



(Incorporated in the Republic of Singapore)  
(Registration Number: 19700535W)

**APPENDICES TO THE NOTICE OF ANNUAL GENERAL MEETING  
DATED 5 OCTOBER 2016**

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## PROPOSED RENEWAL OF THE SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS

**Note:** The Singapore Exchange Securities Trading Limited (the "SGX-ST") assumes no responsibility for the correctness of any statements made, reports contained or opinions expressed in this Appendix 1. Shareholders who are in any doubt as to the action they should take, should consult their stockbrokers or other professional advisers immediately.

### 1. INTRODUCTION

**1.1 Existing Shareholders' Mandate.** At the extraordinary general meeting of k1 Ventures Limited (the "**Company**") held on 23 June 1997, shareholders of the Company (the "**Shareholders**") approved the grant of a mandate (the "**Shareholders' Mandate**") to enable the Company, its subsidiaries and associated companies (the "**k1 Group**") or any of them to enter into certain interested person transactions. Further details of the Shareholders' Mandate are set out in the Company's Circular to Shareholders dated 6 June 1997. The Shareholders' Mandate was modified with Shareholders' approval on 30 April 1999, 23 October 2002, 18 November 2003 and 31 October 2007, and was renewed annually with Shareholders' approval at the Company's Annual General Meetings.

At the Company's Annual General Meeting held on 29 October 2015 (the "**2015 AGM**"), approval of the Shareholders was obtained for the renewal of the Shareholders' Mandate.

**1.2 Proposed Renewal of the Shareholders' Mandate.** The Shareholders' Mandate approved at the 2015 AGM was expressed to take effect until the conclusion of the next Annual General Meeting of the Company, being the forthcoming Annual General Meeting which is scheduled to be held on 27 October 2016. Accordingly, the directors of the Company (the "**Directors**") propose that the Shareholders' Mandate be renewed at the forthcoming Annual General Meeting, to take effect until the following Annual General Meeting of the Company.

**1.3 Annexure to this Appendix 1.** The Shareholders' Mandate, including the rationale for, and the benefits to, the Company, the scope of the Shareholders' Mandate, the classes of Interested Persons and other general information relating to Chapter 9 of the listing manual of the Singapore Exchange Securities Trading Limited (the "**Listing Manual**"), are set out in the Annexure to this Appendix 1.

### 2. DISCLOSURE IN ANNUAL REPORT

Disclosure has been made in the section on Interested Person Transactions in the Company's Annual Report for the financial year ended 30 June 2016 of the aggregate value of transactions in excess of S\$100,000 conducted with Interested Persons (as described in paragraph 5 of the Annexure to this Appendix 1) pursuant to the existing Shareholders' Mandate during the financial year ended 30 June 2016, and disclosure shall be made in the Annual Reports for subsequent financial years that the Shareholders' Mandate continues in force, in accordance with the requirements of Chapter 9 of the Listing Manual.

### **3. AUDIT COMMITTEE'S STATEMENT**

Pursuant to Rule 920(1)(c) of the Listing Manual, the Audit Committee (comprising Professor Neo Boon Siong, Mr Tan Poh Lee Paul, and Professor Annie Koh) confirms that:

- (a) the methods or procedures for determining the transaction prices under the Shareholders' Mandate have not changed since the 2015 AGM; and
- (b) the methods or procedures referred to in paragraph 3(a) above are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

### **4. DIRECTORS' RECOMMENDATIONS**

The Directors who are considered independent for the purposes of the proposed renewal of the Shareholders' Mandate are Mr Alexander Vahabzadeh, Dr Lee Suan Yew, Professor Neo Boon Siong and Professor Annie Koh (the "**Independent Directors**"). The Independent Directors are of the opinion that the entry into the Interested Person Transactions (as described in paragraph 6 of the Annexure to this Appendix 1) between the k1 Group and those Interested Persons (as described in paragraph 5 of the Annexure to this Appendix 1) in the ordinary course of the Company's business will be entered into to enhance the efficiency of the k1 Group and are in the best interests of the Company. For the reasons set out in paragraphs 2 and 3 of the Annexure to this Appendix 1, the Independent Directors recommend that Shareholders vote in favour of Ordinary Resolution 7 relating to the proposed renewal of the Shareholders' Mandate at the forthcoming Annual General Meeting.

### **5. ABSTENTION FROM VOTING**

Mr Tan Poh Lee Paul, who is a nominee director of Keppel Corporation Limited ("**KCL**") on the board of directors of the Company, will abstain from voting his shareholdings in respect of Ordinary Resolution 7 relating to the proposed renewal of the Shareholders' Mandate at the forthcoming Annual General Meeting.

Temasek Holdings (Private) Limited ("**Temasek**"), KCL, Mr Steven Jay Green and their respective associates, including Kephinance Investment Pte Ltd (a subsidiary of KCL) and Greenstreet Partners, L.P. (associate of Mr Steven Jay Green), each being Interested Persons (as described in paragraph 5 of the Annexure to this Appendix 1) for the purpose of the Shareholders' Mandate, will abstain from voting their shareholdings in respect of Ordinary Resolution 7 relating to the proposed renewal of the Shareholders' Mandate at the forthcoming Annual General Meeting.

### **6. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in Appendix 1 and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, Appendix 1 constitutes full and true disclosure of all material facts about the proposed renewal of the Shareholders' Mandate and the Company and its subsidiaries that are relevant to the Shareholders' Mandate, and the Directors are not aware of any facts the omission of which would make any statement in Appendix 1 misleading.

Where any information in Appendix 1 has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information is accurately and correctly extracted from these sources and/or reproduced in Appendix 1 in its proper form and context.

## THE SHAREHOLDERS' MANDATE

### 1. INTRODUCTION

#### 1.1 Chapter 9 of the Listing Manual

Chapter 9 of the Listing Manual ("**Chapter 9**") applies to transactions between a party that is an entity at risk and a counterparty that is an interested person. The objective of Chapter 9 (as stated in Rule 901 of the Listing Manual) is to guard against the risk that interested persons could influence a listed company, its subsidiaries or associated companies, to enter into transactions with interested persons that may adversely affect the interests of the listed company or its shareholders.

#### 1.2 Main terms used in Chapter 9

An "**entity at risk**" means:

- (a) the listed company;
- (b) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or
- (c) 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.

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.

An "**associate**" in relation to an interested person who is a director, chief executive officer, substantial shareholder or controlling shareholder (being an individual), means (i) an immediate family member (that is, the spouse, child, adopted child, step-child, sibling or parent) of such director, chief executive officer, substantial shareholder or controlling shareholder, (ii) the trustees of any trust of which the director/his immediate family, the chief executive officer/his immediate family, substantial shareholder/his immediate family, or controlling shareholder/his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object, and (iii) any company in which the director/his immediate family, the chief executive officer/his immediate family, substantial shareholder/his immediate family or controlling shareholder/his immediate family has an aggregate interest (directly or indirectly) of 30 per cent. or more, and, where a substantial shareholder or controlling shareholder is a corporation, its subsidiary or holding company or fellow subsidiary or a company in which it and/or they taken together have (directly or indirectly) an interest of 30 per cent. or more.

An "**approved exchange**" means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles in Chapter 9.

An "**interested person transaction**" means a transaction between an entity at risk and an interested person.

