

## **ADDENDUM TO ANNUAL REPORT DATED 8 JULY 2015**

**THIS ADDENDUM TO ANNUAL REPORT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY AND IN ITS ENTIRETY.**

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

This Addendum is circulated to shareholders of Ban Leong Technologies Limited (the “**Company**”) together with the Company’s Annual Report. Its purpose is to provide shareholders with information relating to and explaining to shareholders the rationale for the proposed renewal of Share Buy Back Mandate to be tabled at the Annual General Meeting of the Company to be held on 24 July 2015 at 10:00 a.m. at 150 Ubi Avenue 4, #04-01, Singapore 408825. The Notice of the Annual General Meeting and a Proxy Form are enclosed with the Annual Report.

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

The Singapore Exchange Securities Trading Limited (“**SGX-ST**”) assumes no responsibility for the accuracy of any of the statements made, reports contained or referred to, or opinions expressed, in this Addendum to Annual Report.



### **BAN LEONG TECHNOLOGIES LIMITED**

(Incorporated in the Republic of Singapore)  
(Company Registration Number: 199303898C)

#### **ADDENDUM TO ANNUAL REPORT**

**in relation to**

#### **THE PROPOSED RENEWAL OF THE SHARE BUY BACK MANDATE**

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# LETTER TO SHAREHOLDERS

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**BAN LEONG TECHNOLOGIES LIMITED**  
(Incorporated in the Republic of Singapore)  
Company No.199303898C

## Board of Directors:-

Ronald Teng Woo Boon	(Managing Director)
Loh Yih	(Lead Independent Director)
Neo Gim Kiong	(Independent Director)
Tan Eng Bock	(Independent Director)
Chng Hock Huat	(Non-Executive Director)
Lo Yew Seng	(Non-Executive Director)

## Registered Office:-

150 Ubi Avenue 4, #04-01  
Singapore 408825

**8 July 2015**

To: The Shareholders of  
Ban Leong Technologies Limited

Dear Sir/Madam

## PROPOSED RENEWAL OF SHARE BUY BACK MANDATE

### 1. INTRODUCTION

1.1 The Board of Directors refer to the following: -

- (a) the Notice of the Annual General Meeting (“**AGM**”) of BAN LEONG TECHNOLOGIES LIMITED (the “**Company**”) dated 8 July 2015, accompanying the Annual Report 2015 of the Company; and
- (b) Ordinary Resolution No. 10 under the heading “Special Business” set out in the Notice of the AGM.

1.2 At the Extraordinary General Meeting of the Company held on 23 July 2009, the Shareholders of the Company had approved the Share Buy Back Mandate (the “**Mandate**”) for the Directors to exercise all the powers of the Company to purchase or acquire up to 10% of the issued ordinary share capital of the Company on the terms of that mandate. The Mandate was approved for renewal at the AGM held as follows: -

- Renewed the Mandate at the AGM held on 29 July 2010 (“**2010 Mandate**”);
- Renewed the 2010 Mandate at the AGM held on 28 July 2011 (“**2011 Mandate**”);
- Renewed the 2011 Mandate at the AGM held on 26 July 2012 (“**2012 Mandate**”);
- Renewed the 2012 Mandate at the AGM held on 26 July 2013 (“**2013 Mandate**”); and
- Renewed the 2013 Mandate at the AGM held on 25 July 2014 (“**2014 Mandate**”).

1.3 The 2014 Mandate will expire on the date of the forthcoming AGM to be held on 24 July 2015 (“**2015 AGM**”). If the proposed resolution for the renewal of Share Buy Back Mandate is approved at the 2015 AGM, the mandate shall, unless revoked or varied by the Company in a general meeting, continue in force until the next AGM of the Company is held or is required by law to be held, whichever is earlier.

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# LETTER TO SHAREHOLDERS

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- 1.4 The purpose of this Addendum to Annual Report is to provide information relating to and explain the rationale for the proposed renewal of Share Buy Back Mandate.

