

The purpose of this Addendum is to provide the shareholders of the Company with relevant information relating to and to seek shareholders' approval to renew the share purchase mandate.

The notice of annual general meeting and the proxy form are enclosed with the annual report.

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

If you have sold or transferred all your shares in the capital of Wing Tai Holdings Limited, you should immediately forward this Addendum to the purchaser or to the bank, stockbroker or other agent through whom you effected the sale or the transfer, for onward transmission to the purchaser or the transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any statements or opinions made, or reports contained, in this Addendum.



## **WING TAI HOLDINGS LIMITED**

(Company Registration No. 196300239D)  
(Incorporated in the Republic of Singapore)

### **ADDENDUM TO ANNUAL REPORT**

**IN RELATION TO**

**THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE**

# WING TAI HOLDINGS LIMITED

(Company Registration No. 196300239D)  
(Incorporated in the Republic of Singapore)

## Directors:

Cheng Wai Keung (*Chairman / Managing Director*)  
Edmund Cheng Wai Wing (*Deputy Chairman / Deputy Managing Director*)  
Boey Tak Hap (*Independent Director*)  
Cheng Man Tak (*Non-Executive Director*)  
Christopher Lau Loke Sam (*Independent Director*)  
Lee Kim Wah (*Independent Director*)  
Loh Soo Eng (*Independent Director*)  
Paul Hon To Tong (*Independent Director*)  
Tan Sri Dato' Paduka Dr. Mazlan bin Ahmad (*Independent Director*)  
Tan Hwee Bin (*Executive Director*)

## Registered Office:

3 Killiney Road  
#10-01 Winsland House I  
Singapore 239519

5 October 2016

## To: The Shareholders of Wing Tai Holdings Limited

Dear Sir/Madam

## ADDENDUM IN RELATION TO THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

### 1 INTRODUCTION

1.1 Wing Tai Holdings Limited (the "**Company**") had on 5 October 2016 issued a notice ("**Notice of the 52<sup>nd</sup> AGM**") convening the 52<sup>nd</sup> annual general meeting (the "**52<sup>nd</sup> AGM**") of the shareholders of the Company (the "**Shareholders**") to be held on 27<sup>th</sup> October 2016. The proposed resolution number 12 in the Notice of the 52<sup>nd</sup> AGM relates to the renewal of a share purchase mandate (the "**Share Purchase Mandate**") to authorise the directors of the Company (the "**Directors**") to make purchases of ordinary shares in the capital of the Company ("**Shares**") representing up to a maximum of ten per cent. (10%) of the issued Shares as at the date of the last annual general meeting of the Company ("**AGM**") or at the date on which the resolution authorising the same is passed (whichever is the higher), at a price of up to but not exceeding the Maximum Price (as defined in Paragraph 3.2 below).

The purchase or acquisition of Shares by the Company will be made in accordance with the articles of association of the Company currently in force (the "**Existing Constitution**") or if so adopted and approved by the Shareholders, the new constitution proposed to be adopted by the Company at the 52<sup>nd</sup> AGM (the "**New Constitution**"), the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**Listing Manual**"), the Companies Act, Chapter 50 of Singapore (the "**Companies Act**") and such other laws and regulations as may for the time being be applicable.

1.2 The Existing Constitution and the New Constitution (if so adopted and approved by the Shareholders) expressly permit the Company to purchase or otherwise acquire Shares issued by it. At the AGM held on 28<sup>th</sup> October 2015 (the "**2015 AGM**"), Shareholders renewed the Share Purchase Mandate. The Share Purchase Mandate renewed at the 2015 AGM will expire on the date of the forthcoming 52<sup>nd</sup> AGM to be held on 27<sup>th</sup> October 2016. If the proposed resolution for the renewal of the Share Purchase Mandate is approved at the 52<sup>nd</sup> AGM, the mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the date on which the next AGM of the Company is held or is required by law to be held, whichever is the earlier.

1.3 The purpose of this Addendum is to provide information relating to and to explain the rationale for the proposed renewal of the Share Purchase Mandate.

