

APPENDIX DATED 1 APRIL 2021

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

This Appendix is issued by CH Offshore Ltd. (the “Company”). If you are in any doubt about its contents or the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other independent professional advisers immediately.

Capitalised terms appearing on the cover of this Appendix have the same meanings as defined in the section entitled “Definitions”.

This Appendix is circulated to the Shareholders of the Company, together with the Company’s Annual Report for FY2020. The Notice of AGM and the accompanying Proxy Form are enclosed with the Annual Report.

If you have sold or transferred all your shares in the capital of the Company held through The Central Depository (Pte) Limited (“CDP”), you need not forward this Appendix with the Company’s Annual Report for FY2020 to the purchaser or transferee as arrangements will be made by CDP for a separate Appendix with the Company’s Annual Report for FY2020 and the accompanying proxy form to be sent to the purchaser or transferee. If you have sold or transferred all your shares in the capital of the Company represented by physical share certificate(s), you should immediately forward this Appendix with the Company’s Annual Report for FY2020 and the accompanying proxy form immediately to the purchaser or transferee or to the stockbroker, bank or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Appendix has been appended to the Annual Report, which has been made available on SGXNet and the Company’s website. A printed copy of this Appendix will be despatched to the Shareholders

The Singapore Exchange Securities Trading Limited takes no responsibility for the accuracy of any statements or opinions made or reports contained in this Appendix.



CH OFFSHORE LTD.

(Incorporated in the Republic of Singapore)
(Unique Entity Number: 197600666D)

APPENDIX TO THE ANNUAL REPORT

in relation to

(1) THE PROPOSED RENEWAL OF THE IPT GENERAL MANDATE

(2) THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

This Appendix is issued to you together with the Annual Report of CH Offshore Ltd. for the financial year ended 31 December 2020 (“**2020 Annual Report**”). The resolutions proposed to be passed in relation to the above matter are set out in the Notice of Annual General Meeting attached to the 2020 Annual Report.

CONTENTS

	Page
DEFINITIONS	1
LETTER TO SHAREHOLDERS	6
1. INTRODUCTION	6
2. THE PROPOSED RENEWAL OF THE IPT GENERAL MANDATE	6
3. THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE	12
4. DIRECTORS' AND/OR SUBSTANTIAL SHAREHOLDERS' INTERESTS	28
5. ABSTENTION FROM VOTING	28
6. DIRECTORS' RECOMMENDATIONS	29
7. DIRECTORS' RESPONSIBILITY STATEMENT	29
8. ANNUAL GENERAL MEETING	29
9. APPROVALS AND RESOLUTIONS	29
10. ACTION TO BE TAKEN BY SHAREHOLDERS	29
11. DOCUMENTS AVAILABLE FOR INSPECTION	30
12. APPENDIX 1: GENERAL INFORMATION RELATING TO CHAPTER 9 OF THE LISTING MANUAL	A-1

DEFINITIONS

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

- "2019 AGM"** : The AGM convened and held on 28 March 2019
- "2020 AGM"** : The AGM convened and held on 18 June 2020
- "2021 AGM"** : The AGM to be convened and held on 23 April 2021
- "Annual Report"** : The annual report of the Company for FY2020
- "AGM"** : An annual general meeting of the Company
- "Appendix"** : This appendix dated 1 April 2021
- "Approval Date"** : Has the meaning ascribed to it in section 3.3.1
- "Applicable Laws"** : All laws, by-laws, regulations, orders and/or official directions for the time being in force affecting the Company and its subsidiaries, including but not limited to the Companies Act, the SFA and the Listing Rules of the SGX-ST, provided always that a waiver granted in connection with any such law shall be treated as due compliance with such relevant law
- "approved exchange"** : A stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Listing Manual
- "Approving Authorities"** : Has the meaning ascribed to it in section 2.5.3 of this Appendix
- "associate"** : In the case of a company,
- (a) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:
 - (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; 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 a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of 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
- In the case of an individual,
- (a) his immediate family;
 - (b) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (c) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more

“associated company”	: A company in which at least 20% but not more than 50% of its shares are held by the listed company or group
“Audit Committee”	: The audit committee of the Company as at the date of this Appendix, which comprises Mr Thia Peng Heok, George, Mr Tan Kian Huay and Ms Jeanette Chang
“Average Closing Price”	: Has the meaning given to it in section 3.3.4 of this Appendix
“Board” or “Board of Directors”	: The board of directors of the Company as at the date of this Appendix
“BTI”	: BT Investment Pte. Ltd.
“CDP”	: The Central Depository (Pte) Limited
“CHOSM MD”	: The managing director of CHO Ship Management Pte. Ltd., a wholly-owned subsidiary of the Company
“Companies Act”	: The Companies Act (Cap. 50) of Singapore, as amended, modified or supplemented from time to time
“Company”	: CH Offshore Ltd.
“Constitution”	: The constitution of the Company as at the date of this Appendix
“control”	: The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company
“controlling shareholder”	: A person who (i) holds directly or indirectly 15% or more of the total number of issued shares in the company excluding treasury shares (unless the SGX-ST determines that such person is not a controlling shareholder) or (ii) in fact exercises control over a company
“Director(s)”	: The director(s) of the Company as at the date of this Appendix
“entity at risk”	: Means (i) the listed company; (ii) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or (iii) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s), has control over the associated company
“EPS”	: Earnings per Share
“FC”	: Financial Controller
“FY2020”	: Financial year ended 31 December 2020
“Group”	: The Company and its subsidiaries
“Interested Person(s)”	: A director, chief executive officer, or controlling shareholder of the Company, or an associate of any such director, chief executive officer, or controlling shareholder
“IPT(s)”	: Interested person transactions (within the meaning of Chapter 9 of the Listing Manual) entered or to be entered between an entity at risk and an interested person
“IPT General Mandate”	: The general mandate for Mandated Transactions as set out in section 2 of this Appendix
“Latest Practicable Date”	: 17 March 2021, being the latest practicable date prior to the printing of this Appendix
“listed group”	: A listed company and/or its subsidiaries

“Listing Manual”	:	The listing manual of the SGX-ST, as amended, modified or supplemented from time to time
“Listing Rules”	:	The listing rules of the SGX-ST as set out in the Listing Manual
“LPS”	:	Loss per Share
“Mainboard”	:	Main Board of the SGX-ST
“Mandated Interested Persons”	:	Has the meaning given to it in section 2.2 of this Appendix
“Mandated Transactions”	:	Has the meaning given to it in section 2.4 of this Appendix
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Market Purchase”	:	Has the meaning given to it in section 3.3.3(i) of this Appendix
“Maximum Price”	:	Has the meaning given to it in section 3.3.4 of this Appendix
“Non-conflicted Directors”	:	Directors who are deemed independent in respect of the IPT General Mandate, being Mr Thia Peng Heok, George, Mr Tan Pong Tyea, Mr Tan Kian Huay
“NAV”	:	Net asset value
“Notice of AGM”	:	The notice of the 2021 AGM dated 1 April 2021
“NTA”	:	Net tangible assets
“Off-Market Purchase”	:	Has the meaning given to it in section 3.3.3(ii) of this Appendix
“Proposed Renewal of the IPT: General Mandate”	:	The proposed renewal of the IPT General Mandate pursuant to Chapter 9 of the Listing Manual to be approved by the independent Shareholders as set out in section 2 of this Appendix
“Proposed Renewal of the Share: Buyback Mandate”	:	The proposed renewal of the Share Buyback Mandate to be approved by the Shareholders as set out in section 3 of this Appendix
“Proposed Transactions”	:	Collectively, the Proposed Renewal of the IPT General Mandate and the Proposed Renewal of the Share Buyback Mandate
“Proxy Form”	:	The proxy form as appended to the annual report of the Company for the financial year ended 31 December 2020
“Related Expenses”	:	Has the meaning given to it in section 3.3.4 of this Appendix

"Relevant Intermediary"	: (a) a banking corporation licensed under the Banking Act (Chapter 19) of Singapore or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
	(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Chapter 289) of Singapore and who holds shares in that capacity; or
	(c) the Central Provident Fund Board ("CPF Board") established by the Central Provident Fund Act (Chapter 36) of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the CPF Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation
"Relevant Period"	: Has the meaning ascribed to it in section 3.3.2 of this Appendix
"Rule 14"	: Has the meaning ascribed to it in section 3.10.1 of this Appendix
"Securities Account"	: A securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
"SFA"	: The Securities and Futures Act (Cap. 289) of Singapore, as amended, supplemented or modified from time to time
"SGX-ST"	: Singapore Exchange Securities Trading Limited
"Share Buyback"	: The purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate
"Share Buyback Mandate"	: The general mandate given by Shareholders to authorise the Directors to purchase or otherwise acquire issued Shares within the Relevant Period in accordance with the terms set out in this Appendix, as well as the rules and regulations set forth in the Companies Act and the Listing Manual
"Shareholder" or "Member"	: 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 whose Securities Accounts are credited with those Shares
"Shares"	: Ordinary shares in the capital of the Company
"Substantial Shareholder"	: Shall have the meaning ascribed to it in Section 81 of the Companies Act and Section 2(4) of the SFA, being a person who:
	(a) has an interest or interests in one (1) or more Shares in the Company; and
	(b) the total votes attached to that Share, or those Shares, is not less than 5% of the total votes attached to all the Shares in the Company
"Take-over Code"	: The Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time
"S\$"	: Singapore dollars, the lawful currency of the Republic of Singapore
"US\$"	: United States dollars, the lawful currency of the United States of America

The terms “**treasury shares**” and “**subsidiary**” shall have respective meanings ascribed to them respectively in Sections 4 and 5 of the Companies Act.

