
LETTER TO SHAREHOLDERS



TUAN SING HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

Registration No.: 196900130M

Directors:

Ong Beng Kheong (*Chairman, Non-Independent and Non-Executive Director*)
William Nursalim alias William Liem (*Chief Executive Officer and Executive Director*)
Cheng Hong Kok (*Independent and Non-Executive Director*)
Choo Teow Huat Albert (*Independent and Non-Executive Director*)
Richard Eu Yee Ming (*Independent and Non-Executive Director*)
David Lee Kay Tuan (*Non-Independent and Non-Executive Director*)
Michelle Liem Mei Fung (*Non-Independent and Non-Executive Director*)
Neo Ban Chuan (*Independent and Non-Executive Director*)

Registered Office:

9 Oxley Rise
#03-02 The Oxley
Singapore 238697

24 March 2020

To: The Shareholders of Tuan Sing Holdings Limited (the "**Company**")

Dear Sir/Madam

1. INTRODUCTION

1.1 Background. We refer to:

- (a) the Notice of the 50th Annual General Meeting ("**AGM**") of the Company dated 24 March 2020 (the "**Notice**"), accompanying the annual report for the financial year ended 31 December 2019, convening the 50th AGM of the Company to be held on 22 April 2020 (the "**2020 AGM**");
- (b) Ordinary Resolution No. 9 relating to the proposed renewal of the Share Purchase Mandate (as defined in paragraph 2.1 below), as proposed in the Notice; and
- (c) Ordinary Resolution No. 10 relating to the proposed renewal of the IPT Mandate (as defined in paragraph 3.1 below), as proposed in the Notice.

1.2 **Letter to Shareholders.** The purpose of this letter ("**Letter**") is to provide shareholders of the Company ("**Shareholders**") with information relating to Ordinary Resolutions No. 9 and 10 proposed in the Notice (collectively, the "**Proposals**").

1.3 **SGX-ST.** The Singapore Exchange Securities Trading Limited (the "**SGX-ST**") takes no responsibility for the accuracy of any statements or opinions made or reports contained in this Letter.

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- 1.4 **Advice to Shareholders.** Shareholders who are in any doubt as to the course of action they should take should consult their solicitor, accountant, stockbroker, bank manager, or other professional advisers immediately.
- 1.5 **Compliance.** Any purchase or acquisition of ordinary shares in the capital of the Company (“**Shares**”) by the Company pursuant to the Share Purchase Mandate (“**Share Purchase**”) and/or transaction entered into by the Company pursuant to the IPT Mandate would have to be made in accordance with and in the manner prescribed by the Companies Act (Cap. 50) (the “**Act**”), the constitution of the Company (the “**Constitution**”), the rules of the Listing Manual of the SGX-ST (“**Listing Manual**”) and such other laws and regulations as may, for the time being, be applicable.

2. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

- 2.1 **Background.** At the 49th Annual General Meeting of the Company held on 24 April 2019 (the “**2019 AGM**”), Shareholders had approved the renewal of the mandate (the “**Share Purchase Mandate**”) to enable the Company to purchase or otherwise acquire its Shares. The rationale for, the authority and limitations on, and the financial effects of, the Share Purchase Mandate were set out in the letter to Shareholders dated 26 March 2019 and Ordinary Resolution No. 9 set out in the Notice of the 2019 AGM.

The Share Purchase Mandate was expressed to take effect on the date of the passing of Ordinary Resolution No. 9 at the 2019 AGM and will expire on the date of the forthcoming 2020 AGM to be held on 22 April 2020. Accordingly, Shareholders’ approval is being sought for the renewal of the Share Purchase Mandate at the 2020 AGM.

- 2.2 **Rationale for the Share Purchase Mandate.** The Share Purchase Mandate will provide the Company with the flexibility to undertake share purchases or acquisitions up to the 10% limit as described in paragraph 2.3.1 below at any time, subject to market conditions, during the period when the Share Purchase Mandate is in force. The rationale for the Company to undertake the Share Purchases is as follows:

- (a) in managing the business of the Company and its subsidiaries (collectively, the “**Group**”), management strives to increase Shareholders’ value by improving, *inter alia*, the return on equity (the “**ROE**”) of the Group. In addition to growth and expansion of the business, Share Purchases may be considered as one of the ways through which the ROE of the Group may be enhanced;
- (b) the Share Purchase Mandate will provide the Company with greater flexibility in managing its funds and maximising returns to Shareholders. To the extent that the Company has surplus funds which are in excess of its financial requirements, taking into account its growth and expansion plans, the Share Purchase Mandate will facilitate the return of the excess cash and surplus funds to Shareholders in an expedient, effective and cost-efficient manner by way of purchasing its issued Shares at prices which are viewed as favourable;
- (c) Share Purchases may help mitigate short-term market volatility (by way of stabilising the supply and demand of its issued Shares), off-set the effects of short-term speculation, support the fundamental value of the issued Shares and bolster Shareholders’ confidence;

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- (d) all things being equal, a Share Purchase will result in a lower number of issued Shares being used for the purpose of computing earnings per Share (“**EPS**”) and net tangible asset (“**NTA**”) per Share, if the purchased Shares are subsequently cancelled or during the period such Shares are held as treasury shares. Therefore, a Share Purchase under the Share Purchase Mandate will improve the Company’s EPS and NTA per Share, which in turn is expected to have a positive impact on the fundamental value of its issued Shares; and
- (e) if the purchased Shares are held as treasury shares, the Company may have the opportunity to realise a potential gain if those Shares are sold at a higher price than the purchase price.

While the Share Purchase Mandate would authorise Share Purchases of up to a 10% limit during the period (as referred to in paragraph 2.3.2 below) when the Share Purchase Mandate is in force, Shareholders should note that Share Purchases pursuant to the Share Purchase Mandate may not be carried out to the full 10% limit as authorised, and the purchase or acquisition of Shares would be made only as and when the Directors consider it to be in the best interests of the Company and in circumstances which they believe will not result in any material adverse effect to the financial condition of the Company or the Group as a whole, or result in the Company being delisted from the SGX-ST.

The Directors will use their best efforts to ensure that after a Share Purchase, the number of issued Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect the orderly trading and listing status of the Shares on the SGX-ST.

- 2.3 **Authority and Limits on the Share Purchase Mandate.** The authority and limitations placed on Share Purchases by the Company under the proposed Share Purchase Mandate, if renewed at the 2020 AGM, are the same as were previously approved by Shareholders at the 2019 AGM and are summarised below:

2.3.1 Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. In accordance with Rule 882 of the Listing Manual, the total number of Shares which may be purchased or acquired by the Company pursuant to the Share Purchase Mandate is limited to that number of Shares representing not more than 10% of the total number of issued Shares of the Company as at the date of the forthcoming 2020 AGM at which the proposed renewal of the Share Purchase Mandate is being approved. Any Shares which are held as treasury shares and subsidiary holdings (as defined in the Listing Manual)¹ will be disregarded for purposes of computing the 10% limit.

As at 10 March 2020 (the “**Latest Practicable Date**”), the Company had 9,312,400 treasury shares and no subsidiary holdings.

¹ “**subsidiary holdings**” is defined in the Listing Manual to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Act.

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For illustrative purposes only, on the basis of 1,185,224,411 Shares in issue (excluding treasury shares and subsidiary holdings, if any) as at the Latest Practicable Date and assuming that on or prior to the 2020 AGM: (i) no further Shares are issued, (ii) no further Shares are purchased or acquired by the Company, and no further Shares purchased or acquired by the Company are held as treasury shares, and (iii) no Shares are held as subsidiary holdings, not more than 118,522,441 Shares (representing 10% of the total number of issued Shares of the Company as at that date (disregarding treasury shares and subsidiary holdings) may be purchased or acquired by the Company pursuant to the Share Purchase Mandate during the duration referred to in paragraph 2.3.2 below.

2.3.2 Duration of Authority

Share Purchases may be made, at any time and from time to time, on and from the date of the 2020 AGM, at which the proposed renewal of the Share Purchase Mandate is to be approved, up to:

- (a) the date on which the next AGM of the Company is held or is required by law to be held;
- (b) the date on which the Share Purchases are carried out to the full extent mandated; or
- (c) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by the Shareholders in a general meeting,

whichever is the earliest.

The authority conferred on the Directors by the Share Purchase Mandate to purchase or acquire Shares, if renewed at the 2020 AGM, may be renewed at the next AGM or at an extraordinary general meeting of the Company to be held immediately after the conclusion or adjournment of the next AGM.

2.3.3 Manner of Share Purchase

- (a) Share Purchase may be made by way of:
 - (i) on-market purchases (“**On-Market Purchases**”) effected on the SGX-ST, through one or more duly licensed dealers appointed by the Company for the purpose; and/or
 - (ii) off-market purchases (“**Off-Market Purchases**”) effected otherwise than on a stock exchange, in accordance with an equal access scheme.

