THIS LETTER IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

If you have sold or transferred all your shares in the capital of Hotel Grand Central Limited (the "Company"), you should immediately forward this Letter, the Notice of Annual General Meeting and the attached Proxy Form immediately to the purchaser or transferee or to the stockbroker, bank or agent through whom you effected the sale or transfer for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited (the "SGX-ST") assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Letter.

HOTEL GRAND CENTRAL LIMITED

大中酒店有限公司

(Company Registration No. 196800243H)
(Incorporated in the Republic of Singapore)

LETTER TO SHAREHOLDERS

IN RELATION TO

RENEWAL OF SHARES REPURCHASE MANDATE OF THE COMPANY

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	28 April 2018 at 11.00 a.m.
Date and time of Annual General Meeting	:	Monday, 30 April 2018 at 11.00 a.m.
Place of Annual General Meeting	:	Hotel Chancellor @ Orchard Function Room, Level 2 28 Cavenagh Road Singapore 229635

HOTEL GRAND CENTRAL LIMITED
(Incorporated in the Republic of Singapore)
Company No.196800243H

Registered Office:
22 Cavenagh Road
Singapore 229617

Date: 14 April 2018

The Board of Directors:
Mr. Tan Eng Teong (Chairman/Managing Director)
Mr. Tan Teck Lin (Executive Director)
Ms. Tan Hwa Lian (Executive Director)
Mr. Tan Eng How (Non Independent Non-Executive Director)
Mr. Fang Swee Peng (Independent Non-Executive Director)
Mr. Chng Beng Siong (Independent Non-Executive Director)
Mr. Tan Kok Aun (Independent Non-Executive Director)
Mr. Lim Thian Loong (Independent Non-Executive Director)

To: The Shareholders

Dear Sir/Madam,

RENEWAL OF SHARE REPURCHASE MANDATE

1. BACKGROUND

1.1 We refer to the following:- (a) the Notice of the 50th Annual General Meeting ("AGM") of Hotel Grand Central Limited (the "Company") dated 14 April 2018, accompanying the Annual Report 2017 of the Company and (b) Ordinary Resolution No. 10 under the heading "As Special Business" set out in the Notice of the AGM.

1.2 At the last AGM on 28 April 2017, Shareholders had renewed the grant of a mandate (the "Shares Repurchase Mandate") to enable the Company to purchase or otherwise acquire the issued ordinary shares in the capital of the Company ("Ordinary Shares").

The authority and limitations on the Shares Repurchase Mandate as set out in the Company's Letter to Shareholders dated 13 April 2017 (the "Letter") and Ordinary Resolution No. 9 set out in the Notice of the last AGM remained unchanged.

1.3 The Shares Repurchase Mandate was expressed to take effect on the date of the passing of Ordinary Resolution No. 9 at the last AGM and will expire on the date of the forthcoming AGM, being 30 April 2018. The Directors propose that the Shares Repurchase Mandate be renewed again at the AGM.

2. THE PROPOSED SHARE REPURCHASE MANDATE

The Ordinary Resolution No. 10 as set out in the Notice of AGM, if passed at the AGM, will renew the Shares Repurchase Mandate approved by the Shareholders of the Company from the date of the last Annual General Meeting until the date that the AGM of the Company is held or is required by law to be held, whichever is the earlier.

2.1 Rationale for the Shares Repurchase Mandate

Short-term speculation may at times cause the market price of the Company's Ordinary Shares to be depressed below the true value of the Company and the Group. The Shares Repurchase Mandate will provide the Directors with the means to restore investors' confidence and to protect existing shareholders' investments in the Company in a depressed share-price situation through judicious share purchases to enhance the earnings per share and/or the net asset value per share. The rationale is as previously stated on page 1 of the Letter to Shareholder dated 13 April 2017.

The Shares Repurchase Mandate will also provide the Company with an expedient and cost-effective mechanism to facilitate the return of surplus cash reserves to the Shareholders, as and when the Directors are of the view that this would be in the best interests of the Company and the shareholders.

The Directors will only make a share purchase as and when the circumstances permit and only if the Directors are of the view that such purchases are in the best interests of the Company and the shareholders.