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

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

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

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

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, SFA, the Listing Manual, the Take-over Code or any statutory modification thereof and used in this Appendix shall, where applicable, have the same meaning assigned to it under the Companies Act, SFA, the Listing Manual, the Take-over Code or any statutory modification thereof, as the case may be, unless otherwise provided. Summaries of the provisions of any laws and regulations (including the Listing Manual) contained in this Appendix are of such laws and regulations (including the Listing Manual) as at the Latest Practicable Date.

Any reference to a time of a day in this Appendix shall be a reference to Singapore time unless otherwise stated.

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

LETTER TO SHAREHOLDERS

CH OFFSHORE LTD.

(Incorporated in the Republic of Singapore)
(Unique Entity Number: 197600666D)

Directors:

Mr Thia Peng Heok, George (Chairman, Independent Director)
Dr Benety Chang (Chief Executive Officer / Executive Director)
Ms Jeanette Chang (Non-Executive Non-Independent Director)
Mr Tan Kiang Kherng (Non-Executive Non-Independent Director)
Mr Tan Pong Tyea (Non-Executive Non-Independent Director)
Mr Tan Kian Huay (Independent Director)

Registered Office:

12A Jalan Samulun
Singapore 629131

Date: 1 April 2021

To: The Shareholders of the Company

Dear Sir/Madam

- I. THE PROPOSED RENEWAL OF THE IPT GENERAL MANDATE
- II. THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

1. INTRODUCTION

1.1 We refer to the Notice of AGM and in particular:

1.1.1 the Ordinary Resolution 8 under the heading "Special Business" in relation to the proposed renewal of the IPT General Mandate (the "**Proposed Renewal of the IPT General Mandate**"); and

1.1.2 the Ordinary Resolution 9 under the heading "Special Business" in relation to the proposed renewal of the Share Buyback Mandate (the "**Proposed Renewal of the Share Buyback Mandate**"),

collectively, the "**Proposed Transactions**".

1.2 The purpose of this Appendix is to provide Shareholders with relevant information relating to, and seek Shareholders' approval for, the Proposed Transactions to be tabled at the 2021 AGM.

1.3 The SGX-ST takes no responsibility for the accuracy of any statements or opinions made or reports contained in this Appendix.

1.4 RHTLaw Asia LLP is the legal adviser to the Company in relation to the Proposed Renewal of the IPT General Mandate and the Proposed Renewal of the Share Buyback Mandate.

2. THE PROPOSED RENEWAL OF THE IPT GENERAL MANDATE

2.1 Chapter 9 of the Listing Manual

Chapter 9 of the Listing Manual governs transactions in which a listed company or any of its subsidiaries or associated companies enters into or proposes to enter into with a party who is an interested person of the listed company.

Under Rules 905 and 906 of the Listing Manual, an immediate announcement and shareholders' approval would be required in respect of transactions with Interested Persons if certain materiality thresholds are reached or exceeded.

Rule 920 of the Listing Manual permits a listed company to seek a mandate from its shareholders for recurrent transactions with Interested Persons of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials, but not in respect of the purchase or sale of assets, undertakings or businesses, that may be carried out with the Interested Persons. Transactions conducted under such a mandate are not subject to Rules 905 and 906 of the Listing Manual. The general mandate is subject to annual renewal.

General information on the Listing Rules relating to IPTs, including the meanings of terms such as "associate", "entity at risk", "interested person", "same interested person" and "interested person transaction" used in Chapter 9 of the Listing Manual, are set out in **Appendix 1** of this Appendix.

2.2 Classes of Mandated Interested Persons

Baker Technology Limited ("**Baker Technology**") and together with its subsidiaries, the "**Baker Tech Group**") is a leading manufacturer and provider of specialised marine offshore equipment and services, mainly focused on the offshore oil and gas industry.

Baker Technology is deemed to be an Interested Person within the meaning defined in Chapter 9 of the Listing Manual, for the following reasons:

- 2.2.1 Baker Technology, through its direct wholly-owned subsidiary BT Investment Pte Ltd. ("**BTI**"), holds a 54.98% shareholding interest in the Company as of the Latest Practicable Date; and
- 2.2.2 Dr Benety Chang, the Chief Executive Officer and an Executive Director of the Group, holds a 43.25% direct shareholding, and is also deemed to be interested in the 9.44% shareholding held by his wife, Dr Doris Heng Chin Ngor, in Baker Technology as of the Latest Practicable Date.

As there are complementary synergies between the Group and the Baker Tech Group, details of which are specifically set out in sections 2.3 and 2.4 of this Appendix, the Group intends to leverage on the Baker Tech Group's strengths and resources in order to further enhance the Group's businesses. In transacting with the Baker Tech Group, the Group expects that the aggregate value of all IPTs with the Baker Tech Group in the same financial year may exceed 5% of the Group's latest audited NTA, requiring Shareholders' approval to be obtained under Rule 906 of the Listing Manual. In view of the foregoing, the Group obtained a general mandate from Shareholders for such IPTs pursuant to Rule 920 of the Listing Manual at the 2020 AGM. As the IPT General Mandate will expire at the 2021 AGM, the Directors intend to seek approval from Shareholders for the renewal of the IPT General Mandate at the 2021 AGM.

The IPT General Mandate will apply to Mandated Transactions to be carried out between members of the Group, and Baker Technology, its subsidiaries and its associated companies (collectively, the "**Mandated Interested Persons**").

Nevertheless, for the avoidance of doubt, the Mandated Interested Persons would include such subsidiaries and associated companies of Baker Technology which may, during such period while the IPT General Mandate is in effect, become a Mandated Interested Person where previously they were not so.

2.3 Rationale for and benefits of the IPT General Mandate

In view of the time-sensitive and recurrent nature of commercial transactions, the IPT General Mandate is intended to facilitate the Mandated Transactions in the day-to-day operations of the Group that may be transacted from time to time with the Mandated Interested Persons, provided that they are carried out on normal commercial terms, and are not prejudicial to the interests of the Company and its minority Shareholders.

The Directors believe that the IPT General Mandate is in the interests of the Group for the following reasons:

- 2.3.1 the Group carries out a business of, *inter alia*, vessel chartering in the offshore oil and gas industry. As such, parts of the Group's businesses are complementary to the business of the Mandated Interested Persons and *vice versa*, and there are opportunities for the Group and the Mandated Interested Persons to leverage on each other's business, experience and resources, to add value to the businesses of both and enhance profitability of the Group;

- 2.3.2 from the Group's perspective, the IPT General Mandate will enable the Group to take full advantage of the opportunities available to the Mandated Interested Persons, and tap on the wide network of contacts and resources established by the Mandated Interested Persons. The procurement of products and services from Mandated Interested Persons and *vice versa* pursuant to the IPT General Mandate would also enable the Group to benefit from having access to competitive quotes from Mandated Interested Persons, in addition to obtaining quotes from or transacting with non-interested persons, as well as having another source of revenue from the Mandated Interested Persons;
- 2.3.3 the IPT General Mandate will enhance the Group's ability to pursue business opportunities which are time-sensitive in nature, as it will eliminate the need for the Company to announce and convene separate general meetings on each occasion to seek Shareholders' prior approval for the entry by the relevant entity in the Group into such Mandated Transactions; and
- 2.3.4 the IPT General Mandate will improve the administrative efficacy of the Group, as it will substantially reduce the expenses associated with convening general meetings on an ad hoc basis to comply with Chapter 9 of the Listing Manual, and will allow manpower resources and time to be channelled towards attaining other corporate objectives without compromising existing corporate objectives.

2.4 Categories and nature of the Mandated Transactions under the IPT General Mandate

The Group is principally engaged in the ownership and chartering of vessels and the provision of marine support services for the offshore oil and gas industry. As part of its business of ship chartering, the Group also provides ship management services to its clients. In addition, through its experience in owning and operating offshore supply vessels, the Group has also build up in-depth knowledge and expertise in this area.

As stated in section 2.2 of this Appendix, the Baker Tech Group specialises in marine offshore equipment and services, mainly focused on the offshore oil and gas industry. Its core business is in the design, construction, operation and chartering of mobile offshore units and offshore supply vessels, and a wide range of critical equipment and components for the offshore marine industry. These include offshore pedestal cranes, anchor winches, skidding systems, jacking systems and raw water tower structures. It also provides services such as project and technical management, vessel engineering, repair and maintenance, warehousing, shipyard and wharfage services, quality assurance, and construction supervision.

Subsequent to the Baker Tech Group's acquisition of the Group in 2018, the Group's strategy has been to leverage on the Baker Tech Group's expertise, technology, network and contacts and *vice versa*. In this regard, the Baker Tech Group and the Group intend to build on their relationship by providing certain additional services, including without limitation, referral services for prospective clients and project and technical management services, to the other party.

The IPT General Mandate will apply to two (2) categories of transactions with the Mandated Interested Persons for the purpose of the Group's ordinary business operations. These categories and the corresponding transactions are:

2.4.1 IPTs relating to vessel charters, repairs and related operations of the Group ("Category 1"):

these transactions include:

- (a) provision or obtaining of charter (as charterer or shipowner) of vessels to and from the Mandated Interested Persons;
- (b) provision of ship management services, including without limitation, technical services, provision of crew, crew insurance, and commercial management of vessels, to the Mandated Interested Persons; and
- (c) obtaining of vessel engineering, vessel repair and maintenance services, fabrication services and goods, and shipyard and wharfage services from the Mandated Interested Persons;

2.4.2 IPTs relating to other services ("Category 2"):

these transactions include:

- (a) obtaining of warehousing services from the Mandated Interested Persons. Warehousing services may be provided by Baker Engineering Pte. Ltd. and Sea Deep Shipyard Pte. Ltd., which are the wholly-owned subsidiaries of Baker Technology. Such warehousing space is mainly used by the Group to store equipment and spare parts;

- (b) provision or obtaining of referral services to and from the Mandated Interested Persons. There may be instances where certain clients or contacts of the Group require certain services not provided by the Group but can be provided by Baker Tech Group, or *vice versa*. The Group and the Mandated Interested Persons may refer such clients or contacts to the Mandated Interested Persons or the Group, as the case may be, in return for a referral fee; and
- (c) obtaining of project and technical management services, including without limitation technical design services and advisory services, from the Mandated Interested Persons,

(collectively, the "**Mandated Transactions**" and each, a "**Mandated Transaction**").