### **1.3 Materiality Thresholds, Announcement Requirements, and Shareholders' Approval**

Except for 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 are hence excluded from the ambit of Chapter 9, immediate announcement, or, immediate announcement and shareholders' approval would be required in respect of transactions with interested persons if certain financial thresholds (which are based on the value of the transaction as compared with the listed company's latest audited consolidated net tangible assets ("NTA")) are reached or exceeded.

In particular, shareholders' approval is required for an interested person transaction of a value equal to, or exceeding:

- (a) five (5) per cent. of the listed company's latest audited consolidated NTA; or
- (b) five (5) per cent. of the listed company's latest audited consolidated NTA, when aggregated with the values of other transactions entered into with the same interested person and/or its associates during the same financial year.

Based on the audited consolidated accounts of the Company and its subsidiaries (the "Group") for the financial year ended 30 June 2016, the audited consolidated NTA of the Group was approximately S\$207.7 million. In relation to the Company, for the purposes of Chapter 9, in the current financial year and until such time that the audited consolidated results of the Group for the year ending 30 June 2017 are published by the Company, five (5) per cent. of the latest audited consolidated NTA of the Group would be approximately S\$10.4 million.

### **1.4 Shareholders' General Mandate**

Chapter 9 allows a listed company to seek a general 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 which may be carried out with the listed company's interested persons, but not for the purchase or sale of assets, undertakings or businesses.

## **2. RATIONALE FOR INTERESTED PERSON TRANSACTIONS**

KCL is a substantial shareholder of the Company. KCL is also the holding company of other publicly listed companies on the SGX-ST, including Keppel Telecommunications & Transportation Ltd. Temasek, which is a substantial shareholder of a number of publicly listed companies, is also a substantial shareholder of KCL.

Due to the size of KCL's group of companies and with Temasek being a substantial shareholder of KCL, it is very likely that the k1 Group would in the ordinary course of business enter into transactions with the classes of Interested Persons as set out herein. Furthermore, one of the k1 Group's competitive advantages lies in the complementary strengths of its subsidiaries and associates with that of its Interested Persons. However, all Interested Person Transactions between the k1 Group and its Interested Persons are made at arm's length and on normal commercial terms.

### **3. BENEFIT OF SHAREHOLDERS' MANDATE**

The Independent Directors are of the view that it would be in the interest of the k1 Group to continue with its Interested Person Transactions and would recommend that Shareholders renew the standing mandate allowing the k1 Group to enter into and continue with such Interested Person Transactions as set out in this Annexure in order to eliminate the need to convene separate general meetings on each occasion to seek Shareholders' approval as and when potential transactions with such Interested Persons arise. As such Interested Person Transactions which are carried out by the k1 Group in its ordinary course of business are transactions necessary for its day-to-day operations and are numerous, a Shareholders' Mandate will substantially reduce the administrative time and inconvenience and expenses associated with the convening of such Shareholders' meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Company owing to the time-sensitive nature of commercial transactions.

The k1 Group will benefit from the Interested Persons' corporate expertise in the areas described in paragraph 6.1 below, derive operational efficiency due to the familiarity of the Interested Person with the services required by the k1 Group and financial leverage (such as bulk discounts enjoyed by the k1 Group on a group basis) in their dealings with third parties. In addition, as the relevant specialised sections of the treasury departments of the Interested Persons have direct links with financial institutions and are thereby able to obtain various rates or quotes on a daily basis and in an expedient manner, the k1 Group can benefit from competitive rates or quotes offered by such Interested Persons on the basis of the rates and quotes they have collated in relation to the placements of funds with, borrowings from, the entry into forex, swap and option transactions with, subscription of debt securities issued by, Interested Persons, the issue of debt securities to any Interested Person and the buying from, or selling to, any Interested Person of debt securities as more particularly described in paragraph 6.2 below.

### **4. SHAREHOLDERS' MANDATE**

The Shareholders' Mandate is intended to facilitate transactions in the normal course of the k1 Group's business that are transacted from time to time with its Interested Persons provided that they are carried out at arm's length and on normal commercial terms and are not prejudicial to the interests of the Company and the Shareholders.

The renewal of the Shareholders' Mandate, if approved at the Annual General Meeting to be held on 27 October 2016, will continue in force until the next Annual General Meeting of the Company. Thereafter, it is intended that approval from Shareholders be sought for the renewal of the Shareholders' Mandate at the following Annual General Meeting.

Disclosure will be made in the Annual Report of the Company of the aggregate value of Interested Person Transactions conducted pursuant to the Shareholders' Mandate during the financial year.

The Shareholders' Mandate will not cover any transaction by the k1 Group with an Interested Person that is below S\$100,000 in value as the threshold and aggregation requirements of Chapter 9 would not apply to such Interested Person Transactions.

## 5. CLASSES OF INTERESTED PERSONS

The Shareholders' Mandate will apply to Interested Person Transactions which are carried out with the following classes of Interested Persons:

- (a) Temasek and its associates as defined in the Listing Manual (excluding KCL and its associates);
- (b) KCL and its associates;
- (c) Mr Steven Jay Green and his associates, including Greenstreet Partners, L.P.; and
- (d) controlling shareholders of the Company (other than the controlling shareholders described in paragraphs 5(a) or 5(b) above) and their respective associates.

Transactions with interested persons (including the Interested Persons) that do not fall within the ambit of the Shareholders' Mandate will be subject to the relevant provisions of Chapter 9 and/or other applicable provisions of the Listing Manual.

## 6. NATURE OF THE TRANSACTIONS CONTEMPLATED UNDER THE SHAREHOLDERS' MANDATE

The Interested Person Transactions between the k1 Group and the Interested Persons which will be covered by the Shareholders' Mandate relate to recurrent transactions of a revenue or trading nature or those necessary for the k1 Group's day-to-day operations comprising the following:

### 6.1 General Transactions

General transactions contemplated by the k1 Group include the receipt of services as in the case of consultancy services related to the activities of the k1 Group and corporate services such as accounting, legal, taxation, financial, secretarial, corporate communications and other administrative services including computer-based services and staff secondments.

### 6.2 Corporate Treasury Transactions

Corporate treasury transactions ("**Corporate Treasury Transactions**") contemplated by the k1 Group include the placement of funds with any Interested Person, the borrowing of funds from any Interested Person, the entry into with any Interested Person of forex, swap and option transactions for hedging purposes, the subscription of debt securities issued by any Interested Person, the issue of debt securities to any Interested Person and the buying from, or the selling to, any Interested Person of debt securities.

## 7. REVIEW PROCEDURES FOR INTERESTED PERSON TRANSACTIONS

7.1 To ensure that the Interested Person Transactions are undertaken at arm's length and on normal commercial terms and consistent with the k1 Group's usual business practices and policies, the following guidelines will apply:

7.1.1 In relation to all Interested Person Transactions as enumerated under paragraph 6.1 above, the Company will require that quotations shall be obtained from the Interested Person and at least one similar service provider. All Interested Person Transactions as enumerated under paragraph 6.1 above shall not be approved unless such transactions are entered into at rates/prices of the service providers which are no more favourable to the Interested Persons than those extended to unrelated third

parties (including, where applicable, preferential rates/prices/discounts accorded to corporate customers or for bulk purchases), or on the service provider's usual commercial terms, or otherwise in accordance with other applicable industry norms. In cases where the Company is not able to obtain a quote from any similar service provider (for example, as a result of the sensitive nature of the transaction), the Company shall adopt the procedure set out in paragraph 7.7 below.