The Directors will decide whether to purchase Ordinary Shares only after taking into account, among other things, the market conditions at such time, the Company's financial condition and whether such purchases will cause the Company to become insolvent (i.e. the Company is unable to pay its debts as they become due in the ordinary course of business, or the value of the Company's assets is less than the value of its liabilities including contingent liabilities), and whether such purchases represent the most efficient and cost-effective approach to enhance Share value. Share purchases will only be made if the Directors believe that such purchases are likely to benefit the Company and increase economic value for shareholders.

The Directors will ensure that the share purchases will not have any effect on the listing of the Company's securities including the Ordinary Shares listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST"). Rule 723 of the Listing Manual of the SGX-ST requires at least ten per cent. (10%) of any class of a company's listed securities (disregarding shares held in treasury) to be held by the public at all times. The Directors shall safeguard the interests of public shareholders before undertaking any Share Purchases. Before exercising the Shares Repurchase Mandate, the Directors shall at all times take due cognizance of (a) the then shareholding spread of the Company in respect of the number of Ordinary Shares held by substantial shareholders and by non-substantial shareholders and (b) the volume of trading on SGX-ST in respect of the Ordinary Shares immediately before the exercise of any share purchase.

Based on 690,314,991 Ordinary Shares in issued as at 15 March 2018, the "Latest Practicable Date", and 140,743,406 Ordinary Shares (approximately 20.39%) are held by the public. The Company is of the view that there is sufficient number of Ordinary Shares in issue held by public shareholders, which would permit the Company to undertake share purchases of up to five per cent. (5%) of its issued ordinary share capital without affecting the listing status of the Ordinary Shares on SGX-ST. The Company will ensure that the share purchases will not cause market illiquidity or affect orderly trading of the Ordinary Shares.

2.2 Authority and Limits on the Share Repurchase Mandate

The authority and limitations placed on the Shares Repurchase Mandate, if renewed at the AGM, are similar to those previously approved by Shareholders and are as follows:-

(a) Maximum Number of Ordinary Shares

The total number of Ordinary Shares which may be purchased or acquired by the Company pursuant to the Shares Repurchase Mandate is limited to that number of Ordinary Shares representing not more than five per cent of the issued ordinary share capital of the Company as at the date of the AGM at which the renewal of the Shares Repurchase Mandate is approved. Any of the Ordinary Shares which are held as treasury shares will be disregarded for the purposes of computing the 5% limit.

(b) Duration of Authority

Unless varied or revoked by the Company in general meeting, purchases or acquisitions of Ordinary Shares may be made, at any time and from time to time, on and from the date of the AGM at which the renewal of the Shares Repurchase Mandate is approved up to:-

(i) the date on which the next Annual General Meeting of the Company is held or required by law to be held; or

(ii) the date on which the authority conferred by the Shares Repurchase Mandate is revoked or varied; or

(iii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the proposed Shares Repurchase Mandate are carried out to the full extent mandated;

whichever is the earlier.

(c) Manner of Share Purchases

The Company will purchase Ordinary Shares by way of Market Purchases transacted on the SGX-ST.

(d) Purchase Price

The maximum purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) means the price equivalent to five per cent above the average closing price of the Ordinary Shares traded on the SGX-ST for the five consecutive market days immediately preceding the Latest Practicable Date (the "**Maximum Price**").

"**Average Closing Price**" means the average of the closing market prices of the Ordinary Shares over the period of five (5) trading days in which transactions in the Ordinary Shares on the SGX-ST were recorded before the day on which such purchase is made and deemed to be adjusted for any corporate action that occurs after the relevant 5-days period.

(e) Funding of Share Purchases

The Company may purchase or acquire its Ordinary Shares out of its distributable profits as well as out of capital. The Company will use its internal sources of funds (comprising cash and fixed deposits) for the Share purchases. The Company has not obtained or incurred nor does it intend to obtain or incur any borrowings to finance the share purchases.