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- (b) The Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Listing Manual and the 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 Act, an Off-Market Purchase effected in accordance with an equal access scheme must, however, satisfy all the following conditions:
- (i) offers under the scheme shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
 - (ii) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made to them; and
 - (iii) the terms of all the offers shall be the same, except that there shall be disregarded: (1) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements; and (2) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.
- (c) In addition, Rule 885 of the Listing Manual provides that, in making an Off-Market Purchase in accordance with an equal access scheme, the Company must issue an offer document to all Shareholders containing at least the following information:
- (i) the terms and conditions of the offer;
 - (ii) the period and procedures for acceptances;
 - (iii) the reasons for the proposed Share Purchase;
 - (iv) the consequences, if any, of the Share Purchase that will arise under the Singapore Code on Take-overs and Mergers (the “**Take-over Code**”) or other applicable take-over rules;
 - (v) whether the Share Purchase, if made, could affect the listing of Shares on the SGX-ST; and
 - (vi) details of any Share Purchase made by the Company in the previous twelve months (whether On-Market Purchase or Off-Market Purchase), giving the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for such Share Purchases, where relevant, and the total consideration paid for such Share Purchases; and
 - (vii) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

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2.3.4 Maximum Purchase Price

The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors or a committee of Directors that may be constituted for the purposes of effecting Share Purchase by the Company. However, the purchase price to be paid for the Shares pursuant to the Share Purchase Mandate must not exceed:

- (a) in the case of an On-Market Purchase, 105% of the Average Closing Price (as defined below) of the Shares; and
- (b) in the case of an Off-Market Purchase, 110% of the Average Closing Price of the Shares,

(the “**Maximum Price**”) in either case, excluding related expenses of the Share Purchase.

For the above purposes:

“**Average Closing Price**” means the average of the last dealt prices (excluding any transaction that the SGX-ST requires to be excluded for this purpose) of a Share for the last five market days on which the Shares are transacted on the SGX-ST immediately preceding the day of the On-Market Purchase by the Company or the date of the making of the offer pursuant to the Off-Market Purchase, as the case may be, and deemed to be adjusted, in accordance with the rules of the Listing Manual, for any corporate action that occurs during the relevant five-day period and the day on which the On-Market Purchase was made or the date of the making of the offer pursuant to the Off-Market Purchase, as the case may be; and

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

- 2.4 **Source of Funds.** The Company may only apply funds for the Share Purchases as provided in the Constitution and in accordance with the applicable laws in Singapore. The Company may not purchase its Shares for a consideration other than in cash or, in the case of an On-Market Purchase, for settlement otherwise than in accordance with the trading rules of the SGX-ST.

The Company intends to use its internal sources of funds or external borrowings or a combination of both to finance its Share Purchases. In making a Share Purchase, the Directors will principally consider the availability of internal resources. The Directors will only make a Share Purchase in circumstances which they believe will not result in any material adverse effect to the financial position of the Company or the Group.

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2.5 **Status of Purchased Shares.** Under Section 76B(5) of the Act, Shares purchased or acquired by the Company are deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to those Shares will expire on such cancellation), unless such Shares are held by the Company as treasury shares. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company that are cancelled and not held as treasury shares.

2.6 **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 summarised below:

2.6.1 **Maximum Holdings**

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

2.6.2 **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 in respect of the treasury shares and the treasury shares shall be treated as having no voting rights.

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

2.6.3 **Disposal and Cancellation**

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

- (a) sell the treasury shares (or any of them) for cash;
- (b) transfer the treasury shares (or any of them) for the purposes of or pursuant to any share scheme, whether for the Company's employees, directors or other persons;
- (c) transfer the treasury shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the treasury shares (or any of them); or
- (e) sell, transfer or otherwise use the treasury shares (or any of them) for such other purposes as may be prescribed by the Minister for Finance.

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In addition, under the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares. Such announcement must include details such as the date of the sale, transfer, cancellation and/or use of such treasury shares, the purpose of such sale, transfer, cancellation and/or use of such treasury shares, the number of treasury shares which have been sold, transferred, cancelled and/or used, the number of treasury shares before and after such sale, transfer, cancellation and/or use, the percentage of the number of treasury shares against the total number of issued Shares (of the same class as the treasury shares) which are listed on the SGX-ST before and after such sale, transfer, cancellation and/or use, and the value of the treasury shares if they are used for a sale or transfer, or cancelled.

- 2.7 **Financial Effects.** The financial effects on the Group and the Company arising from Share Purchases which may be made pursuant to the Share Purchase Mandate will depend on, *inter alia*, the aggregate number of Shares purchased or acquired, the source of funds out of which the Company may use to pay the purchase price, the purchase price paid for such Shares and the amount (if any) borrowed by the Company to fund the Share Purchases and whether the Shares purchased or acquired are cancelled or held as treasury shares.

The Company's total number of issued Shares will be diminished by the aggregate number of Shares purchased by the Company and which are cancelled. The NTA of the Group will be reduced by the aggregate purchase price paid by the Company for the purchased Shares.

Under the Act, Share Purchases by the Company may be made out of the Company's profits and/or capital so long as the Company is solvent. Where the consideration paid by the Company for the Share Purchase is made out of profits, such consideration will correspondingly reduce the amount of profits available for the distribution of dividends by the Company. Where the consideration paid by the Company for a Share Purchase is made out of capital, the amount of profits available for the distribution of dividends by the Company will not be reduced. Where a Share Purchase is paid out of the Company's profits or capital, the total amount of consideration paid by the Company shall include any expenses (including brokerage, commission, goods and services tax and other related expenses) incurred directly in such Share Purchase.

The Directors do not propose to exercise the Share Purchase Mandate to such an extent that it would have a material adverse effect on the working capital requirements of the Group. Share Purchases will only be effected after considering relevant factors such as working capital requirement, availability of financial resources, expansion and investment plans of the Group and prevailing market conditions. The Share Purchase Mandate will be exercised with a view to enhancing the EPS and/or the NTA value per Share.

For illustrative purposes only, the financial effects of the Share Purchase Mandate on the Group and the Company as set out below are based on the following assumptions:

- (a) that the Share Purchase comprised 118,522,441 Shares, representing the maximum 10% limit allowed under the Share Purchase Mandate of 1,185,224,411 Shares in issue as at the Latest Practicable Date and assuming no further Shares were issued on or prior to the AGM;

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- (b) that the Share Purchase took place at the beginning of the financial year on 1 January 2019 and the Shares purchased were (A) held as treasury shares; or (B) cancelled;
- (c) that such Share Purchase was made wholly out of profits and financed solely by either internal resources of funds or external borrowings, as the case may be. If such Share Purchase was financed by external borrowings only, the estimated interest rate payable would be 5% per annum;
- (d) that, in the case of On-Market Purchases, assuming the Company purchases or acquires 118,522,441 Shares, the maximum amount of funds required for such Share Purchase (excluding brokerage, commission, goods and services tax and other related expenses) based on the Maximum Price of S\$0.2993 for one Share (being the price equivalent to 105% of the Average Closing Price of the Shares at S\$0.2850 for the last five market days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date) would amount to approximately S\$35,474,000;
- (e) that, in the case of Off-Market Purchases, assuming the Company purchases or acquires 118,522,441 Shares, the maximum amount of funds required for such Share Purchase (excluding brokerage, commission, goods and services tax and other related expenses) based on the Maximum Price of S\$0.3135 for one Share (being the price equivalent to 110% of the Average Closing Price of the Shares at S\$0.2850 for the last five market days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date) would amount to approximately S\$37,157,000; and
- (f) that, at the Company level, existing cash resource is to be used up before the inter-company or external borrowings, as the case may be, are activated.