1.4 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 Addendum. If a Shareholder is in any doubt as to the action he should take, he should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

## **2 RATIONALE**

2.1 The proposed renewal of the Share Purchase Mandate will continue to give the Directors the flexibility to purchase Shares when circumstances permit, with the objective of enhancing the earnings per Share (“**EPS**”) of the Company and its subsidiaries (the “**Group**”). Such flexibility will also allow the Directors to better manage the Company’s capital structure, dividend payout and cash reserves, and to return surplus cash over and above its capital requirements in an expedient and cost-effective manner.

2.2 The proposed renewal of the Share Purchase Mandate will thus continue to provide the Company with an efficient mechanism to enhance returns to Shareholders when circumstances permit. Share purchases will only be effected when the Directors are of the view that it will benefit the Company and its Shareholders.

## **3 AUTHORITY AND LIMITS OF THE SHARE PURCHASE MANDATE**

3.1 Purchases or acquisitions of Shares may be made by way of:

- (i) on-market purchase (“**Market Purchase**”), transacted on the SGX-ST through the SGX-ST’s trading system, through one or more duly licensed stock brokers appointed by the Company for the purpose; and/or
- (ii) an off-market purchase (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme defined in Section 76C of the Companies Act, and otherwise in accordance with all other laws and regulations and rules of the SGX-ST (“**Off-Market Purchase**”).

The Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Listing Manual and the Companies Act, as they consider fit and in the interests of the Company in connection with or in relation to any equal access scheme or schemes. An Off-Market Purchase must, however, satisfy all the following conditions:

- (a) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (b) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made; and
- (c) the terms of all the offers shall be the same, except that there shall be disregarded:
  - (1) differences in consideration attributable to the fact that such offers may relate to Shares with different accrued dividend entitlements;

- (2) differences in consideration attributable to the fact that such offers may relate to Shares with different amounts remaining unpaid (if applicable); and
- (3) differences in such offers introduced solely to ensure that each person will be left with a whole number of Shares.

Pursuant to the Listing Manual, if the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, it will issue an offer document to all Shareholders containing at least the following information:

- (aa) the terms and conditions of the offer;
- (bb) the period and procedures for acceptance;
- (cc) the reasons for the proposed purchase;
- (dd) the consequences, if any, of the purchase or acquisition of Shares by the Company that will arise under the Singapore Code on Take-overs and Mergers ("**Take-over Code**") or other applicable takeover rules;
- (ee) whether the purchase or acquisition of Shares, if made, would have any effect on the listing of the Shares on the SGX-ST; and
- (ff) details of any purchase or acquisition of Shares made by the Company in the previous twelve (12) months (whether through a Market Purchase or Off-Market Purchase), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such purchase of Shares, where relevant, and the total consideration paid for such purchase or acquisition.

3.2 The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors. However, the purchase price to be paid for the Shares pursuant to the purchases or acquisitions of the Shares must not exceed the maximum price ("**Maximum Price**") which is:

- (i) in the case of a Market Purchase, five per cent. (5%) above the average closing market prices of the Shares over the five (5) days on which the SGX-ST is open for securities trading ("**Market Days**") and on which transactions in the Shares were recorded before the day on which the Market Purchase was made by the Company and deemed to be adjusted for any corporate action that occurs after the relevant five (5)-day period; and
- (ii) in the case of an Off-Market Purchase, twenty per cent. (20%) above the average closing market prices of the Shares over the five (5) Market Days on which transactions in the Shares were recorded before the day on which the Company makes an announcement of an offer under the Off-Market Purchase scheme and deemed to be adjusted for any corporate action that occurs after the relevant five (5)-day period.

3.3 Purchases or acquisitions of Shares pursuant to the proposed Share Purchase Mandate may be made at any time from time to time on and from the date of the 52<sup>nd</sup> AGM at which the Share Purchase Mandate is approved up to:

- (i) the date on which the next AGM is held or is required by law to be held;

- (ii) the date on which the purchases or acquisitions of Shares pursuant to the proposed Share Purchase Mandate are carried out to the full extent mandated; or
- (iii) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by the Shareholders in a general meeting,

whichever is the earliest.