Based on 690,314,991 Ordinary Shares in issue and paid-up in the share capital of the Company as at 15 March 2018 (the "Latest Practicable Date"), the purchase by the Company of 5% of its issued Ordinary Shares, disregarding any treasury shares held by the Company and assuming no further Ordinary Shares are issued, and no Ordinary Shares are purchased or acquired by the Company on or prior to the AGM, will result in the purchase or acquisition of 34,515,749 Ordinary Shares.

2.3 Shares Purchased In the Previous Twelve Months

The Company did not buy back any Ordinary Shares subsequent to the last Annual General Meeting on 28 April 2017.

2.4 Maximum Price Paid for Shares Acquired or Purchased

Assuming that the Company purchases or acquires the 34,515,749 Ordinary Shares by way of Market Purchases at the Maximum Price of $1.5624 for one Ordinary Share, the maximum amount of funds required is approximately $53,927,406.

2.5 Status of Purchased Shares Under The Share Buy Back Mandate

2.5.1 Cancellation

Any share which is purchased or acquired by the Company shall, unless held as treasury shares to the extent permitted under the Act, be deemed cancelled immediately on purchase or acquisition, and all rights and privileges attached to that share will expire on cancellation. The total number of shares will be diminished by the number of shares purchased or acquired by the Company and which are not held as treasury shares.

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

2.5.2 Treasury Shares

Under the 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 Act are summarized below:

(i) Maximum Holdings

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

(ii) Voting and Other Rights

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

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

2.5.3 Disposal and Cancellation

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

(a) sell the treasury shares for cash;

(b) transfer the treasury shares for the purposes of or pursuant to an employees' share scheme;

(c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;

(d) cancel the treasury shares; or

(e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister of Finance.

Rule 704(28) of the Listing Manual requires that any sale, transfer, cancellation and/or use of treasury shares, must be announced stating the following:-

(a) date of the sale, transfer, cancellation and/or use;

(b) purpose of such sale, transfer, cancellation and/or use;

(c) number of treasury shares sold, transferred, cancelled and/or used;

(d) number of treasury shares before and after such sale, transfer, cancellation and/or use;

(e) percentage of the number of treasury shares against the total number of shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use;

(f) value of the treasury shares if they are used for a sale or transfer or cancelled.

Ordinary Shares purchased or acquired by the Company held as treasury shares will be dealt with in accordance with the Companies Act.

2.6 Listing Rules

2.6.1 Reporting Requirements

The Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m. In the case of a Market Purchase, the Company will report all purchases or acquisition of its shares to the SGX-ST on the Market Day following the day of purchase or acquisition of any of its shares. Such announcement (which must be in the form of Appendix 8.3.1 of the Listing Manual) must include, inter alia, details of the date of the purchase, the total number of shares purchased, the number of shares cancelled, the number of shares held as treasury shares, the purchase price per share or the highest and lowest prices paid for such shares (as applicable), the total consideration (including stamp duties and clearing charges) paid or payable for the shares, the number of shares purchased as at the date of announcement (on a cumulative basis), the number of issued shares excluding treasury shares and the number of treasury shares held after the purchase.

2.6.2 No Purchases during Price Sensitive Developments

While the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the proposed Share Purchase Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced. In particular, the Company would not purchase or acquire any Shares through Market Purchases during the period of one-month immediately preceding the announcement of the Company's full year results and the period of two weeks before the announcement of the results for each of the first three quarters of its financial year.

2.7 Illustrative Financial Effects

2.7.1 Ordinary Shares purchased or acquired by the Company are deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Ordinary Shares will expire on such cancellation) unless the Company holds such Ordinary Shares as treasury shares. The total number of issued Ordinary Shares will be diminished by the number of Ordinary Shares purchased or acquired by the Company and which are not held as treasury shares.

2.7.2 Financial effects on the Company and the Group arising from the proposed purchases of the Company's Ordinary Shares which may be made pursuant to the proposed Shares Repurchase Mandate will depend on, inter alia, whether the purchase or acquisition is made out of profits and/or capital of the Company, the number of Ordinary Shares purchased or acquired and the consideration paid at the relevant time and whether the Ordinary Shares purchased or acquired are held in treasury or cancelled.

