



JADASON ENTERPRISES LTD

(Co. Reg. No. 199003898K)
(Incorporated in the Republic of Singapore)

Directors

Queeny Ho (Non-Executive Chairman)
Fung Chi Wai (Chief Executive Officer)
Linna Hui Min (Executive Director)
Chua Keng Hiang (Independent Director)
Teo Kiang Kok (Independent Director)

Registered Office

No. 3 Kaki Bukit Crescent
#03-01
Singapore 416237

7 April 2017

To: The Shareholders of Jadason Enterprises Ltd

Dear Shareholder,

RENEWAL OF SHARE BUYBACK MANDATE

We refer to item 9 appearing under the heading “Special Business” in the Notice of Annual General Meeting. This item is an Ordinary Resolution (“**Resolution 8**”) for the renewal of a general and unconditional mandate to be given for purchase or acquisition by the Company of its issued ordinary shares. The purpose of this letter is to provide Shareholders with information relating to, and to seek their approval for, Resolution 8 at the forthcoming Annual General Meeting (the “**AGM**”) of the Company on 24 April 2017. The Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) assumes no responsibility for the accuracy of any statements or opinions made in this letter.

1. BACKGROUND

At an Annual General Meeting of the Company held on 29 April 2016 (“**2016 AGM**”), Shareholders had approved the renewal of a mandate (the “**Share Buyback Mandate**”) to enable the Directors of the Company (the “**Directors**”) to purchase or otherwise acquire its issued ordinary shares (the “**Shares**”). The authority and limitations on the Share Buyback Mandate were set out in the Company’s Letter to Shareholders dated 14 April 2016 and Resolution 8 set out in the Notice of the 2016 AGM. The authority contained in the Share Buyback Mandate will expire on 24 April 2017, being the date of the forthcoming AGM. It is proposed that such authority be renewed.

Accordingly, Resolution 8 is to seek Shareholders’ approval at the AGM for a renewed general and unconditional mandate to be given to the Directors to exercise all powers of the Company to purchase or otherwise acquire its Shares on the terms of the Share Buyback Mandate. If approved at the AGM, the authority conferred by the Share Buyback Mandate shall, unless varied or revoked by the Company in general meeting, continue in force until the date of the next annual general meeting of the Company is held or is required by law to be held, whichever is the earlier.

Pursuant to the Share Buyback Mandate obtained at the 2016 AGM on 29 April 2016, the Company had not bought back by way of market acquisition, Shares of the Company.

2. THE PROPOSED SHARE BUYBACK MANDATE

2.1 Rationale

The rationale for the Company to undertake the purchase or acquisition of its issued Ordinary Shares is as follows:

- (a) The Directors and management strive to increase Shareholders' value and the return on equity of the Group. A share buyback at the appropriate price level is one of the ways through which the return on equity of the Group may be enhanced.
- (b) Share buyback is an available option for the Company to return surplus cash which is in excess of the ordinary capital requirements of the Group to its Shareholders. In addition, the Share Buyback Mandate will provide the Directors with greater flexibility over the Company's share capital structure and its dividend policy.
- (c) Share buybacks help buffer short-term share price volatility, offset the effects of short-term speculation and, in turn, bolster shareholder confidence.

The Directors will only make share buybacks if the purchases are in the best interests of the Company and the Shareholders.

2.2 Terms of the Share Buyback Mandate

The authority and limitations placed on purchases of Shares by the Company under the Share Buyback Mandate are summarized below:

(a) Maximum number of shares

Only Shares which are issued and fully paid-up may be purchased by the Company. The total number of Shares that may be purchased is limited to that number of Shares representing not more than 10 per cent (10%) of the issued Shares of the Company as at the date of the annual general meeting at which the renewal of the Share Buyback Mandate is approved.