- 3.4 Only Shares which are issued and fully paid-up may be repurchased by the Company. The total number of Shares which may be purchased or acquired pursuant to the Share Purchase Mandate is limited to that number of Shares representing not more than ten per cent. (10%) of the total number of issued Shares ascertained as at the date of the passing of the ordinary resolution or the date of the last AGM, whichever is the higher, unless the share capital of the Company has been reduced in accordance with the applicable provisions of the Companies Act at any time during the period commencing from the date on which the last AGM was held and expiring on the date the next AGM is held or required by law to be held, whichever is the earlier, after the date the resolution relating to the Share Purchase Mandate is passed (the “**Relevant Period**”), in which event the total number of issued Shares of the Company shall be taken to be the total number of issued Shares of the Company as altered. Any Shares which are held as treasury shares will be disregarded for purposes of computing the ten per cent. (10%) limit. As at 2 September 2016, being the latest practicable date prior to the printing of this Addendum (the “**Latest Practicable Date**”), the Company is holding 21,139,900 treasury shares.

***For illustration purposes only***

On the basis of 793,927,260 Shares issued as at the Latest Practicable Date and assuming no further Shares are issued and 21,139,900 Shares are held by the Company as treasury shares on or prior to the 52<sup>nd</sup> AGM, not more than 77,278,736 Shares (representing ten per cent. (10%) of the total number of issued Shares of the Company as at that date excluding treasury shares) may be purchased by the Company pursuant to the proposed Share Purchase Mandate during the Relevant Period.

**3.5 Status of Purchased Shares under the Share Purchase Mandate**

**3.5.1 Cancellation**

A Share purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Shares are held by the Company as treasury shares to the extent permitted under the Companies Act. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.

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

**3.5.2 Treasury Shares**

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

under the Companies Act are summarised below:

(i) Maximum Holdings

The number of Shares held as treasury shares cannot at any time exceed ten per cent. (10%) of the total number of issued Shares.

(ii) Voting and Other Rights

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

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed.

A subdivision or consolidation of any treasury share into treasury shares of a greater or smaller number is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

(iii) Disposal and Cancellation

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

- (aa) sell the treasury shares (or any of them) for cash;
- (bb) transfer the treasury shares (or any of them) for the purposes of or pursuant to any share scheme, whether for employees, directors or other persons;
- (cc) 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;
- (dd) cancel the treasury shares (or any of them); or
- (ee) sell, transfer or otherwise use the treasury shares for such other purposes as the Minister for Finance may by order prescribe.

#### **4 SOURCE OF FUNDS**

The Company may only apply funds for the purchase or acquisition of the Shares as provided in the Existing Constitution and the New Constitution (if so adopted and approved by the Shareholders) for the time being and in accordance with the applicable laws in Singapore. The Company may not purchase its Shares for a consideration other than in cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the trading rules of the SGX-ST.

The Company may purchase or acquire its Shares out of the Company's capital or profits so long as the Company is solvent. Pursuant to Section 76F(4) of the Companies Act, the

Company is solvent (a) if there is no ground on which the Company could be found to be unable to pay its debts; (b)(i) if 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) if it is not intended so to commence winding up, the Company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of the payment; and (c) the value of its assets is not less than the value of its liabilities (including contingent liabilities) and such value of its assets 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).

When Shares are purchased or acquired, and cancelled:

- (a) if the Shares are purchased or acquired entirely out of the capital of the Company, the Company shall reduce the amount of its share capital by the total amount of the purchase price paid by the Company for the Shares (excluding brokerage, stamp duties, applicable goods and services tax, clearance fees and other related expenses) (the "**Purchase Price**");
- (b) if the Shares are purchased or acquired entirely out of profits of the Company, the Company shall reduce the amount of its profits by the total amount of the Purchase Price; or
- (c) where the Shares are purchased or acquired out of both the capital and the profits of the Company, the Company shall reduce the amount of its share capital and profits proportionately by the total amount of the Purchase Price.

Apart from using its internal sources of funds, the Company may obtain or incur borrowings to finance its purchase or acquisition of Shares. The Directors do not propose to exercise the Share Purchase Mandate in a manner and to such extent that it would have a material and adverse effect on the working capital requirements or the gearing of the Company.

## 5 FINANCIAL EFFECTS

Under the Companies Act, the purchase or acquisition of Shares by the Company 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 purchase or acquisition of Shares is made out of profits, such consideration (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced. The net tangible assets ("**NTA**") of the Company and of the Group will be reduced by the aggregate purchase price paid by the Company for the Shares.

