LETTER TO SHAREHOLDERS DATED 17 MARCH 2016

This Letter is circulated to the shareholders of Global Premium Hotels Limited. Its purpose is to provide information on the proposed renewal of the share purchase mandate to be tabled at the annual general meeting of Global Premium Hotels Limited to be held on **8 April 2016** at **9.00 a.m.** at 456 Alexandra Road, #04-07, Fragrance Empire Building, Singapore 119962.

The Ordinary Resolution (as defined herein) is proposed to be passed in respect of the renewal of the share purchase mandate. The Ordinary Resolution was set out in the Notice of AGM (as defined herein).

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

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



GLOBAL PREMIUM HOTELS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 201128650E)

LETTER TO SHAREHOLDERS

IN RELATION TO THE

PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

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DEFINITIONS

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

"**2016 AGM**"	:	The annual general meeting of the Company to be held on 8 April 2016 at 9.00 a.m. at 456 Alexandra Road, #04-07, Fragrance Empire Building, Singapore 119962.
"**AGM**"	:	Annual general meeting of the Company.
"**Act**", "**Companies Act**"	:	The Companies Act (Chapter 50) of Singapore as may be amended or modified from time to time.
"**Articles**"	:	The articles of association of the Company, which is currently known as the Constitution on or after 3 January 2016.
"**Associated Company**"	:	A company in which at least 20% but not more than 50% of its shares are held by the Company or the Group.
"**Average Closing Price**"	:	The average of the closing market prices of a Share for the five (5) consecutive Market Days on which the Shares are transacted on the SGX-ST or, as the case may be, such stock exchange on which the Shares are listed or quoted, immediately preceding the date of the On-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 Listing Rules for any corporate action which occurs after the relevant five (5) Market Days.
"**Board**" or "**Board of Directors**"	:	The board of directors of the Company for the time being.
"**CDP**"	:	The Central Depository (Pte) Limited.
"**Code**" or **Take-over Code**"	:	The Singapore Code on Take-overs and Mergers, as may be amended or modified from time to time.
"**Company**"	:	Global Premium Hotels Limited.
"**Constitution**"	:	The constitution of the Company, as amended from time to time.
"**Directors**"	:	The directors of the Company for the time being.
"**EPS**"	:	Earnings per Share.
"**Group**"	:	The Company and its subsidiaries.
"**Latest Practicable Date**"	:	19 February 2016, being the latest practicable date prior to the printing of this Letter.

"**Listing Manual**"	:	The listing manual of the SGX-ST, as amended up to the Latest Practicable Date.
"**Listing Rules**"	:	The listing rules of the SGX-ST as set out in the Listing Manual.
"**Market Day**"	:	A day on which the SGX-ST is open for trading of securities.
"**Maximum Price**"	:	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 an On-Market Purchase, 105% of the Average Closing Price; and (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 110% of the Average Closing Price, in either case, excluding related expenses of the purchase or acquisition.
"**Memorandum**"	:	The memorandum of association of the Company, which is currently known as the Constitution on or after 3 January 2016.
"**NAV**"	:	Net asset value.
"**Notice of AGM**"	:	The notice of 2016 AGM.
"**NTA**"	:	Net tangible assets.
"**Off-Market Purchase**"	:	Purchases or acquisitions of Shares made by way of off-market purchase(s) effected pursuant to an equal access scheme in accordance with Section 76C of the Companies Act.
"**On-Market Purchase**"	:	Purchases or acquisitions of Shares made by way of on-market purchase(s), transacted on the SGX-ST or on any other stock exchange through the ready market, through one or more duly licensed stock brokers appointed by the Company for the purpose.
"**Ordinary Resolution**"	:	The ordinary resolution number 10 set out under the heading "Special Business" in the Notice of AGM in relation to the proposed renewal of the Share Purchase Mandate.
"**Registrar**"	:	The Registrar of Companies.
"**Relevant Period**"	:	The period commencing from the date on which the resolution to approve the Share Purchase Mandate is passed and expiring on the date the next annual general meeting is held or is required by law to be held, whichever is the earlier.