## 2. THE PROPOSED RENEWAL OF SHARE BUY BACK MANDATE

### 2.1 Rationale

The renewal of the Share Buy Back Mandate authorising the Company to purchase or acquire its ordinary shares in the issued and paid-up share capital of the Company (“**Shares**”) would give the Company the flexibility to undertake share purchases or acquisitions up to the 10% limit described in paragraph 2.2.1 below at any time, during the period when the Share Buy Back Mandate is in force.

The Directors believe that a share buy back will provide the Company and its Directors with a mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements, in an expedient and cost-efficient manner. It also allows the Directors to exercise greater control over the Company’s share capital structure, dividend payout and cash reserves.

The buy back of Shares may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the earning per Share of the Company, and will only be made when the Directors believe that such buy back would benefit the Company and its Shareholders.

The Directors will only make a share buy back as and when the circumstances permit and only if the Directors are of the view that such buy back are in the best interests of the Company and the shareholders and that it would not have a material adverse effect on the financial position of the Company.

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

Based on 116,076,000 Shares [excluding 424,000 Shares held in treasury and 681,818 returned shares as at 30 June 2015 (the “**Latest Practicable Date**”)] in issued as at the Latest Practicable Date, 34,354,900 Shares (approximately 29.60%) are held by the public. Assuming that the Company purchases its Shares through Market Purchases up to the full 10% limit pursuant to the Share Buy Back Mandate, the number of Shares in the hands of the public would be reduced to approximately 22,747,300 Shares, representing approximately 21.77% of the total number of issued Shares of the Company. Accordingly, the Company is of the view that there is sufficient number of Shares in issue held by public shareholders, which would permit the Company to undertake share purchases of up to 10% of its issued ordinary share capital without affecting the listing status of the Shares on SGX-ST. The Company will ensure that the share buy back will not cause market illiquidity or adversely affect the orderly trading and listing status of the Shares on the SGX-ST.

### 2.2 Authority and Limits on the Share Buy Back Mandate

The authority and limitations placed on share buy back or acquisitions of Shares by the Company under the Proposed Renewal of Share Buy Back Mandate, are similar in terms to those previously approved by Shareholders, and are summarised below:

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# LETTER TO SHAREHOLDERS

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## 2.2.1 Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares which may be purchased or acquired by the Company pursuant to the Share Buy Back Mandate is limited to that number of Shares representing not more than 10% of the total number of issued Shares of the Company ascertained as at the date of the last AGM or at the date of the forthcoming 2015 AGM at which the renewal of the Share Buy Back Mandate is approved, whichever is higher, unless the share capital of the Company has been reduced in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered. Any Shares which are held as treasury shares will be disregarded for purposes of computing the 10% limit. As at the Latest Practicable Date, the Company is holding 424,000 Shares in treasury.

**For illustrative purposes only**, on the basis of 116,076,000 Shares in issue as at the Latest Practicable Date (excluding 424,000 Shares are held in treasury and 681,818 returned shares as at the Latest Practicable Date), and assuming no further Shares are issued on or prior to the 2015 AGM; and no further Shares are purchased or acquired by the Company are held as treasury shares, not more than 11,607,600 Shares [representing 10% of the total number of Shares (excluding the Shares held in treasury and returned shares) as at that date may be purchased by the Company pursuant to the proposed Share Buy Back Mandate during the duration referred to in paragraph 2.2.2 below.

## 2.2.2 Duration of Authority

Unless varied or revoked by the Company in general meeting, purchases or acquisitions of Shares pursuant to the Proposed Share Buy Back Mandate may be made, at any time and from time to time, on and from the date of the forthcoming 2015 AGM, at which the renewal of Share Buy Back is approved, up to:

- (a) the date on which the next AGM of the Company is held or required by law to be held; or
- (b) the date on which the purchases or acquisitions of Shares pursuant to the proposed Share Buy Back Mandate are carried out to the full extent mandated,

whichever is earlier.

