10 July 2015

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

If you have sold or transferred all your shares in the capital of TAT HONG HOLDINGS LTD (the "**Company**"), you should immediately forward this Appendix and the accompanying Proxy Form to the purchaser or transferee or to the stockbroker, bank, or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

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

TAT HONG HOLDINGS LTD
(Incorporated in Singapore)
(UEN: 199105392H)

APPENDIX TO THE NOTICE OF ANNUAL GENERAL MEETING OF TAT HONG HOLDINGS LTD IN RELATION TO THE PROPOSED RENEWAL OF:

(1) THE MANDATE FOR INTERESTED PERSON TRANSACTIONS

AND

(2) THE SHARE BUYBACK MANDATE

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DEFINITIONS

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

"2014 AGM"	:	Annual General Meeting of the Company convened on 25 July 2014
"2015 AGM"	:	Annual General Meeting of the Company to be convened on 29 July 2015
"2014 EGM"	:	Extraordinary General Meeting of the Company held on 25 July 2014
"Appendix"	:	This appendix to the Notice of Annual General Meeting dated 10 July 2015
"Articles"	:	The articles of association of the Company, as amended or modified from time to time
"Associate"	:	(a) In relation to any director, chief executive officer, substantial shareholder or Controlling Shareholder (being an individual) means: (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more, (b) In relation to a substantial shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
"Associated Company"		A company in which at least 20% but not more than 50% of its shares are held by the Company or Group
"Audit Committee"		The audit committee of the Company comprising Messrs Tan Chok Kian, Leong Horn Kee, Low Seow Juan and Tse Po Shing Andy
"Board" or **"Board of Directors"**	:	The Board of Directors of the Company as at the Latest Practicable Date
"CDP"	:	The Central Depository (Pte) Limited

"Companies Act"	:	The Companies Act, Chapter 50, of Singapore, as amended or modified from time to time
"Company"	:	Tat Hong Holdings Ltd
"Controlling Shareholder"	:	A person who: (a) holds directly or indirectly 15% or more of the total number of issued shares excluding treasury shares in the Company (the SGX-ST may determine that a person who satisfied the above is not a Controlling Shareholder); or (b) in fact exercises control over the Company
"Council"	:	The Securities Industry Council
"Directors"	:	The directors of the Company as at the Latest Practicable Date
"EAR Group"	:	The "entities-at-risk" group which for the purposes of this Appendix comprise (1) the Company, (2) subsidiaries of the Company (excluding subsidiaries listed on the SGX-ST or an approved exchange) from time to time, and (3) associated companies of the Company (other than an associated company that is listed on the SGX-ST or an approved exchange) from time to time over which, the Group, or the Group and interested person(s) of the Group has or have control over
"EPS"	:	Earnings per Share
"FY"	:	Financial year ended or ending 31 March as the case may be
"Group"	:	The Company and its subsidiaries
"IPT Mandate"	:	The general mandate for the purposes of Chapter 9 of the SGX-ST Listing Manual for the EAR Group, in the normal course of its business, to enter into Interested Person Transactions provided that such transactions are on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders
"Interested Persons"	:	The interested persons of the Company who fall within the IPT Mandate, as set out in section 2.3 of this Appendix
"Interested Person Transactions"	:	The categories of transactions with Interested Persons which fall within the IPT Mandate, as set out in section 2.4 of this Appendix
"Latest Practicable Date"	:	4 June 2015, being the latest practicable date prior to the printing of this Appendix

"Listing Manual"	:	The Listing Manual of the SGX-ST as the same may be amended, varied or supplemented from time to time
"Market Day"	:	A day on which the SGX-ST is open for trading in securities
"Market Purchase"	:	Has the meaning ascribed to it in section 3.3 of this Appendix
"Maximum Price"	:	Has the meaning ascribed to it in section 3.3 of this Appendix
"Non-interested Directors"	:	The directors of the Company as at the date of this Appendix who have no interests in the Interested Person Transactions, namely, Messrs Tan Chok Kian, Ong Tiew Siam, Mak Lye Mun, Leong Horn Kee, Low Seow Juan and Tse Po Shing Andy
"NTA"	:	Net tangible assets
"Register of Shareholders"	:	The register of shareholders of the Company
"Registrar"	:	The Registrar of Companies appointed under the Companies Act and includes any Deputy or Assistant Registrar of Companies
"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"Securities Account"	:	Securities account maintained by a depositor with CDP, but does not include a securities sub-account maintained by a Depository Agent
"Shareholders"	:	Persons (other than CDP) who are for the time being registered as holders of the Shares in the Register of Shareholders of the Company and Depositors who have shares entered against their names in the Depository Register
"Shares"	:	Ordinary shares in the capital of the Company
"Share Buyback Mandate"	:	The general and unconditional mandate proposed to be given to the Company for the purchase or acquisition by the Company of its issued Shares as more particularly described in section 3 of this Appendix
"Substantial Shareholder"	:	A Shareholder who has an interest in not less than 5% of the issued voting shares of the Company
"Take-over Code"	:	The Singapore Code on Take-overs and Mergers, as amended or modified from time to time
"%" or **"per cent."**	:	Per centum or percentage

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in section 130A of the Companies Act. The term "**treasury shares**" shall have the meaning ascribed to it in Section 4 of the Companies Act. The term "**subsidiary**" shall have the meaning ascribed to it in Section 5 of the Companies Act.

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

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

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Listing Manual or any modification thereof and used in this Appendix shall, where applicable, have the meaning ascribed to it under the Companies Act, the Listing Manual or modification as the case may be, unless otherwise provided.

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

1. INTRODUCTION

The Directors of the Company refer to the Notice of AGM dated 10 July 2015 and the ordinary resolutions to seek shareholders' approval for (i) the proposed renewal of the IPT Mandate (Ordinary Resolution 11) and (ii) the proposed renewal of the Share Buyback Mandate (Ordinary Resolution 12).

The purpose of this Appendix is to provide Shareholders with information relating to the proposed IPT Mandate and Share Buyback Mandate and to seek the Shareholders' approval at the 2015 AGM for the aforementioned mandates.

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

2. THE PROPOSED MANDATE FOR INTERESTED PERSON TRANSACTIONS ("IPT MANDATE")

2.1 Background

Under Chapter 9 of the Listing Manual, a shareholders' mandate for the transactions with interested persons is subject to annual renewal.