As at the Latest Practicable Date, the issued and paid-up capital of the Company (excluding treasury shares) comprises 772,787,360 Shares. The exercise in full of the Share Purchase Mandate would result in the purchase of 77,278,736 Shares.

It is not possible for the Company to realistically calculate or quantify the impact of purchases or acquisitions of Shares that may be made pursuant to the Share Purchase Mandate on the NTA and EPS as the resultant effect would depend on, *inter alia*, the aggregate number of Shares purchased or acquired, whether the purchase or acquisition is made out of capital or profits, the purchase prices paid for such Shares and the amount (if any) borrowed by the Company to fund the purchase or acquisition and whether the Shares purchased or acquired are cancelled or held as treasury shares.

The illustrative financial effects below remain the same irrespective of whether:

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

**Illustration**

For illustration purposes only and based on the following assumptions:

- (i) in the case of Market Purchases by the Company and assuming that the Company purchases or acquires 77,278,736 Shares, the maximum amount of funds required for the purchase (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) assuming a Maximum Price of S\$1.805 which is five per cent. (5%) above the average closing market prices of the Shares for the last five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date, is approximately S\$139,488,000; and
- (ii) in the case of the Off-Market Purchases by the Company and assuming that the Company purchases or acquires 77,278,736 Shares, the maximum amount of funds required for the purchase (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) assuming a Maximum Price of S\$2.063 which is twenty per cent. (20%) above the average closing market prices of the Shares for the last five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date, is approximately S\$159,426,000,

the financial effects of the purchase or acquisition of 77,278,736 Shares by the Company pursuant to the Share Purchase Mandate, on the audited financial statements of the Company and the Group for the financial year ended 30<sup>th</sup> June 2016, are set out below:

	Group			Company		
	Before Share Purchase	After Share Purchase		Before Share Purchase	After Share Purchase	
	S\$'000	Market Purchase S\$'000	Off-Market Purchase S\$'000	S\$'000	Market Purchase S\$'000	Off-Market Purchase S\$'000
<b>As at 30 June 2016</b>						
Shareholders' Funds	3,122,709	2,983,221	2,963,283	1,316,474	1,176,986	1,157,048
Net Tangible Assets	3,122,709	2,983,221	2,963,283	1,316,474	1,176,986	1,157,048
Current Assets	2,546,850	2,407,362	2,387,424	1,512,672	1,373,184	1,353,246
Current Liabilities	259,309	259,309	259,309	94,967	94,967	94,967
Cash and Cash Equivalents <sup>(1)</sup>	722,883	583,395	563,457	335,091	195,603	175,665
Total Borrowings <sup>(2)</sup>	1,376,506	1,376,506	1,376,506	927,838	927,838	927,838
Net Profit Attributable to Shareholders	7,079	7,079	7,079	26,651	26,651	26,651
Number of Shares ('000)	772,509	695,230	695,230	772,509	695,230	695,230
Weighted Average Number of Shares ('000)	777,271	699,992	699,992	777,271	699,992	699,992



### **Financial Ratios**

Net Tangible Assets per Share (S\$)	4.04	4.29	4.26	1.70	1.69	1.66
Net Gearing (times) <sup>(3)</sup>	0.21	0.27	0.27	0.45	0.62	0.65
Earnings per Share (cents) <sup>(4)</sup>	0.91	1.01	1.01	3.43	3.81	3.81

#### **Notes:**

- (1) Assuming the Company uses cash to fund the purchase of Shares.
- (2) "Total Borrowings" means the amount of liabilities arising from borrowings from banks and other financial institutions.
- (3) Net Gearing equals Total Borrowings less Cash and Cash Equivalents divided by Shareholders' Funds.
- (4) Earnings per Share ("EPS") equals Net Profit Attributable to Shareholders divided by Weighted Average Number of Shares.
- (5) As illustrated above, the Share Buy-Backs will:
  - (i) increase the Net Tangible Assets per Share of the Group;
  - (ii) increase the Net Gearing of the Group; and
  - (iii) increase the EPS of the Group.

The actual impact will depend on the number and price of the Shares bought back. As aforementioned, the Directors do not propose to exercise the Share Purchase Mandate to such an extent that it would have a material adverse effect on the working capital requirements of the Company. The purchase of Shares will only be effected after assessing the relative impact of a Share buyback taking into consideration both financial factors (such as cash surplus, debt position and working capital requirements) and non-financial factors (such as share market conditions and performance of the Shares).