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Pro-forma financial effects on the Group and the Company as at 31 December 2019

For illustrative purposes, the pro forma financial effects of the Share Purchase Mandate on the latest audited consolidated financial information of the Group and the Company for the financial year ended 31 December 2019 (“FY2019”) based on various scenarios are set out below:

Scenario 1

Assuming On-Market Purchases are made entirely out of profits, financed solely by either internal resources or external borrowings (as the case may be) and:

1(A) the purchased Shares are held as treasury shares

	Group			Company		
	Before Share Purchase	After Share Purchase		Before Share Purchase	After Share Purchase	
		Internal resources	External borrowings		Internal resources	External borrowings
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
As at 31 December 2019						
Share capital	175,234	175,234	175,234	175,234	175,234	175,234
Revenue reserve	668,257	668,257	666,483	323,341	323,341	321,567
Other reserves	264,427	264,427	264,427	101,264	101,264	101,264
Treasury shares	(2,955)	(38,429)	(38,429)	(2,955)	(38,429)	(38,429)
Equity attributable to Shareholders of the Company	1,104,963	1,069,489	1,067,715	596,884	561,410	559,636
Non-controlling interests	14,110	14,110	14,110	–	–	–
Total equity	1,119,073	1,083,599	1,081,825	596,884	561,410	559,636
Cash and bank balances	172,274	136,800	170,500	37,558	2,084	35,784
Total borrowings	1,711,332	1,711,332	1,746,806	149,763	149,763	185,237
Current assets	619,404	583,930	617,630	416,115	380,641	414,341
Current liabilities ⁽¹⁾	395,854	395,854	395,854	583,782	583,782	583,782
NTA ⁽²⁾	1,102,398	1,066,924	1,065,150	596,884	561,410	559,636
Profit attributable to Shareholders of the Company ⁽³⁾	33,213	33,213	31,439	9,465	9,465	7,691
Number of issued Shares ('000)	1,186,248	1,067,726	1,067,726	1,186,248	1,067,726	1,067,726
Weighted average number of issued Shares ('000)	1,186,095	1,067,573	1,067,573	1,186,095	1,067,573	1,067,573
Financial Ratios						
NTA ⁽²⁾ per share (cents)	92.9	99.9	99.8	50.3	52.6	52.4
EPS ⁽³⁾⁽⁴⁾ (cents)	2.8	3.1	2.9	0.8	0.9	0.7
Gross gearing ⁽⁵⁾ (times)	1.53	1.58	1.61	0.25	0.27	0.33
Net gearing ⁽⁵⁾ (times)	1.38	1.45	1.46	0.19	0.26	0.27
Current ratio ⁽⁶⁾ (times)	1.56	1.48	1.56	0.71	0.65	0.71
ROE ⁽⁷⁾ (%)	3.0	3.1	2.9	1.6	1.6	1.3

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1(B) the purchased Shares are cancelled

	Group			Company		
	Before Share Purchase	After Share Purchase		Before Share Purchase	After Share Purchase	
		Internal resources	External borrowings		Internal resources	External borrowings
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
As at 31 December 2019						
Share capital	175,234	175,234	175,234	175,234	175,234	175,234
Revenue reserve	668,257	632,783	631,009	323,341	287,867	286,093
Other reserves	264,427	264,427	264,427	101,264	101,264	101,264
Treasury shares	(2,955)	(2,955)	(2,955)	(2,955)	(2,955)	(2,955)
Equity attributable to Shareholders of the Company	1,104,963	1,069,489	1,067,715	596,884	561,410	559,636
Non-controlling interests	14,110	14,110	14,110	–	–	–
Total equity	1,119,073	1,083,599	1,081,825	596,884	561,410	559,636
Cash and bank balances	172,274	136,800	170,500	37,558	2,084	35,784
Total borrowings	1,711,332	1,711,332	1,746,806	149,763	149,763	185,237
Current assets	619,404	583,930	617,630	416,115	380,641	414,341
Current liabilities ⁽¹⁾	395,854	395,854	395,854	583,782	583,782	583,782
NTA ⁽²⁾	1,102,398	1,066,924	1,065,150	596,884	561,410	559,636
Profit attributable to Shareholders of the Company ⁽³⁾	33,213	33,213	31,439	9,465	9,465	7,691
Number of issued Shares ('000)	1,186,248	1,067,726	1,067,726	1,186,248	1,067,726	1,067,726
Weighted average number of issued Shares ('000)	1,186,095	1,067,573	1,067,573	1,186,095	1,067,573	1,067,573
Financial Ratios						
NTA ⁽²⁾ per share (cents)	92.9	99.9	99.8	50.3	52.6	52.4
EPS ⁽³⁾⁽⁴⁾ (cents)	2.8	3.1	2.9	0.8	0.9	0.7
Gross gearing ⁽⁵⁾ (times)	1.53	1.58	1.61	0.25	0.27	0.33
Net gearing ⁽⁵⁾ (times)	1.38	1.45	1.46	0.19	0.26	0.27
Current ratio ⁽⁶⁾ (times)	1.56	1.48	1.56	0.71	0.65	0.71
ROE ⁽⁷⁾ (%)	3.0	3.1	2.9	1.6	1.6	1.3

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Scenario 2

Assuming Off-Market Purchases are made entirely out of profits, financed solely by either internal resources or external borrowings (as the case may be) and:

2(A) the purchased Shares are held as treasury shares

	Group			Company		
	Before Share Purchase	After Share Purchase		Before Share Purchase	After Share Purchase	
		Internal resources	External borrowings		Internal resources	External borrowings
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
As at 31 December 2019						
Share capital	175,234	175,234	175,234	175,234	175,234	175,234
Revenue reserve	668,257	668,257	666,399	323,341	323,341	321,483
Other reserves	264,427	264,427	264,427	101,264	101,264	101,264
Treasury shares	(2,955)	(40,112)	(40,112)	(2,955)	(40,112)	(40,112)
Equity attributable to Shareholders of the Company	1,104,963	1,067,806	1,065,948	596,884	559,727	557,869
Non-controlling interests	14,110	14,110	14,110	–	–	–
Total equity	1,119,073	1,081,916	1,080,058	596,884	559,727	557,869
Cash and bank balances	172,274	135,117	170,416	37,558	401	35,700
Total borrowings	1,711,332	1,711,332	1,748,489	149,763	149,763	186,920
Current assets	619,404	582,247	617,546	416,115	378,958	414,257
Current liabilities ⁽¹⁾	395,854	395,854	395,854	583,782	583,782	583,782
NTA ⁽²⁾	1,102,398	1,065,241	1,063,383	596,884	559,727	557,869
Profit attributable to Shareholders of the Company ⁽³⁾	33,213	33,213	31,355	9,465	9,465	7,607
Number of issued Shares ('000)	1,186,248	1,067,726	1,067,726	1,186,248	1,067,726	1,067,726
Weighted average number of issued Shares ('000)	1,186,095	1,067,573	1,067,573	1,186,095	1,067,573	1,067,573
Financial Ratios						
NTA ⁽²⁾ per share (cents)	92.9	99.8	99.6	50.3	52.4	52.2
EPS ⁽³⁾⁽⁴⁾ (cents)	2.8	3.1	2.9	0.8	0.9	0.7
Gross gearing ⁽⁵⁾ (times)	1.53	1.58	1.62	0.25	0.27	0.34
Net gearing ⁽⁵⁾ (times)	1.38	1.46	1.46	0.19	0.27	0.27
Current ratio ⁽⁶⁾ (times)	1.56	1.47	1.56	0.71	0.65	0.71
ROE ⁽⁷⁾ (%)	3.0	3.1	2.9	1.6	1.6	1.3

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2(B) the purchased Shares are cancelled

	Group			Company		
	Before Share Purchase	After Share Purchase		Before Share Purchase	After Share Purchase	
		Internal resources	External borrowings		Internal resources	External borrowings
S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
As at 31 December 2019						
Share capital	175,234	175,234	175,234	175,234	175,234	175,234
Revenue reserve	668,257	631,100	629,242	323,341	286,184	284,326
Other reserves	264,427	264,427	264,427	101,264	101,264	101,264
Treasury shares	(2,955)	(2,955)	(2,955)	(2,955)	(2,955)	(2,955)
Equity attributable to Shareholders of the Company	1,104,963	1,067,806	1,065,948	596,884	559,727	557,869
Non-controlling interests	14,110	14,110	14,110	-	-	-
Total equity	1,119,073	1,081,916	1,080,058	596,884	559,727	557,869
Cash and bank balances	172,274	135,117	170,416	37,558	401	35,700
Total borrowings	1,711,332	1,711,332	1,748,489	149,763	149,763	186,920
Current assets	619,404	582,247	617,546	416,115	378,958	414,257
Current liabilities ⁽¹⁾	395,854	395,854	395,854	583,782	583,782	583,782
NTA ⁽²⁾	1,102,398	1,065,241	1,063,383	596,884	559,727	557,869
Profit attributable to Shareholders of the Company ⁽³⁾	33,213	33,213	31,355	9,465	9,465	7,607
Number of issued Shares ('000)	1,186,248	1,067,726	1,067,726	1,186,248	1,067,726	1,067,726
Weighted average number of issued Shares ('000)	1,186,095	1,067,573	1,067,573	1,186,095	1,067,573	1,067,573
Financial Ratios						
NTA ⁽²⁾ per share (cents)	92.9	99.8	99.6	50.3	52.4	52.2
EPS ⁽³⁾⁽⁴⁾ (cents)	2.8	3.1	2.9	0.8	0.9	0.7
Gross gearing ⁽⁵⁾ (times)	1.53	1.58	1.62	0.25	0.27	0.34
Net gearing ⁽⁵⁾ (times)	1.38	1.46	1.46	0.19	0.27	0.27
Current ratio ⁽⁶⁾ (times)	1.56	1.47	1.56	0.71	0.65	0.71
ROE ⁽⁷⁾ (%)	3.0	3.1	2.9	1.6	1.6	1.3

Notes to the above tables:

- (1) External borrowings used for the Share Purchase are not included in current liabilities as the borrowings used are assumed to pertain to long term liabilities.
- (2) NTA equals to total equity less non-controlling interests. NTA per Share is calculated based on NTA divided by number of Shares issued (excluding treasury shares) at year end.
- (3) Profit attributable to Shareholders and EPS after the Share Purchase using solely external borrowings have been adjusted by the estimated interest expense to be charged during the year.
- (4) EPS is calculated based on the profit attributable to Shareholders and weighted average number of Shares issued (excluding treasury shares) during the year.
- (5) Gross gearing is defined as total borrowings divided by total equity. Net gearing is defined as total borrowings (net of cash held) divided by total equity.
- (6) Current ratio equals to current assets divided by current liabilities.
- (7) ROE means the profit attributable to Shareholders over average equity attributable to Shareholders of the Company during the year.

