



Genting Singapore Limited
(Registered in the Republic of Singapore)
(Company Registration No. 201818581G)

LETTER TO SHAREHOLDERS

Directors

Tan Sri Lim Kok Thay
(Executive Chairman)
Mr Tan Hee Teck
(President and Chief Operating Officer)
Mr Tjong Yik Min
(Lead Independent Director)
Mr Koh Seow Chuan
(Independent Non-Executive Director)
Mr Jonathan Asherson
(Independent Non-Executive Director)
Mr Tan Wah Yeow
(Independent Non-Executive Director)
Ms Chan Swee Liang Carolina
(Independent Non-Executive Director)

Registered Office

10 Sentosa Gateway
Resorts World Sentosa
Singapore 098270

2 April 2019

To : The Shareholders of Genting Singapore Limited

Dear Sir/Madam,

1. INTRODUCTION

1.1 NOTICE OF ANNUAL GENERAL MEETING

We refer to:

- (i) the Notice of Annual General Meeting of Genting Singapore Limited (the "**Company**") dated 2 April 2019 (the "**Notice**"), accompanying the Annual Report 2018, convening the Thirty-Fourth Annual General Meeting of the Company to be held on 17 April 2019;
- (ii) Ordinary Resolution 8 relating to the proposed renewal of the IPT Mandate (as defined below, as proposed in the Notice); and

- (iii) Ordinary Resolution 9 relating to the proposed renewal of the Share Buy-Back Mandate (as defined below, as proposed in the Notice).

If you have sold or transferred all your ordinary shares in the capital of the Company, you should immediately forward this Letter together with the Notice and the accompanying Proxy Form to the purchaser or the transferee or to the stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

1.2 LETTER TO SHAREHOLDERS

The purpose of this Letter is to provide Shareholders with information relating to Ordinary Resolutions 8 and 9 proposed in the Notice (collectively, the “**Proposals**”) and to seek Shareholders’ approval for the Proposals.

1.3 SINGAPORE EXCHANGE SECURITIES TRADING LIMITED

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

1.4 ADVICE TO SHAREHOLDERS

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

1.5 DEFINITIONS

In this Letter, the following definitions apply throughout unless otherwise stated:

<i>2018 AGM</i>	Thirty-Third Annual General Meeting of the Company held on 17 April 2018
<i>2018 Appendix</i>	Appendix to the Notice of the 2018 AGM dated 23 March 2018
<i>2019 AGM</i>	Thirty-Fourth Annual General Meeting of the Company to be held on 17 April 2019
<i>AGM</i>	Annual General Meeting
<i>Annual Report</i>	Annual Report of the Company
<i>Annual Report 2018</i>	Annual Report of the Company for the financial year ended 31 December 2018

<i>Approval Date</i>	The date on which the 2019 AGM of the Company is held
<i>Audit and Risk Committee</i>	The Audit and Risk Committee of the Company as at the Latest Practicable Date comprising Mr Tan Wah Yeow, Mr Tjong Yik Min, Mr Koh Seow Chuan and Ms Chan Swee Liang Carolina
<i>Bursa Malaysia</i>	Bursa Malaysia Securities Berhad
<i>CDP</i>	The Central Depository (Pte) Limited
<i>Companies Act</i>	The Companies Act (Chapter 50) of Singapore, as amended, modified or supplemented from time to time
<i>Constitution</i>	The Constitution of the Company
<i>Controlling Shareholder</i>	A person who: <ul style="list-style-type: none"> (a) holds directly or indirectly 15% or more of the total number of issued shares excluding treasury shares in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or (b) in fact exercises control over a company
<i>Directors or the Board of Directors</i>	The Directors of the Company as at the Latest Practicable Date
<i>eGenting</i>	E-Genting Sdn Bhd, an indirect 50% joint venture company of GENT
<i>Entity at Risk</i>	(a) The Company; <ul style="list-style-type: none"> (b) a subsidiary of the Company that is not listed on the SGX-ST or an approved exchange; or

- (c) an associated company of the Company that is not listed on the SGX-ST or an approved exchange, provided that the Group, or the Group and its Interested Person(s), has control over the associated company, as defined in the Listing Manual

<i>GENHK</i>	Genting Hong Kong Limited, an exempted company continued into Bermuda with limited liability, whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited
<i>GENM</i>	Genting Malaysia Berhad, a company incorporated in Malaysia and whose shares are listed on the Main Market of Bursa Malaysia
<i>GENP</i>	Genting Plantations Berhad, a company incorporated in Malaysia and whose shares are listed on the Main Market of Bursa Malaysia
<i>GENS or the Company</i>	Genting Singapore Limited, a company registered in Singapore whose shares are listed on the Main Board of the SGX-ST
<i>GENT</i>	Genting Berhad, a company incorporated in Malaysia and which is an indirect Controlling Shareholder of the Company and whose shares are listed on the Main Market of Bursa Malaysia
<i>GENT Group</i>	GENT, its subsidiaries and associated companies, including three listed entities namely, GENM, GENP and the Company
<i>GIML</i>	Genting International Management Limited, an indirect wholly-owned subsidiary of the Company
<i>GOHL</i>	Genting Overseas Holdings Limited, a Controlling Shareholder of the Company and which is wholly-owned by GENT
<i>Group</i>	GENS, its subsidiaries, jointly controlled entities and associated companies

<i>Interested Person(s)</i>	(a) A director, chief executive officer, or Controlling Shareholder of the Company; or (b) an associate of any such director, chief executive officer, or Controlling Shareholder
<i>Interested Person Transaction(s)</i>	Transaction(s) between an Entity at Risk and an Interested Person
<i>IPT Mandate</i>	The general mandate for Interested Person Transactions, last approved by Shareholders on 17 April 2018
<i>IRMS</i>	International Resort Management Services Pte. Ltd., a company in which Tan Sri Lim Kok Thay, a Director of the Company, owns 80% of the issued shares and is deemed interested in the remaining 20% of the issued shares
<i>KHR</i>	Kien Huat Realty Sdn. Bhd., an indirect Controlling Shareholder of the Company
<i>KHI</i>	Kien Huat International Limited, an indirect Controlling Shareholder of the Company
<i>Latest Practicable Date</i>	4 March 2019, being the latest practicable date prior to the date of this Letter
<i>Listing Manual</i>	The listing manual of the SGX-ST, as amended, modified or supplemented from time to time
<i>Market Day</i>	A day on which the SGX-ST is open for trading in securities
<i>Notice of AGM</i>	Notice of the 2019 AGM of the Company dated 2 April 2019
<i>Notice of the 2018 AGM</i>	Notice of the 2018 AGM of the Company dated 23 March 2018
<i>NTA</i>	Net tangible assets

