased or acquired by the Company pursuant to the Share Buy-Back Mandate during the Relevant Period, whichever is the earlier, is limited to that number of Shares representing not more than 10% of the total issued ordinary share capital of the Company (excluding treasury shares) as at the date of the 2016 AGM at which the Share Buy-Back Mandate is approved, unless the Company has, at any time during the Relevant Period, effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Act, in which event the issued ordinary share capital of the Company shall be taken to be the amount of issued ordinary share capital of the Company as altered. For the purposes of calculating the percentage of issued Shares above, any of the Shares which are held as treasury shares will be disregarded.

LETTER TO SHAREHOLDERS

Purely for illustrative purposes, based on the existing issued and paid-up share capital of the Company as at the Latest Practicable Date, comprising 489,000,000 issued Shares (excluding 1,000,000 treasury shares) and assuming that no further Shares are issued on or prior to the 2016 AGM, not more than 48,900,000 Shares (representing 10% of the issued share capital of the Company, excluding 1,000,000 treasury shares, as at the date of the 2016 AGM) may be purchased or acquired by the Company pursuant to the Share Buy-Back Mandate during the duration referred to in Paragraph 2.4.2 below.

While the Share Buy-Back Mandate would authorise a purchase or acquisition of Shares up to the 10% limit (excluding treasury shares), Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buy-Back Mandate may not be carried out up to the full 10% limit (excluding treasury shares) as authorised, or at all. In particular, no purchase or acquisition of the Shares would be made in circumstances which would have or may have a material adverse effect on the float, liquidity, orderly trading of the Shares and/or financial position of the Group.

2.4.2 Duration of authority

Under the Share Buy-Back Mandate, Share Purchases may be made, at any time and from time to time, on and from the date of the 2016 AGM, at which the Share Buy-Back Mandate is approved, up to the earlier of:

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

The authority conferred on the Directors by the Share Buy-Back Mandate to purchase Shares may be renewed by Shareholders in the next AGM or at an extraordinary general meeting of the Company to be convened immediately after the conclusion or adjournment of the next AGM. When seeking the approval of the Shareholders for the renewal of the Share Buy-Back Mandate, the Company is required to disclose details pertaining to any Share Purchases made pursuant to the Share Buy-Back Mandate during the previous 12 months, including the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such Share Purchases, where relevant, and the total consideration paid for such Share Purchases.

2.4.3 Manner of Share Purchases

Share Purchases may be made by way of:

- (a) on-market purchases through the SGX-ST's ready market or, as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose ("**Market Purchase**"); and/or
- (b) off-market purchases (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme(s) as defined in Section 76C of the Act or formulated by the Directors as they may consider fit and in the best interests of the Company, which scheme(s) shall satisfy all the conditions prescribed by the Act and the Catalist Rules ("**Off-Market Purchase**").

LETTER TO SHAREHOLDERS

The Directors may impose such terms and conditions, which are not inconsistent with the Share Buy-Back Mandate, the Catalist Rules and the Act, as they consider fit in the interests of the Company in connection with or in relation to an equal access scheme. Pursuant to the Act, the Off-Market Purchase scheme must satisfy all of the following conditions:

- (i) offers for the Share Purchases shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (ii) all of those persons shall be given a reasonable opportunity to accept the offers made to them; and
- (iii) the terms of all the offers are the same, except that there shall be disregarded:
 - (1) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;
 - (2) (if applicable) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid; and
 - (3) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

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

- (A) the terms and conditions of the offer;
- (B) the period and procedures for acceptances;
- (C) the reasons for the proposed Share Purchase;
- (D) the consequences, if any, of Share Purchases by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (E) whether the Share Purchase, if made, would have any affect on the listing of the Shares on the SGX-ST;
- (F) details of any Share Purchases made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases in accordance with an equal access scheme), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such Share Purchases, where relevant, and the total consideration paid for such Share Purchases; and
- (G) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