The IPT Mandate was renewed by Shareholders at the 2014 AGM and will expire at the 2015 AGM. Accordingly, Shareholders' approval is sought for the renewal of the IPT Mandate set out in Ordinary Resolution 11 in the Notice of the 2015 AGM. If the proposed renewal of the IPT Mandate is approved, the mandate shall remain in force until the next AGM, unless revoked or varied by the Company in a general meeting.

The details and the terms of the IPT Mandate are disclosed below:

2.2 Scope of the IPT Mandate

Chapter 9 of the Listing Manual governs transactions by a listed company, as well as transactions by its subsidiaries and associated companies that are considered to be at risk, with the listed company's interested persons. When Chapter 9 of the Listing Manual applies to a transaction and the value of that transaction alone or in aggregation with other transactions conducted with the interested person during the financial year reaches, or exceeds, certain materiality thresholds, the listed company is required to make an immediate announcement, or make an immediate announcement and seek its shareholders' approval for that transaction.

Except for certain transactions which, by reason of the nature of such transactions, are not considered to place the EAR Group at risk and hence are excluded from the ambit of Chapter 9 of the Listing Manual, immediate announcement and/or shareholders' approval would be required in respect of transactions with interested persons if certain financial thresholds are reached or exceeded. In particular, shareholders' approval is required for an interested person transaction of a value equal to, or which exceeds:–

(i) 5% of the listed Group's latest audited consolidated NTA; or

(ii) 5% of the listed Group's latest audited consolidated NTA, when aggregated with other transactions entered into with the same interested person (as such term is construed under Chapter 9 of the Listing Manual) during the same financial year. However, a transaction that has already been approved by Shareholders need not be included in any subsequent aggregation.

For illustrative purposes, based on the latest audited consolidated accounts of the Group for the financial year ended 31 March 2015, the audited consolidated NTA of the Group was approximately S$629,677,000. Accordingly, in relation to the Group, for the purposes of Chapter 9 in the current financial year, 5% of the audited consolidated NTA of the Group would be S$31,483,850.

Chapter 9 of the Listing Manual permits a listed company, however, to seek a general mandate from its shareholders for recurrent transactions with interested persons of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials (but not in respect of the purchase or sale of assets, undertakings or businesses) that may be carried out with the listed company's interested persons.

The Company is proposing to renew the IPT Mandate to cover future potential Interested Person Transactions which exceed S$100,000 in value and the aggregation of such Interested Person Transactions which may exceed 5% of the Group's NTA at the relevant time.

Under the SGX-ST Listing Manual:–

(i) an "**entity at risk**" means:–

  (a) the listed company;

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

  (c) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed company and/or its subsidiaries (the "**listed group**"), or the listed group and its interested person(s), have control over the associated company;

(ii) an "**interested person**" means a director, chief executive officer or controlling shareholder of the listed company or an associate of such director, chief executive officer or controlling shareholder;

(iii) an "**associate**" (i) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) includes (1) his immediate family (that is, the spouse, child, adopted-child, step-child, sibling or parent), (2) 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, (3) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more, and (ii) in relation to a substantial shareholder or controlling shareholder (being a company) includes any 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;

(iv) an "**approved exchange**" means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Listing Manual;

(v) the term "**control**" means the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the company;

(vi) the term "**controlling shareholder**" means a person who (i) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the company, or (ii) in fact exercises control over a company; and

(vii) an "**interested person transaction**" means a transaction between an entity at risk and an interested person.

2.3 Classes of Interested Persons

The proposed IPT Mandate will apply to the Interested Person Transactions which are carried out with Chwee Cheng & Sons Pte Ltd and its Associates.

Chwee Cheng & Sons Pte Ltd is the investment holding company of Mr Ng Chwee Cheng's family. Chwee Cheng & Sons Pte Ltd was incorporated in the Republic of Singapore in January 1994 and its principal activities are those relating to investment holding. As at Latest Practicable Date, Chwee Cheng & Sons Pte Ltd held 256,739,160 Shares (both direct and deemed) which represent 40.65% of the issued share capital of the Company. Chwee Cheng & Sons Pte Ltd has subsidiaries which are principally engaged in the construction and development of properties as well as manufacture, distribution and installation of doors and windows.

As at the Latest Practicable Date, the directors of Chwee Cheng & Sons Pte Ltd are Messrs Ng San Tiong Roland, Ng Sun Ho Tony and Ng Sang Kuey Michael, all Executive Directors of the Company. Messrs Ng San Tiong Roland, Ng Sun Ho Tony, Ng San Wee David, all Executive Directors of the Company, and Ng Sun Giam Roger are joint trustees of the Chwee Cheng Trust which owns approximately 42.03% of Chwee Cheng & Sons Pte Ltd. Being joint trustees, Messrs Ng San Tiong Roland, Ng Sun Ho Tony, Ng San Wee David and Ng Sun Giam Roger are deemed interested in the 256,739,160 Shares (both deemed and direct) held by Chwee Cheng & Sons Pte Ltd.

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

2.4 Categories of Interested Person Transactions

The categories of Interested Person Transactions which will be covered by the IPT Mandate are set out below.

(i) General Transactions

This category relates to the provision to and the procurement from, the Interested Persons, products or services in the normal course of the EAR Group's business (the "**General Transactions**"):–

(a) Rental, repair, reconditioning, purchasing, trading and supply of heavy machinery, equipment, spare parts, trucks and lorries between the EAR Group and Interested Persons;

(b) Rental of cranes, barges and crane barges between the EAR Group and Interested Persons;

(c) Supply of scientific and precision equipment between the EAR Group and Interested Persons;

(d) Provision of training courses and management consultancy work between the EAR Group and Interested Persons;

(e) Provision of transportation and logistics services between the EAR Group and Interested Persons; and

(f) Provision of heavy lifting, haulage and erection services between the EAR Group and Interested Persons.

(ii) Lease Arrangements

The Interested Persons may enter into lease arrangements with the EAR Group for the leasing of premises including but not limited to offices, storage areas and servicing yards with the use of certain fixtures and fittings. Subject to the review procedures set out herein, such lease arrangements will only be entered into if it is commercially viable and at prevailing market rates.

2.5 Rationale for and benefits of the IPT Mandate

The proposed renewal of the IPT Mandate will enable the EAR Group to enter into or otherwise undertake with any one or more of the Interested Persons recurrent transactions which are of a revenue or trading nature or necessary for its day-to-day operations.