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Shareholders should note that the pro forma financial effects set out above are solely for illustration purposes and are based on the assumptions set out above in this paragraph 2.7. In particular, it is important to note that the above pro forma financial analysis is based on the Group's and the Company's historical numbers for FY2019, and does not necessarily represent the Group's and the Company's future financial performance.

The Company will take into account both financial and non-financial factors (for example, share market conditions and the performance of the Shares) in assessing the relative impact of a Share Purchase before execution. It should be noted that the Company may not necessarily purchase or acquire or be able to purchase or acquire the issued Shares pursuant to the Share Purchase Mandate to the full extent mandated. In addition, the Company may cancel all or part of the Shares purchased or may hold all or part of the Shares purchased as treasury shares.

2.8 **Taxation.** Shareholders who are in doubt as to their respective tax positions or any tax implications of the Share Purchase Mandate, or who may be subject to tax whether in or outside Singapore, should consult their own professional advisers.

2.9 **Reporting Requirements.** The Listing Manual specifies that a listed company shall report all Share Purchases to the SGX-ST not later than 9.00 a.m.:

- (a) in the case of an On-Market Purchase, on the market day following the day on which the On-Market Purchase was made; and
- (b) in the case of an Off-Market Purchase under an equal access scheme, on the second market day after the close of acceptance of the offer for the Off-Market Purchase.

The notification to the SGX-ST (which must be in the form prescribed by Appendix 8.3.1 to the Listing Manual) of such Share Purchases shall 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, etc.) 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 and the number of subsidiary holdings held after the purchase.

Within thirty days of the passing of a Shareholders' resolution to approve or renew the Share Purchase Mandate, the Company shall lodge a copy of such resolution with the Registrar of Companies appointed under the Act (the "**Registrar**").

The Directors shall lodge with the Registrar a notice of Share Purchase in the prescribed form within thirty days of any Share Purchase. Such notification shall include the date of the purchases or acquisitions, the number of Shares purchased or acquired by the Company, the number of Shares cancelled, the number of purchased Shares held as treasury shares, the Company's issued share capital before and after the Share Purchase, the amount of consideration paid by the Company for the Share Purchase, whether the Shares were purchased or acquired out of the profits or the capital of the Company and such other particulars as may be required in the prescribed form.

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Within thirty days of the cancellation or disposal of treasury shares in accordance with the Act, the Directors shall lodge with the Registrar a prescribed notice of the cancellation or disposal of treasury shares with such particulars as may be required in the prescribed form, together with payment of the prescribed fee.

- 2.10 **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 Share Purchase at any time after a price sensitive development has occurred or has been the subject of a consideration and/or decision of the Directors until the price sensitive information has been publicly announced. In particular, the Company will not purchase or acquire any Shares during the period commencing one month before the announcement of the Company’s half year and full year financial statements, and ending on the date of announcement of the relevant results.
- 2.11 **Listing Status on the SGX-ST.** Rule 723 of 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 the public at all times. The “public”, as defined under the Listing Manual, are persons other than: (a) the directors, chief executive officer, substantial shareholders or controlling shareholders of the Company or its subsidiaries, as well as (b) the associates of such persons.

Based on the Register of Directors’ Shareholdings maintained by the Company and its subsidiaries, the Register of Substantial Shareholders maintained by the Company and information received by the Company, as at the Latest Practicable Date, approximately 485,100,682 Shares, representing 40.93% of the total number of issued Shares (excluding treasury shares) are in the hands of the public. Assuming that the Company undertakes Share Purchases from the public through On-Market Purchases up to the full 10% limit pursuant to the Share Purchase Mandate, the number of Shares in the hands of the public would be reduced to 366,578,241 Shares, representing 30.93% of the reduced issued share capital of the Company.

Accordingly, the Company is of the view that there is a sufficient number of issued Shares held in the hands of the public which would permit the Company to undertake Share Purchases up to the full 10% limit pursuant to the Share Purchase Mandate 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. While the Share Purchase Mandate would authorise Share Purchases up to a maximum limit of 10%, Shareholders should note that Share Purchases may not be carried out up to the full 10% limit as authorised, or at all.

In undertaking any Share Purchase, the Directors will use their best efforts to ensure that, notwithstanding such Share Purchase, a sufficient float held by the public will be maintained so that the Share Purchase will not adversely affect the listing status of the Shares on the SGX-ST, cause market illiquidity or adversely affect the orderly trading of the Shares.

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2.12 **Take-over Implications.** Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note. The take-over implications arising from any Share Purchase are set out below:

2.12.1 **Obligation to Make a Take-over Offer**

If, as a result of any Share Purchase, 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, depending on the number of Shares purchased by the Company and the Company's total number of issued Shares at that time, 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 Take-over Code.

2.12.2 **Persons Acting in Concert**

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

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

- (a) the following companies:
 - (i) a company;
 - (ii) the parent company of (i);
 - (iii) the subsidiaries of (i);
 - (iv) the fellow subsidiaries of (i);
 - (v) the associated companies of any of (i), (ii), (iii) or (iv);
 - (vi) companies whose associated companies include any of (i), (ii), (iii), (iv) or (v); and
 - (vii) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the companies referred to 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).

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For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status.

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 Share Purchase are set out in Rule 14 and Appendix 2 of the Take-over Code.

2.12.3 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 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 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 percentages 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 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 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 Purchase Mandate.

Any Shares held by the Company in treasury shall be excluded from the calculation of the percentages of voting rights under the Take-over Code referred to above.

As at the Latest Practicable Date, the following Directors, who are also directors of Nuri Holdings (S) Pte Ltd ("**Nuri Holdings**"), have an aggregate interest (direct and deemed) in 629,064,529 Shares, representing approximately 53.08% of the issued Shares (excluding treasury shares):

- (a) Mdm Michelle Liem Mei Fung ("**Michelle Liem**"), who is deemed to be a substantial shareholder of the Company by virtue of her interests in Nuri Holdings which has a direct interest in 628,814,529 Shares representing approximately 53.05% of the issued Shares (excluding treasury shares);
- (b) her brother, Mr William Nursalim alias William Liem ("**William Liem**"), who is deemed to be a substantial shareholder of the Company by virtue of his interests in Nuri Holdings, which has a direct interest in 628,814,529 Shares representing approximately 53.05% of the issued Shares (excluding treasury shares); and

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- (c) her spouse, Mr David Lee Kay Tuan (“**David Lee**”), who holds a direct interest in 250,000 Shares, representing approximately 0.021% of the issued Shares (excluding treasury shares),

(together, the “**Relevant Directors**”).

Save for the Relevant Directors, none of the Directors are directors of Nuri Holdings or parties acting in concert with Nuri Holdings.

Since the shareholding interests of the Relevant Directors and Nuri Holdings as at the Latest Practicable Date exceed 50% (prior to Share Purchases of 10% of the issued Shares), none of the Relevant Directors or Nuri Holdings would become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code as a result of Share Purchases by the Company of up to the maximum limit of 10% of its issued Shares as at the Latest Practicable Date.

Save as disclosed above and as at the Latest Practicable Date, the Directors are not aware of any facts or factors which suggest or imply that any particular persons and/or Shareholders are, or may be regarded as, parties acting in concert such that their respective interests in the Shares should or ought to be consolidated, and consequences under the Take-over Code would ensue as a result of a Share Purchase.

Shareholders and their concert parties will be subject to the provisions of Rule 14 of the Take-over Code if they acquire any Shares after the Company’s Share Purchase(s). For the purpose of the Take-over Code, an increase in the percentage of voting rights as a result of Share Purchases will be taken into account in determining whether a Shareholder and persons acting in concert with him have increased their voting rights by more than 1% in any period of six months.

If the Company decides to cease the purchase of Shares before it has purchased in full such number of Shares authorised by its Shareholders at the latest annual general meeting, the Company will promptly inform its Shareholders of such cessation. This will assist Shareholders to determine if they can buy any more Shares without incurring an obligation under Rule 14 of the Take-over Code.

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

2.13 Details of Share Purchases in the Last Twelve Months

As at the Latest Practicable Date, the Company had purchased or acquired an aggregate of 4,729,000 Shares by way of On-Market Purchases pursuant to the Share Purchase Mandate approved by Shareholders at the 2019 AGM. The highest and lowest price paid for such Share Purchases were at S\$0.365 and S\$0.265 respectively. The total consideration paid for the purchases was S\$1,660,484.15 including commission, brokerage and goods and services tax.