2.4.4 Maximum Purchase Price

The purchase price (excluding brokerage, commission, stamp duties, applicable goods and services tax and other related expenses) to be paid by the Company for the Shares will be determined by the Directors and must not exceed:

- (a) in the case of a Market Purchase, 105.0% of the Average Closing Price (as defined hereinafter) of the Shares; and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 115.0% of the Average Closing Price (as defined hereinafter) of the Shares,

LETTER TO SHAREHOLDERS

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

For the purposes of determining the Maximum Price:

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

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

2.5 Status of Purchased Shares under the Share Buy-Back Mandate

A Share purchased or acquired by the Company under the Share Buy-Back Mandate (“**Purchased Shares**”), unless held in treasury in accordance with the Act, is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation). Accordingly, the total number of issued Shares will be diminished by the number of Purchased Shares and which are not held as treasury shares. All Purchased Shares (other than treasury shares held by the Company to the extent permitted under the Act), will be automatically de-listed by the SGX-ST, and the certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following the settlement of any such Purchased Shares.

At the time of each purchase or acquisition of Shares by the Company, the Directors will decide whether the Shares purchased will be cancelled or kept as treasury shares, or partly cancelled and partly kept as treasury shares, depending on the needs of the Company and as the Directors deem fit in the interests of the Company at that time.

2.6 Treasury Shares

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

2.6.1 Maximum holdings

The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares (“**Treasury Shares Limit**”). Any Shares in excess of the Treasury Shares Limit shall be disposed or cancelled in accordance with the appropriate provisions of the Act.

2.6.2 Voting and other rights

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

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

LETTER TO SHAREHOLDERS

2.6.3 Disposal and cancellation

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

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

As at the Latest Practicable Date, the Company has 1,000,000 treasury shares, representing 0.20% of the total number of issued shares. Where the Shares purchased pursuant to the renewed Share Buy-Back Mandate are held as treasury shares, the number of such Shares to be held as treasury shares, when aggregated with the then existing treasury shares held, shall not, subject to the Act, exceed the Treasury Shares Limit at any time.

Under Rule 704(31) of the Catalist Rules, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares (in each case, the “**usage**”). Such announcement must include details such as the date of the usage, the purpose of the usage, the number of treasury shares comprised in the usage, the number of treasury shares before and after the usage, the percentage of the number of treasury shares comprised in the usage against the total number of issued shares (of the same class as the treasury shares) which are listed on the SGX-ST before and after the usage, and the value of the treasury shares if they are used for a sale or transfer or cancelled.

2.7 **Source of funds**

In undertaking Share Purchases, the Company may only apply funds legally available for such purchase in accordance with the Constitution of the Company and the applicable laws in Singapore. The Company may not purchase its Shares for a consideration other than cash or, in the case of a Market Purchase, for settlement other than in accordance with the trading rules of the SGX-ST.

Under the Act, the Company may purchase or acquire its own Shares out of profits and/or capital so long as the Company is solvent. It is an offence for a Director or an officer of the Company to approve or authorise the purchase or acquisition of Shares, knowing that the Company is not solvent. For this purpose, pursuant to the Section 76F(4) of the Act, a company is solvent if at the date of payment referred to in Section 76F(1) 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 within the period of 12 months immediately after the date of the payment; and

LETTER TO SHAREHOLDERS

- (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, acquisition, variation or release (as the case may be), become less than the value of its liabilities (including contingent liabilities).

The Company intends to use internal resources or a combination of internal resources and external borrowings to finance its Share Purchases (including any expenses (including brokerage or commission) incurred directly in the Share Purchases). The Directors do not propose to exercise the Share Buy-Back Mandate in a manner and to such extent that it would have a material adverse effect on the working capital requirements and/or the gearing of the Group.