The authority conferred on the Directors by the Share Buy Back Mandate to purchase Shares may be renewed at the next AGM (after the 2015 AGM) or an EGM to be convened immediately after the conclusion or adjournment of the next AGM. When seeking the approval of the Shareholders for the renewal of the Share Buy Back Mandate, the Company is required to disclose details pertaining to purchases or acquisitions of Shares pursuant to the proposed Share Buy Back Mandate made during the previous 12 months, including the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such purchases of Shares, where relevant, and the total consideration paid for such purchases.

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# LETTER TO SHAREHOLDERS

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## 2.2.3 Manner of Purchases or Acquisitions of Shares

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

- (a) on-market purchases (“**Market Purchase**”), transacted on the SGX-ST through the ready market or, as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (b) off-market purchases (“**Off-Market Purchase**”) (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 Act and the Listing Manual.

The Directors may impose such terms and conditions which are not inconsistent with the Share Buy Back 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. An Off-Market Purchase must, however, satisfy all the following conditions:

- (i) 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;
- (ii) all of those persons shall be given a reasonable opportunity to accept the offers made; and
- (iii) the terms of all the offers shall be the same, except that there shall be disregarded:
  - (aa) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;
  - (bb) (if applicable) differences in consideration attributable to the fact that the offers relates to Shares with different amounts remaining unpaid; and
  - (cc) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

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

- (a) the terms and conditions of the offer;
- (b) the period and procedures for acceptances;
- (c) the reasons for the proposed Share buy back;
- (d) the consequences, if any, of Share buy back by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (e) whether the Share buy back, if made, would have any effect on the listing of the Shares on the Official List of SGX-ST;

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# LETTER TO SHAREHOLDERS

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- (f) details of any Share buy back made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases in accordance with an equal access scheme), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (g) whether the shares purchased by the Company will be cancelled or kept as treasury shares.

## 2.2.4 Maximum Purchase Price

The purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors of the Company.

However, the purchase price to be paid for the Shares pursuant to the purchases or acquisitions of the Shares must not exceed:

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

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

For the above purposes:

“**Average Closing Price**” means the average of the closing market prices of a Share over the last five Market Days, on which transactions in the Shares were recorded, preceding the day of the Market Purchase 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 for any corporate action that occurs after the relevant 5-day period.

“**day 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 Purchase.

## 2.3 Details of Shares bought by the Company in the previous 12 months

The details of the share purchases made by the Company in the previous 12 months prior to the Latest Practicable Date are as follows:-

- (a) the total number of Shares purchased was 49,000. All such Shares were acquired by way of Market Purchases;
- (b) the highest and lowest price paid for such Shares purchases were S\$0.255 and S\$0.235 respectively; and
- (c) the total consideration paid by the Company for such Share purchases was S\$12,185.78.

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# LETTER TO SHAREHOLDERS

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## 2.4 Status of Purchased Shares under the Share Buy Back Mandate

Any Share which is purchased or acquired by the Company shall, unless held as treasury shares to the extent permitted under the Singapore Companies Act, Chapter 50 (the “**Act**”), be deemed cancelled immediately on purchase or acquisition, and all rights and privileges attached to that Share will expire on cancellation. The total number of Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.

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

## 2.5 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:

(i) Maximum Holdings

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

(ii) Voting and Other Rights

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

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

(iii) Disposal and Cancellation

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

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



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# LETTER TO SHAREHOLDERS

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Under the Rule 704(28) of the Listing Manual, immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares (in each case, the “usage”). Such announcement must include details such as the date of the usage, the purpose of the usage, the number of treasury shares comprised in the usage, the number of treasury shares before and after the usage, and the percentage of the number of treasury shares comprised in the usage 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 the usage, and the value of the treasury shares if they are used for a sale, transfer or cancelled.

## 2.6 Funding of Share Buy Back

The Company may purchase or acquire its Shares out of its distributable profits as well as out of capital so long as the Company is solvent. The Company may use internal resources and/or external borrowings to finance purchases of its Shares pursuant to the Share Buy Back Mandate.