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3. THE PROPOSED RENEWAL OF THE IPT MANDATE

- 3.1 **Background.** At the Extraordinary General Meeting of the Company held on 24 April 2019 (the “**2019 EGM**”), approval of the Shareholders was obtained for the adoption of the mandate (“**IPT Mandate**”) to enable the Company, its subsidiaries and associated companies which are considered to be “entities at risk” within the meaning of Chapter 9 of the Listing Manual (the “**TSH Group**”), or any of them, to enter into interested person transactions with specified classes of interested persons provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such interested person transaction. Particulars of the IPT Mandate are set out in Appendix A to the circular to Shareholders dated 9 April 2019.

The IPT Mandate was expressed to take effect on the date of passing of the ordinary resolution approving the IPT Mandate and will expire on the date (a) of the forthcoming 2020 AGM to be held on 22 April 2020, or (b) when the authority conferred by the IPT Mandate is revoked or varied by the Shareholders in a general meeting, whichever is earlier.

Accordingly, Shareholders’ approval is being sought for the renewal of the IPT Mandate at the 2020 AGM.

- 3.2 **Rationale for the IPT Mandate.** The TSH Group intends to continue expanding its property and hotel development, investment and management businesses and to retain and acquire quality investment and hotel properties that will contribute an income flow for the TSH Group. To achieve this, the TSH Group intends to, *inter alia*, expand its property business in the region, in countries such as Singapore, China and Indonesia, by adopting a disciplined approach in acquiring land bank in these countries. The TSH Group will make acquisition decisions based on thorough independent valuations, research, and analysis of a given project’s expected returns in the context of future property and economic trends.

However, the TSH Group’s ability to continue expanding its property development, investment and management business is dependent on its ability to acquire land plots and development projects which face myriad barriers such as availability of prime land and ownership restriction of land in various countries. To facilitate such expansion in the region, the TSH Group will leverage on its strong brand name and financial track record to, *inter alia*, create a market for prime land and manage risk and land restrictions.

The IPT Mandate and its renewal on an annual basis will provide the TSH Group with added means to underpin its expansion strategy by leveraging on the Interested Persons’ network and its close working relationship with Interested Persons. In particular, it would enable the TSH Group to pursue commercial transactions in the ordinary course of business in an expedient manner with Interested Persons that would value add and provide new engines of growth for the TSH Group.

The IPT Mandate and its renewal on an annual basis is intended to enhance the TSH Group’s ability to pursue business opportunities which are time-sensitive in nature, and will eliminate the need for the Company to announce, or to announce and convene separate general meetings on each occasion to seek Shareholders’ prior approval for, the entry by the relevant company in the TSH Group into such transactions. This will substantially reduce the expenses associated with the convening of general meetings on an ad hoc basis, improve administrative efficacy considerably, and allow manpower resources and time to be channelled towards attaining other corporate objectives.

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- 3.3 **The Interested Persons.** Nuri Holdings is an investment holding company, and a controlling shareholder of the Company, holding approximately 53.05% of the Shares as at the Latest Practicable Date.

Mr William Liem has been the Chief Executive Officer of the Company since 2008, and is the brother of Mdm Michelle Liem who is a Non-Executive Director of the Company. Mr William Liem and Mdm Michelle Liem are also director and managing director of Nuri Holdings, respectively. Mr William Liem holds 20% of the issued shares of Nuri Holdings and Mdm Michelle Liem holds 50% of the issued shares of Nuri Holdings. Mr William Liem and Mdm Michelle Liem are Interested Persons and deemed to be controlling shareholders of the Company by virtue of their respective interests in Nuri Holdings.

Mr David Lee is the husband of Mdm Michelle Liem and is a director of both the Company and Nuri Holdings. Dr Tan Enk Ee is the brother-in-law of Mr William Liem, and is a controlling shareholder of the Company and holds 30% of the issued shares of Nuri Holdings.

As at Latest Practicable Date, the Interested Persons are regarded as “interested persons” of the Company for the purposes of Chapter 9 of the Listing Manual.

- 3.4 **Particulars of the IPT Mandate.** The nature and scope of Interested Person Transactions and the classes of Interested Persons in respect of which the IPT Mandate is sought to be renewed remains unchanged. The particulars of the IPT Mandate, including, the rationale for the IPT Mandate, the benefits to be derived by the Company, as well as the review procedures for determining transaction prices with the specified classes of Interested Persons, are set out in Appendix A to this Letter.

In addition, general information on the listing rules relating to interested person transactions, including the meanings of terms such as “associate”, “controlling shareholder” and “interested person” used in Chapter 9 of the Listing Manual, is set out in Appendix B to this Letter.

- 3.5 **Audit and Risk Committee Confirmation.** The Audit and Risk Committee, comprising Mr Choo Teow Huat Albert, Mr David Lee, Mr Neo Ban Chuan and Mr Richard Eu Yee Ming, as at the Latest Practicable Date, confirms that:

- 3.5.1 the methods or procedures for determining the transaction prices under the IPT Mandate have not changed since the 2019 EGM; and
- 3.5.2 the methods or procedures referred to in paragraph 3.5.1 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.

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- 3.6 **Abstention From Voting.** Under Rule 919 of the Listing Manual, where a meeting is held to obtain shareholders' approval, the interested person and any associate of the interested person must not vote on the resolution, nor accept appointments as proxies unless specific instructions as to voting are given.

Accordingly, Mr William Liem, Mdm Michelle Liem, Mr David Lee, Dr Tan Enk Ee and Nuri Holdings and their respective associates, being Interested Persons, will abstain from voting their respective holdings of shares (if any) on Ordinary Resolution No. 10, being the Ordinary Resolution relating to the proposed renewal of the IPT Mandate, to be proposed at the 2020 AGM (the "**IPT Resolution**").

Furthermore, Mr William Liem, Mdm Michelle Liem, Mr David Lee, Dr Tan Enk Ee and Nuri Holdings and their respective associates will also decline to accept appointment as proxy for any Shareholder to vote in respect of the IPT Resolution, unless the Shareholder concerned has given specific instructions in his/her proxy form as to the manner in which his/her votes are to be cast in respect of the IPT Resolution.

4. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

- 4.1 **Directors' Interests.** The interests of the Directors in the Shares, as extracted from the Register of Directors' Shareholdings, as at the Latest Practicable Date, are set out below:

Name	Direct interest		Deemed interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Ong Beng Kheong	2,200	0.0002	–	–
Michelle Liem Mei Fung	–	–	628,814,529 ⁽²⁾	53.05
William Nursalim alias William Liem	–	–	628,814,529 ⁽²⁾	53.05
David Lee Kay Tuan	250,000	0.0211	–	–

Notes:

⁽¹⁾ Percentage is calculated based on the total number of 1,185,224,411 issued Shares, excluding treasury shares of the Company as at the Latest Practicable Date.

⁽²⁾ By virtue of interest in Nuri Holdings.

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- 4.2 **Substantial Shareholders' Interests.** The interests of the substantial shareholders in the Shares, as extracted from the Register of Substantial Shareholders, as at the Latest Practicable Date, are set out below:

Name	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Nuri Holdings (S) Pte Ltd	628,814,529	53.05	–	–	628,814,529	53.05
Michelle Liem Mei Fung	–	–	628,814,529 ⁽²⁾	53.05	628,814,529	53.05
William Nursalim alias William Liem	–	–	628,814,529 ⁽²⁾	53.05	628,814,529	53.05
Tan Enk Ee	–	–	628,814,529 ⁽²⁾	53.05	628,814,529	53.05
Koh Wee Meng	69,457,000	5.86	1,600,000 ⁽³⁾	0.13	71,057,000	5.99

Notes:

- (1) Percentage is calculated based on the total number of 1,185,224,411 issued Shares, excluding treasury shares of the Company as at the Latest Practicable Date.
- (2) By virtue of interest in Nuri Holdings.
- (3) Mr Koh Wee Meng, spouse of Mdm Lim Wan Looi, is deemed to be interested in Mdm Lim Wan Looi's direct interest of 0.13 per cent.

5. DIRECTORS' RECOMMENDATIONS

5.1 Share Purchase Mandate

The Directors, after having considered the rationale for the proposed renewal of the Share Purchase Mandate, are of the opinion that the same is in the interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of Ordinary Resolution No. 9, being the Ordinary Resolution relating to the proposed renewal of the Share Purchase Mandate, to be proposed at the 2020 AGM.

5.2 IPT Mandate

5.2.1 **Independent Directors' Recommendation.** The Directors who are considered independent for the purposes of the proposed renewal of the IPT Mandate are Mr Ong Beng Kheong, Mr Cheng Hong Kok, Mr Choo Teow Huat Albert, Mr Neo Ban Chuan and Mr Richard Eu Yee Ming (collectively, the "**Independent Directors**"). Having fully considered the rationale for the proposed renewal of the IPT Mandate, the Independent Directors are of the opinion that the entry by the TSH Group into the Interested Person Transactions with the Interested Persons in the ordinary course of business will enhance the efficiency of the TSH Group, and is in the best interests of the Company.