Due to the time-sensitive nature of commercial operations, if the Company were to announce and/or convene separate general meetings to seek Shareholders' approval on each occasion as and when potential transactions with Interested Persons arise, the EAR Group may not be able to undertake such time sensitive commercial transactions with the Interested Persons. In addition, the EAR Group will have to expend administrative time as well as incur additional expenses associated with the convening of general meetings of Shareholders. Given that the Interested Person Transactions are expected to be recurrent, the proposed renewal of the IPT Mandate would allow companies in the EAR Group to carry out potential transactions with interested parties expeditiously and allows resources and time to be channelled towards the Company's other corporate objectives.

2.6 Review procedures for Interested Person Transactions

In general, the EAR Group has internal control procedures to ensure that Interested Person Transactions are undertaken on an arm's length basis and on normal commercial terms which are not prejudicial to the interests of the Company and minority shareholders. As a general practice, the EAR Group will only enter into transactions with an Interested Person if the terms offered by/extended to the Interested Person are no less/more favourable than that offered by/extended to unrelated third parties.

In particular, the following procedures will be implemented to ensure that all Interested Person Transactions are undertaken on normal commercial terms:–

(i) General Transactions

In the case of a purchase from an Interested Person, the EAR Group shall require that quotations be obtained from such Interested Person and at least two other quotes from unrelated third parties. In the case of a sale or provision of services to an Interested Person, comparison will be made with reference to at least two latest similar transactions between the EAR Group and unrelated third parties. The Group will only enter into transactions with such Interested Person provided the quotation offered by the Interested Person (in the case of a purchase from an Interested Person) and/or the

sales terms offered to the Interested Person (in the case of a sale to an Interested Person), after taking into consideration various factors including, *inter alia*, credit standing, volume of transactions, delivery requirements, age of products, product attachments, tenure of business relationship and potential for future repeat business, are no less/more favourable than that offered by/extended to the unrelated third parties, when compared to at least two latest similar transactions between the EAR Group and unrelated third parties.

(ii) Lease Arrangements

A director of the relevant company of the EAR Group (who has no interest, direct or indirect, in the transaction) will determine that the rental arrangements between the EAR Group and the Interested Persons, including but not limited to, the rental rates and terms offered to/by the Interested Persons are comparable to the then prevailing market rates and terms for at least two other properties within the vicinity of similar or comparable standing and facilities, after taking into account the tenure of the lease (which should not be more than three years), the area of the leased premises, the usage of certain fixtures and fittings and any other factors which may affect the rental rates or terms of the lease.

Where it is impractical or not possible to obtain quotations/comparable rental rates from unrelated third parties, a director of the relevant company of the EAR Group (who has no interest, direct or indirect, in the transaction) will ensure that the price and terms offered by/to the EAR Group are fair and reasonable and that the terms of supply from/to the Interested Persons are in accordance with industry norms.

In addition to the procedures set out above, the EAR Group will monitor the Interested Person Transactions covered by the IPT Mandate by categorising the transactions as follows:–

(a) a Category 1 Interested Person Transaction is one where the value thereof is in excess of S$18,890,000 being approximately 3% of consolidated NTA of the Group as at 31 March 2015; and

(b) a Category 2 Interested Person Transaction is one where the value is below or equal to S$18,890,000 being approximately 3% of consolidated NTA of the Group as at 31 March 2015.

Category 1 Interested Person Transactions must be approved by the Audit Committee prior to their entry.

Category 2 Interested Person Transactions need not have the prior approval of the Audit Committee but shall be reviewed on a quarterly basis by the Audit Committee to ensure that they are carried out on normal commercial terms, in accordance with the procedures outlined above. All relevant non-quantitative factors such as the nature of services provided and prevailing market conditions shall also be taken into account and recorded accordingly.

Where the aggregate value of a Category 2 Interested Person Transaction and prior Interested Person Transactions with the same Interested Person in the current financial year is equal to or exceeds 3% of the Group's latest audited NTA, the latest and all future transactions equal to or above S$100,000 must be approved by the Audit Committee prior to entry.

2.7 General administration procedures for all Interested Person Transactions

The EAR Group has also implemented the following procedures for the identification of Interested Persons and the record of all Interested Person Transactions:–

(i) The Finance Department will maintain a master list of the Interested Persons which comprises the EAR Group's directors and Controlling Shareholders and their respective Associates (which is to be updated immediately if there are any changes) and disclose the list to relevant personnel (such as the Board, Human Resource Manager, Procurement Manager and Marketing Manager) to enable the identification of Interested Persons (as defined in Chapter 9 of the Listing Manual). This master list of Interested Persons will be reviewed by the Audit Committee on a quarterly basis.

(ii) Subsidiaries and associated companies of the EAR Group are required to inform the Finance Department of any significant upcoming transactions with Interested Persons so as to obtain the prior approval of the Audit Committee or Shareholders, where necessary.

(iii) All Interested Person Transactions (entered into pursuant to the IPT Mandate) (including the factors that have been taken into account in arriving at the purchase/sales terms) shall be recorded and maintained in a register by the Company's Finance Department and submitted to the Audit Committee for review on a quarterly basis. Transactions below S$100,000 shall be recorded and maintained in a separate register and submitted to the Audit Committee for review upon request.

(iv) All Interested Person Transactions, including the review procedures established in respect thereof, will be reviewed by the Company's internal auditors or compliance officers as part of the Company's standard internal audit process. The Audit Committee will review the compliance reports by the Company's internal auditors or compliance officers on a quarterly basis.

(v) As mentioned in sub-paragraph (iv) above, the Audit Committee will carry out quarterly reviews to ensure that the established guidelines and procedures for Interested Person Transactions have been complied with and the relevant approvals obtained. If during these quarterly reviews, the Audit Committee is of the view that the above guidelines and procedures are not sufficient to ensure that the Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, the Group will revert to Shareholders for a fresh mandate based on new guidelines and procedures for transactions with the Interested Persons. During the period prior to obtaining a fresh mandate from Shareholders, all transactions with Interested Persons will be subject to prior review and approval by the Audit Committee.

(vi) In the event that a member of the Audit Committee (where applicable) is interested in any Interested Person Transaction, he will abstain from reviewing that particular transaction to avoid any potential conflict of interest. Approval of that transaction will accordingly be undertaken by the remaining members of the Audit Committee.

(vii) The Board will ensure that all disclosure, approval and other requirements on Interested Person Transactions, including those required by prevailing legislation, the Listing Manual and accounting standards, will be complied with.

(viii) The Audit Committee shall have overall responsibility for the determination of the review procedures and shall have the authority to delegate such responsibility to individuals or committees within the Company as they deem appropriate.

3. THE PROPOSED SHARE BUYBACK MANDATE

3.1 Background

Any purchase or acquisition of its Shares by the Company has to be made in accordance with, and in the manner prescribed by the Companies Act, the Listing Manual, the Articles and such other laws and regulations as may for the time being be applicable.