Based on 116,076,000 Shares in issue as at the Latest Practicable Date, the purchase by the Company of 10% of its issued Shares, disregarding any treasury shares and returned shares held by the Company and assuming no further Ordinary Shares are issued, and no Shares are purchased or acquired by the Company on or prior to the AGM, will result in the purchase or acquisition of 11,607,600 Shares.

Assuming that the Company purchases or acquires the 11,607,600 Shares by way of Market Purchases at the Maximum Price of S\$0.221 for each Share (being the price equivalent to 105% of the Average Closing Price of the Shares for the five consecutive Market Days on which the Shares were traded on the Official List of SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required is approximately S\$2,565,280.

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires Shares at the Maximum Price of S\$0.254 for each Share (being the price equivalent to 120% of the Average Closing Price of the Shares for the five consecutive Market Days on which the Shares were traded on the Official List of SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 11,607,600 Shares is S\$2,948,330.

## 2.7 Illustrative Financial Effects

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

### Purchases or Acquisition out of Profits / Capital

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

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding brokerage, clearance fees, stamp duties, applicable goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company (the “Purchase Price”).

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# LETTER TO SHAREHOLDERS

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

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of both the capital and the profits of the Company, the Company shall reduce the amount of its share capital and profits proportionately by the total amount of the Purchase Price.

The illustrative financial effects set out below are based on the consolidated financial statements for the financial year ended 31 March 2015, on the conditions set out in paragraphs 2.2.4 and 2.6 above and assuming the following:

- (a) the purchase or acquisition of 11,607,600 Shares by the Company pursuant to the Shares Buy Back Mandate by way of Market Purchases made entirely out of profits and cancelled;
- (b) there was no issuance of Shares pursuant to the exercise of share options and/or vesting of Awards after the Latest Practicable Date; and
- (c) such Share purchases are funded solely by internal resources and/or borrowings.

## Illustrative financial effects:

As at 31 March 2015	Market Purchase		Off-Market Purchase	
	Before S\$' 000	After S\$' 000	Before S\$' 000	After S\$' 000
Shareholders' fund	23,024	20,459	23,024	20,076
Net Tangible Assets	22,669	20,104	22,669	19,721
Current Assets	55,820	53,255	55,820	52,872
Current Liabilities	33,105	33,105	33,105	33,105
Working Capital	22,715	20,150	22,715	19,767
Net Debt	10,347	10,347	10,347	10,347
No of shares ('000)	116,076	104,468	116,076	104,468
Financial Ratios				
NTA per share(S\$)	0.20	0.19	0.20	0.19
Gearing (times)	0.45	0.51	0.45	0.52
Current Ratio (times)	1.69	1.61	1.69	1.60
Basic EPS (cents)	0.68	0.76	0.68	0.76

## Notes:

- (a) The disclosed financial effects remain the same irrespective of whether:
- (b) the purchase of the Shares is effected out of capital or profits; or
- (c) the purchased Shares are held in treasury or are cancelled.

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# LETTER TO SHAREHOLDERS

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2.7.2 Shareholders should note that the financial effects set out above are for illustration purposes only. The results of the Group and the Company for the financial year ended 31 March 2015 may not be representative of the future performance. Although the Share Buy Back Mandate would authorise the Directors of the Company to purchase or acquire up to 10% of the issued Shares (excluding any shares held in treasury), the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of the issued Shares (excluding shares held in treasury). In addition, the Company may cancel all or part of the Shares repurchased or holds all or part of the Shares repurchased in treasury.

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

## 2.8 Taxation

Pursuant to Section 10J of the Income Tax Act, Chapter 134 of Singapore, where a company buys back its own Shares and makes payment out of its contributed capital, it will not be regarded as a payment of dividend. Where a company buys back its own Shares using its distributable profits, it is deemed as having paid a dividend to the Shareholders from whom the Shares are purchased or acquired.

Shareholders who are in doubt as to their respective tax positions or any such tax implications or who may be subject to tax in a jurisdiction other than Singapore should consult their own professional advisors.