"**Relevant Shareholders**"	:	Dr. Koh Wee Meng, Ms. Lim Wan Looi and Ms. Ko Lee Meng.
"**ROE**"	:	Return on equity.
"**Securities Accounts**"	:	Securities accounts maintained by Depositors with CDP, but not including securities sub-accounts maintained with a Depository Agent.
"**SFA**"	:	The Securities and Futures Act (Chapter 289) of Singapore.
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited.
"**Share Purchase**"	:	The purchase of Shares by the Company pursuant to the Share Purchase Mandate.
"**Share Purchase Mandate**"	:	The general mandate to authorise the Directors to exercise all the powers of the Company to purchase or otherwise acquire its issued Shares upon and subject to the terms of such mandate.
"**Shareholders**"	:	Registered holders of the Shares except that where the registered holder is CDP, the term "**Shareholders**" shall, in relation to such Shares, and where the context admits mean the Depositors whose Securities Accounts are credited with the Shares.
"**Shares**"	:	Ordinary shares in the share capital of the Company.
"**SIC**"	:	The Securities Industry Council of Singapore.
"**Subsidiary**"	:	A company which is for the time being a subsidiary of the Company, as defined by Section 5 of the Companies Act.
"**Substantial Shareholder**"	:	A person (including a corporation) who has an interest in not less than 5% of the issued voting shares of the Company.
"**treasury shares**"	:	Issued Shares of the Company which were (or are treated as having been) purchased by the Company in circumstances in which Section 76H of the Companies Act applies and have been held by the Company continuously since such Shares were so purchased.
"**S$**" and "**cents**"	:	Singapore dollars and cents respectively.
"**%**"	:	Percentage and per centum.

The terms "**Depository**" and "**Depository Agent**" shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act (Chapter 289) of Singapore.

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 and *vice versa*. Words importing persons shall include corporations.

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

Any reference in this Letter 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 or the Listing Manual or any statutory modification thereof and used in this Letter shall, where applicable, have the same meaning assigned to it under the Companies Act or the Listing Manual or any statutory modification thereof, as the case may be.

Any reference to a time of a day in this Letter is made by reference to Singapore time unless otherwise stated.

Any discrepancy in the tables in this Letter between the listed amounts and the totals thereof are due to rounding.

GLOBAL PREMIUM HOTELS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 201128650E)

Directors:

Dr Koh Wee Meng (Chairman and Non-Executive Director)
Ms Ko Lee Meng (Executive Director, Deputy Chairman and Chief Executive Officer)
Mr Khoo Chee Meng Mark (Executive Director and Chief Operating Officer)
Mr Periakaruppan Aravindan (Non-Executive Director)
Mr Woo Peng Kong (Lead Independent Director)
Mr Kau Jee Chu (Independent Director)
Dr Kwan Chee Wai (Independent Director)

Registered Office:

456 Alexandra Road,
#25-01, Fragrance Empire Building,
Singapore 119962

17 March 2016

To: The Shareholders of Global Premium Hotels Limited

Dear Sir/Madam,

1. INTRODUCTION

1.1 Annual General Meeting

We refer to (a) the Notice of AGM dated 17 March 2016 convening the 2016 AGM of the Company to be held on 8 April 2016 at 9.00 a.m. at 456 Alexandra Road, #04-07, Fragrance Empire Building, Singapore 119962, (b) the ordinary resolution number 10 set out under the heading "Special Business" in the Notice of AGM in relation to the proposed renewal of the Share Purchase Mandate (the "**Ordinary Resolution**").

1.2 Letter to Shareholders

The purpose of this Letter is to provide Shareholders with information relating to the proposed renewal of the Share Purchase Mandate to seek Shareholders' approval in relation thereto at the 2016 AGM.

1.3 SGX-ST

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

2. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

2.1 Background

The Share Purchase Mandate is a general mandate to be given by Shareholders that allows the Company to purchase or acquire Shares at any time during the duration and on the terms of the Share Purchase Mandate. 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 to do so at a general meeting of its shareholders.

2.2 Rationale for the Share Purchase Mandate

The renewal of the Share Purchase Mandate authorising the Company to purchase or acquire its Shares would give the Company the flexibility to undertake share purchases or acquisitions up to the 10% limit described in paragraph 2.3.1 below at any time, during the period when the Share Purchase Mandate is in force.

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

(a) in managing the business of the Group, the management strives to increase Shareholders' value by improving, *inter alia*, the ROE of the Group. Share purchases at the appropriate price level are one of the ways through which the ROE of the Group may be enhanced;

(b) the Share Purchase Mandate is an expedient, effective and cost-efficient way for the Company to return surplus cash (if any) which is in excess of the financial and possible investment needs of the Group to Shareholders. In addition, the Share Purchase Mandate will allow the Company to have greater flexibility over, *inter alia*, the Company's share capital structure;

(c) share repurchase programmes may help buffer short-term share price volatility and off-set the effects of short-term speculators and investors and, in turn, bolster shareholders' confidence and employees' morale; and

(d) shares purchased or otherwise acquired by the Company pursuant to the Share Purchase Mandate which are held in treasury may be transferred for the purposes of or pursuant to employees' share schemes implemented by the Company.