<i>Parkview</i>	Parkview Management Sdn Bhd as trustee of a discretionary trust
<i>RWP</i>	Resorts World Properties Pte. Ltd., a wholly-owned subsidiary of the Company
<i>RWS</i>	Resorts World at Sentosa Pte. Ltd., an indirect wholly-owned subsidiary of the Company
<i>RWSL</i>	RW Services Pte. Ltd., an indirect 50% joint venture company of GENT
<i>RWTSB</i>	Resorts World Tours Sdn Bhd, a wholly-owned subsidiary of GENM
<i>SCPL</i>	Star Cruise Pte Ltd, an indirect wholly-owned subsidiary of GENHK
<i>SCTSPL</i>	Star Cruise Travel Service Pte Ltd, an indirect wholly-owned subsidiary of GENHK
<i>SGX-ST</i>	Singapore Exchange Securities Trading Limited
<i>Share Buy-Back</i>	The buy-back of Shares by the Company pursuant to the terms of the Share Buy-Back Mandate
<i>Share Buy-Back Mandate</i>	The mandate for the buy-back of Shares by the Company, last approved by Shareholders on 17 April 2018
<i>Share(s)</i>	Ordinary share(s) in the capital of the Company
<i>Shareholder(s)</i>	Registered holders of Shares in the Register of Members of the Company, except that where the registered holder is CDP, the term “ Shareholders ” shall, where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP and into whose securities accounts those Shares are credited

<i>Substantial Shareholder(s)</i>	A person (including a corporation) who has an interest in one or more voting shares in the Company and the total votes attached to such share(s) is not less than 5% of the total votes attached to all the voting shares in the Company
<i>Take-over Code</i>	The Singapore Code on Take-overs and Mergers
<i>\$</i>	Singapore Dollars

The terms “**Depositor**” and “**Depository Register**” shall have the same meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time.

2. PROPOSED RENEWAL OF THE GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

2.1 EXISTING IPT MANDATE

At the 2018 AGM, Shareholders approved modifications to, and the renewal of, the Company’s general mandate for transactions with Interested Persons (the “**IPT Mandate**”) to enable the Company, its subsidiaries and associated companies which are considered to be Entities at Risk to enter into certain Interested Person Transactions with the classes of Interested Persons as set out in the IPT Mandate, provided that such Interested Person Transactions are made on normal commercial terms and in accordance with the review procedures for such Interested Person Transactions. Particulars of the IPT Mandate were set out in the 2018 Appendix to the Notice of the 2018 AGM and Ordinary Resolution 9 as set out in the Notice of the 2018 AGM.

2.2 PROPOSED RENEWAL OF THE IPT MANDATE

Under Chapter 9 of the Listing Manual, a general mandate for transactions with Interested Persons is subject to annual renewal.

The IPT Mandate approved at the 2018 AGM was expressed to take effect until the conclusion of the next AGM of the Company, being the 2019 AGM which is scheduled to be held on 17 April 2019. Accordingly, Shareholders’ approval is being sought for the renewal of the IPT Mandate at the 2019 AGM.

2.3 APPENDIX

The scope and the classes of the Interested Persons in respect of which the IPT Mandate is sought to be renewed remain unchanged. Details of the IPT Mandate, including the review procedures for determining transaction prices with the Interested Persons and other general information relating to Chapter 9 of the Listing Manual, are set out in the Appendix to this Letter.

2.4 RATIONALE AND BENEFITS TO THE GROUP

In the ordinary course of business, the Group and the Interested Persons may enter into transactions with each other from time to time. Further, it is likely that such transactions will recur with some degree of frequency and could arise at any time.

The Directors are of the view that it will be beneficial to the Group to transact or continue to transact with the Interested Persons.

The Directors believe that the Group will be able to benefit from its transactions with the Interested Persons. The IPT Mandate and the renewal of the IPT Mandate on an annual basis will eliminate the need to convene separate general meetings from time to time to seek Shareholders' approval as and when potential Interested Person Transactions with the Interested Persons arise, thereby reducing substantially the administrative time and expenses in convening such meetings, without compromising the corporate objectives or adversely affecting the business opportunities available to the Group.

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

2.5 AUDIT AND RISK COMMITTEE STATEMENT

The Audit and Risk Committee of the Company, comprising Mr Tan Wah Yeow, Mr Tjong Yik Min, Mr Koh Seow Chuan and Ms Chan Swee Liang Carolina, has reviewed the proposed renewal of the terms of the IPT Mandate and confirms that:

- (i) the methods or procedures for determining the transaction prices under the IPT Mandate have not changed since the 2018 AGM; and
- (ii) the methods or procedures referred to in sub-paragraph (i) 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.

3. PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

3.1 SHARE BUY-BACK MANDATE

At the 2018 AGM, Shareholders approved the renewal of the mandate (the “**Share Buy-Back Mandate**”) to enable the Company to purchase or otherwise acquire its Shares.

The rationale for and benefits of, the authority and limitations on, and the financial effects of, the Share-Buy Back Mandate were set out in the 2018 Appendix to the Notice of the 2018 AGM and Ordinary Resolution 10 as set out in the Notice of the 2018 AGM.

The Share Buy-Back Mandate was expressed to take effect until the conclusion of the next AGM of the Company, being the 2019 AGM which is scheduled to be held on 17 April 2019. Accordingly, Shareholders’ approval is being sought for the renewal of the Share Buy-Back Mandate at the 2019 AGM.