**Shareholders should note that the financial effects illustrated above are for illustration purposes only. In particular, it is important to note that the above analysis is based on the audited accounts of the Company and the Group for the year ended 30<sup>th</sup> June 2016, and is not necessarily representative of the future financial performance of the Company or the Group.**

It should be noted that although the Share Purchase Mandate would authorise the Company to purchase or acquire up to ten per cent. (10%) of the issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire ten per cent. (10%) of the issued Shares. In addition, the Company may cancel, or hold as treasury shares, all or part of the Shares purchased or acquired. The Company will take into account both financial and non-financial factors (for example, stock market conditions and the performance of the Shares) in assessing the relative impact of a share purchase before execution. For the avoidance of doubt, the Company will not carry out any share buyback to the full ten per cent. (10%) limit as authorised and will not effect any share buyback if the Directors consider it not to be in the best interests of the Company and/or the Shareholders, in circumstances which they believe will result in any material adverse effect on the financial position of the Company or the Group, or will result in the Company being delisted from the SGX-ST.

## 6 TAXATION

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

## 7 REPORTING REQUIREMENTS

Within 30 days of the passing of a Shareholders' resolution to approve the purchases of Shares by the Company, the Company shall lodge a copy of such resolution with the Accounting and Corporate Regulatory Authority ("ACRA").

Within 30 days of a purchase of Shares on the Official List of SGX-ST or otherwise, the Company shall lodge with ACRA the notice of the purchase in the prescribed form, such notification including *inter alia*, details of the purchase, the total number of Shares purchased by the Company, the total number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued ordinary share capital before the purchase and after the purchase of Shares, the amount of consideration paid by the Company for the purchase, and whether the Shares were purchased out of the profits or the capital of the Company.

Additionally, the Listing Manual 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.:

- (a) in the case of a Market Purchase, on the Market Day following the day of purchase of any of its shares; and
- (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer.

Such announcement in the form prescribed under the Listing Manual, shall include details of the maximum number of shares authorised for purchase, the date of purchase, the total number of shares purchased, prices paid for the total number of shares purchased, the purchase price per share or (in the case of Market Purchases) the highest price and lowest price per share and the number of issued shares after purchase.

While the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time, because the listed company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Purchase Mandate at any time after any matter or development of a price-sensitive nature has occurred or has been the subject of consideration and/or a decision of the Board until such price-sensitive information has been publicly announced. Further, in conformity with the best practices on dealing with securities under the Listing Manual, the Company will not purchase or acquire any Shares through Market Purchases during the period commencing two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year, or one month immediately preceding the announcement of the Company's annual (full-year) results respectively.

## 8 TAKE-OVER IMPLICATIONS ARISING FROM SHARE PURCHASES

- 8.1 Appendix 2 of the Take-over Code contains the share buy-back guidance note. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out in Paragraph 8.6.

- 8.2 If, as a result of any purchase or acquisition by the Company of its Shares, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of the Take-over Code. If such increase results in the change of control, or, as a result of such increase, a Shareholder or group of Shareholders acting in concert with a Director obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert with a Director could become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code (“**Rule 14**”).
- 8.3 In addition, if a Shareholder acquires Shares after the purchase or acquisition by the Company of its Shares, the increase in the percentage of voting rights as a result of the purchase or acquisition will be taken into account in determining whether the Shareholder and persons acting in concert with him have increased their voting rights by more than 1% in any period of six (6) months for the purposes of Rule 14.
- 8.4 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 will be presumed to be acting in concert with each other under the Take-over Code:
- (i) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of its directors, their close relatives and related trusts); and
  - (ii) a company with its parent, subsidiaries and fellow subsidiaries, and their associated companies, and companies of which such companies are associated 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, all with one another. For this purpose, ownership or control of at least twenty per cent. (20%) but not more than fifty per cent. (50%) of the voting rights of a company will be regarded as the test of associated company status.
- 8.5 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 or acquisition of Shares by the Company are set out in Rule 14 and Appendix 2 of the Take-over Code.
- 8.6 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 under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Directors and their concert parties would increase to thirty per cent. (30%) or more, or in the event that such Directors and their concert parties hold between thirty per cent. (30%) and fifty per cent. (50%) of the Company’s voting rights, if the voting rights of such Directors and their concert parties would increase by more than one per cent. (1%) in any period of six (6) months. In calculating the percentages of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