Purchases or Acquisition out of Profits and/or Capital

Under the Companies Act, purchases or acquisitions of Ordinary Shares by the Company may be made out of the Company's profits and/or capital.

Where the consideration paid by the Company for the purchase or acquisition of Ordinary Shares is made out of profits, such consideration (excluding brokerage, commission, applicable goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

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

For illustration purposes only and on the basis of the assumptions set out in paragraphs 2.2(e) and 2.4 above, the financial effects on the audited financial statements of the Group for the financial year ended 31 December 2017 are set out below and assuming the following:

(a) the purchase or acquisition of 34,515,749 Ordinary Shares by the Company pursuant to the Shares Repurchase Mandate by way of Market Purchases made entirely out of profits and cancelled;

(b) the purchase or acquisition of 34,515,749 Ordinary Shares by the Company pursuant to the Shares Repurchase Mandate by way of Market Purchases made entirely out of profits and held in treasury.

Scenario (a)
Market Purchases made entirely out of profits and cancelled

As at 31 December 2017	**Group**	
	Before Share Purchases S$'000	**After Share Purchases S$'000**
Share Capital and Reserves	1,326,738	1,272,811
Treasury Shares	–	–
Shareholders' Funds	1,326,738	1,268,237
Currents Assets	274,343	220,416
Current Liabilities	80,122	80,122
Total Borrowings	281,408	281,408
Number of Ordinary Shares	690,315	659,227
Financial Ratios		
NAV per share ($)	1.92	1.93
Net Gearing (%)	21.21	22.11
Current Ratio (times)	3.42	2.75

Scenario (b)
Market Purchases made entirely out of profits and held in treasury

As at 31 December 2017	**Group**	
	Before Share Purchases S$'000	**After Share Purchases S$'000**
Share Capital and Reserves	1,326,738	1,326,738
Treasury Shares	–	(53,927)
Shareholders' Funds	1,326,738	1,272,811
Currents Assets	274,343	220,416
Current Liabilities	80,122	80,122
Total Borrowings	281,408	281,408
Number of Ordinary Shares	690,315	690,315
Financial Ratios		
NAV per share	1.92	1.84
Net Gearing (%)	21.21	21.21
Current Ratio (times)	3.42	2.75

2.7.3 Shareholders should note that the financial effects set out above are for illustration purposes only. The results of the Group and the Company for the financial year ended 31 December 2017 may not be representative of the future performance. Although the Shares Repurchase Mandate would authorize the Company to purchase or acquire up to 5% of the issued Ordinary Shares (excluding any shares held in treasury), the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 5% of the issued Ordinary Shares (excluding shares held in treasury). In addition, the Company may cancel all or parts of the share repurchased or hold all or part of the share repurchased in treasury.

2.7.4 The Directors do not propose to exercise the Shares Repurchase Mandate in a manner and to such extent that the working capital requirements of the Group would be materially affected.

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

2.8 Take-over Code

Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note. The take-over implications arising from any purchase or acquisition by the Company of its Ordinary Shares are set out below:

2.8.1 Obligation to make a Take-over Offer

If, as a result of any purchase or acquisition by the Company of its Ordinary Shares, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. Consequently, a Shareholder or a group of Shareholders acting in concert with a Director could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14 of the Takeover Code.

2.8.2 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 Ordinary 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 the directors, their close relatives and related trusts).

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

2.8.3 Effect of Rule 14 and Appendix 2

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Ordinary Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or in the event that such Directors and their concert parties hold between 30% and 50% of the Company's voting rights, if the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six months. In calculating the percentage of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

Under Appendix 2 of the Take-over Code, a Shareholder and persons acting in concert with the Shareholder or Depositor will incur an obligation to make a take-over offer after a Share purchases if, inter alia, he and persons acting in concert with him who would increase their voting rights to 30% or more as a result of a purchase or acquisition of Ordinary Shares by the Company, has or have acquired any Ordinary Shares between the date of the notice of resolution to authorise the Shares Repurchase Mandate and the next AGM, or, if they together hold between 30% and 50% of the Company's voting rights (who would increase their voting rights by more than 1% in any period of six months as a result of the purchase or acquisition of Ordinary Shares by the Company) has or have acquired any Ordinary Shares between the date of the notice of resolution to authorize the Shares Repurchase Mandate and the next AGM.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Ordinary 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 months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Shares Repurchase Mandate.