It is a requirement under the Companies Act that a company which wishes to purchase or otherwise acquire its own shares has to obtain the approval of its shareholders at a general meeting of its shareholders.

The Share Buyback Mandate was approved by Shareholders at the 2014 EGM and took immediate effect until the forthcoming 2015 AGM. Accordingly, Shareholders' approval is sought for the renewal of the Share Buyback Mandate at the 2015 AGM as set out in Ordinary Resolution 12 of the Notice of 2015 AGM.

If approved by Shareholders, the Share Buyback Mandate will take effect from the date of the 2015 AGM until the date of the next AGM or when the acquisitions of Shares under the proposed Share Buyback Mandate are carried out to the full extent mandated, whichever is earlier, unless revoked or varied by the Company in a general meeting.

As at the Latest Practicable Date, the Company had acquired an aggregate of 464,000 Shares by way of Market Purchases as defined in paragraph 3.3(i) below pursuant to the Share Buyback Mandate approved by Shareholders at the 2014 EGM. The highest and lowest prices paid were S$0.745 and S$0.735 per Share respectively and the total consideration paid for all the purchases was approximately S$344,107 excluding brokerage and other fees and goods and services tax.

3.2 Rationale for the Share Buyback Mandate

The Directors and management constantly seek to increase Shareholders' value and to improve, *inter alia*, the return on equity of the Company. A share buyback at the appropriate price level is one of the ways through which the return on equity of the Company may be enhanced. Share purchases or acquisitions provide the Company with an easy mechanism to facilitate the return of surplus cash over and above the ordinary capital requirements, in an expedient and cost efficient manner. Share purchases or acquisitions also allow the Directors to exercise control over the Company's share structure and may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the EPS of the Company.

The proposed Share Buyback Mandate will give the Directors the flexibility to purchase or acquire Shares up to the limit described in paragraph 3.3 below at any time, subject to market conditions, during the period of time which the Share Buyback Mandate is in force. The Share Buyback Mandate will also give the Company the opportunity to purchase or acquire Shares when such Shares are under-valued, to help mitigate short-term market volatility and to offset the effects of short term speculation.

3.3 Authority and Limits of the Share Buyback Mandate

The authority and limitations placed on the purchases or acquisitions of Shares by the Company under the proposed Share Buyback Mandate, if approved at the 2015 AGM, are summarised below:

Maximum Number of Shares

Only Shares that are issued and fully paid may be purchased or acquired by the Company.

The total number of Shares which may be purchased or acquired by the Company pursuant to the Share Buyback Mandate is limited to that number of Shares representing not more than 10% of the total number of issued ordinary shares in the Company as at the date of the forthcoming 2015 AGM at which the Share Buyback Mandate is approved. Under the Companies Act, Shares which are held as treasury shares will be disregarded for the purposes of computing the 10% limit. As at the Latest Practicable Date, the Company holds 1,856,000 treasury shares.

For illustrative purposes only, on the basis of 629,736,823 Shares (excluding treasury shares) in issue as at the Latest Practicable Date, and assuming that no further Shares are issued on or prior to the 2015 AGM, not more than 62,973,682 Shares (representing 10% of the issued Shares of the Company as at that date) may be bought by the Company pursuant to the proposed Share Buyback Mandate.

Manner of purchases or acquisitions of Shares

Purchases or acquisitions of Shares may be effected by the Company by way of:

(i) on-market purchases ("**Market Purchases**"), transacted on SGX-ST through the ready market through one or more duly licensed dealers appointed by the Company for the purpose; and/or

(ii) off-market purchases ("**Off-Market Purchases**") (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the rules of the Listing Manual.

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

(aa) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;

(bb) all of those persons shall be given a reasonable opportunity to accept the offers made; and

(cc) the terms of all the offers are the same, except that these shall be disregarded:

(1) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;

(2) (if applicable) differences in consideration attributable to the fact that the offers may relate to Shares with different amounts remaining unpaid; and

(3) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

Under the Listing Manual, if the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, it will issue an offer document containing at least the following information:

(I) the terms and conditions of the offer;

(II) the period and procedures for acceptance;

(III) the reasons for the proposed purchase or acquisition of Shares;

(IV) the consequences, if any, of the purchase or acquisition of Shares which will arise under the Take-over Code or any other applicable take-over rules;

(V) whether the purchase or acquisition of Shares, if made, could affect the listing of the Company's shares on the SGX-ST;

(VI) details of any share purchase made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases of Shares, where relevant, and the total consideration paid for the purchases; and

(VII) whether the shares purchased by the Company will be cancelled or kept as treasury shares.

Maximum purchase price

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

(i) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and

(ii) in the case of an Off-Market Purchase, 110% of the Average Closing Price,

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

For the above purposes:

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

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

3.4 Status of Purchased Shares

A Share purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company as a treasury share. When Shares purchased or acquired by the Company are cancelled and not held as treasury shares, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company.

At the time of each purchase of Shares by the Company, the Directors will decide whether the Shares purchased will be cancelled or kept as treasury shares, or partly cancelled and partly kept as treasury shares, depending on the needs of the Company and as the Directors deem fit in the interests of the Company at that time.

3.5 Treasury Shares

Some of the provisions on treasury shares under the Companies Act are summarised below:

(a) *Maximum Holdings*

The maximum number of treasury shares which may be held by the Company is 10% of the total number of issued Shares. If the Company has more than one class of Shares, then it shall not hold more than 10% of the total issued Shares of that Class as treasury shares.

In the event that the Company holds in its treasury more than 10% of the total number of issued shares in any class of its shares, it shall cancel the excess within six months or such further period as the Registrar may allow.

(b) *Voting and Other Rights*

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

Further, 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 smaller amount is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

(c) *Disposal and Cancellation*

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

(i) sell the treasury shares for cash;

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

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

(iv) cancel the treasury shares; or

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

3.6 Source of Funds and Financial Effects

The Company will use internal resources and/or external borrowings to finance purchases or acquisitions of its Shares.

Where the consideration paid by the Company for the purchase of Shares is made out of distributable profits, such purchase (excluding related brokerage, goods and services tax, stamp duties and clearance fees) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the purchase of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

Where the purchase of Shares is financed through internal resources, it will reduce the cash reserves of the Group and the Company, and thus the current assets and Shareholders' funds of the Group and the Company. This will result in an increase in the gearing ratios of the Group and the Company and a decline in the current ratios of the Group and the Company. The actual impact on the gearing and current ratios will depend on the number of Shares purchased or acquired and the prices at which the Shares are purchased or acquired. However, the Directors do not propose to exercise the Share Buyback Mandate if such an exercise would cause a negative impact on the cash reserves of the Group and the Company.