## 9 INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

9.1 Based on the register of Directors' shareholdings of the Company maintained pursuant to Section 164 of the Companies Act, as at the Latest Practicable Date, the shareholdings of the Directors of the Company before and after the purchase of Shares (assuming (i) the Company purchases the maximum number of ten per cent. (10%) of the issued Shares of the Company as at the Latest Practicable Date, and (ii) there is no change in the number of Shares held or deemed to be held by the Directors) were/will be as follows:

<u>Name</u>	<b>Before Share Purchase (No. of Shares)</b>			<b>Before Share Purchase (%)</b>	<b>After Share Purchase (%)</b>
	<b>Direct interest</b>	<b>Deemed interest</b>	<b>Total Interest</b>		
Cheng Wai Keung	-	395,038,656	395,038,656	51.12	56.80
Edmund Cheng Wai Wing	-	318,021,664	318,021,664	41.15	45.73
Boey Tak Hap	-	-	-	-	-
Cheng Man Tak	-	-	-	-	-
Christopher Lau Loke Sam	-	-	-	-	-
Lee Kim Wah	942,160	-	942,160	0.12	0.14
Loh Soo Eng	412,800	-	412,800	0.05	0.06
Paul Hon To Tong	-	-	-	-	-
Tan Sri Dato' Paduka Dr. Mazlan bin Ahmad	-	-	-	-	-
Tan Hwee Bin	1,477,235	-	1,477,235	0.19	0.21
<b><u>Share Options</u></b>					
Lee Kim Wah	132,000	-	132,000	0.02	0.02
Tan Hwee Bin	203,500	-	203,500	0.03	0.03
<b><u>Performance Share Plan*</u></b>					
Tan Hwee Bin	197,000	-	197,000	0.03	0.03
<b><u>Restricted Share Plan</u></b>					
Tan Hwee Bin	179,500	-	179,500	0.02	0.03

\*Shares awarded are contingent upon achievement of threshold targets.

9.2 Based on the register of substantial Shareholders of the Company maintained pursuant to Section 88 of the Companies Act, as at the Latest Practicable Date, the shareholdings of the substantial Shareholders of the Company (the "Substantial Shareholders") before and after the purchase of Shares (assuming (i) the Company purchases 77,278,736 Shares, being the maximum number of ten per cent. (10%) of the issued Shares of the Company as at the Latest Practicable Date and (ii) there is no change in the number of Shares held or deemed to be held by the Substantial Shareholders) were/will be as follows:

<u>Name</u>	Before Share Purchase (No. of Shares)			Before Share Purchase (%)	After Share Purchase (%)
	Direct interest	Deemed interest	Total Interest		
Cheng Wai Keung	-	395,038,656	395,038,656	51.12	56.80
Edmund Cheng Wai Wing	-	318,021,664	318,021,664	41.15	45.73
Christopher Cheng Wai Chee	134,750	314,492,498	314,627,248	40.71	45.24
Edward Cheng Wai Sun	-	314,492,498	314,492,498	40.70	45.22
Deutsche Bank International Trust Co. (Cayman) Limited	-	314,492,498	314,492,498	40.70	45.22
Deutsche Bank International Trust Co. Limited	-	314,492,498	314,492,498	40.70	45.22
Wing Sun Development Private Limited	222,235,490	-	222,235,490	28.76	31.95
Wing Tai Asia Holdings Limited	-	241,775,062	241,775,062	31.29	34.76
Winlyn Investment Pte Ltd	72,717,436	-	72,717,436	9.41	10.46
Terebene Holdings Inc	-	72,717,436	72,717,436	9.41	10.46
Metro Champion Limited	-	72,717,436	72,717,436	9.41	10.46
Ascend Capital Limited	68,207,092	-	68,207,092	8.83	9.81

9.3 Mr Cheng Wai Keung, Mr Edmund Cheng Wai Wing, Mr Christopher Cheng Wai Chee and Mr Edward Cheng Wai Sun are brothers whose aggregate effective interest is 51.14%. Under the Take-over Code, all of them are presumed to be acting in concert under the Take-over Code as they are close relatives.