3.2 RATIONALE FOR AND BENEFITS OF THE SHARE BUY-BACK MANDATE

The Directors constantly seek to increase Shareholders’ value and to improve, *inter alia*, the return on equity of the Group. A share buy-back at the appropriate price level is one of the ways through which the return on equity of the Group may be enhanced.

Share buy-backs provide the Company with a mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements in an expedient, effective and cost-efficient manner. It will also provide the Directors with greater flexibility over the Company’s share capital structure with a view to enhancing the earnings and/or NTA value per Share.

The Directors further believe that share buy-backs by the Company will help mitigate short-term market volatility, offset the effects of short-term speculation and bolster shareholder confidence.

If and when circumstances permit, the Directors will decide whether to effect the Share purchases via Market Purchases or Off-Market Purchases (as defined below), after taking into account the amount of surplus cash available, the prevailing market conditions and the most cost-effective and efficient approach. The Directors do not propose to carry out buy-backs to an extent that would, or in circumstances that might, result in a material adverse effect on the liquidity and/or the orderly trading of the Shares and/or the financial position of the Group, taking into account the working capital requirements of the Company or the gearing levels, which in the opinion of the Directors, are from time to time appropriate for the Company.

3.3 AUTHORITY AND LIMITS ON THE SHARE BUY-BACK MANDATE

The authority and limitations placed on purchases of Shares by the Company under the Share Buy-Back Mandate are summarised below:

3.3.1 Maximum number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares which may be purchased or acquired by the Company is limited to that number of Shares representing not more than 10% of the issued Shares as at the Approval Date. Treasury shares and subsidiary holdings (as defined in the Listing Manual) will be disregarded for purposes of computing the 10% limit.

For illustrative purposes only, based on the existing issued and paid-up capital of the Company as at the Latest Practicable Date of \$5,527,705,426 comprising 12,057,234,674 issued Shares (excluding 36,792,150 treasury shares), and assuming that no further Shares are issued on or prior to the 2019 AGM, not more than 1,205,723,467 Shares (representing approximately 10% of the issued ordinary shares of the Company as at that date) may be purchased or acquired by the Company pursuant to the Share Buy-Back Mandate, if renewed.

As at the Latest Practicable Date, the Company had 36,792,150 treasury shares and no subsidiary holdings.

3.3.2 Duration of authority

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

- (i) the date on which the next AGM is held or required by law to be held;
- (ii) the date on which the purchases and acquisitions of Shares in the Company pursuant to the Share Buy-Back Mandate are carried out to the full extent mandated; or
- (iii) the date on which the authority contained in the Share Buy-Back Mandate is varied or revoked,

whichever is the earliest.

3.3.3 Manner of purchase of Shares

Purchases of Shares may be made by way of, *inter alia*:

- (i) on-market purchases (“**Market Purchase**”), transacted on the SGX-ST, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (ii) off-market purchases (“**Off-Market Purchase**”) (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme(s) pursuant to Section 76C of the Companies Act.

The Directors may impose such terms and conditions which are not inconsistent with the Share Buy-Back Mandate, the Listing Manual and the Companies Act as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes.

Under the prevailing Companies Act, an Off-Market Purchase must, however, satisfy all the following conditions:

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

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

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

3.3.4 Maximum purchase price

The purchase price (excluding brokerage, 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 as determined by the Directors must not exceed:

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

(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 Market Days, on which transactions in the Shares were recorded, preceding the day of the Market Purchase or the date on which the Company announces an Off-Market Purchase offer stating the purchase price and the relevant terms of the equal access scheme, and deemed to be adjusted for any corporate action that occurs after the relevant five-day period.

3.3.5 Procedure

Any purchase or acquisition of Shares by the Company under the Share Buy-Back Mandate will have to be made in accordance with, and in the manner prescribed by, the Companies Act, the Company’s Constitution, the rules of the Listing Manual, and such other laws and regulations as may for the time being be applicable.

3.4 STATUS OF PURCHASED SHARES UNDER THE SHARE BUY-BACK MANDATE

3.4.1 Treasury Shares

The Company’s Constitution provide that any Shares purchased or otherwise acquired by the Company may be held by the Company as treasury shares in accordance with the applicable provisions of the Companies Act. Some of the provisions on treasury shares under the Companies Act are summarised below:

(i) Voting and Other Rights

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

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

(ii) Disposal and Cancellation

Where Shares are held as treasury shares, the Company may at any time but subject always to the Take-over Code:

- (a) sell the treasury shares for cash;
- (b) transfer the treasury shares for the purposes of or pursuant to any share scheme, whether for employees, Directors or other persons;
- (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 for Finance.

The Company will announce any sale, transfer, cancellation and/or use of treasury shares in accordance with Rule 704(28) of the Listing Manual.

3.4.2 Cancellation of Shares

The Company's Constitution provides that any Shares purchased or otherwise acquired by the Company may be held as treasury shares in accordance with the Companies Act or cancelled, in which case the number of issued Shares shall be diminished by the number of Shares so cancelled, and where any such cancelled Shares were purchased or acquired out of the capital of the Company, the amount of the share capital of the Company shall be reduced accordingly.

3.5 SOURCES OF FUNDS FOR SHARE BUY-BACK

The Company intends to use internal sources of funds to finance the purchase or acquisition of its Shares. The Directors do not propose to exercise the Share Buy-Back Mandate to such an extent that it would materially affect the working capital requirements or the gearing levels which, in the opinion of the Directors, are from time to time appropriate for the Company.

3.6 FINANCIAL EFFECTS OF THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

The financial effects on the Group and the Company arising from the purchases or acquisitions of Shares which may be made pursuant to the Share Buy-Back Mandate will depend on, *inter alia*, the number of Shares purchased or acquired

and the consideration paid for such Shares. The financial effects on the audited financial statements of the Group and the Company will depend, *inter alia*, on the factors set out below.

3.6.1 Number of Shares acquired or purchased

Based on 12,057,234,674 issued Shares (excluding 36,792,150 treasury shares) as at the Latest Practicable Date, the purchase by the Company of up to the maximum limit of 10% of its issued Shares will result in the purchase or acquisition of 1,205,723,467 Shares.