**7.1.2** All Corporate Treasury Transactions must be consistent with the k1 Group's usual business practices and policies and will be reviewed by the management of the Company which reports to the Audit Committee.

**7.2** In addition to the above guidelines, the following review and approval procedures will be implemented to supplement existing internal control procedures:

**7.2.1 General Transactions**

In relation to all Interested Person Transactions (other than Corporate Treasury Transactions) as enumerated under paragraph 6 above, transactions equal to or exceeding S\$500,000 each in value will be reviewed and approved by the Audit Committee.

**7.2.2 Corporate Treasury Transactions**

In relation to Corporate Treasury Transactions:

Placements

In relation to the placement with any Interested Person of its funds, the Company will require that quotations shall be obtained from the Interested Person and at least one of the principal bankers of the k1 Group for rates for deposits with such bankers of an equivalent amount, and for the equivalent period, of the funds to be placed by the k1 Group. The k1 Group will only place its funds with the Interested Person, provided that the interest rate quoted is not less than the highest of the rates quoted by such principal bankers. In cases where the Company is not able to obtain a quote of the rate for the deposits for any reason whatsoever (for example, where the banks experience a situation where they have more cash deposits than they require), the Company shall adopt the procedure set out in paragraph 7.7 below.

Borrowings

In relation to the borrowing of funds from any Interested Person by the k1 Group, the Company will require that quotations shall be obtained from the Interested Person and at least one of the principal bankers of the k1 Group for rates for loans from such bankers of an equivalent amount, and for the equivalent period, of the funds to be borrowed. The k1 Group will only borrow funds from the Interested Person, provided that the interest rate quoted is not more than the lowest of the rates quoted by such principal bankers. In cases where the Company is not able to obtain a quote of the rate for the loan for any reason whatsoever (for example, where the banks have reached their exposure, credit or lending limits in respect of their lending activities, or, in respect of their lendings to the k1 Group), the Company shall adopt the procedure set out in paragraph 7.7 below.

## Forex, Swaps and Options

In relation to forex, swap and option transactions with any Interested Person by the k1 Group, the Company will require that rate quotations shall be obtained from the Interested Person and at least one of the principal bankers of the k1 Group. The k1 Group will only enter into such forex, swap or option transactions with the Interested Person provided that such rates quoted are no less favourable than the rates quoted by such bankers. In cases where the Company is not able to obtain a quote of the rate for the forex, swap and/or option transactions for any reason whatsoever (for example, where the banks have reached their exposure, credit or lending limits in respect of their derivative transactions, or, in respect of their derivative transactions with the k1 Group), the Company shall adopt the procedure set out in paragraph 7.7 below.

## Debt Securities

In relation to the subscription of debt securities issued by any Interested Persons, the issue of debt securities to any Interested Person and the buying from, or the selling to, any Interested Person of debt securities, the k1 Group will only enter into such transactions if the consideration for such debt securities will not be higher than the price(s) at which such debt securities are subscribed for by, issued to, bought from or sold to third parties, as the case may be.

In addition, the k1 Group will monitor the Corporate Treasury Transactions entered into by the k1 Group as follows:

### Placements, Borrowings and Debt Securities

Where the gross aggregate value of funds placed with, borrowing of funds from, subscription of debt securities issued by, issue of debt securities to, the purchase of debt securities from, or the sale of debt securities to, the same Interested Person (as such term is construed under Chapter 9) shall at any time exceed:

- (a) in the case of KCL and its unlisted subsidiary companies, the equivalent of in aggregate 100 per cent. of the consolidated shareholders' funds of the Company (based on its latest audited accounts); and
- (b) in the case of other Interested Persons, the equivalent of in aggregate 25 per cent. of the consolidated shareholders' funds of the Company (based on its latest audited accounts),

each subsequent placement of funds with, borrowing of funds from, subscription of debt securities issued by, issue of debt securities to, the purchase of debt securities from, or the sale of debt securities to, the same Interested Person shall require the prior approval of the Audit Committee.

Placements of funds with, borrowing of funds from, subscription of debt securities issued by, issue of debt securities to, the purchase of debt securities from, or the sale of debt securities to, the same Interested Person which do not in the aggregate exceed the respective limits set out above will not require the prior approval of the Audit Committee but shall be reviewed on a half yearly basis by the Audit Committee.

## Forex, Swaps and Options

Where the aggregate of the principal amount of all forex, swap and option transactions entered into with the same Interested Person exceeds at any one time the equivalent of 100 per cent. of the consolidated shareholders' funds of the Company (based on its latest audited accounts), each subsequent forex, swap and option transaction entered into with the same Interested Person shall require the prior approval of the Audit Committee.

Entry into of forex, swap and option transactions with the same Interested Person where the principal amounts thereof do not in the aggregate exceed the limit set out above will not require the prior approval of the Audit Committee but shall be reviewed on a half yearly basis by the Audit Committee.

- 7.3** A register will be maintained by the k1 Group to record all Interested Person Transactions (and the basis including the quotations obtained to support such basis, on which they are entered into) which are entered into pursuant to the Shareholders' Mandate. The management of the Company shall carry out a review of all Interested Person Transactions entered into pursuant to the Shareholders' Mandate.
- 7.4** The management of the Company shall, on an annual basis, report to the Audit Committee on Interested Person Transactions, and the basis of such transactions, entered into with the Interested Persons.
- 7.5** The Audit Committee has the overall responsibility for determining the review procedures with the authority to delegate to individuals within the Company as they deem appropriate. For the purpose of the approval process, if any member of the Audit Committee has an interest in a transaction to be reviewed by the Audit Committee, he will abstain from any decision making by the Audit Committee in respect of that transaction. Accordingly, where any member of the Audit Committee has an interest in the transaction to be reviewed by the Audit Committee, the approval of that transaction will be undertaken by the remaining member(s) of the Audit Committee.
- 7.6** Generally, the Audit Committee will only approve an Interested Person Transaction if the terms of the transaction are no less favourable than the terms offered to unrelated third parties, or in accordance with published or prevailing rates/prices or otherwise in accordance with prevailing industry norms. The Audit Committee may, as they deem fit, request for additional information pertaining to the transaction from independent sources or advisers, including the obtaining of valuations from professional valuers.
- 7.7** In the event that it is not possible to obtain quotations from unrelated third parties or to determine whether the terms of the Interested Person Transactions with the Interested Person are more or less favourable than the aggregate terms quoted by unrelated third parties, the Audit Committee will evaluate and weigh the benefits of and rationale for transacting with the Interested Person, and consider the efficiencies and flexibilities that could be derived by the Company in transacting with the Interested Person as compared with transacting with unrelated third parties, before deciding to approve or reject the Interested Person Transaction. In determining the terms of the transaction, the Audit Committee will evaluate such terms in accordance with prevailing industry norms (including, the reasonableness of the terms).