Based on the number of issued and paid-up shares of 722,395,000 (excluding 3,670,000 Treasury Shares) as at 21 March 2017, being (the "**Latest Practicable Date**"), and assuming that no further Shares are issued on or prior to the AGM, the purchase by the Company of up to the maximum limit of 10 per cent (10%) of its issued shares will result in the purchase of 72,239,500 Shares.

(b) Duration of Authority

Purchases of Shares may be made, at any time and from time to time, from the date of the AGM at which the renewal of the Share Buyback Mandate is approved, up to the earlier of:

- (i) the date on which the next annual general meeting of the Company is held or required by law to be held;
- (ii) the date on which the share buybacks are carried out to the full extent mandated; or
- (iii) the authority contained in the Share Buyback Mandate is varied or revoked.

(c) Manner of Purchase

Purchases of Shares may be made by way of on-market purchases ("**Market Purchases**") transacted on the SGX-ST, and/or otherwise than on a stock exchange pursuant to an equal access scheme ("**Off-Market Purchases**").

Market Purchases refer to purchases of Shares by the Company on the SGX-ST through the SGX-ST's trading system, through one or more duly licensed stockbrokers appointed by the Company for the purpose.

Off-Market Purchases refer to purchases of Shares by the Company made under an equal access scheme in accordance with Section 76C of the Companies Act (Chapter 50) of Singapore (the “**Companies Act**”). The Directors may impose such terms and conditions, which are not inconsistent with the Share Buyback Mandate, the Listing Manual of the SGX-ST (the “**Listing Manual**”) and the Companies Act, as they consider fit in the interests of the Company in connection with or in relation to an equal access scheme or schemes. An equal access scheme must satisfy all the following conditions:

- (i) offers for the purchase or acquisition of issued shares shall be made to every person who holds issued shares to purchase or acquire the same percentage of their issued shares;
- (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:-
 - (1) differences in consideration attributable to the fact that offers may relate to shares with different accrued dividend entitlements;
 - (2) differences in consideration attributable to the fact that the offers 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.

In making an Off-Market Purchase, the Company shall issue an offer document to all Shareholders containing at least the following information:

- (i) the terms and conditions of the offer;
 - (ii) the period and procedures for acceptances;
 - (iii) the reasons for the proposed share buyback;
 - (iv) the consequences, if any, of share buybacks by the Company that will arise under the Singapore Code on Take-overs and Mergers or other applicable take-over rules;
 - (v) whether the share buybacks, if made, would have any effect on the listing of the Shares on the SGX-ST;
 - (vi) details of any share buybacks made by the Company in the previous 12 months whether through Market Purchases or Off-Market Purchases, giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
 - (vii) whether the Shares purchased by the Company will be cancelled or kept as Treasury Shares.
- (d) Maximum Purchase Price
- The purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors. The purchase price must not exceed:
- (i) in the case of a Market Purchase, 105 per cent (105%) of the Average Closing Price (as defined hereinafter); and

- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120 per cent (120%) of the Highest Last Dealt Price (as defined hereinafter),

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

For the above purposes:

“**Average Closing Price**” means the average of the closing market prices of a Share over the last five (5) market days, on which transactions in the Shares were recorded, before the day of the Market Purchase, and deemed to be adjusted in accordance with the Listing Manual for any corporate action that occurs after the relevant five-day period;

“**Highest Last Dealt Price**” means the highest price transacted for a Share as recorded on the market day on which there were trades in the Shares immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase; and

“**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.

(e) Status of Purchased Shares

Any Share purchased by the Company is, unless held in treasury in accordance with Section 76H of the Companies Act, deemed cancelled immediately on purchase, and all rights and privileges attached to that Share will expire on cancellation.

Section 76H of the Companies Act allows purchased Shares to be:

- (i) held by the Company; or
- (ii) dealt with, at any time, in accordance with Section 76K of the Companies Act, as Treasury Shares.