Where the purchase or acquisition of Shares is financed through external borrowings or financing, there would be an increase in the gearing ratios of the Group and the Company and a decline in the current ratios of the Group and the Company, with the actual impact dependent on the number of Shares purchased or acquired and the prices at which the Shares are purchased or acquired. However, the Directors do not propose to exercise the Share Buyback Mandate to such an extent as would have a material adverse effect on the working capital requirements of the Company or the gearing levels which, in the opinion of the Directors, are from time to time appropriate for the Company.

3.7 Financial Effects

The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Buyback Mandate will depend on, *inter alia*, the aggregate number of Shares purchased or acquired, the price paid for such Shares, whether the purchase or acquisition was made out of profits and/or capital and whether the Shares purchased or acquired are held as treasury shares or cancelled.

For illustrative purposes only, assuming that the Share Buyback Mandate has been effective on the Latest Practicable Date and the Company has on the Latest Practicable Date purchased 62,973,682 Shares (representing 10% of the issued Shares of the Company as at that date), the financial effects of the purchase of such Shares by the Company pursuant to the Share Buyback Mandate by way of:

(a) purchases made entirely out of capital and held as treasury shares;

(b) purchases made entirely out of capital and cancelled;

(c) purchases made entirely out of distributable profits and held as treasury shares; and

(d) purchases made entirely out of distributable profits and cancelled,

on the audited financial statements of the Group for FY2015, are set out below.

(a) Purchases made entirely out of capital and held as treasury shares

	GROUP			COMPANY		
	Before Share Buyback S$'000	After Share Buyback S$'000		Before Share Buyback S$'000	After Share Buyback S$'000	
		Market Purchase[5]	Off-Market Purchase[6]		Market Purchase[5]	Off-Market Purchase[6]
Shareholders' funds	650,829	611,156	609,266	366,470	326,797	324,907
NTA	629,677	590,004	588,114	366,470	326,797	324,907
Current Assets	485,146	445,473	443,583	170,350	130,677	128,787
Current Liabilities	402,020	402,020	402,020	15,177	15,177	15,177
Working Capital	83,126	43,453	41,563	155,173	115,500	113,610
Total Borrowings	593,056	593,056	593,056	206,892	206,892	206,892
Cash and Cash Equivalents	93,266	53,593	51,703	891	891	891
Profit After Tax and Minority Interest	4,865	4,865	4,865	10,300	10,300	10,300
Number of Shares ('000)	629,563	566,589	566,589	629,563	566,589	566,589
Treasury Shares	2,030	65,004	65,004	2,030	65,004	65,004
Financial ratios						
NTA per Share[1] (S$)	1.00	1.04	1.04	0.58	0.58	0.57
Basic EPS[2] (cents)	0.77	0.86	0.86	1.64	1.82	1.82
Net gearing[3] (times)	0.77	0.88	0.89	0.56	0.63	0.63
Return on Equity[4] (%)	0.7	0.8	0.8	2.8	3.2	3.2

Notes:

(1) NTA per Share equals NTA divided by number of Shares, excluding treasury shares.

(2) Basic EPS equals profit after tax and minority interest divided by the weighted average number of Shares, excluding treasury shares.

(3) Net gearing equals total borrowings less cash and cash equivalents divided by shareholders' funds.

(4) Return on equity equals profit after tax and minority interests divided by average shareholders' funds.

(5) Assumes that the Company purchases the 62,973,682 Shares at the Maximum Price of S$0.63 per Share, which is 105% of the Average Closing Price of a Share over the last five Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date and accordingly, the maximum amount of funds required for the purchase of the 62,973,682 Shares is S$39,673,420.

(6) Assumes that the Company purchases the 62,973,682 Shares at the Maximum Price of S$0.66 per Share, which is 110% of the Average Closing Price of a Share over the last five Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date and accordingly, the maximum amount of funds required for the purchase of the 62,973,682 Shares is S$41,562,630.

(b) Purchases made entirely out of capital and cancelled

	GROUP			COMPANY		
	Before Share Buyback S$'000	After Share Buyback S$'000		Before Share Buyback S$'000	After Share Buyback S$'000	
		Market Purchase[5]	Off-Market Purchase[6]		Market Purchase[5]	Off-Market Purchase[6]
Shareholders' funds	650,829	611,156	609,266	366,470	326,797	324,907
NTA	629,677	590,004	588,114	366,470	326,797	324,907
Current Assets	485,146	445,473	443,583	170,350	130,677	128,787
Current Liabilities	402,020	402,020	402,020	15,177	15,177	15,177
Working Capital	83,126	43,453	41,563	155,173	115,500	113,610
Total Borrowings	593,056	593,056	593,056	206,892	206,892	206,892
Cash and Cash Equivalents	93,266	53,593	51,703	891	891	891
Profit After Tax and Minority Interest	4,865	4,865	4,865	10,300	10,300	10,300
Number of Shares ('000)	629,563	566,589	566,589	629,563	566,589	566,589
Treasury Shares	2,030	2,030	2,030	2,030	2,030	2,030
Financial ratios						
NTA per Share[1] (S$)	1.00	1.04	1.04	0.58	0.58	0.57
Basic EPS[2] (cents)	0.77	0.86	0.86	1.64	1.82	1.82
Net gearing[3] (times)	0.77	0.88	0.89	0.56	0.63	0.63
Return on Equity[4] (%)	0.7	0.8	0.8	2.8	3.2	3.2

Notes:

(1) NTA per Share equals NTA divided by number of Shares, excluding treasury shares.

(2) Basic EPS equals profit after tax and minority interest divided by the weighted average number of Shares, excluding treasury shares.

(3) Net gearing equals total borrowings less cash and cash equivalents divided by shareholders' funds.

(4) Return on equity equals profit after tax and minority interests divided by average shareholders' funds.

(5) Assumes that the Company purchases the 62,973,682 Shares at the Maximum Price of S$0.63 per Share, which is 105% of the Average Closing Price of a Share over the last five Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date and accordingly, the maximum amount of funds required for the purchase of the 62,973,682 Shares is S$39,673,420.

(6) Assumes that the Company purchases the 62,973,682 Shares at the Maximum Price of S$0.66 per Share, which is 110% of the Average Closing Price of a Share over the last five Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date and accordingly, the maximum amount of funds required for the purchase of the 62,973,682 Shares is S$41,562,630.