- 7.8** The Audit Committee will have the discretion to convene a Special Committee to review any Interested Person Transaction on an ad-hoc basis as and when it deems appropriate or necessary. The Special Committee shall comprise, but is not limited to, independent executives of the Company and/or independent professional parties. The Special Committee will evaluate and weigh the benefits of and rationale for transacting with the Interested Person, and consider the efficiencies and flexibilities that could be derived by the Company in transacting with the Interested Person as compared with transacting with unrelated third parties, before submitting a written recommendation to the Audit Committee. The Audit Committee will evaluate the recommendation from the Special Committee before deciding to approve or reject the Interested Person Transaction.
- 7.9** The Audit Committee will evaluate and review the review procedures adopted on a half yearly basis. If during a review by the Audit Committee, the Audit Committee is of the view that the established guidelines and procedures are not sufficient or appropriate to ensure that the Interested Person Transactions will be on normal commercial terms and will not be prejudicial to the interests of the Company and the Shareholders, it will take such actions as it deems appropriate and/or institute additional procedures as necessary to ensure that future transactions of a similar nature are on normal commercial terms and the Company will revert to Shareholders for a fresh mandate based on new guidelines and procedures for transactions with Interested Persons.

## PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

**Note:** The Singapore Exchange Securities Trading Limited (the “SGX-ST”) assumes no responsibility for the correctness of any statements made, reports contained or opinions expressed in this Appendix 2. Shareholders who are in any doubt as to the action they should take, should consult their stockbrokers or other professional advisers immediately.

### 1. BACKGROUND

**1.1** It is a requirement under the Companies Act, Chapter 50 of Singapore (the “**Companies Act**”), that a company which wishes to purchase or otherwise acquire its own shares has to obtain the approval of its shareholders at a general meeting of its shareholders. At the extraordinary general meeting of k1 Ventures Limited (the “**Company**”) held on 30 April 1999, shareholders of the Company (the “**Shareholders**”) approved the grant of a mandate (the “**Share Buy-back Mandate**”) to authorise the directors of the Company (“**Directors**”) to buy-back ordinary shares in the capital of the Company (the “**Shares**”) representing up to a maximum of ten (10) per cent. of the issued ordinary share capital of the Company as at the last Annual General Meeting of the Company, or at the date on which the resolution authorising the same is passed, whichever is the higher, at a price of up to but not exceeding the Maximum Price (as defined below), subject to the Constitution of the Company and 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 of the SGX-ST (the “**Listing Manual**”).

**1.2** The Share Buy-back Mandate was renewed at each subsequent Annual General Meeting of the Company after its initial adoption on 30 April 1999. The current Share Buy-back Mandate was renewed at the last Annual General Meeting held on 29 October 2015 (the “**2015 AGM**”) and was expressed to take effect on the date of the passing of Ordinary Resolution 8 at the 2015 AGM and will expire on the date of the forthcoming Annual General Meeting which is scheduled to be held on 27 October 2016 (the “**2016 AGM**”).

**1.3** Based on the existing issued ordinary share capital of the Company comprising 433,123,585 Shares as at 19 September 2016 (the “**Latest Practicable Date**”), the exercise in full of the Share Buy-back Mandate would result in a purchase of 43,312,358 Shares.

**1.4** Prior to the date of the Notice of Annual General Meeting, the Company did not purchase any Shares.

**1.5** The purpose of this Appendix is to provide information relating to and to explain the rationale for, the authority and limitation on, and the financial effects of, the proposed renewal of the Share Buy-back Mandate.

### 2. RATIONALE FOR THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

**2.1** The proposed renewal of the Share Buy-back Mandate will give the Directors the flexibility to purchase the Shares if and when circumstances permit. The Share Buy-back Mandate provides the Company and its Directors with a simple mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements, in an expedient and cost-efficient manner. The Share Buy-back Mandate will also allow the Directors to exercise control over the Company’s share capital structure with a view to enhancing the earnings per Share and/or net asset value per Share.

- 2.2 If and when circumstances permit, the Directors will decide whether to effect the share purchases via Market Purchases or Off-Market Purchases, after taking into account the amount of surplus cash available, the then prevailing market conditions and the most cost-effective and efficient approach. Such purchases will only be made when the Directors are of the view that it will benefit the Company and its Shareholders.

### 3. AUTHORITY AND LIMITS ON THE SHARE BUY-BACK MANDATE

- 3.1 The authority and limitations placed on purchases or acquisitions of Shares by the Company under the proposed renewal of the Share Buy-back Mandate are summarised in paragraphs 3.2 to 3.5 below.

#### 3.2 Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased by the Company. The total number of Shares which may be purchased or acquired pursuant to the Share Buy-back Mandate is limited to that number of Shares representing not more than ten (10) per cent. of the total number of issued Shares ascertained as at the date of the forthcoming Annual General Meeting at which the renewal of the Share Buy-back Mandate is approved unless the share capital of the Company has been reduced in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered. Any Shares which are held as treasury shares will be disregarded for purposes of computing the ten (10) per cent. limit. As at the Latest Practicable Date, the Company is not holding any treasury shares.

For the above purposes, the “**Relevant Period**” means the period commencing on the date on which the resolution approving the renewal of the Share Buy-back Mandate was passed and expiring on the date the next Annual General Meeting is held or is required by law to be held, whichever is the earlier.

Purely for illustrative purposes, on the basis of 433,123,585 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued, the purchase or acquisition by the Company of ten (10) per cent. of its issued Shares will result in the purchase or acquisition of 43,312,358 Shares.

#### 3.3 Duration of Authority

Purchases or acquisitions of Shares pursuant to the proposed Share Buy-back Mandate may be made, at any time and from time to time, on and from the date of the forthcoming Annual General Meeting, at which the Share Buy-back Mandate is approved, up to the earliest of:

- (a) the date on which the next annual general meeting of the Company is held;
- (b) the date on which the next annual general meeting of the Company is required by law to be held;
- (c) the date on which the purchases or acquisitions of Shares pursuant to the proposed Share Buy-back Mandate are carried out to the full extent mandated; and
- (d) the date on which the authority conferred by the Share Buy-back Mandate is revoked or varied by the Shareholders in a general meeting.

### 3.4 Manner of Purchases or Acquisitions of Shares

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

- (a) an on-market purchase, transacted on the SGX-ST through the SGX-ST's trading system, through one or more duly licensed dealers appointed by the Company for the purpose ("**Market Purchase**"); and/or
- (b) an off-market purchase effected pursuant to an equal access scheme pursuant to Section 76C of the Companies Act ("**Off-Market Purchase**").

The Directors may impose such terms and conditions which are not inconsistent with the Share Buy-back Mandate, the listing rules set out in the Listing Manual ("**Listing Rules**") 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. An Off-Market Purchase must, however, satisfy all the following conditions:

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

Pursuant to the Listing Rules, if the Company wishes to make an Off-Market Purchase, it will issue an offer document to all Shareholders containing at least the following information:

- (a) the terms and conditions of the offer;
- (b) the period and procedures for acceptances;
- (c) the reasons for the proposed purchase or acquisition of Shares;
- (d) the consequences, if any, of the purchases or acquisitions of Shares by the Company that will arise under the Singapore Code on Take-over and Mergers ("**Take-over Code**") or other applicable take-over rules;
- (e) whether the purchases or acquisitions of Shares, if made, would have any effect on the listing of the Shares on the SGX-ST;
- (f) details of any purchases or acquisitions of Shares made by the Company in the previous twelve (12) months (whether Market Purchases or Off-Market Purchases), giving the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for the purchases or acquisitions of Shares, where relevant, and the total consideration paid for the purchases or acquisitions; and
- (g) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

### 3.5 Purchase Price

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

- (a) in the case of a Market Purchase, one hundred and five (105) per cent. of the Average Closing Price of the Shares; and
- (b) in the case of an Off-Market Purchase, one hundred and twenty (120) per cent. of the Average Closing Price of the Shares,

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

For the above purposes:

“**Average Closing Price**” means the average of the closing market prices of a Share over the last five (5) consecutive Market Days (a “**Market Day**” being a day on which the SGX-ST is open for trading in securities), on which Shares are transacted on the SGX-ST:

- (a) in the case of Market Purchases by the Company, immediately preceding the date of Market Purchase by the Company; or
- (b) in the case of Off-Market Purchases, immediately preceding the date on which the Company makes an announcement of its intention to make an offer for the purchase and acquisition of Shares from holders of Shares, stating therein the purchase price (which shall not be more than the Maximum Price) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase,

and deemed to be adjusted in accordance with the Listing Rules for any corporate action which occurs after the relevant five (5) day period.