3.6.2 Based on Maximum Price paid for Shares acquired or purchased

For illustrative purposes only, on the basis of the assumption of the Maximum Price paid:

- (i) In the case of a Market Purchase by the Company and assuming that the Company purchases or acquires the 1,205,723,467 Shares at the Maximum Price of \$1.0899 for one Share (being the price equivalent to 5% above the average of the closing market prices of the Shares for the five consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 1,205,723,467 Shares is \$1,314,118,007 (excluding brokerage, commission, applicable goods and services tax and other related expenses).
- (ii) In the case of an Off-Market Purchase by the Company and assuming that the Company purchases or acquires the 1,205,723,467 Shares at the Maximum Price of \$1.2456 for one Share (being the price equivalent to 20% above the average of the closing market prices of the Shares for the five consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 1,205,723,467 Shares is \$1,501,849,150 (excluding brokerage, commission, applicable goods and services tax and other related expenses).

3.6.3 Illustrative financial effects

For illustrative purposes only, based on the above assumptions and the assumption that the purchase of Shares was financed by the internal resources within the Group, the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Buy-Back Mandate on the audited financial statements of the Group and the Company as at 31 December 2018, as if the Share Buy-Back Mandate had been renewed and fully utilised on the Latest Practicable Date are presented below:

Scenario 1

Market Purchases of up to a maximum of 10% entirely out of capital and the Shares so purchased are cancelled:

	<u>Group</u>	
	Before Share Purchase	After Market Purchase
	\$'000	\$'000
As at 31 December 2018		
Shareholders' equity	7,781,345	6,467,227
Net assets	7,781,347	6,467,229
Current assets	4,525,686	3,211,568
Current liabilities	862,712	862,712
Total borrowings	1,038,570	1,038,570
Net profit attributable to Shareholders	755,393	755,393
Number of Shares (in '000)	12,049,995	10,844,272
Weighted average number of issued and paid-up Shares (in '000)	12,044,309	11,863,411

	<u>Group</u>	
	Before Share Purchase	After Market Purchase
Financial Ratios		
Net assets per Share (cents) ⁽¹⁾	64.58	59.64
Gearing ratio (times) ⁽²⁾	0.12	0.14
Current ratio (times) ⁽³⁾	5.25	3.72
Earnings per Share (cents) ⁽⁴⁾	6.27	6.37

Notes:

- (1) Net assets per Share equals to net assets divided by the number of Shares
- (2) Gearing ratio equals to total borrowings divided by total capital. Total capital is calculated as shareholders' equity plus total borrowings
- (3) Current ratio equals to current assets divided by current liabilities
- (4) Earnings per Share is calculated by dividing net profit attributable to Shareholders by the weighted average number of issued and paid-up ordinary Shares during the financial year

Scenario 2

Off-Market Purchases of up to a maximum of 10% entirely out of capital and the Shares so purchased are cancelled:

	<u>Group</u>	
	Before Share Purchase	After Off-Market Purchase
	\$'000	\$'000
As at 31 December 2018		
Shareholders' equity	7,781,345	6,279,496
Net assets	7,781,347	6,279,498
Current assets	4,525,686	3,023,837
Current liabilities	862,712	862,712
Total borrowings	1,038,570	1,038,570
Net profit attributable to Shareholders	755,393	755,393
Number of Shares (in '000)	12,049,995	10,844,272
Weighted average number of issued and paid-up Shares (in '000)	12,044,309	11,863,411

	<u>Group</u>	
	Before Share Purchase	After Off-Market Purchase
Financial Ratios		
Net assets per Share (cents) ⁽¹⁾	64.58	57.91
Gearing ratio (times) ⁽²⁾	0.12	0.14
Current ratio (times) ⁽³⁾	5.25	3.51
Earnings per Share (cents) ⁽⁴⁾	6.27	6.37

Notes:

- (1) Net assets per Share equals to net assets divided by the number of Shares
- (2) Gearing ratio equals to total borrowings divided by total capital. Total capital is calculated as shareholders' equity plus total borrowings
- (3) Current ratio equals to current assets divided by current liabilities
- (4) Earnings per Share is calculated by dividing net profit attributable to Shareholders by the weighted average number of issued and paid-up ordinary Shares during the financial year

Shareholders should note that the financial effects set out above are for illustration purposes only (based on the abovementioned assumptions). In particular, it is important to note that the above analysis is based on historical audited financial statements for the financial year ended 31 December 2018, and is not necessarily representative of future financial performance.

Although the Share Buy-Back Mandate if renewed would authorise the Company to purchase or acquire up to 10% of the issued Shares (excluding treasury shares and subsidiary holdings), the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of the issued Shares (excluding treasury shares and subsidiary holdings). In addition, the Company may cancel all or part of the Shares purchased or acquired or hold all or part of the Shares purchased as treasury shares.

3.7 LISTING MANUAL RULES

The Listing Manual specifies that a listed company shall notify all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m.:

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

Such notification (in such form prescribed by the Listing Manual), must include such details that the SGX-ST may prescribe, such as the date of the purchase, the total number of shares purchased, the purchase price per share or the highest and lowest prices paid for such shares, as applicable, and the total consideration (including stamp duties and clearing charges) paid or payable for the shares.

While the Listing Manual does not expressly prohibit any purchase or acquisition 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 renewal of the Share Buy-Back 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, in line with the best practices on securities dealings under the Listing Manual, the Company will not purchase or acquire any Shares through Market Purchases or Off-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 immediately preceding the announcement of the Company’s results for each of the first three quarters of the financial year.

The Listing Manual requires a listed company to ensure that at least 10% of any class of its listed securities (excluding treasury shares, preference shares and convertible equity securities) must be held by public shareholders. As at the Latest

Practicable Date, approximately 47.01% of the issued Shares (excluding treasury shares) are held by public Shareholders. As at the Latest Practicable Date and assuming the Company undertakes purchases or acquisitions of its Shares up to the full 10% limit pursuant to the Share Buy-Back Mandate as renewed, approximately 41.12% of the issued Shares (excluding treasury shares) will be held by public Shareholders. Accordingly, the Company is of the view that there is a sufficient number of Shares in issue held by public Shareholders which would permit the Company to undertake purchases or acquisitions of its Shares up to the full 10% limit pursuant to the Share Buy-Back Mandate as renewed without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to affect orderly trading.