The IPT General Mandate will not cover any transaction with an Interested Person that is below S\$100,000 in value as the threshold and aggregation requirements of Chapter 9 of the Listing Manual would not apply to such transactions, save that the SGX-ST may aggregate transactions with an Interested Person that are below S\$100,000 in value entered into during the same financial year and treat them as if they were one transaction. Other transactions with Interested Persons that do not fall within the ambit of the IPT General Mandate shall be subject to the relevant provisions of Chapter 9 of the Listing Manual.

2.5 Guidelines and Review Procedures for the Mandated Transactions

All contracts entered into or transactions with Interested Persons shall be carried out at prevailing market rates on pricing and terms which are no more favourable to the Interested Persons than the usual commercial terms and prevailing market rates extended to or received from unrelated third parties.

The Group will implement the following procedures to ensure that the Mandated Transactions with the Mandated Interested Persons under the IPT General Mandate are undertaken on an arm's length basis and on normal commercial terms:

2.5.1 Guidelines and Review Procedures for IPTs under Category 1

The relevant member of the Group carrying out the Mandated Transaction shall review and compare the pricing and terms of the Mandated Transaction with the pricing and terms of two (2) other transactions of a similar nature with unrelated third parties. During the review and comparison, the relevant member of the Group shall also take into account factors such as, but not limited to, quality of goods or services, suitability of time schedules, duration of contracts, preferential rates, rebates or discounts accorded for bulk sales or purchases, other relevant specifications of the contract and/or strategic purposes of the transaction, where applicable.

Where the prevailing market rates are not available for comparison, the pricing and terms of the Mandated Transaction will be reviewed and determined as to whether they are consistent with the Group's usual business practices and pricing policies for the same or substantially similar type of transactions with unrelated third parties, and whether they are arm's length deals on market terms that are beneficial for and in the best interests of the Group. The Mandated Transaction shall be beneficial to the interests of the Group after taking into account factors such as, but not limited to, quality of goods and services, suitability of time schedules, duration of contracts, preferential rates, rebates or discounts accorded for bulk sales or purchases, other relevant specifications of the contract and/or strategic purposes of the transaction, where applicable.

2.5.2 Guidelines and Review Procedures for IPTs under Category 2

In respect of leasing of warehousing space from the Mandated Interested Persons, the relevant member of the Group carrying out the Mandated Transaction shall review and compare the rental rates and terms of the Mandated Transaction with the rental rates and terms offered or charged by unrelated third parties. During the review and comparison, the relevant member of the Group shall take into account other factors such as, but not limited to, the size and location of the unit, duration of the lease, specifications of the unit, and any other relevant factors that may affect rental rates or the terms of the lease.

In respect of the referral services provided to or obtained from the Mandated Interested Persons, and the project and technical management services obtained from the Mandated Interested Persons, such services shall be transacted at arm's length, on a commercial basis, and in accordance with usual business practices and policies for the same or substantially similar type of transactions with unrelated third parties (where relevant) to ensure that the terms are not prejudicial to the interests of either party.

2.5.3 Approval of Mandated Transactions

Before entering into any Mandated Transaction under Category 1 or Category 2, all such transactions will be subject to review and the pre-approval by the relevant approving authorities according to the value of the Mandated Transaction as set out in the approval matrix below (the "Approving Authorities"):

Mandated Transaction approval matrix	
Value of each Mandated Transaction	Approving Authorities (each having no interest, direct or indirect, in the Mandated Transaction)
1. Equal to or less than S\$500,000	FC of the Group and CHOSM MD (alternatively, where either the FC of the Group or CHOSM MD has an interest in the Mandated Transaction, the majority of the Audit Committee)
2. Exceeding S\$500,000	Majority of the Audit Committee

The Approving Authorities may at their own discretion obtain independent advice or valuations from external or professional sources to facilitate their review and approval.

In the event that any of the Approving Authorities has an interest in the Mandated Transaction under consideration for approval, he shall abstain from reviewing and approving the transaction. Such transaction will be reviewed and approved by the alternate Approving Authority or the other members of the Approving Authority, as the case may be, in accordance with the approval matrix above (each having no interest, direct or indirect, in the Mandated Transaction).

In the event that any member of the Audit Committee has an interest in the Mandated Transaction, he shall abstain from reviewing and approving the transaction. Such transaction will be reviewed and approved by the remaining members of the Audit Committee (each having no interest, direct or indirect, in the Mandated Transaction).

Any variation of the terms of a Mandated Transaction shall also be subject to the approval of the Approving Authorities as set out above. In the event of any such variation to the agreement for any Mandated Transaction with the Mandated Interested Persons, the Group shall also provide the basis and justification for such approval. The Audit Committee shall review any such variation to ensure that the Mandated Transaction continues to be made on the Group's normal commercial terms.

2.5.4 Additional Guidelines and Review Procedures

In addition to the guidelines and review procedures set out in sections 2.5.1 to 2.5.3 of this Appendix, the Company will implement the following additional guidelines and procedures to ensure that the Mandated Transactions carried out under the proposed IPT General Mandate are undertaken on an arm's length basis and on normal commercial terms:

(i) *Maintaining a register of IPTs*

The Company will maintain an IPT register which details all the IPTs entered into by the Group (including those below S\$100,000 in value) as well as information pertinent to the evaluation of the IPTs, which includes but are not limited to, the identity of the Interested Persons involved in the IPTs, the value of the IPTs, the basis of determining the transaction prices of the IPTs and supporting evidence (where available) as to whether such IPTs are conducted in accordance with the stated guidelines and review procedures set out in sections 2.5.1 to 2.5.3 of this Appendix.

(ii) *Review by Audit Committee*

Members of the Audit Committee (each having no interest, direct or indirect, in any IPTs) will review all approved IPTs (excluding those below S\$100,000 in value) on a quarterly basis to ensure that the established guidelines and review procedures for the IPTs have been complied with and the relevant approvals have been obtained. The Audit Committee will report the findings of the reviews to the Board.

The Audit Committee will also review, on a quarterly basis, the established guidelines and review procedures of the IPTs and determine if such guidelines and review procedures continue to be adequate and/or are commercially practicable in ensuring that the IPTs are conducted on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders. If the Audit Committee is of the view that the guidelines and review procedures have become inappropriate and/or insufficient to meet such objectives, the Company will seek a fresh mandate from Shareholders based on new guidelines and review procedures proposed for the IPTs. During the period prior to obtaining a fresh mandate from the Shareholders, all IPTs will be subject to prior review and approval by the Audit Committee, subject to the requirements under Chapter 9 of the Listing Manual.

(iii) *Review by internal auditors*

The Group will incorporate a review of IPTs in its internal audit plan. The internal auditors will review the IPTs to check that, amongst other things, the relevant approvals have been obtained and the guidelines and review procedures for the IPTs have been adhered to. The internal auditors will forward their review reports to the Audit Committee.

(iv) *Review by external auditors and/or other professional advisers*

The Group's external auditors will review the IPTs on a sampling basis as part of the Group's annual audit. The external auditors will report any non-compliance issues noted from the audit samples to the Audit Committee. In addition, the Audit Committee shall, when it deems fit, have the right to require the appointment of independent advisers to advise on the transactions under review or approved or to advise on the guidelines and review procedures. The outcome of such review shall be documented and minuted.

2.5.5 Validity Period of the IPT General Mandate

If renewed at the forthcoming AGM, the IPT General Mandate will take effect from the date of the passing of the relevant ordinary resolution to be proposed at the 2021 AGM and will (unless revoked or varied by the Company in a general meeting) continue to be in force until the next AGM is held or is required by law to be held, whichever is the earlier. The Company will seek the approval of Shareholders for the renewal of the IPT General Mandate at each subsequent AGM. The renewal of the IPT General Mandate shall be made in accordance with the Listing Manual and such other laws and regulations as may be applicable at the time. It shall also be subject to the satisfactory review by the Audit Committee of the continued need for each of the IPT General Mandate and the adequacy of the review procedures for the transactions.

2.5.6 Disclosure of IPTs to Shareholders in the Annual Report and Financial Statements

In accordance with the requirements of Chapter 9 of the Listing Manual:

- (i) disclosure will be made in the annual report of the Company, giving details of the aggregate value of all transactions conducted with the Mandated Interested Persons pursuant to the IPT General Mandate during the financial year under review and in the annual reports for the subsequent financial years during which the IPT General Mandate are in force;
- (ii) announcements will be made with regard to the aggregate value of transactions conducted with the Mandated Interested Persons pursuant to the IPT General Mandate for the financial periods which the Company is required to report on pursuant to Rule 705 of the Listing Manual within the time required for the announcement of such report; and

- (iii) the names of the Interested Persons, nature of relationship and the corresponding aggregate value of the IPTs entered into with the same interested person must be presented in the form set out in Rule 907 of the Listing Manual as follows:

Name of Interested Person(s)	Nature of relationship	Aggregate value of all interested person transactions during the financial period/year under review (excluding transactions less than S\$100,000 and transactions conducted under the IPT General Mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under the IPT General Mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
------------------------------	------------------------	---	--

2.6 Statement of the Audit Committee

The Audit Committee has reviewed the terms of the IPT General Mandate and is satisfied that the review procedures set up by the Company in relation to the Mandated Transactions under the IPT General Mandate are, if adhered to, sufficient to ensure that the Mandated Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

3. THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

3.1 Background

The Companies Act allows a Singapore-incorporated company to purchase or otherwise acquire its issued shares if the purchase or acquisition is permitted under the company's constitution. Any purchase or acquisition of Shares by the Company must be made in accordance with, and in the manner prescribed by, the Companies Act, the Constitution and such other laws and regulations as may for the time being be applicable. As the Company is listed on the Mainboard, it is also required to comply with Part XIII of Chapter 8 of the Listing Manual, which relates to share buybacks.