## 4. STATUS OF PURCHASED SHARES

Shares purchased by the Company are deemed cancelled immediately on purchase (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. The total number of issued Shares will be reduced by the number of Shares purchased by the Company and which are not held as treasury shares.

## 5. TREASURY SHARES

Under the Companies Act, Shares purchased 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 ten (10) per cent. 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. A subdivision or consolidation of any treasury share is also 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 (but subject always to the Take-over Code):

- (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.

Under the Listing Manual, the Company must immediately announce any sale, transfer, cancellation and/or use of treasury shares (in each case, a "**dealing**"), stating the following:

- (1) date of the dealing;
- (2) purpose of such dealing;
- (3) number of treasury shares affected by such dealing;
- (4) number of treasury shares before and after such dealing;
- (5) percentage of the number of treasury shares against the total number of shares outstanding of the same class as the treasury shares that is listed before and after such dealing; and
- (6) value of the treasury shares if they are used for a sale or transfer, or cancelled.

## 6. REPORTING REQUIREMENTS

The Listing Rules specify that a listed company shall notify the SGX-ST of all purchases or acquisitions of its Shares 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, on the second Market Day after the close of acceptance of the offer for the Off-Market Purchase.

The notification of such purchases or acquisitions of Shares to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe. The Company shall make arrangements with its stockbrokers to ensure that they provide the Company in a timely fashion the necessary information which will enable the Company to make the notifications to the SGX-ST.

## 7. SOURCE OF FUNDS

7.1 In purchasing Shares, the Company may only apply funds legally available for such purchase in accordance with the Constitution of the Company and the applicable laws in Singapore. The Company may not purchase Shares for a consideration other than cash or for settlement otherwise than in accordance with the trading and listing rules of the SGX-ST. Any purchases by the Company may, by law, be made out of the Company's profits and/or capital.

7.2 The Company may use its internal source of funds for purchase of Shares. However, in the event these funds are depleted for working capital or investment purposes, the Company may consider borrowing to finance the purchase of Shares if the Directors are of the view that it will be beneficial to the Company to do so provided that such borrowings shall not be prohibited by the Constitution of the Company and the Companies Act.

## 8. FINANCIAL IMPACT

8.1 The financial effects of share purchases by the Company, pursuant to the proposed Share Buy-back Mandate, on the Company and its subsidiaries (the "**Group**") and the Company will depend on, *inter alia*, whether the Shares are purchased out of profits and/or capital of the Company, the number of Shares purchased, the price paid for such Shares and whether the Shares purchased are held in treasury or cancelled. The financial effects on the audited financial accounts of the Group and the Company for the financial year ended 30 June 2016 are based on the assumptions set out below:

### (a) Purchase out of Profits and/or Capital

Under the Companies Act, purchases of Shares by the Company may be made out of the Company's profits and/or capital so long as the Company is solvent.

Where the consideration paid by the Company for the purchase of Shares is made out of profits, such consideration will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

Where the consideration paid by the Company for the purchase of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

(b) **Number of Shares Purchased**

As at the Latest Practicable Date, the issued share capital of the Company comprised 433,123,585 Shares. Assuming no further Shares are issued, and no Shares are held by the Company as treasury shares, on or prior to the 2016 AGM, the purchase by the Company of up to the maximum limit of ten (10) per cent. of its issued Shares will result in the purchase of 43,312,358 Shares.

(c) **Maximum Price Paid for Shares Purchased**

Assuming that the average closing price over the five (5) consecutive Market Days immediately preceding the Latest Practicable Date is S\$0.965 (the “**Average Price**”).

In the case of Market Purchases made by the Company, the Maximum Price is S\$1.010 which is five (5) per cent. above the Average Price and the maximum amount of funds required to exercise in full the Share Buy-back Mandate is approximately S\$43.75 million.

In the case of Off-Market Purchases, the Maximum Price is S\$1.155 which is 20 per cent. above the Average Price and the maximum amount of funds required to exercise in full the Share Buy-back Mandate is approximately S\$50.03 million.

The figures set out above relating to the Average Price and Maximum Price are rounded down to the nearest S\$0.005.

**8.2** For illustrative purposes only, and based on the assumptions set out in sub-paragraphs 8.1(b) and 8.1(c) above and assuming that (i) the purchase of Shares is financed solely by internal sources of funds; (ii) the Share Buy-back Mandate had been effective on 1 July 2015; and (iii) the Company had purchased the 43,312,358 Shares (representing ten (10) per cent. of the total number of issued Shares as at 30 June 2016) on 1 July 2015, the financial effects of the purchase of the 43,312,358 Shares by the Company pursuant to the Share Buy-back Mandate:

- (a) by way of purchases made out of capital and profits and held as treasury shares; and
- (b) by way of purchases made out of capital and profits and cancelled,

on the audited financial accounts of the Company and the Group for the financial year ended 30 June 2016 are set out below:

(1) **Purchases made out of capital and profits and held as treasury shares**

**Market Purchases**

	<b>Group</b>		<b>Company</b>	
	<b>Before Share Purchase</b>	<b>After Share Purchase</b>	<b>Before Share Purchase</b>	<b>After Share Purchase</b>
<b>As at 30 June 2016</b>				
Issued capital and reserves (\$'000)	207,732	207,732	178,045	178,045
Treasury shares (\$'000)	–	(43,745)	–	(43,745)
Net tangible assets (\$'000)	207,732	163,987	178,045	134,300
Net tangible assets per Share (\$)	0.48	0.42	0.41	0.34
Profit after taxation and non-controlling interest (\$'000) <sup>(1)</sup>	140,566	140,259	N.A.	N.A.
Earnings per Share (cents) <sup>(1)</sup>	32.45	35.98	N.A.	N.A.
Net cash (\$'000) <sup>(2)</sup>	53,670	9,925	N.A.	N.A.
Net cash (times) <sup>(3)</sup>	0.26	0.06	N.A.	N.A.

**Off-Market Purchases**

	<b>Group</b>		<b>Company</b>	
	<b>Before Share Purchase</b>	<b>After Share Purchase</b>	<b>Before Share Purchase</b>	<b>After Share Purchase</b>
<b>As at 30 June 2016</b>				
Issued capital and reserves (\$'000)	207,732	207,732	178,045	178,045
Treasury shares (\$'000)	–	(50,026)	–	(50,026)
Net tangible assets (\$'000)	207,732	157,706	178,045	128,019
Net tangible assets per Share (\$)	0.48	0.40	0.41	0.33
Profit after taxation and non-controlling interest (\$'000) <sup>(1)</sup>	140,566	140,215	N.A.	N.A.
Earnings per Share (cents) <sup>(1)</sup>	32.45	35.97	N.A.	N.A.
Net cash (\$'000) <sup>(2)</sup>	53,670	3,644	N.A.	N.A.
Net cash (times) <sup>(3)</sup>	0.26	0.02	N.A.	N.A.