3.8 TAKE-OVER IMPLICATIONS

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

3.8.1 Obligation to make a take-over offer

If, as a result of any purchase or acquisition by the Company of its Shares, a Shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. If such increase results in a change of effective control, or, as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a mandatory take-over offer for the Company under Rule 14 of the Take-over Code.

3.8.2 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 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:

- (i) the following companies:
 - (a) a company;
 - (b) the parent company of (a);

- (c) the subsidiaries of (a);
 - (d) the fellow subsidiaries of (a);
 - (e) the associated companies of any of (a), (b), (c) or (d);
 - (f) companies whose associated companies include any of (a), (b), (c), (d) or (e); and
 - (g) 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
- (ii) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts).

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

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

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

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder in the Company 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 Share Buy-Back Mandate.

The Directors are not aware of any facts or factors which suggest or imply that any particular Shareholder is, or may be regarded as, a party acting in concert such that his interests in voting Shares in the capital of the Company should or ought to be consolidated, and consequences under the Take-over Code would ensue as a result of a purchase of Shares by the Company pursuant to the Share Buy-Back Mandate as renewed.

The Directors are not aware of any Shareholder who may become obligated to make a mandatory offer in the event that the Company purchases the maximum number of Shares under the Share Buy-Back Mandate as renewed.

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

3.9 LIMITS ON SHAREHOLDINGS

The Company does not have any limits on the shareholding of any Shareholder. However, a person is not eligible to hold any interest in any Shares if, as a direct or indirect result of such interest, *inter alia*: (i) the Company or any subsidiary of the Company would contravene any provision of any gaming law in any jurisdiction in which the Company or any subsidiary of the Company operates; (ii) it would cause the revocation or suspension of any gaming licence held by the Company or any subsidiary of the Company, or have any material adverse effect on the operations of the Company or any subsidiary of the Company; or (iii) an application by the Company or any subsidiary of the Company for any gaming licence would not be granted or renewed. Under such circumstances, a person may be disqualified to hold any interest in any Shares and may be required to dispose of the Shares in accordance with the Constitution.

3.10 SHARES PURCHASED BY THE COMPANY

The Company has not made any Share Buy-Backs in the previous 12 months prior to the Latest Practicable Date.

4. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors and the Substantial Shareholders in the Shares as at the Latest Practicable Date are set out below:

Directors ⁽¹⁾	Direct Interest		Deemed Interest	
	Number of shares	%	Number of shares	%
Tan Sri Lim Kok Thay ⁽²⁾	14,195,063	0.1178	6,353,828,069 ⁽²⁾	52.6972 ⁽²⁾
Mr Tan Hee Teck	15,750,000	0.1306	9.600	0.0001
Mr Tjong Yik Min	250,000	0.0021	–	–
Mr Koh Seow Chuan	125,000	0.0010	–	–
Mr Jonathan Asherson	125,000	0.0010	–	–
Mr Tan Wah Yeow	125,000	0.0010	–	–
Ms Chan Swee Liang Carolina	–	–	–	–
Substantial Shareholders (5% or more)				
GOHL	6,353,685,269	52.6960	–	–
GENT ⁽³⁾	–	–	6,353,685,269	52.6960
KHR ⁽⁴⁾	142,800	0.0012	6,353,685,269	52.6960
KHI ⁽⁵⁾	–	–	6,353,828,069	52.6972
Parkview ⁽⁶⁾	–	–	6,353,828,069	52.6972
Tan Sri Lim Kok Thay ⁽²⁾	14,195,063	0.1178	6,353,828,069	52.6972
Mr Lim Keong Hui ⁽⁷⁾	–	–	6,353,828,069	52.6972

Notes:

- (1) The Directors have been granted awards pursuant to the Genting Singapore Performance Share Scheme (“PSS”) of the Company. The vesting of the awards under the PSS is contingent upon the achievement of various performance targets.
- (2) Tan Sri Lim Kok Thay is the Executive Chairman. He is a director of GENT, certain companies within the GENT Group and certain companies which are substantial shareholders of GENT. Tan Sri Lim Kok Thay is also one of the beneficiaries of a discretionary trust, the trustee of which is Parkview (please see Note (6) for information on this trust). A discretionary trust is one in which the trustee (and in the case where the trustee is a company, its board of directors) has full discretion to decide which beneficiaries will receive, and in whichever proportion of the income or assets of the trust when it is distributed and also how the rights attached to any shares held by the trust are exercised. The deemed interests of Parkview in the Shares are explained in Note (6). On account of Tan Sri Lim Kok Thay being a beneficiary of the discretionary trust, he is deemed interested in the Shares by virtue of the deemed interest of Parkview.

- (3) GOHL is a wholly-owned subsidiary of GENT. Therefore, GENT is deemed to be interested in the Shares held by GOHL.
- (4) KHR and its wholly-owned subsidiary control more than 20% of the voting share capital of GENT. KHR is deemed to be interested in the Shares held by itself and GOHL.
- (5) The voting share capital of KHR is wholly-owned by KHI. Therefore, KHI is deemed to be interested in the Shares through KHR and GOHL.
- (6) Parkview acts as trustee of a discretionary trust, the beneficiaries of which are Tan Sri Lim Kok Thay and certain members of his family. Parkview, through its wholly-owned company, namely KHI, owns the entire issued voting share capital of KHR. As such, Parkview is deemed to be interested in the Shares held through KHR and GOHL. Parkview is owned by the late Puan Sri Lim (Nee Lee) Kim Hua (mother of Tan Sri Lim Kok Thay) as to one share; Tan Sri Lim Kok Thay holding two shares, and Mr Lim Keong Hui holding three shares. The board members of Parkview are Tan Sri Lim Kok Thay and Mr Lim Keong Hui.
- (7) Mr Lim Keong Hui is one of the beneficiaries of a discretionary trust, the trustee of which is Parkview. On account of Mr Lim Keong Hui being a beneficiary of the discretionary trust, he is deemed interested in the Shares by virtue of the deemed interest of Parkview.