Article 3(B) of the Constitution expressly permits the Company to, *inter alia*, purchase or otherwise acquire any of its issued Shares.

It is also a requirement under the Companies Act and Rule 881 of the Listing Manual 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.

At the 2020 AGM, Shareholders had approved the renewal of the Share Buyback Mandate to enable the Company to purchase or otherwise acquire its issued Shares on the terms of that mandate.

As the Share Buyback Mandate will expire on the conclusion of the 2021 AGM, the Company is seeking Shareholders' approval at the forthcoming AGM for the Proposed Renewal of the Share Buyback Mandate. An ordinary resolution will be proposed, pursuant to which the Directors will be given the authority to exercise all powers of the Company to purchase its own Shares on the terms of the Share Buyback Mandate.

If approved by Shareholders at the 2021 AGM, the authority conferred by the Share Buyback Mandate will take effect from the date of the 2021 AGM and continue in force until the date on which the next AGM is held or as required by law to be held, whichever is earlier, unless prior thereto, Share Buybacks have been carried out to the full extent mandated, or the authority conferred by the Share Buyback Mandate is revoked or varied by Shareholders in a general meeting.

3.2 Rationale for the Proposed Renewal of the Share Buyback Mandate

The rationale for the Company to undertake the purchase or acquisition of its Shares is as follows:

- (a) In managing the business of the Group, the management strives to improve Shareholder value including, amongst others, the return on equity of the Group. A Share Buyback at the appropriate price level is one of the ways through which the return on equity of the Group may be enhanced;

- (b) Share Buybacks allow the Company to mitigate short term market volatility, offset the effects of short-term speculation and bolster Shareholder confidence.
- (c) Share Buybacks will provide the Company with greater flexibility in managing its capital, share capital structure and maximising returns to its Shareholders. To the extent that the Company has surplus cash over and above its ordinary capital requirements, Share Buybacks provide the Directors a mechanism to facilitate the return of surplus cash in an expedient and cost-efficient manner;
- (d) the Share Buyback Mandate also enables the Company to hold Shares pursuant to the Share Buyback Mandate as treasury shares for the purposes of or, pursuant to any share-based incentive schemes it may implement from time to time; and
- (e) Directors may utilise Shares which are purchased or acquired, and held as treasury shares, to be sold for cash or transferred as consideration for the acquisition of shares in or assets of another company or assets of a person, which may be less dilutive than if new Shares were issued for this purpose.

If and when circumstances permit, the Directors will decide whether to effect a Share Buyback via market purchases or off-market purchases, after taking into account the amount of surplus cash available, the prevailing market conditions and the most cost-effective and efficient approach.

While the Share Buyback Mandate would authorise a purchase or acquisition of Shares up to the 10% limit described in section 3.3.1 of this Appendix below during the period referred to in section 3.3.2 of this Appendix below, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buyback Mandate may not be carried out to the full 10% limit as authorised. In particular, the Directors will not effect the purchase or acquisition of the Shares to be made in circumstances which would have an adverse effect on the free float, liquidity, orderly trading of the Shares and/or financial position of the Group. Please refer to sections 3.3.1 and 3.3.2 of this Appendix for further details.

3.3 Terms of the Share Buyback Mandate

The authority and limitations placed on Share Buybacks by the Company under the Share Buyback Mandate, if approved at the 2021 AGM, are summarised below:

3.3.1 Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares that may be purchased or acquired pursuant to the Share Buyback Mandate is limited to that number of Shares representing not more than 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date on which the ordinary resolution authorising the Share Buyback Mandate is passed (the "**Approval Date**"), unless the Company has, at any time during the Relevant Period, reduced its share capital in accordance with the applicable provisions of the Companies Act, in which event the total number of issued Shares of the Company shall be taken to be the total number of issued Shares as altered after such capital reduction. For purposes of computing the 10% limit, any Shares which are held as treasury shares or subsidiary holdings will be disregarded.

As at the Latest Practicable Date, the Company is holding 198,000 treasury shares and has no subsidiary holdings.

For illustrative purposes only, on the basis of 704,892,514 Shares in issue as at the Latest Practicable Date (excluding treasury shares and subsidiary holdings) and assuming no further Shares are issued on or prior to the 2021 AGM and that the Company does not reduce its share capital, not more than 70,489,251 Shares (representing approximately 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at that date) may be purchased or acquired by the Company pursuant to the proposed Share Buyback Mandate during the Relevant Period when the Share Buyback Mandate is in force as referred to in section 3.3.2 of this Appendix below.

However, as stated in sections 3.2 and 3.9.3 of this Appendix, purchases or acquisitions pursuant to the Share Buyback Mandate need not be carried out to the full extent mandated, and, in any case, would not be carried out to such an extent that would result in the Company being delisted from the SGX-ST. Thus, notwithstanding that the Share Buyback Mandate may enable purchases or acquisitions of up to 10% of the issued Shares (excluding treasury shares and subsidiary holdings) to be carried out, it should be noted that in order to maintain the listing status of the Shares on the SGX-ST, the Company must ensure (pursuant to Rule 723 of the Listing Manual) that there is at all times a public float of not less than 10% of the issued Shares (excluding treasury shares).

Accordingly, assuming solely for illustrative purposes that 77,608,665 Shares (or approximately 11.01% of the issued Shares (excluding treasury shares and subsidiary holdings)) are held in public hands as at the Latest Practicable Date, in order to preserve the listing status of the Shares on the SGX-ST by maintaining a public float of not less than 10% in the issued Shares (excluding treasury shares), the Company would not purchase or acquire more than 7,119,414 Shares (or 1.01% of the issued Shares (excluding treasury shares and subsidiary holdings)) pursuant to the Share Buyback Mandate as at the Latest Practicable Date. The public float in the issued Shares as at the Latest Practicable Date is disclosed in section 3.9.3 of this Appendix below.

Notwithstanding the above, the Company anticipates that the public float percentage of the issued Shares will change from time to time consequent upon the dynamic changing profile of public shareholders of the Company. For this reason, the Company is therefore seeking Shareholders' approval to enable the Company to purchase or acquire Shares up to a maximum of 10% of the issued Shares (excluding treasury shares and subsidiary holdings) for flexibility to prospectively cater to any future increase in the number of issued Shares held in public hands.

3.3.2 Duration of Authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the Approval Date up to the earlier of:

- (i) the date on which the next AGM is held or required by law or the Constitution to be held;
- (ii) the date on which the authority conferred by the Share Buyback Mandate is varied or revoked by Shareholders in a general meeting; or
- (iii) the date on which the purchases or acquisitions of Shares pursuant to the Share Buyback Mandate are carried out to the full extent mandated,

whichever is the earliest (the "**Relevant Period**").

The authority conferred on the Directors by the Share Buyback Mandate to purchase or acquire Shares may be renewed at the AGM to be held after the 2021 AGM, or at an extraordinary general meeting to be convened immediately after the conclusion or adjournment of the next AGM. When seeking the approval of Shareholders for the Proposed Renewal of the Share Buyback Mandate, the Company is required to disclose details pertaining to purchases or acquisitions of Shares pursuant to the previous Share Buyback Mandate made during the previous 12 months, including the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for such purchases or acquisitions of Shares, where relevant, and the total consideration paid for such purchases or acquisitions.

3.3.3 Manner of Purchases or Acquisitions of Shares

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

- (i) on-market purchases (each a "**Market Purchase**"), transacted on the SGX-ST through the 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; and/or
- (ii) off-market purchases (each an "**Off-Market Purchase**") (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme as may be defined in Section 76C of the Companies Act.

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

- (i) 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;
- (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 shall be the same, except that there shall be disregarded:
 - (A) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;
 - (B) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid; and
 - (C) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

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

- (i) the terms and conditions of the offer;
- (ii) the period and procedures for acceptances;
- (iii) the reasons for the proposed Share Buyback;
- (iv) the consequences, if any, of Share Buybacks by the Company that will arise under the Take-over Code or other applicable takeover rules;
- (v) whether the Share Buyback, if made, would have any effect on the listing of the Shares on the SGX-ST;
- (vi) details of any Share Buyback (whether by way of Market Purchases or Off-Market Purchases in accordance with an equal access scheme) in the previous twelve (12) months, giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases of Shares, where relevant, and the total consideration paid for the purchases; and
- (vii) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

3.3.4 Maximum Purchase Price

The purchase price (excluding applicable brokerage, stamp duties, commission, goods and services tax, clearance fees and other related expenses ("**Related Expenses**")) to be paid for the Shares will be determined by the Directors.

However, the purchase price to be paid for a Share as determined by the Directors must not exceed:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price (as defined hereinafter) of the Shares; and
- (ii) in the case of an Off-Market Purchase, 120% of the Average Closing Price (as defined hereinafter) of the Shares,

(the "**Maximum Price**") in either case, excluding Related Expenses of the Share Buyback.

For the above purposes:

"**Average Closing Price**" means the average of the closing market prices of the Shares over the last five (5) Market Days, on which transactions in the Shares were recorded on the SGX-ST, immediately before the date of the Market Purchase or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the Listing Rules, for any corporate action that occurs during the relevant five-day period and the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase; and

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

3.4 Status of Purchased Shares

Shares purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Shares will expire on such cancellation) unless such Shares are held by the Company as treasury shares in accordance with 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.