The approval of the renewal of the Share Purchase Mandate authorising the Company to purchase or acquire its Shares would give the Company the flexibility to undertake share purchases or acquisitions at any time, subject to market conditions, during the period when the Share Purchase Mandate is in force.

While the Share Purchase Mandate would authorise a purchase or acquisition of Shares up to the maximum number described in paragraph 2.3.1 during the duration referred to in paragraph 2.3.2 below, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full limit as authorised, and the purchases or acquisitions of Shares pursuant to the Share Purchase Mandate would be made only as and when the Directors consider it to be in the best interests of the Company and in the circumstances which they believe will not result in any material adverse effect to the financial condition and/or financial position of the Company or the Group, or result in the Company being delisted from SGX-ST.

2.3 Authority and Limits of the Share Purchase Mandate

The authority and limitations placed on the Share Purchase Mandate, if renewed at the 2016 AGM, are summarised below:

2.3.1 Maximum Number of Shares

Only Shares which are issued and fully-paid may be purchased or acquired by the Company. The total number of Shares that may be purchased or acquired by the Company pursuant to the Share Purchase Mandate is limited to the number of Shares representing not more than 10% of the total number of issued Shares (excluding treasury shares) of the Company ascertained as at the date on which the resolution authorising the renewal of the Share Purchase Mandate is approved, 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 of the Shares which are held as treasury shares shall be disregarded for the purposes of computing the 10% limit. As at the Latest Practicable Date, the Company has no treasury shares.

Purely for illustrative purposes, on the basis of 1,052,000,000 Shares in issue as at the Latest Practicable Date, and assuming: (a) no further Shares are issued; and (b) no Shares are purchased or acquired by the Company on or prior to the 2016 AGM, not more than 105,200,000 Shares (representing 10% of the number of Shares (excluding treasury shares) in issue as at that date) may be purchased or acquired by the Company pursuant to the proposed Share Purchase Mandate.

2.3.2 Duration of authority

Unless revoked or varied by the Company in general meeting, purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the 2016 AGM, at which the resolution authorising the renewal of the Share Purchase Mandate is approved, up to the earlier of:

(a) the date on which the next Annual General Meeting 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 Purchase Mandate are carried out to the full extent mandated.

When seeking the approval of the Shareholders for the renewal of the Share Purchase Mandate, the Company is required to disclose, amongst other things, details pertaining to purchases or acquisitions of Shares 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.

2.3.3 Manner of Purchases or acquisitions of Shares

Purchases or acquisitions of Shares may be made by way of:

(a) on-market purchase(s) ("**On-Market Purchase**"), transacted on the SGX-ST or on any other stock exchange through the ready market, through one or more duly licensed stock brokers appointed by the Company for the purpose; and/or

(b) off-market purchase(s) ("**Off-Market Purchase**") effected pursuant to an equal access scheme in accordance with Section 76C of the Companies Act.

The Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Listing Manual, the Companies Act, the Constitution of the Company 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 Off-Market Purchase must, however, satisfy all the following conditions:

(i) offers for the purchase or acquisition of issued Shares shall be made to every person who holds Shares to purchase 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, (A) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements; (B) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid (if applicable); and (C) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

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

(1) the terms and conditions of the offer;

(2) the period and procedures for acceptances;

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

(4) the consequences, if any, of the purchases or acquisitions of Shares by the Company that will arise under the Take-over Code or other applicable take-over rules;

(5) whether the purchases or acquisitions of Shares, if made, would have any effect on the listing of the Shares on the SGX-ST;

(6) details of any purchases or acquisitions of Shares made by the Company in the previous 12 months (whether On-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

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

2.3.4 Maximum purchase price

The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors or a committee of Directors that may be constituted for the purposes of effecting purchases or acquisitions of Shares by the Company under the Share Purchase Mandate. 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 an On-Market Purchase, 105% of the Average Closing Price; and

(b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 110% of the Average Closing Price,

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

For the above purposes:

"**Average Closing Price**" means the average of the closing market prices of a Share for the five (5) consecutive Market Days on which the Shares are transacted on the SGX-ST or, as the case may be, such stock exchange on which the Shares are listed and quoted, immediately preceding the date of the On-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 Listing Rules for any corporate action which occurs after the relevant five (5) Market Days; and

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

2.4 Source of Funds

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

Under the Companies Act, the Company may purchase or acquire its Shares out of its profits and/or capital so long as the Company is solvent. The Company intends to use internal sources of funds, or a combination of internal resources and external borrowings to finance its purchase or acquisition of Shares. The Directors will not make any Share Purchase pursuant to the Share Purchase Mandate in circumstances where they believe will result in any material adverse effect to the financial position of the Company or the Group.