**Notes:**

- (1) Profit after taxation and non-controlling interest and earnings per Share after the Share Purchase has been adjusted by the reduction of notional interest income at the interest rate of 0.84 per cent. per annum less taxation.
- (2) The Company does not have any borrowings.
- (3) Net cash is equal to total cash divided by capital employed.

(2) **Purchases made out of capital and profits and cancelled**

**Market Purchases**

	<b>Group</b>		<b>Company</b>	
	<b>Before Share Purchase</b>	<b>After Share Purchase</b>	<b>Before Share Purchase</b>	<b>After Share Purchase</b>
<b><u>As at 30 June 2016</u></b>				
Issued capital and reserves (\$'000)	207,732	163,987	178,045	134,300
Net tangible assets (\$'000)	207,732	163,987	178,045	134,300
Net tangible assets per Share (\$)	0.48	0.42	0.41	0.34
Profit after taxation and non-controlling interest (\$'000) <sup>(1)</sup>	140,566	140,259	N.A.	N.A.
Earnings per Share (cents) <sup>(1)</sup>	32.45	35.98	N.A.	N.A.
Net cash (\$'000) <sup>(2)</sup>	53,670	9,925	N.A.	N.A.
Net cash (times) <sup>(3)</sup>	0.26	0.06	N.A.	N.A.

**Off-Market Purchases**

	<b>Group</b>		<b>Company</b>	
	<b>Before Share Purchase</b>	<b>After Share Purchase</b>	<b>Before Share Purchase</b>	<b>After Share Purchase</b>
<b><u>As at 30 June 2016</u></b>				
Issued capital and reserves (\$'000)	207,732	157,706	178,045	128,019
Net tangible assets (\$'000)	207,732	157,706	178,045	128,019
Net tangible assets per Share (\$)	0.48	0.40	0.41	0.33
Profit after taxation and non-controlling interest (\$'000) <sup>(1)</sup>	140,566	140,215	N.A.	N.A.
Earnings per Share (cents) <sup>(1)</sup>	32.45	35.97	N.A.	N.A.
Net cash (\$'000) <sup>(2)</sup>	53,670	3,644	N.A.	N.A.
Net cash (times) <sup>(3)</sup>	0.26	0.02	N.A.	N.A.

**Notes:**

- (1) Profit after taxation and non-controlling interest and earnings per Share after the Share Purchase has been adjusted by the reduction of notional interest income at the interest rate of 0.84 per cent. per annum less taxation.
- (2) The Company does not have any borrowings.
- (3) Net cash is equal to total cash divided by capital employed.

As illustrated above, the purchase of Shares by the Company will:

- (i) reduce the number of Shares unless the Shares purchased are held by the Company as treasury shares;
- (ii) decrease the net cash ratio of the Group;
- (iii) decrease the consolidated net tangible assets per Share of the Group; and
- (iv) increase the consolidated earnings per Share of the Group.

**Shareholders should note that the financial effects set out above are purely for illustrative purposes only. Although the proposed Share Buy-back Mandate would authorise the Company to purchase up to ten (10) per cent. of its issued Shares, the Company may not necessarily purchase the entire ten (10) per cent. In particular, the Directors do not intend to exercise the Share Buy-back Mandate up to the maximum limit or to such an extent where such exercise would materially and adversely affect the financial condition of the Group. In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased in treasury.**

The Directors do not propose to exercise the Share Buy-back Mandate to such an extent that it would have a material adverse effect on the working capital requirements of the Company. The purchase of Shares will only be effected after considering relevant factors such as the working capital requirements, availability of financial resources, the expansion and investment plans of the Group, and the prevailing market conditions.

## **9. TAX IMPLICATIONS**

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

## **10. TAKE-OVER IMPLICATIONS ARISING FROM SHARE BUY-BACKS**

**10.1** The resultant increase in the percentage of voting rights held by a Shareholder and persons acting in concert with him following the purchase of Shares by the Company will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. Consequently, a Shareholder or group of Shareholders acting in concert with each other could obtain or consolidate control of the Company and become obliged to make an offer under Rule 14 of the Take-over Code.

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

Unless the contrary is established, the Take-over Code presumes, *inter alia*, the following individuals and companies to be persons acting in concert with each other:

(a) 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 above for the purchase of voting rights; and
- (b) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of such directors, their close relatives and related trusts).

**10.3** Rule 14 of, and Appendix 2 to, the Take-over Code provide guidance on the circumstances under which a shareholder may incur an obligation to make a mandatory take-over as a result of share purchases by a company. Shareholders are advised to consult the Securities Industry Council (“**SIC**”) at the earliest opportunity as to whether they will incur an obligation to make a mandatory take-over offer as a consequence of the purchases of Shares by the Company. 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 share buy-backs by the Company may wish to seek the advice of their professional advisers or consult the SIC.

**10.4** Appendix 2 to the Take-over Code also provides that, unless the conditions in paragraph 3(a) of Appendix 2 to the Take-over Code are satisfied (“**Relevant Conditions**”), directors and persons acting in concert with them will incur an obligation to make a mandatory take-over offer under Rule 14 of the Take-over Code if the percentage of voting rights held by such directors and parties acting in concert with them increases to 30 per cent. or more, or, if they together hold between 30 per cent. and 50 per cent. of the Company’s voting rights, increase their voting rights by more than one per cent. in any period of six (6) months, due to a share buy-back by the Company.

**10.5** As at the Latest Practicable Date, the substantial shareholders of the Company and their direct and deemed interests in Shares are as follows:

Substantial Shareholders <sup>(1)</sup>	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
Kephinace Investment Pte Ltd (“ <b>KPI</b> ”)	156,076,138	36.04	–	–
Keppel Corporation Limited (“ <b>KCL</b> ”) <sup>(2)</sup>	–	–	156,076,138	36.04
Temasek Holdings (Private) Limited (“ <b>Temasek</b> ”) <sup>(3)</sup>	–	–	156,076,138	36.04
Greenstreet Partners, L.P. (“ <b>Greenstreet Partners</b> ”)	35,200,000	8.13	–	–
Green Family Foundation, Inc. (“ <b>GFF</b> ”)	25,866,560	5.97	–	–
Steven Jay Green <sup>(4)</sup>	–	–	61,066,560	14.10
Kamal Bahamdan <sup>(5)</sup>	27,000	0.01	53,000,000	12.24
BV Singapore Holdings Limited (“ <b>BVSH</b> ”)	53,000,000	12.24	–	–
Alexander Vahabzadeh <sup>(6)</sup>	39,800	0.01	53,000,000	12.24

**Notes:**

- (1) Based on 433,123,585 Shares in issue and the declarations received by the Company from the Directors and substantial shareholders up to the Latest Practicable Date.
- (2) KCL holds all the issued shares in KPI and is therefore deemed to have an interest in the Shares held by KPI.
- (3) Temasek has a direct and deemed interest in more than 20% of the ordinary shares in KCL and is therefore deemed to have an interest in the Shares held by KPI.