Based on the interests of the Directors and the Substantial Shareholders in the Shares as at the Latest Practicable Date set out in this Section 4, no Director or Shareholder will become obligated to make a mandatory offer in the event that the Company purchases the maximum number of Shares under the Share Buy-Back Mandate as renewed.

5. DIRECTOR(S) OR SHAREHOLDER(S) WHO WILL ABSTAIN FROM VOTING

By virtue of their interests in the IPT Mandate, Tan Sri Lim Kok Thay, GOHL, GENT, KHR, KHI, Parkview and Mr Lim Keong Hui being Interested Persons, shall abstain and have undertaken to ensure that their associates will abstain from voting on Resolution 8, being the Ordinary Resolution relating to the proposed renewal of the IPT Mandate at the 2019 AGM. Further, such Interested Persons should decline accepting appointment as proxies to vote in respect of Resolution 8, unless the Interested Person concerned has received specific instructions in the proxy instrument as to the casting of votes for Resolution 8.

6. DIRECTORS' RECOMMENDATION

The Directors who are considered independent for the purposes of the proposed renewal of the IPT Mandate are Mr Tan Wah Yeow, Mr Tjong Yik Min, Mr Koh Seow Chuan, Mr Jonathan Asherson, Ms Chan Swee Liang Carolina and Mr Tan Hee Teck. The aforementioned Directors are of the opinion that the entry into the Interested Person Transactions between the Group and those Interested Persons (as described in Section 4 of the Appendix to this Letter) in the ordinary course of its business will enhance the efficiency of the Group's operations and is in the best interests of the Company. For the reasons set out in Section 2.4 of this Letter, they recommend that Shareholders **vote in favour** of Resolution 8, being the Ordinary Resolution relating to the proposed renewal of the IPT Mandate to be proposed at the 2019 AGM.

Having fully considered the rationale and benefits of the proposed renewal of the Share Buy-Back Mandate, the Directors are of the opinion that the proposed renewal of the Share Buy-Back Mandate is in the best interests of the Company. For the reasons set out in Section 3.2 of this Letter, the Directors recommend that Shareholders **vote in favour** of Resolution 9, being the Ordinary Resolution relating to the proposed renewal of the Share Buy-Back Mandate to be proposed at the 2019 AGM.

7. ACTION TO BE TAKEN BY SHAREHOLDERS

If a Shareholder is unable to attend the 2019 AGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, deposit at the office of the Company's Share Registrar, M & C Services Private Limited, at 112 Robinson Road, #05-01, Singapore 068902, or if submitted by electronic communication (as defined in the Companies Act), be received, not less than 72 hours before the time appointed for holding the 2019 AGM and at any adjournment thereof. Completion and return of the Proxy Form by a Shareholder will not prevent him from attending and voting at the 2019 AGM if he so wishes.

8. INSPECTION OF DOCUMENTS

The following documents are available for inspection by Shareholders at the registered office of the Company at 10 Sentosa Gateway, Resorts World Sentosa, Singapore 098270 during normal business hours from the date of this Letter up to the date of the 2019 AGM:

- (i) the Annual Report 2018;
- (ii) the Letter; and
- (iii) the Constitution of the Company.

The Annual Report 2018 and the Letter may also be accessed at the URL <http://www.gentingsingapore.com/#!/en/investors/annual-reports>.

9. DIRECTORS' RESPONSIBILITY STATEMENT

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

Where information in this Letter 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 the Letter in its proper form and context.

Yours faithfully,
For and on behalf of the Board of Directors of
GENTING SINGAPORE LIMITED

TAN WAH YEOW
Independent Non-Executive Director
Chairman of Audit and Risk Committee

APPENDIX

THE IPT MANDATE

1. CHAPTER 9 OF THE LISTING MANUAL

Chapter 9 of the Listing Manual governs transactions by the Company, as well as transactions by its subsidiaries and associated companies that are considered to be at risk, with the Company's Interested Persons, except for any transaction which is below \$100,000 in value and certain transactions which, by reason of the nature of such transactions, are not considered to put the Company at risk to its Interested Persons which are excluded from the ambit of Chapter 9 of the Listing Manual.

When Chapter 9 of the Listing Manual applies to a transaction and the value of that transaction alone or on aggregation with other transactions conducted with the same Interested Person during the financial year reaches, or exceeds, certain materiality thresholds (which are based on the value of the transaction as compared with the Group's latest audited net tangible assets ("**NTA**")), the Company is required to make an immediate announcement, or to make an immediate announcement and seek Shareholders' approval for that transaction.

In particular, an immediate announcement is required where an Interested Person Transaction is of a value equal to, or which exceeds:

- (i) 3% of the Group's latest audited NTA; or
- (ii) 3% of the Group's latest audited NTA, when aggregated with other transactions entered into with the same Interested Person during the same financial year.

Shareholders' approval is required for an Interested Person Transaction of a value equal to, or which exceeds:

- (i) 5% of the Group's latest audited NTA; or
- (ii) 5% of the Group's latest audited NTA, when aggregated with other transactions entered into with the same Interested Person during the same financial year.

For the purpose of aggregation, any Interested Person Transaction which is below \$100,000 is to be excluded.

Based on the latest audited consolidated financial statements of the Group for the financial year ended 31 December 2018, the latest audited NTA of the Group was \$7,678,034,000. For the purposes of Chapter 9 of the Listing Manual, in the current financial year and until such time as the audited consolidated financial statements

of the Group for the financial year ending 31 December 2019 are published, 3% and 5% of the latest audited NTA of the Group would be \$230,341,000 and \$383,902,000 respectively.

Chapter 9 of the Listing Manual permits the Company, however, to seek a mandate from the 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, materials and services (but not in respect of the purchase or sale of assets, undertakings or businesses) that may be carried out with the Interested Persons. Such a mandate is subject to annual renewal.