2.8 Financial effects of the Share Buy-Back Mandate

It is not possible for the Company to realistically calculate or quantify the financial impact on the Group and the Company arising from its purchase or acquisition of Shares which may be made pursuant to the Share Buy-Back Mandate, as the resultant effect would depend on, *inter alia*, whether the Shares purchased or acquired is a Market Purchase or an Off-Market Purchase, whether the Shares are purchased or acquired out of capital or profits, the number of Shares purchased or acquired, the consideration paid for such Shares and the expenses (including brokerage or commission) incurred directly in the purchase or acquisition by the Company in its purchase or acquisition of Shares and whether the Shares purchased or otherwise acquired are cancelled or held as treasury shares.

As at the Latest Practicable Date, the issued and paid-up share capital of the Company is S\$47.815 million, comprising 489,000,000 Shares and 1,000,000 treasury shares.

For illustrative purposes only, the financial effects on the Company and the Group arising from the Share Purchases, prepared based on the audited financial statements of the Group for the financial year ended 30 June 2016, are based on the assumptions set out below:

- (a) the Share Purchases comprised 48,900,000 Shares (representing 10.0% of the 489,000,000 issued Shares (excluding treasury shares) as at the Latest Practicable Date and assuming no further Shares are issued or purchased and kept as treasury shares on or prior to the 2016 AGM);
- (b) in the case of Market Purchases by the Company and assuming that the Company purchases or acquires 48,900,000 Shares at the Maximum Price of S\$0.0727 (being the price equivalent to 5% above the Average Closing Price for one Share for the last five (5) 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 effecting such Market Purchases (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses), would amount to S\$3.555 million; and
- (c) in the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 48,900,000 Shares at the Maximum Price of S\$0.0796 (being 15% above the Average Closing Price for one Share for the last five (5) 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 effecting such Off-Market Purchases (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses), would amount to approximately S\$3.892 million.

For illustrative purposes only, and based on the assumptions set out in the sub-paragraphs (a) to (c) above, and assuming that (i) transaction costs incurred for the purchase or acquisition of Shares pursuant to the Share Buy-Back Mandate are assumed to be insignificant and have been ignored for the purpose of computing the financial effects; (ii) the Share Purchases of 48,900,000

LETTER TO SHAREHOLDERS

Shares (representing 10% of the total number of issued Shares of the Company (excluding treasury shares) as at the Latest Practicable Date) took place on 1 July 2015; and (iii) the Share Purchases were financed entirely by internal cash of the Group:

- (1) by way of purchases made entirely out of capital and 48,000,000 Purchased Shares held as treasury shares while the remaining 900,000 Purchased Shares cancelled; and
- (2) by way of purchases made entirely out of capital and cancelled,

on the audited financial statements of the Company and for the Group for FY2016 are set out on pages 14 and 15 of this Appendix I.

Pursuant to Section 76G of the Act, the total amount of the purchase price paid by the Company for the Shares purchased or acquired by the Company shall include any expenses (including brokerage or commission) incurred directly in the purchase or acquisition of the Shares. If the purchased or acquired Shares are cancelled, the Company shall:

1. reduce the amount of its share capital where the Shares were purchased or acquired out of capital of the Company;
2. reduce the amount of profits where the Shares were purchased or acquired out of the profits of the Company; or
3. 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 (including brokerage, stamp duties, applicable goods and services tax, clearance fees and other related expenses) ("**Purchase Price**") by the Company for the Shares cancelled.

If, on the other hand, the purchased or acquired Shares are not cancelled but held as treasury shares, then there is no change in the Company's issued capital.

In both cases, the shareholders' funds are reduced by the total amount of the Purchase Price of the Shares purchased or acquired by the Company.

Where the Purchase Price paid by the Company for the Shares is paid out of retained profits, such Purchase Price will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the Purchase Price paid by the Company for the Shares is made out of capital, such Purchase Price will not reduce the amount available for the distribution of cash dividends by the Company.

Based on the audited financial statements of the Group and the Company for FY2016, the Group and the Company have no distributable profits to effect any Share Purchases entirely out of profits. Therefore, the financial effects of the Share Purchases by way of Market Purchase and Off-Market Purchases made entirely out of profits are not disclosed in this Appendix I.