- (4) Mr Steven Jay Green controls Greenstreet Partners, a limited partnership, and GFF, a private foundation, and is therefore deemed to have an interest in the Shares held respectively by Greenstreet Partners and GFF.
- (5) Mr Kamal Bahamdan owns 50% of the voting shares of BVSH and is therefore deemed to have an interest in the Shares held by BVSH.
- (6) Mr Alexander Vahabzadeh owns 50% of the voting shares of BVSH and is therefore deemed to have an interest in the Shares held by BVSH.

## **KPI**

As KPI holds between 30 per cent. and 50 per cent. of the issued share capital of the Company, purchases of Shares by the Company pursuant to the Share Buy-back Mandate may result in KPI, on an individual basis, incurring an obligation to make a mandatory take-over offer under Rule 14 of the Take-over Code.

### **Greenstreet Partners, GFF and Mr Steven Jay Green**

Greenstreet Partners holds a direct interest in 35,200,000 Shares and GFF holds a direct interest in 25,866,560 Shares, which represent approximately 8.13 per cent. and 5.97 per cent. respectively of the issued share capital of the Company. Mr Steven Jay Green holds a deemed interest in 61,066,560 Shares which represents approximately 14.10 per cent. of the issued share capital of the Company. Accordingly, based on the existing issued share capital of the Company as at the Latest Practicable Date, the purchase of up to 43,312,358 Shares by the Company pursuant to the proposed Share Buy-back Mandate will not result in any of Greenstreet Partners, GFF or Mr Steven Jay Green on an individual basis, incurring an obligation to make a mandatory take-over offer under Rule 14 of the Take-over Code.

### **BVSH, Mr Kamal Bahamdan and Mr Alexander Vahabzadeh**

BVSH holds a direct interest, and Mr Kamal Bahamdan and Mr Alexander Vahabzadeh hold a deemed interest, in 53,000,000 Shares which represents approximately 12.24 per cent. of the issued share capital of the Company. Mr Kamal Bahamdan also holds a direct interest in 27,000 Shares which represents approximately 0.01 per cent. of the issued share capital of the Company. Mr Alexander Vahabzadeh also holds a direct interest in 39,800 Shares which represents approximately 0.01 per cent. of the issued share capital of the Company. Accordingly, based on the existing issued share capital of the Company as at the Latest Practicable Date, the purchase of up to 43,312,358 Shares by the Company pursuant to the proposed Share Buy-back Mandate will not result in any of BVSH, Mr Kamal Bahamdan or Mr Alexander Vahabzadeh on an individual basis incurring an obligation to make a mandatory take-over offer under Rule 14 of the Take-over Code.

## **11. KPI AND ITS CONCERT PARTIES (INCLUDING TEMASEK)**

**11.1** As at the Latest Practicable Date, KPI holds 156,076,138 Shares, representing approximately 36.04 per cent. of the issued share capital of the Company. The following parties are deemed to be acting in concert with KPI in relation to the Company:

- (a) Mr Chan Hon Chew, Mr Tan Poh Lee Paul, and Ms Koh Beow Ko, on the basis that each of them is a director of KPI;
- (b) KCL, on that basis that it holds the entire issued share capital of KPI and would accordingly be deemed to be acting in concert with KPI in relation to the Company;

- (c) Mr Tan Poh Lee Paul, on the basis that he is also a nominee director of KCL on the board of directors of the Company. As KPI is a wholly-owned subsidiary of KCL, Mr Tan Poh Lee Paul would be deemed to be acting in concert with KPI in relation to the Company;
- (d) Dr Lee Boon Yang, Mr Loh Chin Hua, Mr Tow Heng Tan, Mr Alvin Yeo Khirn Hai, Mr Tan Ek Kia, Mr Danny Teoh Leong Kay, Mr Tan Puay Chiang, Mr Till Bernhard Vesting and Ms Veronica Eng Siang Yang on the basis that each of them is a director of KCL; and
- (e) Temasek, on the basis that it has a direct and deemed interest in approximately 20.68 per cent. of the issued share capital of KCL and KCL is an associated company of Temasek. Accordingly, Temasek would be deemed to be acting in concert with KPI in relation to the Company,

(collectively, the “KPI Concert Party Group”).

**11.2** As at the Latest Practicable Date, the interests of the KPI Concert Party Group in Shares are as follows:

Concert Party <sup>(1)</sup>	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
Temasek <sup>(2)</sup>	–	–	156,076,138	36.04
KCL <sup>(3)</sup>	–	–	156,076,138	36.04
KPI	156,076,138	36.04	–	–
Tan Poh Lee Paul	2,500	n.m.	–	–
Koh Beow Ko	130,400	0.03	–	–
Tan Puay Chiang <sup>(4)</sup>	30,000	0.01	10,000	n.m.
<b>Total</b>	<b>156,239,038</b>	<b>36.08</b>	<b>N.A.</b>	<b>N.A.</b>

**Notes:**

- (1) Based on 433,123,585 Shares in issue and the declarations received by the Company from the Directors and substantial shareholders up to the Latest Practicable Date.
- (2) Temasek has a direct and deemed interest in more than 20% of the ordinary shares in KCL and is therefore deemed to have an interest in the Shares held by KPI.
- (3) KCL holds all the issued shares in KPI and is therefore deemed to have an interest in the Shares held by KPI.
- (4) Tan Puay Chiang has a direct interest in 30,000 Shares and is also deemed to have an interest in the 10,000 Shares held by his spouse.

**12. CONSEQUENCES OF SHARE BUY-BACK ON KPI**

**12.1** Based on the existing ordinary share capital of the Company as at the Latest Practicable Date, the exercise in full of the Share Buy-back Mandate would result in the purchase of 43,312,358 Shares and, consequently, the increase of the shareholding interest of KPI in the Company from 36.04 per cent. to 40.04 per cent.. KPI and its concert parties will, subject to paragraphs 10.3 and 10.4, incur an obligation to make a mandatory take-over offer under Rule 14 of the Take-over Code in the event that the Company’s purchase of Shares pursuant to the Share Buy-back Mandate results in an increase of more than one (1) per cent. (assuming such increase arises within a period of six (6) months) of the aggregate voting rights in the Company.