Mr Cheng Wai Keung's 51.12% interest in the issued share capital of the Company is held through Ascend Capital Limited, Wing Sun Development Private Limited, Winlyn Investment Pte Ltd, Winway Investment Pte Ltd, Empire Gate Holdings Limited and Wilma Enterprises Limited.

Mr Edmund Cheng Wai Wing's 41.15% interest in the issued share capital of the Company is held through Wing Sun Development Private Limited, Winlyn Investment Pte Ltd, Winway Investment Pte Ltd and Empire Gate Holdings Limited.

Mr Christopher Cheng Wai Chee's 40.71% interest in the issued share capital of the Company is held through Wing Sun Development Private Limited, Winlyn Investment Pte Ltd and Empire Gate Holdings Limited.

Mr Edward Cheng Wai Sun's 40.70% interest in the issued share capital of the Company is held through Wing Sun Development Private Limited, Winlyn Investment Pte Ltd and Empire Gate Holdings Limited.

- 9.4 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 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to thirty per cent. (30%) or more, or, if such Shareholder holds between thirty per cent. (30%) and fifty per cent. (50%) of the Company's voting rights, the voting rights of such Shareholder would increase by more than one per cent. (1%) in any period of six (6) months.

As at the Latest Practicable Date, based on the Directors' interests in Shares set out in Paragraph 9.1 above, none of the Directors (together with persons acting in concert with them) are expected to become obligated to make a mandatory take-over offer pursuant to the exercise of the powers to purchase Shares under the Share Purchase Mandate.

**Shareholders are advised to consult their professional advisers and/or the Securities Industry Council and/or other relevant authorities at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any Share purchases by the Company.**

## **10 LISTING STATUS OF SHARES ON SGX-ST**

- 10.1 The Directors will use their best efforts to ensure that the Company does not effect a purchase of Shares if the purchase of Shares would result in the number of Shares remaining in the hands of the public falling to such a level as to cause market illiquidity or adversely affect the orderly trading or listing status of the Company.
- 10.2 As at the Latest Practicable Date, approximately 48.29% of the issued Shares are held by the public. For illustration purposes only, assuming that the Company purchases from the public the maximum number of ten per cent. (10%) of the issued Shares as at the Latest Practicable Date, the number of Shares held by the public after the purchase of such Shares would be 295,937,273 representing approximately 42.55% of the remaining issued Shares of the Company. Before deciding to effect a purchase of Shares, the Directors will also consider whether, notwithstanding such purchase, a sufficient float in the hands of the public will be maintained to provide for an orderly market for trading in the Shares.

## **11 SHARE PURCHASE DURING THE PREVIOUS 12 MONTHS**

As at the Latest Practicable Date, the Company had purchased or acquired 9,758,900 Shares by way of Market Purchase pursuant to the Share Purchase Mandate approved by the Shareholders at the 2015 AGM. The highest and lowest price paid was S\$1.695 and S\$1.496 per Share respectively. The total consideration (excluding brokerage, commission, applicable goods and services tax and other related expenses) paid for all the purchases was S\$15,401,674.34.

## **12 LIMITS ON SHAREHOLDINGS**

The Existing Constitution, or if so adopted and approved by the Shareholders, the New Constitution of the Company does not have any limits on the shareholding of any Shareholder.

### **13 DIRECTORS' RECOMMENDATION**

The Directors are of the opinion that the proposed renewal of the Share Purchase Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Resolution 12, being the Ordinary Resolution relating to the renewal of the Share Purchase Mandate to be proposed at the 52<sup>nd</sup> AGM as set out in the Notice of AGM.

### **14 DIRECTORS' RESPONSIBILITY STATEMENT**

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

### **15 DOCUMENTS FOR INSPECTION**

The Existing Constitution of the Company and the 2016 annual report are available for inspection at the registered office of the Company at 3 Killiney Road, #10-01 Winsland House I, Singapore 239519 during normal business hours from the date hereof up to the date of the 52<sup>nd</sup> AGM.

Yours faithfully

For and on behalf of  
the Board of Directors of  
**WING TAI HOLDINGS LIMITED**

Cheng Wai Keung  
Chairman