LETTER TO SHAREHOLDERS

2.8.1 Purchases made entirely out of capital and cancelled

	Group			Company		
	Before Share Purchases	After Share Purchases		Before Share Purchases	After Share Purchases	
		Market Purchase	Off-Market Purchase		On-Market Share Purchase	Off-Market Purchases
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
As at 30 June 2016						
Share capital	47,815	44,260	43,923	47,815	44,260	43,923
Treasury shares	(58)	(58)	(58)	(58)	(58)	(58)
Accumulated profits	(4,172)	(4,172)	(4,172)	(7,243)	(7,243)	(7,243)
Other reserves	9,962	9,962	9,962	504	504	504
Shareholders' Funds	53,547	49,992	49,655	41,018	37,463	37,126
NTA	53,547	49,992	49,655	41,018	37,463	37,126
Current assets	9,743	6,188	5,851	4,835	1,280	943
Current liabilities	2,491	2,491	2,491	731	731	731
Working capital	7,252	3,697	3,360	4,104	549	212
Cash & cash equivalents	5,261	1,706	1,369	4,796	1,241	904
Total borrowings	45,259	45,259	45,259	–	–	–
Net borrowings/Net cash ⁽¹⁾	39,998	43,553	43,890	4,796	1,241	904
Net loss for FY2016	(12,376)	(12,376)	(12,376)	(486)	(486)	(486)
Number of Shares as at 30 June 2016 ('000)	489,000	440,100	440,100	489,000	440,100	440,100
Weighted average number of Shares as at 30 June 2016 ('000)	489,495	440,595	440,595	489,495	440,595	440,595
Number of treasury shares ('000)	1,000	1,000	1,000	1,000	1,000	1,000
Financial Ratios						
NTA per Share (cents) ⁽²⁾	10.95	11.36	11.28	8.39	8.51	8.44
Gross gearing (times) ⁽³⁾	0.85	0.91	0.91	–	–	–
Net gearing (times) ⁽⁴⁾	0.75	0.87	0.88	–	–	–
Current ratio (times) ⁽⁵⁾	3.91	2.48	2.35	6.61	1.75	1.29
Loss per Share (cents) ⁽⁶⁾	2.53	2.81	2.81	0.10	0.11	0.11

Notes:

1. Net borrowings" represents total borrowings less secured short term deposits and cash and cash equivalents. "Net cash" represents the excess of secured short term deposits and cash and cash equivalents over total borrowings.
2. "NTA per Share" represents NTA divided by the number of Shares as at 30 June 2016.
3. "Gross gearing" represents total borrowings divided by total equity.
4. "Net gearing" represents net borrowings divided by total equity.
5. "Current ratio" represents current assets divided by current liabilities.
6. Loss per Share represents net loss for FY2016 divided by the weighted average number of Shares as at 30 June 2016.

LETTER TO SHAREHOLDERS

2.8.2 Purchases made entirely out of capital and held as treasury shares

	Group			Company		
	Before Share Purchases	After Share Purchases		Before Share Purchases	After Share Purchases	
		Market Purchase	Off-Market Purchase		On-Market Share Purchase	Off-Market Purchases
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
As at 30 June 2016						
Share capital	47,815	47,750	47,744	47,815	47,750	47,744
Treasury shares	(58)	(3,548)	(3,879)	(58)	(3,548)	(3,879)
Accumulated profits	(4,172)	(4,172)	(4,172)	(7,243)	(7,243)	(7,243)
Other reserves	9,962	9,962	9,962	504	504	504
Shareholders' Funds	53,547	49,992	49,655	41,018	37,463	37,126
NTA	53,547	49,992	49,655	41,018	37,463	37,126
Current assets	9,743	6,188	5,851	4,835	1,280	943
Current liabilities	2,491	2,491	2,491	731	731	731
Working capital	7,252	3,697	3,360	4,104	549	212
Cash & cash equivalents	5,261	1,706	1,369	4,796	1,241	904
Total borrowings	45,259	45,259	45,259	–	–	–
Net borrowings/Net cash ⁽¹⁾	39,998	43,553	43,890	4,796	1,241	904
Net loss for FY2016	(12,376)	(12,376)	(12,376)	(486)	(486)	(486)
Number of Shares as at 30 June 2016 ('000)	489,000	440,100	440,100	489,000	440,100	440,100
Weighted average number of Shares as at 30 June 2016 (‘000)	489,495	440,595	440,595	489,495	440,595	440,595
Number of treasury shares (‘000)	1,000	49,000	49,000	1,000	49,000	49,000
Financial Ratios						
NTA per Share (cents) ⁽²⁾	10.95	1136	11.28	8.39	8.51	8.44
Gross gearing (times) ⁽³⁾	0.85	0.91	0.91	–	–	–
Net gearing (times) ⁽⁴⁾	0.75	0.87	0.88	–	–	–
Current ratio (times) ⁽⁵⁾	3.91	2.48	2.35	6.61	1.75	1.29
Loss per Share (cents) ⁽⁶⁾	2.53	2.81	2.81	0.10	0.11	0.11