(c) Purchases made entirely out of distributable profits and held as treasury shares

	GROUP			COMPANY		
	Before Share Buyback S$'000	After Share Buyback S$'000		Before Share Buyback S$'000	After Share Buyback S$'000	
		Market Purchase[5]	Off-Market Purchase[6]		Market Purchase[5]	Off-Market Purchase[6]
Shareholders' funds	650,829	611,156	609,266	366,470	326,797	324,907
NTA	629,677	590,004	588,114	366,470	326,797	324,907
Current Assets	485,146	445,473	443,583	170,350	130,677	128,787
Current Liabilities	402,020	402,020	402,020	15,177	15,177	15,177
Working Capital	83,126	43,453	41,563	155,173	115,500	113,610
Total Borrowings	593,056	593,056	593,056	206,892	206,892	206,892
Cash and Cash Equivalents	93,266	53,593	51,703	891	891	891
Profit After Tax and Minority Interest	4,865	4,865	4,865	10,300	10,300	10,300
Number of Shares ('000)	629,563	566,589	566,589	629,563	566,589	566,589
Treasury Shares	2,030	65,004	65,004	2,030	65,004	65,004
Financial ratios						
NTA per Share[1] (S$)	1.00	1.04	1.04	0.58	0.58	0.57
Basic EPS[2] (cents)	0.77	0.86	0.86	1.64	1.82	1.82
Net gearing[3] (times)	0.77	0.88	0.89	0.56	0.63	0.63
Return on Equity[4] (%)	0.7	0.8	0.8	2.8	3.2	3.2

Notes:

(1) NTA per Share equals NTA divided by number of Shares, excluding treasury shares.

(2) Basic EPS equals profit after tax and minority interest divided by the weighted average number of Shares, excluding treasury shares.

(3) Net gearing equals total borrowings less cash and cash equivalents divided by shareholders' funds.

(4) Return on equity equals profit after tax and minority interests divided by average shareholders' funds.

(5) Assumes that the Company purchases the 62,973,682 Shares at the Maximum Price of S$0.63 per Share, which is 105% of the Average Closing Price of a Share over the last five Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date and accordingly, the maximum amount of funds required for the purchase of the 62,973,682 Shares is S$39,673,420.

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(d) Purchases made entirely out of distributable profits and cancelled

	GROUP			COMPANY		
	Before Share Buyback S$'000	After Share Buyback S$'000		Before Share Buyback S$'000	After Share Buyback S$'000	
		Market Purchase[5]	Off-Market Purchase[6]		Market Purchase[5]	Off-Market Purchase[6]
Shareholders' funds	650,829	611,156	609,266	366,470	326,797	324,907
NTA	629,677	590,004	588,114	366,470	326,797	324,907
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Total Borrowings	593,056	593,056	593,056	206,892	206,892	206,892
Cash and Cash Equivalents	93,266	53,593	51,703	891	891	891
Profit After Tax and Minority Interest	4,865	4,865	4,865	10,300	10,300	10,300
Number of Shares ('000)	629,563	566,589	566,589	629,563	566,589	566,589
Treasury Shares	2,030	2,030	2,030	2,030	2,030	2,030
Financial ratios						
NTA per Share[1] (S$)	1.00	1.04	1.04	0.58	0.58	0.57
Basic EPS[2] (cents)	0.77	0.86	0.86	1.64	1.82	1.82
Net gearing[3] (times)	0.77	0.88	0.89	0.56	0.63	0.63
Return on Equity[4] (%)	0.7	0.8	0.8	2.8	3.2	3.2

Notes:

(1) NTA per Share equals NTA divided by number of Shares, excluding treasury shares.

(2) Basic EPS equals profit after tax and minority interest divided by the weighted average number of Shares, excluding treasury shares.

(3) Net gearing equals total borrowings less cash and cash equivalents divided by shareholders' funds.

(4) Return on equity equals profit after tax and minority interests divided by average shareholders' funds.

(5) Assumes that the Company purchases the 62,973,682 Shares at the Maximum Price of S$0.63 per Share, which is 105% of the Average Closing Price of a Share over the last five Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date and accordingly, the maximum amount of funds required for the purchase of the 62,973,682 Shares is S$39,673,420.

(6) Assumes that the Company purchases the 62,973,682 Shares at the Maximum Price of S$0.66 per Share, which is 110% of the Average Closing Price of a Share over the last five Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date and accordingly, the maximum amount of funds required for the purchase of the 62,973,682 Shares is S$41,562,630.

As illustrated above, a summary of the financial effects of Share buybacks are:

(i) increased net gearing ratios of the Group and the Company;

(ii) increased NTA per Share of the Group;

(iii) decreased NTA per Share of the Company;

(iv) increased basic EPS of the Group and the Company; and

(v) increased return on equity of the Group and the Company.

Shareholders should note that the financial effects set out above are for illustration purposes only. In particular, it is important to note that the above analysis is based on the latest audited financial statements of the Group and the Company for FY2015, and is not necessarily representative of the future financial performance of the Group and the Company. Although the Share Buyback Mandate, if approved, would authorise the Company to buy back up to 10% of the Company's issued Shares (excluding treasury shares), the Company may not necessarily buy back or be able to buy back all 10% of the issued Shares in full. In particular, the maximum number of shares that the Company may purchase under the proposed Share Buyback Mandate is limited to the extent that the Company will remain solvent. The Directors do not intend to exercise the proposed Share Buyback Mandate up to the maximum limit if such exercise would materially and adversely affect the financial position of the Group.

3.8 Tax implications arising from Share Buyback

Pursuant to Section 10J of the Income Tax Act, Chapter 134 of Singapore, when a company purchases or acquires its own shares from a shareholder using funds other than contributed capital of the company, the payment by the company shall be deemed to be a dividend paid by the company to the shareholder. Accordingly, the Company will, in repurchasing its own Shares out of profits, be deemed to have paid a dividend to its Shareholders from whom the Shares are purchased.