## 2.9 Take-over Implications under the Singapore Code on Takeover and Mergers

### 2.9.1 Obligation to make a take-over offer

Pursuant to the Singapore Code on Take-over and Mergers (“**Take-over Code**”), an increase of a shareholder’s proportionate interest in the voting rights of the Company resulting from a share buy back by the Company will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code (“**Rule 14**”).

Under Rule 14, a Shareholder and persons acting in concert with the Shareholder will incur an obligation to make a mandatory take-over offer if, inter alia, he and persons acting in concert with him increase their voting rights in the Company to 30% or more or, if they, together holding between 30% and 50% of the Company’s voting rights, increase their voting rights in the Company by more than 1% in any period of 6 months.

### 2.9.2 Persons acting in concert

Persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal) co-operate, through the acquisition by any of them of Shares in a company to obtain or consolidate effective control of that company.

Unless the contrary is established, the following persons will be presumed to be acting in concert, namely, (a) a company with any of its directors and (b) 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, 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.

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# LETTER TO SHAREHOLDERS

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Consequently, a Director and persons acting in concert (as such term is defined in the Take-over Code) with him could, depending on the level of increase in his or their interest in the Company, become obliged to make a mandatory offer in accordance with Rule 14 as a result of the Company's buy back of Shares.

Unless exempted, Directors of the Company and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring 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 1% in any period of 6 months.

### 2.9.3 Effect of Rule 14 and Appendix 2

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares:

- (a) the voting rights of such Directors and their concert parties would increase to 30% or more; or
- (b) 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 and the returned shares shall be excluded.

Under Appendix 2 of the Take-over Code, a Shareholder who is not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares:-

- (a) the voting rights of such Shareholder would increase to 30% or more; or
- (b) 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 renewal of the Share Buy Back Mandate.

As at the Latest Practicable Date, none of the substantial shareholders would become obliged to make a take-over offer under Rule 14 and Appendix 2 of the Take-Over Code as a result of a purchase of shares pursuant to the Shares Buy Back Mandate.

**Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Take-over Code as a result of any purchase or acquisition of Shares by the Company should consult the Securities Industry Council and/or their professional advisers at the earliest opportunity.**

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# LETTER TO SHAREHOLDERS

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## 2.10 Reporting requirement

Within 30 days of the passing of a Shareholders' resolution to approve the purchases of Shares by the Company, the Company shall lodge a copy of such resolution with the Registrar.

The Company shall notify the Registrar within 30 days of any purchase of Shares by the Company on the SGX-ST or otherwise. Such notification shall include details of the purchases, the total number of Shares purchased by the Company, the Company's total number of issued shares as at the date of the Shareholders' resolution approving the purchase of the Shares and after the purchase of Shares, the amount of consideration paid by the Company for the purchases, whether the Shares were purchased out of profits or the capital of the Company and such other particulars as may be required in the prescribed form.

The Company is required under Rule 886 of the Listing Manual that a listed company shall notify the SGX-ST of all purchases or acquisitions of its Shares not later than 9.00 a.m.:

- (a) in the case of a Market Purchase, on the Market Day following the day on which the Market Purchase was made, and
- (b) in the case of an Off-Market Purchase 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 of such purchases or acquisition of Shares to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe. The Company shall make arrangements with its stockbrokers to ensure that they provide the Company in a timely basis the necessary information which will enable the Company to make the notifications to the SGX-ST.

- 2.11 While the Listing Rules do not expressly prohibit purchase of shares by a listed company during any particular time or times, the listed company would be considered an "insider" in relation to any proposed purchase or acquisition of its issued shares. In this regard, the Company will not purchase any Shares pursuant to the Share Buy Back Mandate after a price-sensitive development has occurred or has been the subject of consideration and/or a decision of the Board of Directors until such time as the price-sensitive information has been publicly announced. In particular, the Company will not purchase or acquire any Shares through Market Purchases during the period of commencing on 1st of April for the full year financial results and 1st of October for the half year financial results and ending on the date of the announcement of the relevant financial results, or if there is any unpublished material price-sensitive information of the Group.