2.8.4 *Substantial Shareholders' Interests in the Company's Shares*

The Shareholdings of the Substantial Shareholder as recorded in the Register of Substantial Shareholder as at the Latest Practicable Date are as follows:-

	Direct Interest		Deemed Interest	
Substantial Shareholder	**No. of shares**	**%**	**No. of shares**	**%**
Tan Chee Hoe & Sons Holdings Pte. Ltd.	367,588,938	53.25	Nil	Nil
Tan Eng Teong Holdings Sdn Bhd (1)	Nil	Nil	367,588,938	53.25
Tan Teck Lin Holdings Sdn Bhd (2)	21,568,929	3.12	367,588,938	53.25
Tan Teck Lin (3)	Nil	Nil	408,326,008	59.15
Tan Eng Teong (4)	39,791	0.01	430,379,869	62.35
Tan Eng How (5)	1,054,687	0.15	386,514,439	55.99
Tan Chee Hoe & Sons Sdn Bhd (6)	Nil	Nil	367,588,938	53.25
Tan Eng Teong Pte. Ltd.	61,471,875	8.90	Nil	Nil
Aditan Holdings Sdn Bhd (7)	18,925,501	2.74	367,588,938	53.25
Chng Gim Huat (8)	29,575,250	4.28	27,711,609	4.01

Notes

(1) Tan Eng Teong Holdings Sdn Bhd's deemed interest arose through 367,588,938 shares held by Tan Chee Hoe & Sons Holdings Pte. Ltd.

(2) Tan Teck Lin Holdings Sdn Bhd's deemed interest arose through 367,588,938 shares held by Tan Chee Hoe & Sons Holdings Pte. Ltd.

(3) Mr. Tan Teck Lin's deemed interest arose through 367,588,938 shares held by Tan Chee Hoe & Sons Holdings Pte. Ltd., 21,568,929 shares held by Tan Teck Lin Holdings Sdn Bhd, 18,925,501 shares held by Aditan Holdings Sdn Bhd and 242,640 shares held by his spouse.

(4) Mr. Tan Eng Teong's deemed interest arose through 61,471,875 shares held by Tan Eng Teong Pte. Ltd., 367,588,938 shares held by Tan Chee Hoe & Sons Holdings Pte. Ltd. and 1,319,056 shares held by his spouse.

(5) Mr. Tan Eng How's deemed interest arose through 367,588,938 shares held by Tan Chee Hoe & Sons Holdings Pte. Ltd. and 18,925,501 shares held by Aditan Holdings Sdn Bhd.

(6) Tan Chee Hoe & Sons Sdn Bhd's deemed interest arose through 367,588,938 shares held by Tan Chee Hoe & Sons Holdings Pte. Ltd.

(7) Aditan Holdings Sdn. Bhd's deemed interest arose through 367,588,938 shares held by Tan Chee Hoe & Sons Holdings Pte. Ltd.

(8) Mr. Chng Gim Huat's deemed interest arose through 27,711,609 shares held by Chng Gim Huat Holdings Pte. Ltd.

2.8.5 As at the Latest Practicable Date, the Company's substantial shareholders, Tan Chee Hoe & Sons Holdings Pte. Ltd. ("TCHSHPL") holds 53.25% of the issued and paid-up share capital of the Company. Messrs. Tan Eng Teong, Tan Teck Lin and Tan Eng How, who are the Directors ("Relevant Directors"), with the addition to their spouse, collectively control almost 82% of the issued share capital of TCHSHPL while Tan Eng Teong Pte Ltd ("TETPL"), Tan Teck Lin Holdings Sdn Bhd ("TTLSB") and Aditan Holdings Sdn Bhd ("Aditan") each hold 8.90%, 3.12% and 2.74% of the issued share capital of the Company respectively.

Mr. Tan Teck Lin holds 50% of the issued share capital of TTLSB and is also a director of TTLSB. The remaining shareholders and directors of TTLSB comprise his spouse and children.