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

3.9 Reporting Requirements

The Companies Act and the Listing Manual require the Company to make reports in relation to the Share Buyback Mandate as follows:

(a) within 30 days of the passing of a Shareholders' resolution to approve purchases of Shares, the Company must lodge a copy of such resolution with the Accounting & Corporate Regulatory Authority ("**ACRA**");

(b) the Company must notify ACRA, within 30 days of a purchase of Shares on the SGX-ST or otherwise. Such notification in the form as may be prescribed by ACRA shall include details of the date of the repurchase, the total number of Shares purchased by the Company, the number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued share capital before the purchase of Shares, the Company's issued share capital after the purchase of Shares, the amount of consideration paid by the Company for the purchase, whether the Shares were purchased out of profits or the capital of the Company and such other particulars as may be required;

(c) purchases of Shares must be reported to the SGX-ST in the forms prescribed by the Listing Manual and announced to the public in the case of Market Purchases, not later than 9.00 a.m. on the Market Day following the day of purchase of any of its Shares and in the case of Off-Market Share Purchases, not later than 9.00 a.m. on the second Market Day after the close of acceptances of the offer made by the Company; and

(d) in its annual report and accounts, the Company shall make disclosure of details pertaining to purchases of Shares made during the year, including the total number of Shares purchased during the financial year under review, the purchase price per Share or the highest and lowest prices paid for the purchases, and where relevant, the total consideration paid.

3.10 Listing Rules

While the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the proposed Share Buyback Mandate in any of the following circumstances:

(a) at any time after any matter or development of a price-sensitive nature has occurred or has been the subject of a decision of the Board of Directors until the price-sensitive information has been publicly announced; and

(b) during the period commencing one month immediately preceding the announcement of the Company's full-year results and the period of two weeks before the announcement of the Company's first quarter, second quarter and third quarter results.

The Listing Manual requires a listed company to ensure that at least 10% of any class of its listed securities must be held by Public Shareholders. As at the Latest Practicable Date, approximately 41.9% of the issued Shares are held by Public Shareholders. Assuming that the Company undertakes purchases or acquisitions of its Shares up to the full 10% limit permitted under the proposed Share Buyback Mandate, approximately 35.6% of the issued Shares will be held by Public Shareholders. Accordingly, the Company is of the view that there is a sufficient number of the Shares in issue held by Public Shareholders which would permit the Company to undertake purchases or acquisitions of its Shares through Market Purchases up to the full 10% limit pursuant to the Share Buyback 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 or to affect orderly trading.

3.11 Take-over Implications

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

(a) *Obligation to make a Take-over Offer*

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

(b) *Persons Acting in Concert*

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

Unless the contrary is established, the following persons will be presumed to be acting in concert:

(i) 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); and

(ii) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies and companies of which such companies are associated companies, all with each other. For this purpose, a company is an associated company of another company if the second company owns or controls at least 20% but not more than 50% of the voting rights of the first-mentioned company.

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

(c) *Effect of Rule 14 and Appendix 2 of the Take-over Code*

In general terms, the effect of Rule 14 and Appendix 2 is that, unless exempted, Directors of the Company and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or if the voting rights of such Directors and their concert parties fall between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1% in any period of 6 months.

Under Appendix 2, a Shareholder not acting in concert with the Directors of the Company will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder in the Company would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six months. Such Shareholder need not abstain from voting in respect of the ordinary resolution authorising the Share Buyback Mandate.

The Directors are not aware of any fact(s) or factor(s) which suggest or imply that any particular person(s) and/or Shareholder(s) are, or may be regarded as, parties acting in concert such that their respective interests in voting Shares should or ought to be consolidated, and consequences under the Take-over Code would ensue as a result of a purchase of Shares by the Company pursuant to the Share Buyback Mandate.

Shareholders who are in any doubt as to whether they would incur any obligations to make a take-over offer as a result of any purchase of Shares by the Company pursuant to the proposed Share Buyback Mandate are advised to consult their professional advisers and/or the Council before they acquire any Shares in the Company during the period when the proposed Share Buyback Mandate is in force.

4. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

4.1 Directors' Interests

The interests of the Directors in the Shares as at the Latest Practicable Date are as follows:

	Shareholdings registered in the name of the Director		Shareholdings in which the Director is deemed to have an interest	
	Number of Shares	Shareholding (%)	Number of Shares	Shareholding (%)
Directors				
Tan Chok Kian	809,000	0.13	125,000[(1)]	0.02
Ng San Tiong Roland	–	–	267,279,505[(2)(3)]	42.44
Ng Sun Ho Tony	4,006,130	0.64	258,871,660[(2)(4)]	41.11
Ng Sang Kuey Michael	3,565,350	0.57	1,343,000[(5)]	0.21
Ng San Wee David	–	–	259,900,410[(2)(6)]	41.27
Ong Tiew Siam	2,799,500	0.44	17,500[(7)]	0.003
Leong Horn Kee	600,000	0.10	100,000[(8)]	0.02
Low Seow Juan	40,000	0.01	–	–
Mak Lye Mun	–	–	–	–
Tse Po Shing Andy	–	–	–	–

The above shareholdings are calculated based on 629,736,823 issued ordinary shares in the capital of the Company (excluding 1,856,000 treasury shares).

Notes:

(1) Mr Tan Chok Kian is deemed interested in 125,000 Shares held by his wife.

(2) Pursuant to the terms of a trust deed dated 29 July 1997 (as supplemented by a deed dated 12 October 1998) (the "**Trust Deed**"), Messrs Ng San Tiong Roland, Ng Sun Ho Tony and Ng San Wee David (who are Directors of the Company) and their brother, Mr Ng Sun Giam Roger, are joint trustees of the Chwee Cheng Trust, constituted under the Trust Deed, which owns approximately 42.03% of the issued share capital of Chwee Cheng & Sons Pte Ltd. Under the terms of the Trust Deed, the beneficiaries of the Chwee Cheng Trust are the sons of Mr Ng Chwee Cheng, namely, Messrs Ng San Tiong Roland, Ng Sun Ho Tony, Ng Sun Hoe Patrick, Ng Sang Kuey Michael, Ng San Guan William, Ng Sun Giam Roger, Ng San Wee David, Ng Sun Eng Sunny, Ng Sun Oh Lewis and their descendants. Being joint trustees, Messrs Ng San Tiong Roland, Ng Sun Ho Tony, Ng Sun Giam Roger and Ng San Wee David are deemed to be interested in the 256,739,160 Shares (both direct and deemed) held by Chwee Cheng & Sons Pte Ltd as at the Latest Practicable Date.

(3) Mr Ng San Tiong Roland is deemed interested in 9,496,095 Shares held through nominees and 1,044,250 Shares held by his wife.

(4) Mr Ng Sun Ho Tony is deemed interested in 2,000,000 Shares held through nominees and 132,500 Shares held by his wife.

(5) Mr Ng Sang Kuey Michael is deemed interested in 1,083,000 Shares held through nominees and 260,000 Shares held by his wife.

(6) Mr Ng San Wee David is deemed interested in 2,811,750 shares held through nominees and 349,500 Shares held by his wife.