Section 76K of the Companies Act allows the Company to:

- (i) sell the Treasury Shares (or any of them) for cash;
- (ii) transfer the Treasury Shares (or any of them) for the purposes of or pursuant to any share scheme of the Company, whether for employees, Directors or other persons;
- (iii) transfer the Treasury Shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (iv) cancel the Treasury Shares (or any of them); or
- (v) sell, transfer or otherwise use the Treasury Shares for such other purposes as may be prescribed by the Minister for Finance.

The aggregate number of Shares held as Treasury Shares shall not at any time exceed 10 per cent (10%) of the total number of Shares at that time. Any Treasury Shares in excess of this limit shall be disposed of or cancelled in accordance with Section 76K of the Companies Act within six (6) months.

Any Shares purchase will:

- (i) reduce the amount of the Company's share capital where the Shares were purchased or acquired out of the capital of the Company;
- (ii) reduce the amount of the Company's profits where the Shares were purchased or acquired out of the profits of the Company; or
- (iii) reduce the amount of the Company's share capital and profits proportionately where the Shares were purchased or acquired out of both the capital and the profits of the Company;

by the total amount of the purchase price paid by the Company for the Shares purchased.

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 will be treated as having no voting rights.

(f) Sources of Funds and Financial Effects

The Company will use internal sources of funds of the Group to finance the purchase of its Shares. The Company does not intend to obtain or incur any external borrowings to finance such purchase or acquisition. The Directors do not propose to exercise the Share Buyback Mandate to such extent that it would materially and adversely affect the working capital requirements of the Group.

The Company may not purchase Shares for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the SGX-ST. Any Shares Purchase undertaken by the Company shall be made out of capital or profits that are available for distribution as dividends so long as the Company is solvent (as defined in Section 76F(4) of the Companies Act).

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (including any expenses (including brokerage or commission) incurred directly in the purchase or acquisition by the Company of the Shares) will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

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

The financial effects on the Group and the Company arising from purchases or acquisitions of Shares which may be made pursuant to the Share Buyback Mandate will depend on, *inter alia*, the number of Shares purchased or acquired and the price paid for such Shares. The financial effects of the purchase of Shares by the Company pursuant to the Share Buyback Mandate on the Group's and the Company's financial positions, based on the audited financial statements of the Group and the Company for the financial year 31 December 2016, are illustrated below.

Market Purchase

For illustration purposes only, in the case of a Market Purchase and assuming that the Maximum Price is S\$0.03 which is 5 per cent (5%) above the average of the closing prices of the Shares over the five (5) market days preceding the Latest Practicable Date on which transactions in the Shares were recorded, the maximum amount of funds required for the purchase or acquisition of 72,239,500 Shares (see 2.2(a)) is S\$2,167,185.

On these assumptions, the impact of the purchase of Shares by the Company undertaken in accordance with the Share Buyback Mandate on the Group's and the Company's audited financial statements for FY2016, and assuming that the Shares purchased are held in treasury, is as follows:

As at 31 December 2016	Group		Company	
	Before Share Purchase	After Share Purchase	Before Share Purchase	After Share Purchase
	S\$'000	S\$'000	S\$'000	S\$'000
Share Capital	50,197	50,197	50,197	50,197
Treasury Shares	(307)	(2,474)	(307)	(2,474)
Accumulated losses	(5,447)	(5,447)	(201)	(201)
Other Reserves	6,511	6,511	1,198	1,198
Shareholders' Funds	50,954	48,787	50,887	48,720
NTA	50,954	48,787	50,887	48,720
Current Assets	58,201	56,034	5,625	3,458
Current Liabilities	26,683	26,683	17,621	17,621
Cash and Cash Equivalents	18,721	16,554	2,916	749
Total Borrowings	9,361	9,361	2,736	2,736
Profit/(loss) after Taxation	1,828	1,828	(2,471)	(2,471)
Number of Shares (excluding Treasury Shares)	722,395,000	650,155,500	722,395,000	650,155,500
<u>Financial Ratios</u>				
NTA per share (cents)	7.05	7.50	7.04	7.49
Basic earnings/(loss) per share (cents)	0.25	0.28	(0.34)	(0.38)
Gearing Ratio	0.18	0.19	0.05	0.06
Current Ratio	2.18	2.10	0.32	0.20