Under the Companies Act, where Shares purchased or acquired by the Company are cancelled, the Company shall:

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

by the total amount of the purchase price paid by the Company for the Shares cancelled, which shall include any expenses (including brokerage or commission) incurred directly in such purchase or acquisition of 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 delisted by the SGX-ST, and (where applicable) all 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.

At the time of each Share Buyback, the Company may decide whether the Shares purchased or acquired 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.

3.5 Treasury Shares

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

(a) Maximum Holdings

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

(b) Voting and Other Rights

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

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

(c) Disposal and Cancellation

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

- (i) sell the treasury shares for cash;
- (ii) transfer the treasury shares for the purposes of or pursuant to any share scheme, whether for employees, Directors or other persons;
- (iii) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;

- (iv) cancel the treasury shares; or
- (v) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

In addition, under the Listing Rules, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares (in each case, "**usage**"). Such announcement must include details such as:

- (i) the date of the usage;
- (ii) the purpose of the usage;
- (iii) the number of treasury shares comprised in the usage;
- (iv) the number of treasury shares before and after the usage;
- (v) the percentage of the number of treasury shares against the total number of shares outstanding in a class that is listed before and after the usage; and
- (vi) value of the treasury shares if they are used for the usage.

3.6 Source of Funds

In purchasing or acquiring Shares, the Company may only apply funds legally available for such purchase in accordance with its Constitution and the Applicable Laws in Singapore. The Company may not purchase or acquire Shares for a consideration other than cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the Listing Manual. Share Buybacks may be made out of the Company's profits or capital so long as the Company is solvent.

The Company intends to use internal resources and/or external borrowings to fund the purchase or acquisition of Shares pursuant to the Share Buyback Mandate. The Directors do not propose to exercise the Share Buyback Mandate in a manner and to such extent that it would result in any material adverse effect on the working capital requirements and/or the gearing of the Company and the Group.

The Company will only exercise the Share Buyback Mandate in the interests of the Company and the Group without causing adverse financial impact to the Company and the Group. In particular, the Company will have regard to any relevant financial covenants which are applicable to the Company and/or the Group under any agreements for banking and credit facilities which may be granted by a financial institution to the Company and/or the Group from time to time. The Company will not effect any share buyback if such purchases or acquisitions would result in any breaches of the relevant financial covenants.

3.7 Financial Effects

Shareholders should note that the financial effects below are for illustration purposes only. In particular, it is important to note that the financial analyses set out below are based on the audited consolidated financial statements for FY2020 and are not necessarily representative of the future financial performance of the Group. Although the Share Buyback Mandate (if renewed) would authorise the Company to purchase or acquire Shares up to 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as determined in accordance with the applicable provisions of the Companies Act, based on a public float of approximately 11.01% as at the Latest Practicable Date, the Company is at present, only permitted to purchase or acquire up to 1.01% of the issued Shares (excluding treasury shares and subsidiary holdings) being an extent that would not affect adversely the listing status of the Shares on the SGX-ST as at the Latest Practicable Date. Even so, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 1.01% or, as the case may be, (if and when future circumstances permit) the entire 10% of the issued Shares (excluding treasury shares and subsidiary holdings). In addition, the Company may cancel all or part of the Shares purchased or acquired or hold all or part of the Shares purchased or acquired in treasury.

It is not possible for the Company to realistically calculate or quantify the impact of purchases or acquisitions that may be made pursuant to the Share Buyback Mandate on the financial effects as it would depend on factors such as the aggregate number of Shares purchased or acquired, the purchase prices paid at the relevant time, and the amount (if any) borrowed by the Company to fund the purchases or acquisitions, whether the purchase or acquisition is made out of profits or capital, and whether the Shares purchased or acquired are held in treasury or cancelled. It should be noted that where the purchase or acquisition of Shares is made out of profits, the purchase price paid by the Company for the Shares (excluding Related Expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. The NAV of the Company and of the Group will be reduced by the aggregate purchase price paid by the Company for the Shares. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount of distributable profits available for cash dividends by the Company will not be reduced. The financial effects presented in this Section are based on the assumptions set out below:

3.7.1 Information as at the Latest Practicable Date

As at the Latest Practicable Date, the issued share capital of the Company comprised 704,892,514 Shares (excluding treasury shares and subsidiary holdings).

3.7.2 Illustrative Financial Effects

Scenario I: Purchase or acquisition of 1.01% of the issued Shares by the Company

For illustrative purposes only, based on the existing issued and paid-up share capital of the Company of 704,892,514 Shares and a public float of approximately 11.01% as at the Latest Practicable Date, disregarding 198,000 treasury shares as at the Latest Practicable Date, and assuming that no further Shares are issued; no further Shares are purchased or acquired by the Company; no further Shares are held by the Company as treasury shares; and no Shares are held as subsidiary holdings, on or prior to the 2021 AGM, the exercise of the proposed Share Buyback Mandate, on the Latest Practicable Date, up to an extent that would not affect adversely the listing status of the Shares on the SGX-ST, may result in the purchase or acquisition of 7,119,414 Shares, representing approximately 1.01% of the total Shares in issue (excluding treasury shares and subsidiary holdings) (instead of a purchase or acquisition of 70,489,251 Shares representing 10% of such issued Shares (excluding treasury shares and subsidiary holdings)).

In the case of a Market Purchase by the Company and assuming that the Company purchases or acquires the 7,119,414 Shares at the Maximum Price of S\$0.049 for one (1) Share (being the price equivalent to 105% of the Average Closing Price of the Shares over the last five (5) Market Days, on which transactions in the Shares were recorded on the SGX-ST, immediately before the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 7,119,414 Shares is approximately S\$353,000 (excluding Related Expenses) (equivalent to approximately US\$263,000 based on the exchange rate of US\$1.00 : S\$1.345 as at the Latest Practicable Date).

In the case of an Off-Market Purchase by the Company and assuming that the Company purchases or acquires the 7,119,414 Shares at the Maximum Price of S\$0.056 for one (1) Share (being the price equivalent to 120% of the Average Closing Price of the Shares over the last five (5) Market Days, on which transactions in the Shares were recorded on the SGX-ST, immediately before the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 7,119,414 Shares is approximately S\$401,000 (excluding Related Expenses) (equivalent to approximately US\$299,000 based on the exchange rate of US\$1.00 : S\$1.345 as at the Latest Practicable Date).

Scenario II: Purchase or acquisition of 10% of the issued Shares by the Company

The illustrative financial effects below are prepared assuming a prospective hypothetical scenario after the Latest Practicable Date whereby future circumstances permit up to 10% of the issued Shares (excluding treasury shares and subsidiary holdings) to be purchased or acquired by the Company without resulting in the listing status of the Shares on the SGX-ST being adversely affected.

For illustrative purposes only, based on the existing issued and paid-up share capital of the Company of 704,892,514 Shares, disregarding 198,000 treasury shares as at the Latest Practicable Date, and assuming that no further Shares are issued; no further Shares are purchased or acquired by the Company; no further Shares are held by the Company as treasury shares; and no Shares are held as subsidiary holdings, on or prior to the 2021 AGM, the exercise of the proposed Share Buyback Mandate, on the Latest Practicable Date, up to an extent that would not affect adversely the listing status of the Shares on the SGX-ST, may result in the purchase or acquisition of 70,489,251 Shares representing 10% of such issued Shares (excluding treasury shares and subsidiary holdings).

In the case of a Market Purchase by the Company and assuming that the Company purchases or acquires the 70,489,251 Shares at the Maximum Price of S\$0.049 for each Share (being the price equivalent to 105% of the Average Closing Price of the Shares over the last five (5) Market Days, on which transactions in the Shares were recorded on the SGX-ST, immediately before the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 70,489,251 Shares is approximately S\$3,454,000 (excluding Related Expenses) (equivalent to approximately US\$2,568,000 based on the exchange rate of US\$1.00 : S\$1.345 as at the Latest Practicable Date).

In the case of an Off-Market Purchase by the Company and assuming that the Company purchases or acquires the 70,489,251 Shares at the Maximum Price of S\$0.056 for each Share (being the price equivalent to 120% of the Average Closing Price of the Shares over the last five (5) Market Days, on which transactions in the Shares were recorded on the SGX-ST, immediately before the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 70,489,251 Shares is approximately S\$3,947,000 (excluding Related Expenses) (equivalent to approximately US\$2,935,000 based on the exchange rate of US\$1.00 : S\$1.345 as at the Latest Practicable Date).