Notes:

1. Net borrowings" represents total borrowings less secured short term deposits and cash and cash equivalents. "Net cash" represents the excess of secured short term deposits and cash and cash equivalents over total borrowings.
2. "NTA per Share" represents NTA divided by the number of Shares as at 30 June 2016.
3. "Gross gearing" represents total borrowings divided by total equity.
4. "Net gearing" represents net borrowings divided by total equity.
5. "Current ratio" represents current assets divided by current liabilities.
6. Loss per Share represents net loss for FY2016 divided by the weighted average number of Shares as at 30 June 2016.

LETTER TO SHAREHOLDERS

The Directors do not propose to exercise the Share Buy-Back Mandate to such an extent that it would have a material adverse effect on the working capital requirements of the Company and the Group. The Share Purchases will only be effected after taking into consideration both financial factors (such as cash surplus, debt position and working capital requirements of the Group) and non-financial factors (such as market conditions and performance of the Shares).

Shareholders should note that the financial effects set out above, based on the respective aforementioned assumptions, are purely for illustration purposes only. In particular, it is important to note that the above analysis is based on the audited financial statements of the Company and the Group for FY2016 and is not necessarily representative of the future financial performance of the Company and the Group. Although the Share Buy-Back Mandate would authorise the Company to purchase up to 10% of the Company's issued Shares (excluding treasury shares) as at the date the Share Buy-Back Mandate is obtained, the Company may not necessarily purchase or be able to purchase 10% of the issued Shares (excluding treasury shares) in full. In addition, the Company may cancel all or part of the Shares purchased, or hold all or part of the Shares purchased in treasury.

Shareholders who are in doubt as to their tax positions or any tax implications arising from the Share Buyback Mandate in their respective jurisdictions should consult their own professional advisers.

2.9 Catalyst Rules

The Company is required under Rule 723 of the Catalyst Rules to ensure that at least 10% of its Shares (excluding treasury shares) are held in the hands of the public at all times. The term "public", as defined under the Catalyst Rules, are persons other than the Directors, chief executive officer, Substantial Shareholders or Controlling Shareholders of the Company and its subsidiaries as well as associates of such persons.

As at the Latest Practicable Date, 349,624,075 Shares, representing approximately 71.50% of the issued share capital of the Company is held in the hands of the public. For illustration purposes only, assuming that the Company purchases the maximum of 10% of its issued Shares (excluding treasury shares), being 48,900,000 as at the Latest Practicable Date and assuming such Shares are held in public hands, the resultant number of Shares held by the public would be 300,724,075 Shares, representing approximately 68.33% of the remaining issued Shares of the Company. Accordingly, the Company will be able to undertake Share Purchase up to the full 10% limit pursuant to the Share Buy-Back Mandate without affecting the listing status of the Shares on the Catalyst of 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.

The Directors will ensure that the Share Purchases will not have any effect on the listing of the Company's securities including the Shares listed on the SGX-ST.