Off-Market Purchase

For illustration purposes only, in an Off-Market Purchase and assuming that the Maximum Price is S\$0.03, which is 20 per cent (20%) above the highest price transacted on the market day preceding the Latest Practicable Date, the maximum amount of funds required for the purchase or acquisition of 10 per cent (10%) of issued shares, or 72,239,500 Shares (see 2.2(a)) is S\$2,167,185.

On these assumptions, the impact of the purchase of Shares by the Company undertaken in accordance with the Share Buyback Mandate on the Group's and the Company's audited financial statements for FY2016, and assuming that the Shares purchased are held in treasury, is as follows:

As at 31 December 2016	Group		Company	
	Before Share Purchase	After Share Purchase	Before Share Purchase	After Share Purchase
	S\$'000	S\$'000	S\$'000	S\$'000
Share Capital	50,197	50,197	50,197	50,197
Treasury Shares	(307)	(2,474)	(307)	(2,474)
Accumulated losses	(5,447)	(5,447)	(201)	(201)
Other Reserves	6,511	6,511	1,198	1,198
Shareholders' Funds	50,954	48,787	50,887	48,720
NTA	50,954	48,787	50,887	48,720
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Current Liabilities	26,683	26,683	17,621	17,621
Cash and Cash Equivalents	18,721	16,554	2,916	749
Total Borrowings	9,361	9,361	2,736	2,736
Profit/(loss) after Taxation	1,828	1,828	(2,471)	(2,471)
Number of Shares (excluding Treasury Shares)	722,395,000	650,155,500	722,395,000	650,155,500
<u>Financial Ratios</u>				
NTA per share (cents)	7.05	7.50	7.04	7.49
Basic earnings/(loss) per share (cents)	0.25	0.28	(0.34)	(0.38)
Gearing Ratio	0.18	0.19	0.05	0.06
Current Ratio	2.18	2.10	0.32	0.20

Shareholders should note that the financial effects set out above are for illustrative purposes only. Although the Share Buyback Mandate would authorise the Company to purchase up to 10 per cent (10%) of the issued shares, the Company may not necessarily purchase or be able to purchase the entire 10 per cent (10%) of the issued shares.

(g) Miscellaneous

The Listing Manual does not expressly prohibit any purchase of Shares by a listed company during any particular time or times. However, as a listed company would be considered an "insider" in relation to any proposed purchase or acquisition of its Shares, the Company will not undertake to purchase or acquire Shares pursuant to the proposed Share Buyback Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced. In particular, the Company will not purchase or acquire any Shares during the period commencing one month immediately preceding the announcement of the Company's full-year and half-year results (if not required to announce quarterly financial statements) and the period of two weeks immediately preceding the announcement of its quarterly results.

2.3 Previous Share Purchases

The Company had not bought back by way of market acquisition, the Shares since the 2016 AGM.

2.4 Reporting Requirement

Pursuant to the requirements of Rule 886 of the Listing Manual, a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m. (a) in the case of a Market Purchase, on the market day following the day of purchase of any of its shares and (b) in the case of an Off-Market Purchase under an equal access scheme, on the second market day after the close of acceptances of the offer. Such announcement (which must be in the form of Appendix 8.3.1 to the Listing Manual) must include details of the total number of shares purchased, the date of purchase, the purchase price per share or the highest and lowest prices paid for such shares, as applicable, and the total consideration (including stamp duties, clearing charges, etc.) paid or payable for the shares.