Mr. Tan Eng How holds 50% of the issued share capital of Aditan and is also one of the two directors of Aditan. His brother, Mr. Tan Teck Lin holds the remaining 50% of the issued share capital of Aditan and is also the other director of Aditan.

Mr. Tan Eng Teong holds 48.59% of the issued share capital of TETPL and is also a director of TETPL. The remaining shareholders and directors of TETPL comprise his spouse and children.

TCHSHPL has in-concert arrangements and relationships with TTLSB, Aditan and TETPL as regards their shareholding control of the Company, and therefore TCHSHPL, the Relevant Directors, TTLSB, Aditan and TETPL would be persons acting in concert with each other under the present Code and their combined shareholdings in the Company would exceed 50% of the issued share capital of the Company. In the event that the proposed renewal of the Shares Repurchase Mandate is approved by the Shareholders of the Company at the coming AGM and the Company undertakes share purchases subsequently, Rule 14 of the revised Code would not apply to TCHSHPL, the Relevant Directors, TTLSB, Aditan and TETPL because these concert parties collectively hold more than 50% of the Company's issued share capital.

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 Ordinary Shares by the Company should consult the Securities Industry Council and/or their professional advisers at the earliest opportunity.

3. DIRECTORS' RECOMMENDATION

The Directors (other than the Relevant Directors) are of the opinion that the proposed renewal of the Shares Repurchase Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the Ordinary Resolution relating to the proposed renewal of the Shares Repurchase Mandate to be proposed at the AGM.

The Share Buy-Back Guidance Note 3(a)(iii) in the Takeover Code, states that "directors and/or persons acting in concert with them to abstain from voting for and/or recommending shareholders to vote in favour of the resolution to authorise the share buy-back."

The Relevant Directors, being Mr. Tan Eng Teong, Mr. Tan Teck Lin and Mr. Tan Eng How have abstained from making any recommendation for Shareholders to vote in favour of the Ordinary Resolution and will abstain from voting in respect of their holdings of Ordinary Shares (if any) on the Ordinary Resolution. The Relevant Directors will also not accept any appointment as proxies or otherwise for voting on the Ordinary Resolution, unless specific instructions have been given in the proxy form(s) on how the votes are to be cast in respect of the Ordinary Resolution.

Abstention from Voting

TCHSHPL, TETPL, TTLSB, Aditan and its concert parties will abstain from voting in respect of their holdings of Ordinary Shares on the Ordinary Resolution. They will also not accept any appointment of proxies or otherwise for voting on the Ordinary Resolution, unless specific instructions have been given in the proxy form(s) on how the votes are to be cast in respect of the Ordinary Resolution.

4. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Addendum and confirm that, to the best of their knowledge and belief, this Addendum constitutes full and true disclosure of all material facts about the Proposed Renewal of Shares Repurchase Mandate. The Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Addendum misleading. Where the Addendum contains a profit forecast, the directors are satisfied that the profit forecast has been stated after due and careful enquiry.

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

SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Addendum.

5. ACTION TO BE TAKEN BY SHAREHOLDERS

5.1 Lodgment of Proxies

A Shareholder who is unable to attend the AGM and wishes to appoint a proxy to attend and vote on his behalf should complete, sign and return the Proxy Form (attached to Annual Report) in accordance with the instructions printed thereon as soon as possible and in any event so as to reach the Registered Office of the Company at 22 Cavenagh Road, Singapore 229617 not less than 48 hours before the time fixed for the AGM. Completion and return of the Proxy Form by a Shareholder does not preclude him from attending and voting in person at the AGM in place of the proxy if he so wishes.

5.2 Depositors

A Depositor shall not be regarded as a Shareholder entitled to attend the AGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the Depository Register, as certified by CDP as at 72 hours before the AGM.

6. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents may be inspected at the Registered Office of the Company at 22 Cavenagh Road, Singapore 229617 during business hours from the date hereof up to and including the date of the AGM:

(a) the Constitution of the Company; and

(b) annual report of the Company for the year ended 31 December 2017.

Yours faithfully,

Tan Eng Teong
Chairman/Managing Director