For illustrative purposes only and on the basis of the assumptions set out above as well as the following:

- (i) in order to preserve the listing status of the Shares on the SGX-ST, the Company would not purchase or acquire more than 7,119,414 Shares (or 1.01% of the issued Shares (excluding treasury shares and subsidiary holdings)) pursuant to the Share Buyback Mandate as at the Latest Practicable Date;
- (ii) the Share Buyback Mandate had been effective on 1 January 2020;
- (iii) the purchase or acquisition of Shares are funded solely by internal resources of the Group;
- (iv) the Related Expenses were insignificant and have been ignored for the purpose of computing the financial effects; and
- (v) the number of Shares which may be held as treasury shares cannot at any time exceed 10% of the total number of issued Shares,

the financial effects of:

- (aa) the acquisition of 1.01% of the issued Shares (excluding treasury shares and subsidiary holdings) of the Company by the Company in a Market Purchase or Off-Market Purchase pursuant to the Share Buyback Mandate by way of purchases made entirely out of capital and cancelled (sub-section A) or held as treasury shares (sub-section B); and
- (bb) the acquisition of 1.01% of the issued Shares (excluding treasury shares and subsidiary holdings) of the Company by the Company in a Market Purchase or Off-Market Purchase pursuant to the Share Buyback Mandate by way of purchases made entirely out of profit and cancelled (sub-section C) or held as treasury shares (sub-section D);

on the audited financial results of the Group and the Company for FY2020, are set out below:

Purchases made entirely out of capital

The Group

	GROUP				
	Audited before buyback US\$'000	Market Purchase		Off-Market Purchase	
		(A)	(B)	(A)	(B)
		After buyback and cancelled US\$'000	After buyback and held as treasury shares US\$'000	After buyback and cancelled US\$'000	After buyback and held as treasury shares US\$'000

As at 31 December 2020

Profit/(Loss) after tax and minority interests	(19,314)	(19,314)	(19,314)	(19,314)	(19,314)
Share capital	55,379	55,116	55,379	55,080	55,379
Treasury shares	(46)	(46)	(309)	(46)	(345)
Revenue reserves	1,481	1,481	1,481	1,481	1,481
Shareholders' Equity/NAV	56,814	56,551	56,551	56,515	56,515
Non-controlling interests	5	5	5	5	5
Total equity ⁽¹⁾	56,819	56,556	56,556	56,520	56,520
Current assets	16,288	16,025	16,025	15,989	15,989
Current liabilities	13,276	13,276	13,276	13,276	13,276
Total borrowings	10,630	10,630	10,630	10,630	10,630
Cash and bank balances	3,190	2,927	2,927	2,891	2,891
Number of issued Shares (excluding Shares held as treasury shares and subsidiary holdings) ('000)	704,893	697,773	697,773	697,773	697,773

Financial Ratios

Basic EPS/(LPS) (US cents) ⁽²⁾	(2.74)	(2.77)	(2.77)	(2.77)	(2.77)
NAV per Share (US cents) ⁽³⁾	8.06	8.10	8.10	8.10	8.10
Gearing ratio (times) ⁽⁴⁾	0.13	0.14	0.14	0.14	0.14
Current ratio (times) ⁽⁵⁾	1.23	1.21	1.21	1.20	1.20

Notes:

⁽¹⁾ Total equity represents shareholders' equity plus non-controlling interests.

⁽²⁾ Basic EPS/(LPS) represents the ratio of profit/(loss) attributable to Shareholders of the Company to the weighted average number of Shares issued as at 31 December 2020.

⁽³⁾ NAV represents total equity less non-controlling interests. NAV per Share represents the ratio of NAV to the number of Shares issued as at 31 December 2020.

⁽⁴⁾ Gearing ratio represents the ratio of total borrowings less cash and bank balances to total equity.

⁽⁵⁾ Current ratio represents the ratio of current assets to current liabilities.

The Company

	COMPANY				
	Audited before buyback US\$'000	Market Purchase		Off-Market Purchase	
		(A)	(B)	(A)	(B)
		After buyback and cancelled	After buyback and held as treasury shares	After buyback and cancelled	After buyback and held as treasury shares
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000

As at 31 December 2020

Profit/(Loss) after tax and minority interests	(21,737)	(21,737)	(21,737)	(21,737)	(21,737)
Share capital	55,379	55,116	55,379	55,080	55,379
Treasury shares	(46)	(46)	(309)	(46)	(345)
Revenue reserves	(44,717)	(44,717)	(44,717)	(44,717)	(44,717)
Total equity/NAV	10,616	10,353	10,353	10,317	10,317
Current assets	24,632	24,369	24,369	24,333	24,333
Current liabilities	47,436	47,436	47,436	47,436	47,436
Total borrowings	10,630	10,630	10,630	10,630	10,630
Cash and bank balances	1,373	1,110	1,110	1,074	1,074
Number of issued Shares (excluding Shares held as treasury shares and subsidiary holdings) ('000)	704,893	697,773	697,773	697,773	697,773

Financial Ratios

Basic EPS/(LPS) (US cents) ⁽¹⁾	(3.08)	(3.12)	(3.12)	(3.12)	(3.12)
NAV per Share (US cents) ⁽²⁾	1.51	1.48	1.48	1.48	1.48
Gearing ratio (times) ⁽³⁾	0.87	0.92	0.92	0.93	0.93
Current ratio (times) ⁽⁴⁾	0.52	0.51	0.51	0.51	0.51

Notes:

⁽¹⁾ Basic EPS/(LPS) represents the ratio of profit/(loss) attributable to Shareholders of the Company to the weighted average number of Shares issued as at 31 December 2020.

⁽²⁾ NAV represents total equity less non-controlling interests. NAV per Share represents the ratio of NAV to the number of Shares issued as at 31 December 2020.

⁽³⁾ Gearing ratio represents the ratio of total borrowings less cash and bank balances to total equity.

⁽⁴⁾ Current ratio represents the ratio of current assets to current liabilities.

Purchases made out of profits

The Group

	GROUP				
	Audited before buyback US\$'000	Market Purchase		Off-Market Purchase	
		(C)	(D)	(C)	(D)
		After buyback and cancelled	After buyback and held as treasury shares	After buyback and cancelled	After buyback and held as treasury shares
US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	

As at 31 December 2020

Profit/(Loss) after tax and minority interests	(19,314)	(19,314)	(19,314)	(19,314)	(19,314)
Share capital	55,379	55,379	55,379	55,379	55,379
Treasury shares	(46)	(46)	(309)	(46)	(345)
Revenue reserves	1,481	1,218	1,481	1,182	1,481
Shareholders' Equity/NAV	56,814	56,551	56,551	56,515	56,515
Non-controlling interests	5	5	5	5	5
Total equity ⁽¹⁾	56,819	56,556	56,556	56,520	56,520
Current assets	16,288	16,025	16,025	15,989	15,989
Current liabilities	13,276	13,276	13,276	13,276	13,276
Total borrowings	10,630	10,630	10,630	10,630	10,630
Cash and bank balances	3,190	2,927	2,927	2,891	2,891
Number of issued Shares (excluding Shares held as treasury shares and subsidiary holdings) ('000)	704,893	697,773	697,773	697,773	697,773

Financial Ratios

Basic EPS/(LPS) (US cents) ⁽²⁾	(2.74)	(2.77)	(2.77)	(2.77)	(2.77)
NAV per Share (US cents) ⁽³⁾	8.06	8.10	8.10	8.10	8.10
Gearing ratio (times) ⁽⁴⁾	0.13	0.14	0.14	0.14	0.14
Current ratio (times) ⁽⁵⁾	1.23	1.21	1.21	1.20	1.20

Notes:

⁽¹⁾ Total equity represents shareholders' equity plus non-controlling interests.

⁽²⁾ Basic EPS/(LPS) represents the ratio of profit/(loss) attributable to Shareholders of the Company to the weighted average number of Shares issued as at 31 December 2020.

⁽³⁾ NAV represents total equity less non-controlling interests. NAV per Share represents the ratio of NAV to the number of Shares issued as at 31 December 2020.

⁽⁴⁾ Gearing ratio represents the ratio of total borrowings less cash and bank balances to total equity.

⁽⁵⁾ Current ratio represents the ratio of current assets to current liabilities.

	COMPANY				
	Audited before buyback US\$'000	Market Purchase		Off-Market Purchase	
		(C)	(D)	(C)	(D)
		After buyback and cancelled	After buyback and held as treasury shares	After buyback and cancelled	After buyback and held as treasury shares
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000

As at 31 December 2020

Profit/(Loss) after tax and minority interests	(21,737)	(21,737)	(21,737)	(21,737)	(21,737)
Share capital	55,379	55,379	55,379	55,379	55,379
Treasury shares	(46)	(46)	(309)	(46)	(345)
Revenue reserves	(44,717)	(44,980)	(44,717)	(45,016)	(44,717)
Total equity/NAV	10,616	10,353	10,353	10,317	10,317
Current assets	24,632	24,369	24,369	24,333	24,333
Current liabilities	47,436	47,436	47,436	47,436	47,436
Total borrowings	10,630	10,630	10,630	10,630	10,630
Cash and bank balances	1,373	1,110	1,110	1,074	1,074
Number of issued Shares (excluding Shares held as treasury shares and subsidiary holdings) ('000)	704,893	697,773	697,773	697,773	697,773

Financial Ratios

Basic EPS/(LPS) (US cents) ⁽¹⁾	(3.08)	(3.12)	(3.12)	(3.12)	(3.12)
NAV per Share (US cents) ⁽²⁾	1.51	1.48	1.48	1.48	1.48
Gearing ratio (times) ⁽³⁾	0.87	0.92	0.92	0.93	0.93
Current ratio (times) ⁽⁴⁾	0.52	0.51	0.51	0.51	0.51

Notes:

⁽¹⁾ Basic EPS/(LPS) represents the ratio of profit/(loss) attributable to Shareholders of the Company to the weighted average number of Shares issued as at 31 December 2020.

⁽²⁾ NAV represents total equity less non-controlling interests. NAV per Share represents the ratio of NAV to the number of Shares issued as at 31 December 2020.

⁽³⁾ Gearing ratio represents the ratio of total borrowings less cash and bank balances to total equity.

⁽⁴⁾ Current ratio represents the ratio of current assets to current liabilities.

The actual impact on the financials on the Company and the Group arising from purchases or acquisitions of Shares will depend on the number and price of the Shares purchased or acquired. As stated, the Directors do not propose to exercise the Share Buyback Mandate in a manner and to such extent that it would result in any material adverse effect on the working capital requirements and/or the gearing of the Group. Share Buybacks will only be effected after considering relevant factors such as the working capital requirement, availability of financial resources, the expansion and investment plans of the Group, and prevailing market conditions. The proposed Share Buyback Mandate will be exercised with a view to enhance the EPS and/or NAV per Share of the Group.

Shareholders should note that the financial effects set out above are based on the respective aforesaid assumptions and are only for illustrative purposes. The above analyses are based on historical figures for the financial year ended 31 December 2020 and are not necessarily representative or indicative of the Company's or the Group's future financial performance.