For the reasons set out in paragraphs 1 and 2 of Appendix A to this Letter, the Independent Directors recommend that Shareholders vote in favour of the IPT Resolution.

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5.2.2 **Abstention from Recommendation.** Mr William Liem, Mdm Michelle Liem and Mr David Lee, being Interested Persons, are not considered independent for the purposes of the IPT Mandate, and accordingly have abstained from making any recommendation to Shareholders in relation to the IPT Resolution.

5.3 Advice to Shareholders

In making the above recommendations, the Directors have not had regard to the specific investment objectives, financial situation, tax position and/or unique needs and constraints of any individual Shareholder. As different Shareholders would have different investment objectives, the Directors recommend that any individual Shareholder who may require specific advice in relation to the Share Purchase Mandate and the IPT Mandate should consult his stockbroker, bank manager, solicitor, accountant or other professional advisers.

6. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Letter and confirm 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, 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 this Letter in its proper form and context.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 9 Oxley Rise, #03-02, The Oxley, Singapore 238697 during normal business hours on any weekday from the date of this Letter up to and including the time and date of the 2020 AGM:

- (a) the Constitution;
- (b) the letter to Shareholders dated 26 March 2019 relating to the proposed renewal of the Share Purchase Mandate;
- (c) the circular to Shareholders dated 9 April 2019 relating to the proposed adoption of the IPT Mandate; and
- (d) the annual report of the Company for the financial year ended 31 December 2019.

For and on behalf of the
Board of Directors
Tuan Sing Holdings Limited

Ong Beng Kheong
Chairman

APPENDIX A

APPENDIX A – THE IPT MANDATE

1. Rationale for the IPT Mandate

It is envisaged that in the normal course of their businesses, transactions between Tuan Sing Holdings Limited (the “**Company**”), its subsidiaries and associated companies with the Company’s interested persons are likely to occur, and may arise from time to time or at any time.

In view of the time-sensitive nature of commercial transactions, the obtaining of a mandate (the “**IPT Mandate**”) from shareholders of the Company (“**Shareholders**”) pursuant to Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**Listing Manual**”), will enable the Company, its subsidiaries and associated companies which are considered to be “entities at risk” within the meaning of Chapter 9 of the Listing Manual (together, the “**TSH Group**”) or any of them, to enter into certain types of transactions as set out in paragraph 2 below, with the Company’s interested persons set out in paragraph 3 below (the “**Interested Persons**”), provided that such transactions are entered into in the ordinary course of business of the TSH Group, are on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

The TSH Group intends to continue expanding its property and hotel development, investment and management businesses and to retain and acquire quality investment and hotel properties that will contribute an income flow for the TSH Group. To achieve this, the TSH Group intends to, *inter alia*, expand its property business in the region, in countries such as Singapore, China and Indonesia, by adopting a disciplined approach in acquiring land bank in these countries. The TSH Group will make acquisition decisions based on thorough independent valuations, research, and analysis of a given project’s expected returns in the context of future property and economic trends.

However, TSH Group’s ability to continue expanding its property development, investment and management business is dependent on its ability to acquire land plots and development projects which face myriad barriers such as availability of prime land and ownership restriction of land in various countries. To facilitate such expansion in the region, the TSH Group will leverage on its strong brand name and financial track record to, *inter alia*, create a market for prime land and manage risk and land restrictions.

The IPT Mandate will provide the TSH Group with added means to underpin its expansion strategy by leveraging on the Interested Persons’ network and its close working relationship with Interested Persons. In particular, it would enable the TSH Group to pursue commercial transactions in the ordinary course of business in an expedient manner with Interested Persons that would value add and provide new engines of growth for the TSH Group.

The IPT Mandate is intended to enhance the TSH Group’s ability to pursue business opportunities which are time-sensitive in nature, and will eliminate the need for the Company to announce, or to announce and convene separate general meetings on each occasion to seek Shareholders’ prior approval for, the entry by the relevant company in the TSH Group into such transactions. This will substantially reduce the expenses associated with the convening of general meetings on an ad hoc basis, improve administrative efficacy considerably, and allow manpower resources and time to be channelled towards attaining other corporate objectives.

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2. Nature and Scope of Interested Person Transactions

The types of transactions with Interested Persons to be covered by the IPT Mandate relate principally to the provision or obtaining of services and products in the normal course of the TSH Group's businesses ("**Interested Person Transactions**") but not in respect of purchase or sale of assets, undertakings or businesses as provided under Rule 920(1) of the Listing Manual. The Interested Person Transactions are as described below.

(a) Leasing Transactions

The TSH Group may lease premises and assets to and from Interested Persons for meeting various business needs. Transactions covered by this category consist of the leasing or letting of offices, warehouses and other business premises and assets (such as plant and equipment), or part thereof, by the companies in the TSH Group to Interested Persons or *vice versa*, pursuant to leases including but not limited to tenancy agreements and financial leases.

(b) Business, Management and Technical Services Transactions

It is expected that with further expansion of the TSH Group, overhead costs and administrative costs may increase with the establishment of more business units. As such, the centralisation of management and support services staff within the TSH Group and the Interested Persons will enable business services costs to be shared, avoid duplication of efforts and enhance communication within the TSH Group and the Interested Persons. The latter results in savings for all operating companies within the TSH Group and the Interested Persons through shared resources and economies of scale, and ensures that the services provided are of a uniform approach and consistent standard throughout the operating subsidiaries.

Further, it is expected that Interested Persons may provide certain corporate functions and support to the TSH Group in areas including but not limited to finance, treasury, investment risk review and management; corporate planning and business development; sales, leasing and marketing; property and/or facility management; management information systems; human resource management and development; information technology management and development; legal and corporate secretarial affairs; and internal audit.

Transactions covered by this category consist of the following:

- (i) the provision by the companies in the TSH Group to Interested Persons, or the receipt by companies in the TSH Group from Interested Persons of, fees for management, corporate, administrative, support, advisory and consulting services including but not limited to the areas of internal audit, corporate planning and development, internal control review, legal, tax, treasury and fund management services, staff secondments and recruitment;
- (ii) the provision by the companies in the TSH Group to Interested Persons, or the receipt by companies in the TSH Group from Interested Persons of, subcontracting and outsourcing services, supply chain management services (including but not limited to packaging, transport and logistic services), sharing of logistic facility management including but not limited to rental and subletting of premises;

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- (iii) the provision by the companies in the TSH Group to Interested Persons, or the receipt by companies in the TSH Group from Interested Persons of, property or hotel management and security and building maintenance services;
- (iv) the provision by the companies in the TSH Group to Interested Persons, or the receipt by companies in the TSH Group from Interested Persons of, data storage, information technology and management services, including but not limited to hosting services, software licences, analytics, design, development, integration, maintenance and other technology-related services; and
- (v) the provision or receipt of such other services which are incidental to or in connection with the provision or receipt of services in sub-paragraphs (i) to (iv) above.

These transactions relate to the supply of corporate, support and administrative services, subcontracting and outsourcing services, supply chain services and premises by Interested Persons to companies in the TSH Group and *vice versa*. The inclusion of this category of transactions in the IPT Mandate will enable the TSH Group to obtain expertise in the areas of investment risk review, governmental relations and business development through its Interested Persons. The ability to tap on such expertise and experience, especially in relation to matters which are highly confidential, commercially sensitive or involve historical data, is particularly important to the TSH Group's ability to respond in a timely manner to take advantage of opportunities as and when they arise.

(c) **Treasury Transactions**

Transactions covered by this category consist of the borrowing from or placement of funds with Interested Persons or *vice versa* ("**Treasury Transactions**").

Treasury Transactions are intended to enhance the TSH Group's ability to benefit in treasury transactions from competitive rates or quotes from Interested Persons and third party financial institutions in an expedient manner, pursue time sensitive business opportunities and to transact with Interested Persons in an expeditious manner to meet its business needs and capital requirements in connection with the TSH Group's core businesses in property and hotel development, investment and management.

Specifically it is also anticipated that Treasury Transactions may arise, *inter alia*, in the following scenarios:

- (i) where any member of the TSH Group and/or Interested Persons has excess cash, it may as part of its treasury strategy, place funds and/or provide loans to any member of the TSH Group and/or Interested Persons (as the case may be). The TSH Group can benefit in treasury transactions from competitive rates or quotes from Interested Persons and third party financial institutions in an expedient manner. By transacting directly with Interested Persons, the TSH Group may obtain better yields through the aggregation of funds with Interested Persons and/or the elimination of margins which third party intermediaries might ordinarily be expected to earn; and

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- (ii) to participate in the development of prime real estate projects in the region, members of the TSH Group may provide loans to Interested Persons (who hold the ownership rights and/or land use rights to the real estate) to participate in such projects which would not otherwise be available as investment opportunities for the TSH Group. As real estate in foreign jurisdictions are often subject to ownership restrictions which may prohibit or make it challenging for foreign entities (e.g. members of the TSH Group) from directly acquiring ownership rights and/or land use rights, the provision of loans to Interested Persons will permit the TSH Group to participate in these projects given that the interest repayment terms of such loans will enable the TSH Group to benefit from the development projects.