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# LETTER TO SHAREHOLDERS

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## 3. INTERESTS OF DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed, none of the Directors or Substantial Shareholders of the Company has any interest, direct or indirect in the Shares of the Company as at the Latest Practicable Date:-

### 3.1 Interest of Directors

Name	Direct Interest		Deemed Interest	
	Number of Shares	% <sup>(1)</sup>	Number of Shares	% <sup>(1)</sup>
Ronald Teng Woo Boon	16,566,000	14.27	3,208,000 <sup>(2)</sup>	2.76
Chng Hock Huat	12,508,000	10.78	1,008,000 <sup>(3)</sup>	0.87
Loh Yih	4,500,000	3.88	–	–
Lo Yew Seng	2,966,000	2.56	–	–
Neo Gim Kiong	2,394,000	2.06	–	–
Tan Eng Bock	–	–	–	–

### 3.2 Interest of Substantial Shareholders

Name	Direct Interest		Deemed Interest	
	Number of Shares	% <sup>(1)</sup>	Number of Shares	% <sup>(1)</sup>
Wang Wei	28,281,000	24.36	–	–
Ronald Teng Woo Boon	16,566,000	14.27	3,208,000 <sup>(2)</sup>	2.76
Chng Hock Huat	12,508,000	10.78	1,008,000 <sup>(3)</sup>	0.87
Teng Kim Sui	6,902,000	5.95	–	–

Notes:

(1) Based on 116,076,000 Shares in issue as at the Latest Practicable Date, excluding 424,000 Shares that are held in treasury and 681,818 returned shares as at the Latest Practicable Date.

(2) Ronald Teng Woo Boon's deemed interest arose through 3,208,000 Shares held by his spouse, Teo Su Ching.

(3) Chng Hock Huat's deemed interest arose through 1,008,000 Shares held by his spouse, Yu LiHong.

## 4. DIRECTORS' RECOMMENDATION

The Directors are of the opinion that the proposed renewal of Share Buy Back Mandate is in the best interest of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the Ordinary Resolution relating to the proposed renewal of Share Buy Back Mandate as set out in the Notice of 2015 AGM.

## 5. ANNUAL GENERAL MEETING

The 2015 AGM, notice of which is set out on pages 94 to 97 of the Notice of AGM attached to the 2015 Annual Report of the Company, will be held at 150 Ubi Avenue 4, #04-01, Singapore 408825 on Friday, 24 July 2015 at 10:00 a.m. for the purpose of, inter alia, considering and, if thought fit, passing the ordinary resolution on the renewal of Share Buy Back Mandate as set out in the Notice of the 2015 AGM.

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# LETTER TO SHAREHOLDERS

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## 6. INSPECTION OF DOCUMENTS

The following documents may be inspected at the registered office of the Company at 150 Ubi Avenue 4, #04-01, Singapore 408825 during business hours from the date hereof up to and including the date of the AGM:

- (a) the Memorandum and Articles of Association of the Company; and
- (b) the audited consolidated financial statements of the Company for the financial year ended 31 March 2015.

## 7. ACTION TO BE TAKEN BY SHAREHOLDERS

- 7.1 Shareholders who are unable to attend the 2015 AGM and wish to appoint a proxy to attend and vote at the 2015 AGM on their behalf must complete, sign and return the Proxy Form attached to the Annual Report 2015 in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the registered office of the Company at 150 Ubi Avenue 4, #04-01, Singapore 408825 not less than 48 hours before the time fixed for the 2015 AGM. The completion and return of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the 2015 AGM should he subsequently decide to do so, although the appointment of the proxy shall be deemed to be revoked by such attendance.
- 7.2 A Depositor shall not be regarded as a shareholder of the Company and not entitled to attend the 2015 AGM and to speak and vote thereat unless his name appears on the Depository Register at least 48 hours before the 2015 AGM.

## 8. DIRECTORS' RESPONSIBILITY STATEMENT

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

Yours faithfully,  
For and on behalf of the Board of Directors of  
**BAN LEONG TECHNOLOGIES LIMITED**

Ronald Teng Woo Boon  
Managing Director