3.8 Tax Implications

Shareholders who are in doubt as to their respective tax positions or tax implications of a Share Buyback or who may be subject to tax whether in or outside Singapore, should consult their own professional advisers.

3.9 Other Applicable Listing Rules

3.9.1 Reporting Requirements

The Listing Rules specify 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 on which the Market Purchase was made; 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 for the Off-Market Purchase.

Such announcement (in the form of Appendix 8.3.1 to the Listing Manual) 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 and any other information required under the Listing Rules, as applicable.

3.9.2 Restrictions on Share Buybacks

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

Further, in line with Rule 1207(19)(c) of the Listing Manual, the Company and its officers will not deal in the Company's securities during the period commencing one month before the announcement of the Company's half year and annual (full-year) financial statements.

3.9.3 Free Float

The Company is required under Rule 723 of the Listing Manual to ensure that at least 10% of the total number of issued Shares (excluding treasury shares, preference shares and convertible equity securities) are in the hands of the public. The "public", as defined under the Listing Manual, are persons other than the Directors, Chief Executive Officer, Substantial Shareholders or Controlling Shareholders of the Company and its subsidiaries, as well as the Associate of such persons. Where such percentage falls below 10%, the listed company must, as soon as practicable, announce that fact, and the SGX-ST may suspend trading of the class, or all the securities of the listed company.

As at the Latest Practicable Date, approximately 11.01% of the issued Shares are held by the public. For illustrative purposes only, in order to maintain the public float of not less than 10% of the total number of issued Shares (excluding treasury shares, preference shares and convertible equity securities), the Company would not purchase or acquire more than 7,119,414 Shares (representing approximately 1.01% of the total Shares in issue (excluding treasury shares and subsidiary holdings)) as at the Latest Practicable Date. Please refer to section 3.3.1 for further details.

The Directors will endeavour to ensure that any purchase or acquisition of Shares pursuant to the Share Buyback Mandate will not:

- (a) adversely affect the listing status of the Company on the SGX-ST;
- (b) cause market illiquidity; or
- (c) adversely affect the orderly trading of the Shares on the SGX-ST.

3.10 Take-over Implications

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

3.10.1 Obligation to make a Take-over Offer

Pursuant to Appendix 2 of the Take-over Code, an increase of a Shareholder's proportionate interest in the voting rights of the Company as a result of any purchase or acquisition of Shares by the Company will be treated as an acquisition for the purpose of Rule 14 of the Take-over Code ("**Rule 14**").

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

3.10.2 Persons Acting in Concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), cooperate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

Without prejudice to the general application of this definition, the following individuals and companies will be presumed to be persons acting in concert with each other unless the contrary is established:

- (i) the following companies:
 - (i) a company; (ii) the parent company of (i); (iii) the subsidiaries of (i); (iv) the fellow subsidiaries of (i); (v) the associated companies of any of (i), (ii), (iii) or (iv); (vi) companies whose associated companies include any of (i), (ii), (iii), (iv) or (v); and (vii) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the aforementioned for the purchase of voting rights.
- For this purpose, a company is an associated company of another company if the second company owns or controls at least 20% but not more than 50% of the voting rights of the first-mentioned company;
- (ii) 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);
- (iii) a company with any of its pension funds and employee share schemes;
- (iv) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (v) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser;

- (vi) directors of a company (together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent;
- (vii) partners; and
- (viii) the following persons and entities:
 - (i) an individual; (ii) the close relatives of (i); (iii) the related trusts of (i); (iv) any person who is accustomed to act in accordance with the instructions of (i); and (v) companies controlled by any of (i), (ii), (iii) or (iv); and (vi) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the aforementioned for the purchase of voting rights.

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

3.10.3 Effect of Rule 14 and Appendix 2 to 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 of the Company and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or if the voting rights of such Directors and their concert parties fall between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six (6) months.

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

3.10.4 Applicability of Rule 14 and Appendix 2 of the Take-over Code

Based on interests of the Directors and the Substantial Shareholders in the Shares as at the Latest Practicable Date as recorded in the Register of Directors' Shareholdings and the Register of Substantial Shareholders as set out in section 4 of this Appendix below:

- (i) Mr Tan Pong Tyea, a Non-Executive Non-Independent Director of the Company, and Falcon Energy Group Limited are each deemed to have an interest in the 239,760,131 Shares directly and indirectly held by Energian Pte. Ltd. in aggregate, representing approximately 34.01% of the entire issued and paid-up capital of the Company (collectively, the "**FEG Concert Party Group**"); and
- (ii) Dr Benety Chang, the Chief Executive Officer of the Group and an Executive Director of Baker Technology, and Dr Doris Heng Chin Ngor are each deemed to have an interest in the 387,535,300 Shares directly held by BTI, representing approximately 54.98% of the entire issued and paid-up capital of the Company (collectively, the "**BT Concert Party Group**").

For illustrative purposes only, based on the assumptions that:

- (i) in order to preserve the listing status of the Shares on the SGX-ST, the Company would not purchase or acquire more than 7,119,414 Shares (or 1.01% of the issued Shares (excluding treasury shares and subsidiary holdings)) pursuant to the Share Buyback Mandate as at the Latest Practicable Date;
- (ii) the purchase or acquisition of 7,119,414 Shares by the Company pursuant to the Share Buyback Mandate by way of Market Purchase is made entirely out of capital and cancelled;
- (iii) no new Shares are issued following Shareholders' approval of the Share Buyback Mandate;

- (iv) there is no change in the FEG Concert Party Group's and the BT Concert Party Group's shareholdings in the Company between the Latest Practicable Date and the 2021 AGM; and
- (v) the FEG Concert Party Group and the BT Concert Party Group do not sell or otherwise dispose of their shareholdings in the Company,

the shareholdings of the FEG Concert Party Group and the BT Concert Party Group as at the Latest Practicable Date and after the purchase or acquisition by the Company of 1.01% of the issued Shares (excluding treasury shares and subsidiary holdings) by way of Market Purchases pursuant to the Share Buyback Mandate, are set out below.

	Before Share Buyback			After Share Buyback		
	Direct Interest (Number of Shares)	Deemed Interest (Number of Shares)	Total Interest (%)	Direct Interest (Number of Shares)	Deemed Interest (Number of Shares)	Total Interest (%)
FEG Concert Party Group						
Tan Pong Tyea	–	239,760,131	34.01	–	239,760,131	34.36
Falcon Energy Group Limited	–	239,760,131	34.01	–	239,760,131	34.36
Energian Pte. Ltd.	45,379,956	194,380,175	34.01	45,379,956	194,380,175	34.36
BT Concert Party Group						
Dr Benety Chang	–	387,535,300	54.98	–	387,535,300	55.54
BT Investment Pte. Ltd.	387,535,300	–	54.98	387,535,300	–	55.54
Baker Technology	–	387,535,300	54.98	–	387,535,300	55.54
Dr Doris Heng Chin Ngor	–	387,535,300	54.98	–	387,535,300	55.54

Based on the illustration above, in the event that the Company purchases or acquires 1.01% of the issued Shares (excluding treasury shares and subsidiary holdings) by way of Market Purchases pursuant to the Share Buyback Mandate, the aggregate percentage of total voting rights of:

- (a) the FEG Concert Party Group will increase from 34.01% to 34.36%, which would not result in the FEG Concert Party Group being obliged to make a general offer for Shares not owned by them; and
- (b) the BT Concert Party Group will increase from 54.98% to 55.54%, which would not result in the BT Concert Party Group becoming obliged to make a general offer for Shares not owned by them,

under Rule 14 of the Take-over Code.

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

The statements in this Appendix do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Take-over Code. Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Take-over Code as a result of any purchase or acquisition of Shares by the Company should consult their professional advisers, the Securities Industry Council and/or other relevant authorities at the earliest opportunity.

3.11 Details of Shares Bought by the Company in the Previous Twelve (12) Months

No Share Buyback has been made by the Company in the twelve (12) months preceding the Latest Practicable Date.

4. DIRECTORS' AND/OR SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at the Latest Practicable Date, save as disclosed below, none of the Directors or Substantial Shareholders has any direct or deemed interest in the Shares of the Company:

	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Directors						
Thia Peng Heok, George	–	–	–	–	–	–
Dr Benety Chang	–	–	387,535,300 ⁽²⁾	54.98	387,535,300 ⁽²⁾	54.98
Jeanette Chang	–	–	–	–	–	–
Tan Kiang Kherng	–	–	–	–	–	–
Tan Pong Tyea	–	–	239,760,131 ⁽³⁾	34.01	239,760,131 ⁽³⁾	34.01
Tan Kian Huay	–	–	–	–	–	–
Substantial Shareholders (other than Directors)						
BT Investment Pte. Ltd.	387,535,300 ⁽²⁾	54.98	–	–	387,535,300 ⁽²⁾	54.98
Baker Technology	–	–	387,535,300 ⁽²⁾	54.98	387,535,300 ⁽²⁾	54.98
Dr Doris Heng Chin Ngor	–	–	387,535,300 ⁽²⁾	54.98	387,535,300 ⁽²⁾	54.98
Energian Pte. Ltd.	45,379,956	6.44	194,380,175 ⁽⁴⁾	27.57	239,760,131 ⁽⁴⁾	34.01
Falcon Energy Group Limited	–	–	239,760,131 ⁽³⁾	34.01	239,760,131 ⁽³⁾	34.01

Notes:

⁽¹⁾ The percentages of issued share capital are calculated on the basis of 704,892,514 issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date.

⁽²⁾ Baker Technology, Dr Benety Chang and Dr Doris Heng Chin Ngor are each deemed to have an interest in the 387,535,300 Shares held by BTI, pursuant to Section 4 of the SFA.

⁽³⁾ Mr Tan Pong Tyea and Falcon Energy Group Limited are each deemed to have an interest in the 239,760,131 Shares held by Energian Pte. Ltd., pursuant to Section 4 of the SFA.