For the purposes of Chapter 9 of the Listing Manual:

- (i) an “**approved exchange**” means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Listing Manual;
- (ii) (in the case of a company) an “**associate**” in relation to an interested person who is a director, chief executive officer or controlling shareholder includes an immediate family member (that is, the spouse, child, adopted child, step-child, sibling or parent) of such director, chief executive officer or controlling shareholder, the trustees of any trust of which the director/his immediate family, the chief executive officer/his immediate family or controlling shareholder/his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object, and any company in which the director/his immediate family, the chief executive officer/his immediate family or controlling shareholder/his immediate family has an aggregate interest (directly or indirectly) of 30% or more, and, where a controlling shareholder is a corporation, its subsidiary or holding company or fellow subsidiary or a company in which it and/or they have (directly or indirectly) an interest of 30% or more;
- (iii) an “**entity at risk**” means: (i) the listed company; (ii) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or (iii) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed company and/or its subsidiaries (the “**listed group**”), or the listed group and its interested person(s), has control over the associated company;
- (iv) (in the case of a 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; and
- (v) an “**interested person transaction**” means a transaction between an entity at risk and an interested person.

2. SCOPE OF THE IPT MANDATE

The categories of Interested Person Transactions that will be covered by the IPT Mandate are as follows:

Services provided by the Group to Interested Persons

- (i) the provision of goods and services;
- (ii) the grant of software licenses; and
- (iii) the leasing of premises.

Services provided to the Group by Interested Persons

- (i) the provision of travel related services;
- (ii) the leasing of premises;
- (iii) the use of IT equipment and services;
- (iv) the provision of corporate services;
- (v) the provision of reimbursement services; and
- (vi) the provision of reservation and booking services.

Information on present and ongoing Interested Person Transactions which will fall under the IPT Mandate are described in paragraph 4 below.

Transactions with Interested Persons which do not fall within the ambit of the proposed IPT Mandate shall be subject to the relevant provisions of Chapter 9 of the Listing Manual.

3. CLASSES OF INTERESTED PERSONS

The IPT Mandate will apply to the Group's Interested Person Transactions with the Directors and Controlling Shareholders of the Company and their associates.

Such Interested Persons include (i) the Directors; (ii) companies within the GENT Group such as GENT, GENM and GENP; (iii) substantial shareholders of GENT such as KHR and any intermediate holding companies; and (iv) associates of the Directors.

4. INFORMATION ON INTERESTED PERSON TRANSACTIONS

Present and ongoing Interested Person Transactions that will fall under the IPT Mandate, and which are carried out on arm's length basis and on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders, are as follows:

(I) SERVICES PROVIDED BY THE GROUP TO INTERESTED PERSONS

a. Provision of goods and services

RWS is the owner and operator of the integrated resort in Singapore. GENT and its subsidiaries, related companies and associated companies purchase various goods and services provided by the integrated resort which include, without limitation, hotel accommodation, food and beverage and tickets to attractions and shows from time to time at prevailing market prices.

b. Software license fee

GIML is an investment holding company and owner of intellectual property rights while eGenting conducts research in software development, provision of information technology and consultancy services. GIML grants eGenting a non-exclusive licence to use, change, further develop and sub-licence a software application to third parties outside of Malaysia in return for a fixed rate on the sub-licence fees received by eGenting. The software application is a computer software package known as Dynamic Reporting System ("**DRS**") in relation to operations and customer management and GIML's rights, title and interest (including all present and future copyright) in DRS are outside Malaysia.

c. Lease of premises

RWP leases office space on the 1st, 2nd, 9th and 10th floors of Genting Centre, 3 Lim Teck Kim Road, Singapore 088934 to SCPL, RWSL and IRMS.

(II) SERVICES PROVIDED TO THE GROUP BY INTERESTED PERSONS

a. Travel related services

Provided by GENM

RWTsb is the Group's appointed travel agent. The Group purchases air tickets and travel related packages and services from RWTsb at the prevailing market price as may be required by the Group from time to time.

Provided by GENHK

SCTSPL is the Group's appointed travel agent. The Group purchases air, land and sea transportation, hotels and other travel related arrangement and services from SCTSPL at the prevailing market price as may be required from time to time.

b. Provision of corporate services

GENT provides certain corporate services in respect of accounting, treasury, insurance, corporate affairs, legal, secretarial and human resource to the Group. In consideration for GENT providing such services, the Group pays GENT an apportionment of the total manpower costs and all other costs necessarily incurred by GENT in generating the shared services plus a mark-up of 6% of such costs. The manpower costs include basic salary, bonus, overtime costs and other payroll related costs. The apportionment of costs is calculated based on the approximate amount of time spent by each personnel on the performance of duties for the Group. The Group also reimburses GENT for all out-of-pocket expenses. The Group will continue to receive such corporate services from GENT so long as the arrangement is economically beneficial.

c. Reimbursement services

The Company has entered into other transactions with GOHL that have not been described above. These transactions include the reimbursements of travelling expenses, administrative fees and other professional fees incurred by GOHL for and on behalf of the Company, and by the Company for and on behalf of GOHL. The Company does not consider these transactions to be material. The Company will continue with these transactions so long as the arrangement is beneficial for the Group.

5. REVIEW PROCEDURES FOR INTERESTED PERSON TRANSACTIONS

The following procedures have been implemented to ensure that Interested Person Transactions under the IPT Mandate are undertaken on an arm's length basis, on normal commercial terms, are not prejudicial to the interests of the Company and its minority Shareholders, and are consistent with the Group's usual business practices and policies, which are generally no more favourable to the Interested Persons than those extended to unrelated third parties. All Interested Persons will abstain, and will undertake to ensure that their associates will abstain, from voting on the resolution approving any of the Interested Person Transactions.