The risks related to Treasury Transactions will be managed and mitigated through mechanisms included in the terms of such transactions which are subject to the Review Procedures.

(d) **Construction and Engineering Materials and Equipment Transactions**

Related to its activities in construction-related and engineering services, the TSH Group may engage in sourcing, purchasing, supplying and trading in building, construction and engineering materials including but not limited to concrete and granite aggregates, steel bars, steel sheet piles, timber products, wall and floor tiles and construction equipment.

Transactions that may be carried out with Interested Persons under this category consist of the following:

- (i) the design, installation, supply and provision of equipment and machinery and/or building, construction and engineering materials including but not limited to paint, electric motors and generators by companies in the TSH Group to Interested Persons or *vice versa*;
- (ii) the purchase or sale, and/or rental of equipment and machinery and/or building, construction and engineering materials including but not limited to paint, electric motors and generators by companies in the TSH Group from, or to Interested Persons for on-sale or for use in the construction and/or engineering services activities of the TSH Group or, as the case may be, the Interested Persons; and
- (iii) the provision or receipt of such other services which are incidental to or in connection with the provision or receipt of materials and equipment in sub-paragraphs (i) and (ii) above, including but not limited to sales and marketing services.

These transactions relate to the supply of materials and equipment used in the building, construction and engineering industry. The inclusion of this category of transactions in the IPT Mandate will allow the TSH Group to transact with Interested Persons in an expeditious manner to meet business needs for the supply and/or provision of materials and equipment.

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(e) Construction-related and Engineering Services Transactions

The companies in the TSH Group may carry out or engage contractors to carry out construction-related works such as building, engineering and foundation works as well as project management of such works. They may also provide or receive engineering, architectural and other construction-related consultancy services including but not limited to feasibility study, master planning, design and specialist consultancy services.

Transactions with Interested Persons under this category will consist of the following:

- (i) the tender by companies in the TSH Group (whether by way of public tender, invitation or otherwise) and/or the award of contracts by Interested Persons to companies in the TSH Group, or, as the case may be, the tender by Interested Persons (whether by way of public tender, invitation or otherwise) and/or the award of contracts by companies in the TSH Group to Interested Persons, whether as main contractors or as sub-contractors, for construction-related and engineering services including turnkey projects for residential, commercial, industrial, infrastructural or other building, construction, engineering and/or development projects and/or architectural works (including build, operate and transfer) or other projects;
- (ii) the provision by companies in the TSH Group to Interested Persons, or receipt by companies in the TSH Group from Interested Persons of, project management, consultancy, design, architectural, engineering, geotechnical soil investigation and/or instrumentation services for residential, commercial, industrial, infrastructural or other building, construction, engineering and/or development projects and/or architectural works undertaken by the Interested Persons or (as the case may be) companies in the TSH Group;
- (iii) the provision by the companies in the TSH Group to Interested Persons, or receipt by companies in the TSH Group from Interested Persons of, other construction-related and engineering services including but not limited to treated water supply and water treatment services, power and natural resources mining services for commercial, industrial, infrastructural or other building, construction, engineering and/or development projects and/or architectural works undertaken by Interested Persons or (as the case may be) companies in the TSH Group; and
- (iv) the provision or receipt of such other services which are incidental to or in connection with the provision or receipt of services in sub-paragraphs (i) to (iii) above, including but not limited to sales and marketing services.

As construction-related and engineering services are related and/or ancillary to the core businesses of the TSH Group, the inclusion of the above category of transactions in the IPT Mandate will facilitate such transactions by the TSH Group with Interested Persons that arise in the normal course of operations of the TSH Group in a more expeditious manner.

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3. Classes of Interested Persons with which the TSH Group is transacting

The IPT Mandate will apply to the following classes of Interested Persons:

- (a) Nuri Holdings (S) Pte Ltd;
- (b) Mr William Nursalim alias William Liem;
- (c) Mdm Michelle Liem Mei Fung;
- (d) Mr David Lee Kay Tuan;
- (e) Dr Tan Enk Ee;
- (f) any immediate family of the Interested Persons named in (b) to (e) above;
- (g) the trustees of any trust where any of the Interested Persons named in (b) to (f) above is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
- (h) any company which, at the time at which the transaction is entered into, is an associate of any of the Interested Persons named in (a) to (g) above.

4. Review Procedures for Interested Person Transactions

Pursuant to the IPT Mandate, the Company has formed a special review committee (the “**Review Committee**”) to ensure that transactions with Interested Persons are undertaken on the TSH Group’s normal commercial terms under the IPT Mandate. The Review Committee comprises senior executives of the Company namely, the Chief Executive Officer, the Chief Financial Officer and the respective head of each of the relevant departments, who have been tasked by the Board of Directors of the Company (“**Board of Directors**”) with the review and approval of such transactions.

(a) General

To ensure that the Interested Person Transactions arising from the normal course of business of the TSH Group are undertaken at arm’s length and on the TSH Group’s normal commercial terms, and will not be prejudicial to the interests of the Company and its minority Shareholders, the TSH Group has implemented the following guidelines for the review and approval of all Interested Person Transactions under the proposed adoption of the IPT Mandate:

- (i) A transaction exceeding S\$100,000 but below 3% of the TSH Group’s latest audited net tangible assets (the “**Financial Threshold**”) will be reviewed and approved by any three members of the Review Committee (who do not have an interest and are not part of the working team involved in the transaction(s) under review), who shall ensure that the Interested Person Transactions are made on arm’s length basis and on terms and conditions no more favourable than those which would be granted to an unrelated third party in similar circumstances, and which are on the TSH Group’s normal commercial terms or otherwise in accordance (where applicable) with industry norms and market practice and that they are not prejudicial to the interests of the Company and its minority Shareholders.

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- (ii) A transaction equal to or exceeding the Financial Threshold will be reviewed and approved by (A) the Audit and Risk Committee of the Company (the “**Audit and Risk Committee**”) at a properly convened Audit and Risk Committee meeting or (B) any two Independent Directors designated by the Chairman of the Audit and Risk Committee at his discretion, who shall ensure that the Interested Person Transactions are made on arm’s length basis and on terms and conditions no more favourable than those which would be granted to an unrelated third party in similar circumstances, and which are on the TSH Group’s normal commercial terms or otherwise in accordance (where applicable) with industry norms and that they are not prejudicial to the interests of the Company and its minority Shareholders.
- (iii) Any member of the Review Committee, Audit and Risk Committee and the Independent Directors may, as he/they deem fit, request for additional information pertaining to the transaction under review from independent sources or advisers, including the obtaining of valuations from independent professional valuers.
- (iv) If a member of the Review Committee, Audit and Risk Committee or any Independent Director has an interest in a transaction, he shall abstain from participating in the review and approval process in relation to that transaction. If there are not at least three members of the Review Committee who do not have an interest and are not part of the working team involved in the transaction(s) under review, the review and approval process shall be undertaken by (A) the Audit and Risk Committee at a properly convened Audit and Risk Committee meeting or (B) any two Independent Directors (who have no interest in the transaction) designated by the Chairman of the Audit and Risk Committee for such purpose.
- (v) The Audit and Risk Committee will also:
 - (A) carry out periodic reviews (on a half yearly basis) to ascertain that the established guidelines and procedures for Interested Person Transactions have been complied with. For the avoidance of doubt, the Chairman of the Audit and Risk Committee may at his discretion carry out periodic reviews at any time to ascertain that the established guidelines and procedures for Interested Person Transactions have been complied with; and
 - (B) consider from time to time whether the established guidelines and procedures for transactions with Interested Persons have become inappropriate or are unable to ensure that the transactions will be carried out on normal commercial terms, and are not prejudicial to the interests of the Company and its minority Shareholders. Further, if during these periodic reviews by the Audit and Risk Committee, the Audit and Risk Committee is of the view that the guidelines and procedures as stated herein are not sufficient or appropriate to ensure that the Interested Person Transactions will be on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, the Company will seek approval from Shareholders for a fresh mandate based on new guidelines and procedures for transactions with Interested Persons.