(7) Mr Ong Tiew Siam is deemed interested in 17,500 Shares held by his wife.

(8) Dr Leong Horn Kee is deemed interested in 100,000 Shares held by his wife.

4.2 Substantial Shareholders' Interests

The interests of the Substantial Shareholders in the Shares as at the Latest Practicable Date are as follows:

Substantial Shareholders	Shareholdings registered in the name of the Substantial Shareholder		Shareholdings in which the Substantial Shareholder is deemed to have an interest	
	Number of Shares	Shareholding (%)	Number of Shares	Shareholding (%)
Chwee Cheng & Sons Pte Ltd	222,176,160	35.28	34,563,000[(1)]	5.49
Ng San Tiong Roland	–	–	267,279,505[(2)(3)]	42.44
Ng Sun Ho Tony	4,006,130	0.64	258,871,660[(2)(4)]	41.11
Ng San Wee David	–	–	259,900,410[(2)(5)]	41.27
Ng Sun Giam Roger	792,500	0.13	256,739,160[(2)]	40.77
Ng Chwee Cheng	36,185,000	5.75	30,353,246[(6)]	4.82

The above shareholdings are calculated based on 629,736,823 issued ordinary shares in the capital of the Company (excluding 1,856,000 treasury shares).

Notes:

(1) Chwee Cheng & Sons Pte Ltd is deemed interested in 31,335,000 Shares held through nominees and 3,228,000 shares acquired by its wholly-owned subsidiary, TH Investments Pte Ltd.

(2) Pursuant to the terms of a trust deed dated 29 July 1997 (as supplemented by a deed dated 12 October 1998) (the "**Trust Deed**"), Messrs Ng San Tiong Roland, Ng Sun Ho Tony and Ng San Wee David (who are Directors of the Company) and their brother, Mr Ng Sun Giam Roger, are joint trustees of the Chwee Cheng Trust, constituted under the Trust Deed, which owns approximately 42.03% of the issued share capital of Chwee Cheng & Sons Pte Ltd. Under the terms of the Trust Deed, the beneficiaries of the Chwee Cheng Trust are the sons of Mr Ng Chwee Cheng, namely, Messrs Ng San Tiong Roland, Ng Sun Ho Tony, Ng Sun Hoe Patrick, Ng Sang Kuey Michael, Ng San Guan William, Ng Sun Giam Roger, Ng San Wee David, Ng Sun Eng Sunny, Ng Sun Oh Lewis and their descendants. Being joint trustees, Messrs Ng San Tiong Roland, Ng Sun Ho Tony, Ng Sun Giam Roger and Ng San Wee David are deemed to be interested in the 256,739,160 Shares (both direct and deemed) held by Chwee Cheng & Sons Pte Ltd as at the Latest Practicable Date.

(3) Mr Ng San Tiong Roland is deemed interested in 9,496,095 Shares held through nominees and 1,044,250 Shares held by his wife.

(4) Mr Ng Sun Ho Tony is deemed interested in 2,000,000 Shares held through nominees and 132,500 Shares held by his wife.

(5) Mr Ng San Wee David is deemed interested in 2,811,750 shares held through nominee and 349,500 Shares held by his wife.

(6) Mr Ng Chwee Cheng is deemed interested in 30,268,246 Shares held through nominees and 85,000 Shares held by a company of which Mr Ng Chwee Cheng is the sole shareholder.

5. DIRECTORS' RECOMMENDATIONS

5.1 Proposed Renewal of the IPT Mandate

The Non-interested Directors, having considered the rationale for the proposal renewal of the IPT Mandate, are of the view that it is in the best interests of the Company and accordingly recommend that Shareholders vote in favour of the Ordinary Resolution 11 to be proposed at the 2015 AGM.

5.2 Proposed Renewal of the Share Buyback Mandate

The Directors, having considered the rationale for the proposed Share Buyback Mandate, are of the opinion that it is in the best interests of the Company, and accordingly recommend that Shareholders vote in favour of the Ordinary Resolution 12 in relation to the Share Buyback Mandate to be proposed at the 2015 AGM.

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

6. SHAREHOLDERS WHO WILL ABSTAIN FROM VOTING

Messrs Ng San Tiong Roland, Ng Sun Ho Tony, Ng Sang Kuey Michael, Ng San Wee David, Ng Sun Giam Roger, Ng Chwee Cheng and Chwee Cheng & Sons Pte Ltd and their Associates, being Interested Persons (as described in section 2.3 of this Appendix), will abstain from voting in respect of the Ordinary Resolution 11 relating to the proposed renewal of the IPT Mandate at the 2015 AGM.

Further, each of the persons mentioned in this section undertakes to decline to accept appointment as proxies to vote and attend the 2015 AGM in respect of the Ordinary Resolution 11 for other Shareholders of the Company unless the Shareholders concerned have given specific instructions as to the manner in which his votes are to be cast.

7. STATEMENT OF THE AUDIT COMMITTEE

The Audit Committee, which comprises Messrs Tan Chok Kian, Leong Horn Kee, Low Seow Juan and Tse Po Shing Andy, has reviewed the terms of the proposed IPT Mandate, and is satisfied that the methods or procedures proposed by the Company as set out in sections 2.6 and 2.7 above for determining transaction prices of Interested Person Transactions have not changed from the previous mandate adopted at the 2014 AGM.

The Audit Committee is also of the view that the guidelines and the review procedures as well as the reviews to be made periodically by them in relation thereto, are sufficient to ensure that the Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

If, during the periodic reviews by the Audit Committee, it is of the view that the established guidelines and procedures are no longer appropriate or adequate to ensure that the Interested Person Transactions will be transacted on normal commercial terms and would not be prejudicial to the interests of the Company and its minority Shareholders, the Company will seek a fresh mandate from Shareholders based on new guidelines and procedures.

8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the IPT Mandate and the Share Buyback Mandate, and the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in the Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Appendix in its proper form and context.

Shareholders are advised to read this Appendix in its entirety and any Shareholder who may require advice in the context of his specific investment, is further advised to consult his bank manager, stockbroker, solicitor, accountant or other professional adviser.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 82 Ubi Avenue 4, #05-01 Edward Boustead Centre, Singapore 408832 during normal business hours from the date of this Appendix up to and including the time and date of the 2015 AGM:

(a) Annual Report of the Company for the financial year ended 31 March 2015; and

(b) the Memorandum and Articles of Association of the Company.

Yours faithfully
For and on behalf of the Board of Directors of
TAT HONG HOLDINGS LTD

Tan Chok Kian
Non-Executive Independent Chairman