Under the Catalyst Rules, a listed company may only purchase shares by way of a market acquisition at a price which is not more than 5% above the average closing market price. The term "average closing market price" is defined as the average of the closing market price of shares over the last five (5) Market Days, on which transactions in the shares were recorded, before the day on which purchases are made. The Maximum Price for a Share in relation to Market Purchases by the Company, referred to in Paragraph 2.4.4 of this Appendix I, conforms to this restriction.

Additionally, the Catalyst Rules also specifies that a listed company shall report all purchases or acquisitions of its Shares to the SGX-ST not later than 9.00 a.m.:

- (i) in the case of a Market Purchase, on the market day following the day of purchase or acquisition of any of its Shares; and

LETTER TO SHAREHOLDERS

- (ii) 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 should be made in compliance with Appendix 8D of the Catalist Rules and must include details of the total number of Shares purchased and the purchase price per Share or the highest and lowest prices paid for such Shares, as applicable.

While the Catalist Rules do not expressly prohibit any buy-back of shares by a listed company of its own shares during any particular time or times, because the listed company would be regarded as an “insider” in relation to any proposed purchase of its issued shares, the Company will not undertake any Share Purchase pursuant to the proposed Share Buy-Back Mandate at any time after any matter or development of a price sensitive nature has occurred or has been the subject of a decision until such price sensitive information has been publicly announced. In particular, in line with Rule 1204(19)(c) of the Catalist Rules, the Company would not purchase or acquire any Shares during the period commencing one month immediately preceding the announcement of the Company’s half year and the full-year results.

2.10 Tax implications

Shareholders who are in doubt as to their respective tax positions or tax implications arising from the Share Purchases by the Company in their respective jurisdictions should consult their own professional advisers.

2.11 Take-over Code implications arising from Share Purchases

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.

2.11.1 Obligation to make a take-over offer

Rule 14 of the Take-over Code (“**Rule 14**”) requires, *inter alia*, that except with the consent of SIC, where:

- (a) any person acquires, whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry thirty per cent. (30%) or more of the voting rights of a company; or
- (b) any person who, together with persons acting in concert with him, holds not less than thirty per cent. (30%) but not more than fifty per cent. (50%) of the voting rights and such person, or any person acting in concert with him, acquires in any period of six (6) months additional shares carrying more than one per cent. (1%) of the voting rights,

such person shall extend immediately an offer on the basis set out below to the holders of any class of shares in the capital which carries votes and in which such person or persons acting in concert with him hold shares. In addition to such person, each of the principal members of the group of persons acting in concert with him may, according to the circumstances of the case, have the obligation to extend an offer.

2.11.2 Persons acting in concert

Under the Take-over Code, persons acting in concert (“**concert parties**”) 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.

LETTER TO SHAREHOLDERS

Unless the contrary is established, the following persons will, *inter alia*, be presumed to be acting in concert with each other under the Take-over Code:

- (a) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
- (b) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the above companies, and any company whose associated companies include any of the above companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above companies 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 20.0% but not more than 50.0% of the voting rights of the first-mentioned company;
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund in respect of the investment account which such person manages on a discretionary basis 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 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, and any person who is accustomed to act according to his instructions and companies controlled by any of the above persons, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above persons the purchase of voting rights.

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 of the Take-over Code after a Share Purchase by the Company are set out in Appendix 2 of the Take-over Code.

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

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code 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 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 in the event that such Directors and their concert parties hold voting rights 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. In calculating the percentages of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

Under Appendix 2 of the Take-over Code, a Shareholder 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 would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's

LETTER TO SHAREHOLDERS

voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of 6 months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buy-Back Mandate.