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(b) Interested Person Transactions other than Treasury Transactions

- (i) **Provision of goods and/or services.** For the purpose of the above review procedures, where goods and/or services (other than Treasury Transactions) are to be provided by the TSH Group to Interested Persons, such transactions with Interested Persons are to be carried out at the prevailing market rates or prices of the goods and/or services provided, on terms which are no more favourable to the Interested Person than the usual commercial terms extended to unrelated third parties (including, where applicable, preferential rates, prices, or discounts accorded to corporate customers or for bulk purchases) or otherwise in accordance with applicable industry norms. Where the prevailing market rates or prices are not available due to the goods to be sold or the nature of services to be provided, the TSH Group's pricing for such goods to be sold or services to be provided to Interested Persons is determined in accordance with the TSH Group's usual business practices and pricing policies, consistent with the usual margin to be obtained by the TSH Group for the same or substantially similar type of contract or transaction with unrelated third parties. In determining the transaction price payable by Interested Persons for such goods and/or services, factors such as, but not limited to, quantity, volume consumption, customer requirements, specifications, duration of contract and strategic purposes of the transaction will be taken into account.
- (ii) **Obtaining goods and/or services.** For the purpose of the above review procedures, where goods and/or services (other than Treasury Transactions) are to be purchased or obtained by the TSH Group from Interested Persons, quotations will be obtained (wherever possible or available) from at least two other unrelated third party suppliers for similar quantities and/or quality of the materials, equipment, machinery or services concerned as a basis for comparison to determine whether the price and terms offered by the Interested Person are fair and reasonable and are no less favourable to the TSH Group than the usual commercial terms extended by unrelated third party suppliers to the TSH Group. Where it is impractical or not possible for such quotes to be obtained, the Review Committee, the Audit and Risk Committee at a properly convened Audit and Risk Committee meeting or any two Independent Directors designated by the Chairman of the Audit and Risk Committee at his discretion, as the case may be, will ensure that the terms of supply are fair and reasonable, in accordance with industry norms and in line with business practices of the relevant industry taking into consideration, factors such as but not limited to pricing, payment terms, credit worthiness, the strategic purpose for the transaction and market conditions.

(c) Treasury Transactions

In relation to Treasury Transactions, the following guidelines shall apply:

- (i) **Borrowings.** The TSH Group will only borrow funds from an Interested Person if the interest rate quoted by the Interested Person is not more than the lowest rate quoted by the TSH Group's principal bankers for loans of an equivalent amount and tenure. Quotations of rates will be procured from at least two of the TSH Group's principal bankers each time that funds are proposed to be borrowed from an Interested Person and the TSH Group will not borrow from an Interested Person unless there are quotations of rates obtained from at least two of the TSH Group's principal bankers.

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- (ii) **Placements.** The TSH Group will only place funds with an Interested Person if the interest rate quoted by the Interested Person is not less than the highest of the rates quoted by the TSH Group's principal bankers for deposits of an equivalent amount and tenure, taking into account the creditworthiness of the Interested Person and the prospect of the recovery of funds, including whether any security or guarantee is provided. Quotations of rates will be procured from at least two of the TSH Group's principal bankers each time that funds are proposed to be placed with an Interested Person and the TSH Group will not place funds with an Interested Person unless there are quotations of rates obtained from at least two of the TSH Group's principal bankers.

In addition, where the aggregate value of funds placed with an Interested Person shall at any time exceed 2% of the TSH Group's latest audited net tangible assets, each subsequent placement of funds with the Interested Person shall require the prior approval of (A) the Audit and Risk Committee at a properly convened Audit and Risk Committee meeting or (B) any two Independent Directors designated by the Chairman of the Audit and Risk Committee at his discretion.

5. Interested Person Transactions Register

The Company maintains a register of transactions carried out with Interested Persons pursuant to the IPT Mandate (recording the basis on which they are entered into). Further, the Company's annual internal audit plan will incorporate a review of transactions entered into in the relevant financial year pursuant to the IPT Mandate.

6. Excluded Transactions

The IPT Mandate will not cover any transaction by a company in the TSH Group with an Interested Person that is below S\$100,000 in value as the threshold and aggregation requirements of Chapter 9 of the Listing Manual would not apply to such transactions. For the avoidance of doubt, the IPT Mandate shall cover any transaction by a company in the TSH Group with an Interested Person that is below S\$100,000 in value in the event the S\$100,000 threshold in Chapter 9 of the Listing Manual ceases to apply.

Transactions with interested persons (including the Interested Persons) which do not fall within the ambit of the IPT Mandate shall be subject to the relevant provisions of Chapter 9 of the Listing Manual, or other applicable provisions of the Listing Manual and/or the Companies Act (Cap. 50), if any.

7. Validity Period of the IPT Mandate

The IPT Mandate will take effect from the passing of the resolution relating thereto, and will (unless revoked or varied by the Company in a general meeting) continue in force until the conclusion of the next annual general meeting ("**AGM**") of the Company. Approval from Shareholders will be sought for the renewal of the IPT Mandate at the next AGM and at each subsequent AGM of the Company, subject to satisfactory review by the Audit and Risk Committee of its continued application to the transactions with Interested Persons.

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8. Disclosure of Interested Person Transactions

- (a) The Company will announce the aggregate value of transactions conducted with Interested Persons pursuant to the IPT Mandate for the 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 also be made in the Company's 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.
- (b) The Board of Directors will also ensure that all disclosure requirements on interested person transactions, including those required by prevailing legislation, the Listing Manual and accounting standards, are complied with.

9. Overall Responsibility

The Board of Directors shall have overall responsibility for the determination of the review procedures with the authority to sub-delegate to individuals or committees within the Company as they deem appropriate.

APPENDIX B

APPENDIX B – GENERAL INFORMATION RELATING TO CHAPTER 9 OF THE LISTING MANUAL

1. Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) deals with transactions in which a listed company or any of its subsidiaries or associated companies (that are not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s) (as defined in Chapter 9), has control over the associated company) proposes to enter with a party who is an interested person of the listed company.
2. Transactions with interested persons which do not come within the ambit of a general mandate for interested person transactions approved by shareholders of the listed company pursuant to Chapter 9 of the Listing Manual (including any renewal thereof) will be subject to applicable provisions of Chapter 9 and/or other applicable provisions of the Listing Manual. As such, an immediate announcement and/or shareholders’ approval would be required in respect of transactions with interested persons if certain financial thresholds as set out in Chapter 9 of the Listing Manual are reached or exceeded. In particular, an immediate announcement is required where:
 - 2.1 the value of a proposed transaction is equal to or exceeds 3% of the group’s latest audited net tangible assets (“**NTA**”); or
 - 2.2 the aggregate value of all transactions entered into with the same interested person during the same financial year, is equal to or more than 3% of the group’s latest audited NTA. An announcement will have to be made immediately of the latest transaction and all future transactions entered into with that same interested person during the same financial year,
and shareholders’ approval (in addition to an immediate announcement) is required where:
 - 2.3 the value of a proposed transaction is equal to or exceeds 5% of the group’s latest audited NTA; or
 - 2.4 the aggregate value of all transactions entered into with the same interested person during the same financial year, is equal to or more than 5% of the group’s latest audited NTA. The aggregation will exclude any transaction that has been approved by shareholders previously, or is the subject of aggregation with another transaction that has been approved by shareholders.
3. For the purposes of aggregation, interested person transactions below S\$100,000 each are excluded. For the avoidance of doubt, in the event the S\$100,000 threshold in Chapter 9 ceases to apply, interested person transactions below S\$100,000 in value may be included.
4. For illustration purposes, based on the audited accounts of the Company and its subsidiaries (the “**Group**”) for the financial year ended 31 December 2019, the latest audited NTA of the Group is S\$1,102,398,000. Accordingly, in relation to the Company, for the purposes of Chapter 9 in the current financial year, shareholders’ approval would be required where:
 - 4.1 the transaction is of a value equal to, or more than, S\$55,119,900, being 5% of the Group’s latest audited NTA; or

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- 4.2 the transaction, when aggregated with other transactions entered into with the same interested person during the same financial year, is of a value equal to, or more than, S\$55,119,900. The aggregation will exclude any transaction that has been approved by shareholders previously, or is the subject of aggregation with another transaction that has been approved by shareholders.
5. Chapter 9 of the Listing Manual allows for a listed company to seek a mandate from its shareholders for recurrent transactions with interested persons of a revenue or trading nature necessary for its day-to-day operations such as the purchase and sale of supplies and materials, but not in respect of the purchase or sale of assets, undertakings or businesses.
6. For the purposes of Chapter 9 of the Listing Manual:
- 6.1 an “**interested person**” means a director, chief executive officer or controlling shareholder of the issuer, or an associate of any such director, chief executive officer or controlling shareholder;
- 6.2 a “**controlling shareholder**” is a person who holds directly or indirectly 15% or more of the total number of issued shares excluding treasury shares in the company (SGX-ST may determine that such person is not a controlling shareholder) or in fact exercises control over a company;
- 6.3 an “**associate**” in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means his immediate family (i.e. spouse, children, adopted children, step-children, siblings and parents), the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object, and any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more. An “**associate**” in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more; and
- 6.4 the SGX-ST may deem any person or entity to be an interested person if the person or entity has entered into, or proposes to enter into (a) a transaction with an entity at risk; and (b) an agreement or arrangement with an interested person in connection with that transaction.