2.5 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.

Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares. 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 at that time.

2.6 Treasury Shares

Under the Companies 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 Companies Act are summarised below:

2.6.1 Maximum Holdings

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

In the event that the number of treasury shares held by the Company exceed 10% of the total number of issued Shares, the Company shall dispose of or cancel the excess shares within six (6) months beginning with the day on which that contravention occurs, or such further period as the Registrar may allow.

2.6.2 Voting and Other Rights

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right or 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 will be treated as having no voting rights.

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

2.6.3 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 any share scheme, whether for employees, directors or other persons;

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

(d) cancel the treasury shares; or

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

Under 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, 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 comprised in the usage.

2.7 Financial Effects

It is not possible for the Company to realistically calculate or quantify the impact of purchases or acquisitions of Shares that may be made pursuant to the Share Purchase Mandate on the NTA, EPS and the gearing of the Company and the Group as the resultant effect would depend on, *inter alia*, the aggregate number of Shares purchased or acquired, whether the purchase or acquisition is made out of capital or profits, the purchase prices paid for such Shares, the amount (if any) borrowed by the Company to fund the purchases or acquisitions and whether the Shares purchased or acquired are cancelled or held as treasury shares.

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

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital or profit so long as the Company is solvent. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (including brokerage and commission) 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 Directors do not propose to exercise the Share Purchase Mandate to such an extent that it would have a material adverse effect on the working capital requirements of the Group. The purchase or acquisition of the Shares will only be effected after considering relevant factors such as the working capital requirements, availability of financial resources, the expansion and investment plans of the Group and the prevailing market conditions. The proposed Share Purchase Mandate will be exercised with a view to enhancing EPS and/or the NTA per Share.

2.7.1 Number of Shares Acquired or Purchased

Purely for illustrative purposes on the basis of 1,052,000,000 Shares (excluding treasury shares) in issue as at the Latest Practicable Date and assuming no further Shares are issued and no Shares are purchased or acquired by the Company on or prior to the 2016 AGM, the purchase by the Company of 10% of its issued Shares (excluding treasury shares) will result in the purchase or acquisition of 105,200,000 Shares.

2.7.2 Maximum Price Paid for Shares Acquired or Purchased

In the case of On-Market Purchases by the Company and assuming that the Company purchases or acquires 105,200,000 Shares at the maximum price of S$0.317 for one (1) Share (being the price equivalent to 5% above the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 105,200,000 Shares is S$33,348,400.

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 105,200,000 Shares at the maximum price of S$0.332 for one (1) Share (being the price equivalent to 10% above the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 105,200,000 Shares is S$34,926,400.

2.7.3 Illustrative Financial Effects

For illustrative purposes only and on the basis of the assumptions set out in paragraphs 2.7.1 and 2.7.2 above and assuming that the purchase or acquisition of Shares is financed by internal sources of funds available as at 31 December 2015 and external borrowings, the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate on the audited financial statements of the Group and the Company for the financial year ended 31 December 2015 are set out below and assuming the following:

(a) the purchase or acquisition of 105,200,000[(1)] Shares by the Company pursuant to the Share Purchase Mandate by way of On-Market Purchases made entirely out of capital and cancelled;

(b) the purchase or acquisition of 105,200,000[(1)] Shares by the Company pursuant to the Share Purchase Mandate by way of On-Market Purchases made entirely out of capital, of which 105,200,000[(2)] Shares are held in treasury;

(c) the purchase or acquisition of 105,200,000[(1)] Shares by the Company pursuant to the Share Purchase Mandate by way of Off-Market Purchases made entirely out of capital and cancelled; and

(d) the purchase or acquisition of 105,200,000[(1)] Shares by the Company pursuant to the Share Purchase Mandate by way of Off-Market Purchases made entirely out of capital, of which 105,200,000[(2)] Shares are held in treasury.