⁽⁴⁾ 194,380,175 Shares are pledged to CIMB Bank Berhad, Singapore Branch and held in the name of CGS-CIMB Securities (Singapore) Pte. Ltd..

5. ABSTENTION FROM VOTING

The following persons and entities are deemed as Interested Persons, or associates or nominees of Interested Persons:

- 5.1 BTI is a controlling shareholder of the Company;
- 5.2 Dr Benety Chang, the Chief Executive Officer and Executive Director of the Company, is also an executive director and controlling shareholder of Baker Technology;
- 5.3 Ms Jeanette Chang, the Non-Executive Non-Independent Director of the Company, is Dr Benety Chang's daughter, and the chief executive officer and an executive director of Baker Technology; and
- 5.4 Mr Tan Kiang Kherng, the Non-Executive Non-Independent Director of the Company is nominated to the Board by BTI.

Rule 914 of the Listing Manual requires that interested persons and their associates must not vote on any Shareholders' resolutions relating to the Proposed Renewal of the IPT General Mandate. In view of the foregoing, each of (i) Dr Benety Chang, (ii) Ms Jeanette Chang, (iii) Mr Tan Kiang Kherng, and (iv) BTI have undertaken to abstain and will procure that their respective associates and nominees abstain from voting in respect of each of their direct or indirect shareholdings in the Company on the resolutions for the Proposed Renewal of the IPT General Mandate at the 2021 AGM.

Furthermore, each of (i) Dr Benety Chang, (ii) Ms Jeanette Chang, (iii) Mr Tan Kiang Kherng, and (iv) BTI shall decline any appointment to act as proxies to vote at the 2021 AGM in respect of the resolutions relating to the Proposed Renewal of the IPT General Mandate for other Shareholders unless the Shareholders concerned have given specific voting instructions as to the manner in which his/her votes are to be cast at the 2021 AGM.

6. DIRECTORS' RECOMMENDATIONS

6.1 The Proposed Renewal of the IPT General Mandate

Dr Benety Chang, Ms Jeanette Chang and Mr Tan Kiang Kherng have abstained from making any recommendations to Shareholders on the resolution relating to the IPT General Mandate.

The Non-conflicted Directors, having considered, among other things, the terms, rationale and benefits of the IPT General Mandate, and the statement of the Audit Committee, are of the view that it would be beneficial to and in the interests of the Company to renew the IPT General Mandate. Accordingly, the Non-conflicted Directors recommend that Shareholders vote in favour of Ordinary Resolution 8 set out in the Notice of AGM.

6.2 The Proposed Renewal of the Share Buyback Mandate

Having considered, amongst others, the terms, rationale for and benefits of the Proposed Renewal of the Share Buyback Mandate, the Directors are of the opinion that the Proposed Renewal of the Share Buyback Mandate are in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of Ordinary Resolution 9 relating to the Proposed Renewal of the Share Buyback Mandate as set out in the Notice of AGM.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the Proposed Transactions, 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 misleading.

Where information in this Appendix 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 in its proper form and context.

8. ANNUAL GENERAL MEETING

The 2021 AGM, notice of which is enclosed with the Annual Report, will be held on 23 April 2021 by electronic means at 4.00p.m. for the purpose of considering and, if thought fit, passing, with or without any modifications, the resolutions set out in the Notice of AGM.

9. APPROVALS AND RESOLUTIONS

Shareholders' approval for the Proposed Renewal of the IPT General Mandate and the Proposed Renewal of the Share Buyback Mandate is sought at the AGM. The resolutions relating to the Proposed Renewal of the IPT General Mandate and the Proposed Renewal of the Share Buyback Mandate are contained in the Notice of AGM as Ordinary Resolutions 8 and 9 respectively.

10. ACTIONS TO BE TAKEN BY SHAREHOLDERS

Due to the current COVID-19 restriction orders in Singapore, Shareholders will not be able to attend the AGM in person.

Alternative arrangements have been put in place to allow Shareholders to participate in the AGM via electronic means. For further information, on these arrangements, including the steps to be taken by Shareholders to participate at the AGM, Shareholders should refer to the Company's announcement dated 1 April 2021 in relation to such arrangements, which is available on the SGXNET and the Company's website.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Constitution and the Annual Report may be inspected at the registered office of the Company at 12A Jalan Samulun, Singapore 629131, during normal business hours from the date of this Appendix and including the date of the 2021 AGM.

Yours faithfully

For and on behalf of the Board of Directors of
CH OFFSHORE LTD.

THIA PENG HEOK, GEORGE
(Chairman, Independent Director)
1 April 2021

APPENDIX 1: GENERAL INFORMATION RELATING TO CHAPTER 9 OF THE LISTING MANUAL

Chapter 9 of the Listing Manual

Chapter 9 of the Listing Manual governs transactions between a listed company, as well as transactions by its subsidiaries and associated companies that are considered to be “at risk”, with the listed company’s interested persons.

1. GENERAL REQUIREMENTS

Except for any transaction which is below S\$100,000 in value and certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested person and hence are excluded from the ambit of Chapter 9 of the Listing Manual, when this Chapter applies to a transaction with an interested person and the value of the transaction alone or in aggregation with other transactions conducted with the same interested person during the financial year reaches or exceeds certain materiality thresholds (which are based on the latest audited consolidated net tangible assets (“**NTA**”)), the listed company is required to make an immediate announcement, or to make an immediate announcement and seek its shareholders’ approval for the transaction. In particular, shareholders’ approval is required for an interested person transaction of a value equal to, or exceeding:

- (a) 5.0% of the listed company’s latest audited NTA; or
- (b) 5.0% of the listed company’s latest audited NTA, when aggregated with the values of all other transactions entered into with the same interested person (as such term is construed under Chapter 9 of the Listing Manual) during the same financial year.

While transactions below \$100,000 are not normally aggregated under Rules 905(3) and 906(2) of the Listing Manual, SGX-ST may aggregate any such transaction entered into during the same financial year and treat them as if they were one transaction in accordance with Rule 902 of the Listing Manual.

2. MANDATE FROM SHAREHOLDERS

Rule 920 of the Listing Manual, however, allows a listed company to seek a mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials (but not for the purchase or sale of assets, undertakings or businesses) which may be carried out with the listed company’s interested persons. A general mandate is subject to annual renewal.

3. TERMINOLOGY

For the purposes of Chapter 9 of the Listing Manual:

- (a) an “**entity at risk**” means:
 - (i) the listed company;
 - (ii) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or
 - (iii) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed company and/or its subsidiaries (the “**listed group**”), or the listed group and its interested person(s), has control over the associated company;
- (b) an “**interested person**” means a director, chief executive officer or controlling shareholder of the listed company or an associate of such director, chief executive officer or controlling shareholder;

- (c) an “**associate**” in relation to an interested person who is a director, chief executive officer or controlling shareholder, includes an immediate family member of such director, chief executive officer or controlling shareholder, the trustees of any trust of which the director/his immediate family, the chief executive officer/his immediate family or the controlling shareholder/his immediate family is a beneficiary, or in the case of a discretionary trust, is a discretionary object, and any company in which the director/his immediate family, the chief executive officer/his immediate family or the controlling shareholder/his immediate family has or have an interest (directly or indirectly) of 30% or more, and, where a controlling shareholder is a corporation, its subsidiary or holding company or fellow subsidiary or a company in which it and/or they have (directly or indirectly) an interest of 30% or more;
- (d) an “**approved exchange**” means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles as Chapter 9 of the Listing Manual;
- (e) an “**interested person transaction**” means a transaction between an entity at risk and an interested person;
- (f) a “**primary interested person**” means a person or an entity in Rule 904(4)(a)(i), Rule 904(4)(b)(i), Rule 904(4)(b)(ii), Rule 904(4)(c)(i), Rule 904(4)(c)(ii), Rule 904(4)(d)(i) or Rule 904(4)(d)(ii);
- (g) a “**transaction**” includes the provision or receipt of financial assistance, the acquisition, disposal or leasing of assets, the provision or receipt of goods or services, the issuance or subscription of securities, the granting of or being granted options, and the establishment of joint ventures or joint investments, whether or not entered into in the ordinary course of business, and whether entered into directly or indirectly; and
- (h) in interpreting the term “**same interested person**” for the purpose of aggregation of the values of all transactions entered into with the same interested person during the same financial year under Rules 905, 906 and 907 of the Listing Manual, the following applies:

- (i) Transactions between (a) an entity at risk and a primary interested person; and (b) an entity at risk and an associate of that primary interested person, are deemed to be transactions between an entity at risk with the same interested person.

Transactions between (i) an entity at risk and a primary interested person; and (ii) an entity at risk and another primary interested person, are deemed to be transactions between an entity at risk with the same interested person if the primary interested person is also an associate of the other primary interested person.

- (ii) Transactions between an entity at risk and interested persons who are members of the same group are deemed to be transactions between the entity at risk with the same interested person.

If an interested person (which is a member of a group) is listed, its transactions with the entity at risk need not be aggregated with transactions between the entity at risk and other interested persons of the same group, provided that the listed interested person and other listed interested persons have boards the majority of whose directors are different and are not accustomed to act on the instructions of the other interested persons and have audit committees whose members are completely different.

As an example, Entity-At-Risk A, Listed B, Listed C and Unlisted D are all subsidiaries of Ultimate E. Listed B, Listed C and Ultimate E have boards, the majority of whose directors are different and are not accustomed to act on the instructions of Ultimate E and its associates and have audit committees whose members are completely different. Transactions between Entity-At-Risk A and Listed B need not be aggregated with transactions between Entity-At-Risk A and Listed C or with transactions between Entity-At-Risk A and Ultimate E. Transactions between Entity-At-Risk A and Ultimate E must be aggregated with transactions between Entity-At-Risk A and Unlisted D.