2.11.4 Interests of Directors and Substantial Shareholders

As at the Latest Practicable Date, the aggregate shareholdings and voting rights of the Directors and Substantial Shareholders and in the event of Share Purchases up to the maximum of 10% of the issued share capital of the Company (excluding treasury shares) as permitted by the Share Buy-Back Mandate are as follows:

	Percentage of Shares and voting rights as at the Latest Practicable Date ⁽¹⁾			Percentage of Shares and voting rights after the maximum Share Purchases permitted under the Share Buy-Back Mandate ⁽²⁾		
	Direct Interest	Deemed Interest	Total Interest	Direct Interest	Deemed Interest	Total Interest
	Number of Shares	Number of Shares	%	Number of Shares	Number of Shares	%
Directors						
Wan Jinn Woei ⁽³⁾	–	68,925,925	14.10	–	68,925,925	15.66
Yong Chor Ken	10,300,000	–	2.11	10,300,000	–	2.34
Chen Yeow Sin	–	–	–	–	–	–
Poh Wee Chiow, Roger	–	–	–	–	–	–
Substantial Shareholders (other than Directors)						
Tan Geok Bee	68,925,925	–	14.10	68,925,925	–	15.66
Third Rose Asia Sdn. Bhd. ⁽⁴⁾	–	68,925,925	14.10	–	68,925,925	15.66
Sim Chng Yong	60,150,000	–	12.30	60,150,000	–	13.67
Ko Yee Chen ⁽⁵⁾	–	60,000,000	12.27	–	60,000,000	13.63

Notes:

- (1) Based on the Company's issued and paid-up share capital of 489,000,000 issued Shares (excluding treasury shares) as at the Latest Practicable Date.
- (2) Based on the issued and paid-up share capital of 440,100,000 Shares (excluding treasury shares) and on the assumption that the Purchased Shares by the Company will be cancelled immediately.
- (3) Wan Jinn Woei is deemed to be interested in 68,925,925 Shares held under Third Rose Asia Sdn Bhd through Tan Geok Bee, pursuant to Section 7 of the Act by virtue of his shareholdings in Third Rose Asia Sdn Bhd.
- (4) Third Rose Asia Sdn Bhd is deemed to be interested in 68,925,925 Shares held through Tan Geok Bee as it has nominated Tan Geok Bee to hold the 68,925,925 Shares for and on behalf of Third Rose Asia Sdn Bhd.
- (5) Ko Yee Chen is deemed to be interested in 60,000,000 Shares held through Sim Chng Yong as she has nominated Sim Chng Yong to hold the 60,000,000 Shares for and on her behalf.

Based on the above illustration, in the event that the Company undertakes Share Purchases of up to the maximum limit of 10% of its issued Shares (excluding treasury shares) as permitted by the Share Buy-Back Mandate, the shareholdings and voting rights of the Directors and Substantial Shareholders will remain below 30%. Accordingly, no general offer by the Directors and/or Substantial Shareholders is required to be made pursuant to the Take-over Code.

LETTER TO SHAREHOLDERS

2.11.5 Advice to Shareholders

Shareholders who are in any doubt as to whether they would incur any obligations to make a take-over offer as a result of any Share Purchases pursuant to the Share Buy-Back Mandate are advised to consult their professional advisers and/or the SIC and/or the relevant authorities at the earliest opportunity before they acquire any Shares during the period when the Share Buy-Back Mandate is in force.

2.12 Details of Share Purchases pursuant to a Share Buy-Back Mandate

As at the Latest Practicable Date, the Company had purchased an aggregate of 1,000,000 Shares by way of Market Purchases pursuant to the Share Buy-Back Mandate approved by Shareholders at the EGM. The price paid per Share was S\$0.058. The total consideration (including brokerage, clearing charges, goods and services tax, etc) paid for all of the purchases was S\$58,148.95.

2.13 Reporting Requirements

Within 30 days of the passing of a Shareholders' ordinary resolution to approve or renew any purchases or acquisitions of Shares by the Company, the Company shall lodge a copy of such resolution with ACRA.

Within 30 days of the cancellation or disposal of treasury shares in accordance with the provisions of the Act, the Directors shall lodge with ACRA the notice of cancellation or disposal of treasury shares in the prescribed form as required by ACRA.