In particular, the following review procedures have been put in place:

- (i) when purchasing items from or engaging the services of an Interested Person, two other quotations from non-interested persons will be obtained

(where available or feasible) for comparison to ensure that the interests of minority Shareholders are not disadvantaged. The purchase price or fee for services shall not be higher than the most competitive price or fee of the two other quotations from non-interested persons. In determining the most competitive price or fee, all pertinent factors, including but not limited to quality, delivery time, standard of services, experience and expertise, track record and where applicable, preferential rates, rebates or discounts accorded for bulk purchase will be taken into consideration;

- (ii) when selling items or supplying services to an Interested Person, the price and terms of other successful sales of a similar nature to non-interested persons will be used in comparison to ensure that the interests of the minority Shareholders are not disadvantaged. The sale price or fee for the supply of services shall not be lower than the lowest sale price or fee of the two other successful transactions with non-interested persons; and
- (iii) when renting immoveable properties or fixed assets from or to an Interested Person, the Directors shall take appropriate steps to ensure that such rent is commensurate with the prevailing market rates, including adopting measures such as making the relevant enquiries with owners of or real estate agents for similar immoveable properties or fixed assets. The rent payable shall be based on the most competitive market rental rate of similar immoveable properties or fixed assets in terms of capacity, space, area and location, based on the results of the relevant enquiries.

In cases where it is not possible to obtain comparables from other unrelated third parties, the Audit and Risk Committee will consider whether the pricing of the transaction is in accordance with usual business practices and pricing policies and consistent with the usual margins to be obtained for the same or substantially similar types of transactions to determine whether the relevant transaction is undertaken on an arm's length basis and on normal commercial terms. The Audit and Risk Committee will also weigh the benefits of, and rationale for, transacting with the Interested Person to determine whether the price and terms offered are fair and reasonable. The Group may then enter into the transaction with the Interested Persons, provided that the reasons for not obtaining the quotations must be stated by the relevant authorities that authorised the said transaction.

Threshold limits

In addition to the review procedures, the Group will supplement its internal systems as set out below to ensure that the Interested Person Transactions are undertaken on an arm's length basis, on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders:

- (i) Category 1 transaction is one where the transaction value is in excess of \$100,000, but below \$250,000. Such a transaction will be reviewed by the Chief Financial Officer and approved by the President and Chief Operating Officer, each of whom shall not be an Interested Person in respect of the particular transaction on the basis as set out above;

- (ii) Category 2 transaction is one where the transaction value is equal to or exceeds \$250,000, but less than \$1,000,000. Such a transaction will be reviewed by the Chief Financial Officer and approved by any two of the Directors, each of whom shall not be an Interested Person in respect of the particular transaction on the basis set out above; and
- (iii) Category 3 transaction is one where the transaction value is equal to or exceeds \$1,000,000. Such a transaction will be reviewed and approved by the Audit and Risk Committee prior to entry of the transaction, on the basis set out above.

If the approving authority has any interest, direct or indirect, in such transaction, such transaction will be reviewed by the next level of approving authority. In the event that a member of the Audit and Risk Committee is interested in any Interested Person Transaction, he will abstain from reviewing that particular transaction. Any decision to proceed with such an agreement or arrangement would be recorded for review by the remaining members of the Audit and Risk Committee.

Designated persons of the respective companies are required to submit details of all Interested Person Transactions entered into, to the Chief Financial Officer, including the value of the transactions. For monitoring purposes, the Chief Financial Officer will maintain a register of Interested Persons. This register will be updated quarterly based on submissions by the designated persons. The annual internal audit plan shall incorporate a review of all Interested Person Transactions entered into in the relevant financial year.

The Audit and Risk Committee will review all Interested Person Transactions recorded in the Interested Person Transactions report submitted at least on a quarterly basis to ensure that they are carried out on normal commercial terms and in accordance with the procedures outlined above. All relevant non-quantitative factors will also be taken into account. Such review may include the examination of the transaction and its supporting documents or such other data if deemed necessary by the Audit and Risk Committee. The Audit and Risk Committee may also request for any additional information pertaining to the transaction under review from independent sources, advisers or valuers as they deem fit.

The Audit and Risk Committee and Board of Directors shall review the internal audit reports to ascertain that the guidelines and procedures established to monitor Interested Person Transactions have been complied with. In addition, the Audit and Risk Committee shall also review from time to time such guidelines and procedures to determine if they are adequate and/or commercially practicable in ensuring that transactions between the Group and Interested Persons are conducted on normal commercial terms. Pursuant to Rule 920(1)(b)(iv) and (vii) of the Listing Manual, if during its periodic reviews, the Audit and Risk Committee believes that the guidelines and procedures as stated above are inappropriate or not sufficient to ensure that Interested Person Transactions will be carried out on normal commercial terms which will not be prejudicial to the interests of the Company and its minority Shareholders, the Company will seek a fresh mandate from the Shareholders based on new guidelines and procedures.

In addition, the Board of Directors will also ensure that all disclosure, approval and other requirements on Interested Person Transactions, including those required by prevailing legislation, the Listing Manual and relevant accounting standards, are complied with.

The Audit and Risk Committee is of the view that the methods and procedures for determining transaction prices, as set out above, (i) have not changed since approval for the IPT Mandate was last given, and (ii) are sufficient to ensure that the Group's transactions with Interested Persons are on normal commercial terms which will not be prejudicial to the interests of the Company and its minority Shareholders.

All other existing and future Interested Person Transactions which are not subject to the IPT Mandate shall be carried out in accordance with the prevailing rules and regulations of the SGX-ST (in particular, Chapter 9 of the Listing Manual).

6. VALIDITY PERIOD OF THE IPT MANDATE

If approved by the Shareholders at the 2019 AGM, the IPT Mandate as renewed will take effect from the date of receipt of such approval, and will (unless revoked or varied by the Company in general meeting) continue in force until the next AGM of the Company and will apply to Interested Person Transactions entered into from the date of receipt of Shareholders' approval. Approval from Shareholders will be sought for the renewal of the IPT Mandate at each AGM, subject to review by the Audit and Risk Committee of its continued application to transactions with Interested Persons.

7. DISCLOSURE IN ANNUAL REPORT

The Company will announce the aggregate value of transactions conducted with Interested Persons pursuant to the IPT Mandate for the quarterly financial periods which the Company is required to report on pursuant to the Listing Manual and within the time required for the announcement of such report.

Disclosure will be made in the Annual Report of the aggregate value of transactions conducted with Interested Persons pursuant to the IPT Mandate during the financial year, and in the Annual Reports for subsequent financial years that the IPT Mandate continues in force, in accordance with the requirements of Chapter 9 of the Listing Manual.

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