In addition, pursuant to the requirements of Rule 704(28) of the Listing Manual, any sale, transfer, cancellation and/or use of Treasury Shares must be announced. The announcement shall state the following:-

- (a) date of the sale, transfer, cancellation and/or use;
- (b) purpose of such sale, transfer, cancellation and/or use;
- (c) number of Treasury Shares sold, transferred, cancelled and/or used;
- (d) number of Treasury Shares before and after such sale, transfer, cancellation and/or use;
- (e) percentage of the number of Treasury Shares against the total number of shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use; and
- (f) values of the Treasury Shares if they are used for a sale or transfer, or cancelled.

2.5 Listing Status of Shares

The Listing Manual requires a listed company to ensure that at least 10 per cent (10%) of the equity securities (excluding preference shares and convertible equity securities) must be held by public shareholders. As at the Latest Practicable Date, there are approximately 394,379,900 Shares in the hands of the public, representing 54.6% of the issued shares (excluding Treasury Shares) of the Company. Accordingly, the Company is of the view that there is a sufficient number of Shares in issue held by public shareholders which would permit the Company to undertake purchases or acquisitions of its issued Shares up to the full 10 per cent (10%) limit pursuant to the proposed Share Buyback Mandate without affecting the listing status of its Shares on the SGX-ST and causing market illiquidity.

The Company will not effect a share buyback if immediately following the share buyback, the continuing shareholding spread requirement prescribed by the SGX-ST which is in force at the time of intended share buyback cannot be maintained. The Directors will ensure that the share buybacks will not have an adverse impact on the listing status of the Shares on the SGX-ST.

2.6 Take-over Implications

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

Obligation to make a Take-over Offer

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

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) co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate control of that company.

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

- (a) the following companies:
 - (i) a company;
 - (ii) the parent company of (i);
 - (iii) the subsidiaries of (i);
 - (iv) the fellow subsidiaries of (i);
 - (v) the associated companies of any of (i), (ii), (iii) or (iv); and
 - (vi) companies whose associated companies include any of (i), (ii), (iii), (iv) or (v); and
- (b) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts).

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

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, a Shareholder and persons acting in concert with him, will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Shareholder and his concert parties would increase to 30% or more, or in the event that such Shareholder and his concert parties hold between 30% and 50% of the Company's voting rights, if the voting rights of such Shareholder and his concert parties would increase by more than 1% in any period of six months.

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

As at the Latest Practicable Date, the shareholdings of the Directors and Substantial Shareholders are as follows:

	Direct Interest	
	No. of shares	% (excluding Treasury Shares)
<u>Directors</u>		
Queeny Ho	236,000,000	32.7
Fung Chi Wai	32,400,000	4.5
Chua Keng Hiang	8,500,000	1.2
Teo Kiang Kok	–	–
Linna Hui Min	8,380,000	1.1
<u>Substantial Shareholders</u>		
Liaw Hin Hao	42,735,100	5.9

In the event the Company undertakes Shares purchases of up to 10 per cent (10%) of the issued Shares of the Company as permitted by the Share Buyback Mandate, the shareholding and voting rights of Ms Queeny Ho may be increased from approximately 32.7% to approximately 36.3%. Accordingly, her shareholding and voting rights may thus be increased by more than one per cent (1%) within a six-month period and Ms Queeny Ho may be required to make a general offer to the other shareholders under Rule 14.1(b) of the Take-over Code.

Pursuant to Appendix 2 of the Take-over Code, Ms Queeny Ho will be exempted from the requirement to make a general offer under Rule 14.1(b) of the Take-over Code after any Shares purchases subject to the following conditions:

- (a) the Letter on the resolution to approve the renewal of the Share Buyback Mandate contains advice to the effect that by voting to approve the Share Buyback Mandate, Shareholders are waiving their rights to a general offer at the required price from Ms Queeny Ho and parties acting in concert with her who as a result of Share purchases would increase their voting rights by more than one per cent (1%) in any six-month period, and the names of Ms Queeny Ho and parties acting in concert with her, their voting rights at the time of the annual general meeting and after the proposed Shares purchase is disclosed in the same Letter;
- (b) the resolution to approve the Share Buyback Mandate is approved by a majority of those Shareholders present and voting at the meeting on a poll who could not become obliged to make an offer as a result of the proposed Shares purchase;
- (c) Ms Queeny Ho and parties acting in concert with her abstain from voting for and recommending Shareholders to vote in favour of the resolution to approve the Share Buyback Mandate;
- (d) within seven (7) days after the passing of the resolution to authorise a buy-back, Ms Queeny Ho to submit to the Securities Industries Council (“SIC”) a duly signed form as prescribed by SIC; and
- (e) Ms Queeny Ho and parties acting in concert with her have not acquired and will not acquire any Shares between the date on which they know that the announcement of the proposed Shares purchase is imminent and the earlier of:
 - (i) the date on which the authority of the Share Buyback Mandate expires;
 - (ii) the date on which the Company announces that it has bought back such number of Shares as authorised by the Share Buyback Mandate or it has decided to cease buying back its Shares, as the case may be,

if such acquisitions, taken together with the proposed Share Purchase, would cause their aggregate voting rights in the Company to increase by more than one per cent (1%) in any six-month period.

If the Company ceases to buy back its Shares and the increase in the aggregate voting rights held by Ms Queeny Ho and parties acting in concert with her is less than one per cent (1%) in any six-month period, Ms Queeny Ho and parties acting in concert with her may acquire further voting rights in the Company. However, any increase in Ms Queeny Ho's and her concert parties' percentage voting rights in the Company as a result of the Share Purchases will be taken into account together with any voting rights acquired by Ms Queeny Ho and parties acting in concert with her (by whatever means) in determining whether Ms Queeny Ho and parties acting in concert with her have increased their voting rights by more than one per cent (1%) in any six-month period.

To-date, there are no parties in concert with Ms Queeny Ho who hold Shares in the Company.

It should be noted that approving the Share Buyback Mandate will constitute a waiver by the shareholders in respect of their right to a general offer by Ms Queeny Ho at the Required Price.

3. DIRECTORS' RECOMMENDATION

The Directors (save for Ms Queeny Ho) are of the opinion that the renewal of the Share Buyback Mandate is in the best interests of the Company, and accordingly, recommend that Shareholders vote in favour of Ordinary Resolution relating to the Share Buyback Mandate to be proposed at the AGM.

4. ABSTINENCE FROM VOTING

Ms Queeny Ho and her concert parties, who are Shareholders of the Company, will abstain from voting at the AGM in respect of Resolution 8 relating to the renewal of the Share Buyback Mandate in view of the takeover consequences set out in paragraph 2.6 above and would not accept nominations as proxy or otherwise for voting at the AGM in respect of the said Resolution 8.

5. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this letter and confirm, after making all reasonable enquiries that, to the best of their knowledge and belief, this letter constitutes full and true disclosure of all material facts about the renewal of the Share Buyback 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 letter misleading. Where information in the letter has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the letter in its proper form and context.

6. TAXATION

Shareholders who are in doubt as to their respective tax positions or any tax implications, or who may be subject to tax in a jurisdiction outside Singapore, should consult their own professional tax advisers.

7. DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at No. 3 Kaki Bukit Crescent, #03-01, Singapore 416237 during normal business hours up to and including the date of the AGM:

- (a) the Constitution of the Company; and
- (b) the audited financial statements of the Company for the financial year ended 31 December 2016.

8. SGX-ST DISCLAIMER

The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this letter. If you are in doubt as to the action that you should take, you should consult your stockbroker or other professional adviser immediately.

9. COMPLIANCE WITH GOVERNING LAWS, REGULATIONS AND THE CONSTITUTION

The Company confirms that the terms of the Share Buyback Mandate in the letter does not contravene any laws and regulations governing the Company and the Constitution of the Company.

By Order of the Board

Tan Kok Yong
Company Secretary