- 12.2** In its ruling dated 20 September 2016 (the “**Ruling**”), the SIC has confirmed that the Directors (other than Mr Tan Poh Lee Paul) are not presumed to be acting in concert with KPI and KCL (collectively, the “**KPI Group**”) in relation to the Company, and ruled that the presumption that Mr Tan Poh Lee Paul is acting in concert with the KPI Group in relation to his holdings in the Company, if any, is rebutted.
- 12.3** The SIC has also confirmed in the Ruling that Temasek, its subsidiaries and associated companies, other than KCL and its subsidiaries and associated companies (collectively, the “**Temasek Group of Companies**”) are not parties acting in concert with the KPI Group in relation to the Company, subject to the SIC receiving written confirmations from each of KCL and certain subsidiaries and associated companies within the Temasek Group of Companies and certain foreign-incorporated operating subsidiaries and associated corporations, that are independently managed and operated (each a “**Relevant Company**” and collectively the “**Relevant Companies**”), to the effect that:
- (a) the KPI Group and/or its concert parties (excluding the Temasek Group of Companies) do not have any agreement, arrangement or understanding (whether formal or informal, written or oral, entered into in or outside Singapore) with any Relevant Company and/or its subsidiaries and associated companies to acquire the Shares to obtain or consolidate effective control of the Company;
  - (b) the KPI Group and/or its concert parties (excluding the Temasek Group of Companies) have not been and will not be involved in the decision by any Relevant Company and/or its subsidiaries and associated companies to acquire the Shares; and
  - (c) there is no significant relationship (other than the one that is the subject of the application) between any Relevant Company and/or its subsidiaries and associated companies on the one hand, and the KPI Group and/or its concert parties (excluding the Temasek Group of Companies) on the other which may give rise to an inference that such Relevant Company and/or its subsidiaries and associated companies are acting in concert with the KPI Group and/or its concert parties (excluding the Temasek Group of Companies).
- 12.4** The SIC has also confirmed in the Ruling that the hedge funds (the “**Relevant Hedge Funds**”) in which Temasek’s three foreign-incorporated funds of hedge funds and one Singapore incorporated fund of hedge funds invest in, are not presumed to be acting in concert with the KPI Group in relation to the Company, on condition that the KPI Group and/or its concert parties:
- (a) do not have any agreement, arrangement or understanding (whether formal or informal, written or oral, entered into in or outside Singapore) with the Relevant Hedge Funds to acquire Shares to obtain or consolidate effective control of the Company; and
  - (b) have not been and will not be involved in the decision by the Relevant Hedge Funds to acquire Shares.

### 13. WAIVER OF RIGHTS TO GENERAL OFFER

Shareholders should note that by voting in favour of the Ordinary Resolution relating to the proposed renewal of the Share Buy-back Mandate, they will be waiving their rights to a general offer at the required price under the Take-over Code from the KPI Concert Party Group as a result of any share buy-back by the Company.

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 share buy-back by the Company should consult the SIC and/or their professional advisers at the earliest opportunity.

### 14. SHAREHOLDING OF THE KPI CONCERT PARTY GROUP

Based on the direct holdings of Shares of the KPI Concert Party Group as at the Latest Practicable Date, and assuming that (a) there is no change in their direct holdings of Shares between the Latest Practicable Date and the date of the forthcoming Annual General Meeting; and (b) there is no change in their direct holdings of Shares between the date of the forthcoming Annual General Meeting and the date of the full exercise of the Share Buy-back Mandate, the direct holdings of Shares of the KPI Concert Party Group as at the date of the forthcoming Annual General Meeting and after the full exercise of the Share Buy-back Mandate will be as follows:

	As at the date of the forthcoming Annual General Meeting		After the full exercise of the Share Buy-back Mandate	
	Number of Shares	% <sup>(1)</sup>	Number of Shares	% <sup>(3)</sup>
KPI <sup>(2)</sup>	156,076,138	36.04	156,076,138	40.04
Tan Poh Lee Paul	2,500	n.m.	2,500	n.m.
Koh Beow Ko	130,400	0.03	130,400	0.03
Tan Puay Chiang <sup>(4)</sup>	30,000	0.01	30,000	0.01

**Notes:**

- (1) Based on 433,123,585 Shares in issue and the declarations received by the Company from the Directors and substantial shareholders up to the Latest Practicable Date.
- (2) KCL holds all the issued shares in KPI and Temasek has a direct and deemed interest in more than 20% of the ordinary shares in KCL. Each of KCL and Temasek is therefore deemed to have an interest in the Shares held by KPI.
- (3) Based on 389,811,227 Shares in issue after the full exercise of the Share Buy-back Mandate.
- (4) Tan Puay Chiang has a direct interest in 30,000 Shares and is also deemed to have an interest in the 10,000 Shares held by his spouse.

### 15. VOTING ABSTENTIONS

Pursuant to the Relevant Conditions, the KPI Concert Party Group will abstain from voting on and recommending Shareholders to vote in favour of the Ordinary Resolution relating to the proposed renewal of the Share Buy-back Mandate. The Shareholders who belong to the KPI Concert Party Group and who will abstain from voting on the Ordinary Resolution relating to the proposed renewal of the Share Buy-back Mandate and the percentage of the shareholding they represent are as set out in paragraph 14 above.

## **16. EFFECT ON THE LISTING OF THE SHARES ON THE SGX-ST ARISING FROM SHARE BUY-BACKS**

**16.1** While the Listing Rules do not expressly prohibit purchase of shares by a listed company during any particular time or times, because the 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 Buy-back Mandate after a price-sensitive development has occurred or has been the subject of a consideration and/or a decision of the Board until such time as the price-sensitive information has been publicly announced. In particular, the Company will not purchase or acquire any Shares through Market Purchases during the period of:

- (a) one (1) month immediately preceding the announcement of the Company’s annual results; and
- (b) two (2) weeks immediately preceding the announcement of the Company’s results for each of the first three quarters of its financial year.

**16.2** The Company is required under Rule 723 of the Listing Manual to ensure that at least ten (10) per cent. of its Shares are in the hands of the public. The “public”, as defined under the Listing Manual, are persons other than the Directors, chief executive officer and substantial shareholders of the Company and its subsidiaries, as well as the associates of such persons.

**16.3** On the basis of the information available to the Company, as at the Latest Practicable Date, there are 162,780,187 Shares in the hands of the public (as defined above), representing approximately 37.58 per cent. of the issued share capital of the Company. Assuming that the Company purchases its Shares through Market Purchases from the public up to the full ten (10) per cent. limit pursuant to the Share Buy-back Mandate, the number of Shares in the hands of the public would be reduced to 119,467,829 Shares, representing approximately 30.65 per cent. of the issued share capital of the Company.

**16.4** The Company is of the view that there is, at present, a sufficient number of Shares in public hands that would permit the Company to potentially undertake purchases of its Shares through Market Purchases up to the full ten (10) per cent. limit pursuant to the Share Buy-back Mandate without:

- (a) affecting adversely the listing status of the Shares on the SGX-ST;
- (b) causing any market illiquidity for the Shares; or
- (c) affecting adversely the orderly trading of Shares.

**16.5** The Directors will ensure that any share purchases will not have an effect on the listing of the Shares on the SGX-ST. As at the Latest Practicable Date, the Company has no other securities apart from its shares which are listed on the SGX-ST.

## **17. DIRECTORS' RECOMMENDATIONS**

The Directors (other than Mr Tan Poh Lee Paul, who is part of the KPI Concert Party Group and who has abstained from making any recommendations for Shareholders to vote in favour of the Ordinary Resolution relating to the proposed renewal of the Share Buy-back Mandate) are of the opinion that the proposed renewal of the Share Buy-back Mandate for the purchase by the Company of its Shares is in the best interests of the Company. The Directors (other than Mr Tan Poh Lee Paul, who is part of the KPI Concert Party Group) accordingly recommend that Shareholders vote in favour of Ordinary Resolution 8 relating to the proposed renewal of the Share Buy-back Mandate at the forthcoming Annual General Meeting.

## **18. DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in Appendix 2 and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, Appendix 2 constitutes full and true disclosure of all material facts about the proposed renewal of the Share Buy-back Mandate and the Company and its subsidiaries that are relevant to the Share Buy-back Mandate, and the Directors are not aware of any facts the omission of which would make any statement in Appendix 2 misleading.

Where any information in Appendix 2 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 is accurately and correctly extracted from these sources and/or reproduced in Appendix 2 in its proper form and context.

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