The Company shall also lodge a notice with ACRA within 30 days of a Share Purchase on the SGX-ST or otherwise. Such notification shall include details of the Share Purchase; the total number of Shares purchased or acquired 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 Share Purchase; the amount of consideration paid by the Company for the Share Purchase, whether the Shares were purchased out of profits or capital of the Company and such other particulars as may be required in the prescribed form.

2.14 Limits on Shareholdings

The Company does not have any individual shareholdings limit or foreign shareholding limits.

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

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

	Direct Interest	Deemed Interest	Total Interest
	Number of Shares	Number of Shares	% ⁽¹⁾
Directors			
Wan Jinn Woei ⁽²⁾	–	68,925,925	14.10
Yong Chor Ken	10,300,000	–	2.11
Chen Yeow Sin	–	–	–
Poh Wee Chiow, Roger	–	–	–
Substantial Shareholders			
Tan Geok Bee	68,925,925	–	14.10
Third Rose Asia Sdn. Bhd. ⁽³⁾	–	68,925,925	14.10
Sim Chng Yong	60,150,000	–	12.30
Ko Yee Chen ⁽⁴⁾	–	60,000,000	12.27

LETTER TO SHAREHOLDERS

Notes:

- (1) Based on the Company's issued and paid-up share capital of 489,000,000 issued Shares (excluding treasury shares) as at the Latest Practicable Date.
- (2) Wan Jinn Woei is deemed to be interested in 68,925,925 Shares held under Third Rose Asia Sdn Bhd through Tan Geok Bee, pursuant to Section 7 of the Act by virtue of his shareholdings in Third Rose Asia Sdn Bhd.
- (3) Third Rose Asia Sdn Bhd is deemed to be interested in 68,925,925 Shares held through Tan Geok Bee as it has nominated Tan Geok Bee to hold the 68,925,925 Shares for and on behalf of Third Rose Asia Sdn Bhd.
- (4) Ko Yee Chen is deemed to be interested in 60,000,000 Shares held through Sim Chng Yong as she has nominated Sim Chng Yong to hold the 60,000,000 Shares for and on her behalf.

4. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors and Controlling Shareholders has any interest, direct or indirect, in the proposed renewal of the Share Buy-Back Mandate, other than through their respective shareholdings in the Company.

5. DIRECTORS' RECOMMENDATION

Having considered the rationale and information relating to the proposed renewal of the Share Buy-Back Mandate, the Directors are of the opinion that the proposed renewal of the Share Buy-Back Mandate is in the best interests of the Company, and accordingly recommend that Shareholders vote in favour of the ordinary resolution 8 relating to the proposed renewal of the Share Buy-Back Mandate at the AGM as set out in the Notice of AGM.

6. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the 2016 AGM and wish to appoint a proxy/proxies to attend and vote at the 2016 AGM on their behalf should complete, sign and return the Proxy Form attached to the Notice of AGM in accordance with the instructions printed therein as soon as possible and, in any event, so as to arrive at the registered office of the Company at 25 Bukit Batok Crescent, #08-01, The Elitist, Singapore 658066, not later than 48 hours before the time appointed for holding the 2016 AGM.

The completion and return of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the 2016 AGM in place of his proxy/proxies if he so wishes. A Depositor shall not be regarded as a member of the Company entitled to attend the 2016 AGM and to speak and vote thereat unless his name appears on the Depository Register 72 hours before the 2016 AGM.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix I and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Appendix I constitutes full and true disclosure of all material facts about the proposed renewal of the 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 I misleading. Where information contained in this Appendix I has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix I in its proper form and context.

LETTER TO SHAREHOLDERS

8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at 25 Bukit Batok Crescent, #08-01, The Elitist, Singapore 658066, during normal business hours from the date of this Appendix I up to and including the date of the 2016 AGM:

- (i) the Constitution of the Company; and
- (ii) the Annual Report of the Company for FY2016.

Yours faithfully
For and on behalf of the Board of Directors
IMPERIUM CROWN LIMITED

Wan Jinn Woei
Executive Chairman and Chief Executive Officer