Notes:

(1) Being the maximum number of Shares which the Company may acquire pursuant to the Share Purchase Mandate based on the assumption that there is no change to the number of issued shares and the number of treasury shares of the Company from the Latest Practicable Date to the date of the 2016 AGM.

(2) Being the maximum number of Shares which the Company may hold as treasury shares in compliance with Section 76I of the Companies Act based on the assumption that there is no change to the number of issued Shares and the number of treasury shares of the Company from the Latest Practicable Date to the date of the 2016 AGM.

On-Market Purchases

The financial effects set out below are for illustrative purposes only. The illustrations are based on historical numbers for the financial year ended 31 December 2015; however, they are not necessarily representative of future financial performance.

Although the Share Purchase Mandate would authorise the Company to purchase or acquire up to 10% of the issued Shares (excluding treasury shares), the Company may not necessarily purchase or acquire part of or the entire 10% of the issued Shares (excluding treasury shares). In addition, the Company may cancel all or parts of the Shares repurchased or hold all or part of the Shares repurchased in treasury.

Even if the renewal of the Share Purchase Mandate is approved, the Directors would not exercise the Share Purchase Mandate if they believe that such exercise would result in a material adverse effect to the financial position of the Company of the Group.

Scenario 1(A)

On-Market Purchases of 105,200,000 Shares out of capital and cancelled

	Group		Company	
As at 31 December 2015	**Before Share Purchase (S$'000)**	**After Share Purchase (S$'000)**	**Before Share Purchase (S$'000)**	**After Share Purchase (S$'000)**
Share Capital	263,692	237,323	263,692	237,323
Other Reserves	348,251	348,251	–	–
Revenue Reserves	116,587	109,608	380,702	373,723
	728,530	695,182	644,394	611,046
Treasury shares	–	–	–	–
Shareholders' Funds	728,530	695,182	644,394	611,046
NTA*	728,530	695,182	644,394	611,046
NAV*	728,530	695,182	644,394	611,046
Current Assets	36,890	33,555	48	48
Current Liabilities	32,189	32,189	19,229	19,229
Cash and Cash Equivalents	5,002	1,667	38	38
Number of Shares ('000)	1,052,000	946,800	1,052,000	946,800
Treasury shares ('000)	–	–	–	–
Financial Ratios				
Basic EPS (cents)	1.41	1.56	–	–
Diluted EPS (cents)	1.41	1.56	–	–
NTA per Share (cents)	69.25	73.42	61.25	64.54
NAV per Share (cents)	69.25	73.42	61.25	64.54
Current Ratio (times)	1.15	1.04	0.00	0.00

* excluding non-controlling interests

Note:

The figures for the Group and the Company before share purchase are based on the financial statements as at 31 December 2015.

Scenario 1(B)

On-Market Purchases of 105,200,000 Shares out of capital, of which 105,200,000 Shares are held in treasury

	Group		Company	
As at 31 December 2015	**Before Share Purchase (S$'000)**	**After Share Purchase (S$'000)**	**Before Share Purchase (S$'000)**	**After Share Purchase (S$'000)**
Share Capital	263,692	263,692	263,692	263,692
Other Reserves	348,251	348,251	–	–
Revenue Reserves	116,587	116,587	380,702	380,702
	728,530	728,530	644,394	644,394
Treasury shares	–	(33,348)	–	(33,348)
Shareholders' Funds	728,530	695,182	644,394	611,046
NTA*	728,530	695,182	644,394	611,046
NAV*	728,530	695,182	644,394	611,046
Current Assets	36,890	33,555	48	48
Current Liabilities	32,189	32,189	19,229	19,229
Cash and Cash Equivalents	5,002	1,667	38	38
Number of Shares ('000)	1,052,000	946,800	1,052,000	946,800
Treasury shares ('000)	–	105,200	–	105,200
Financial Ratios				
Basic EPS (cents)	1.41	1.56	–	–
Diluted EPS (cents)	1.41	1.56	–	–
NTA per Share (cents)	69.25	73.42	61.25	64.54
NAV per Share (cents)	69.25	73.42	61.25	64.54
Current Ratio (times)	1.15	1.04	0.00	0.00

* excluding non-controlling interests

Note:

The figures for the Group and the Company before share purchase are based on the financial statements as at 31 December 2015.

Off-Market Purchases

The financial effects set out below are for illustrative purposes only. The illustrations are based on historical numbers for the financial year ended 31 December 2015, however, they are not necessarily representative of future financial performance.

Although the Share Purchase Mandate would authorise the Company to purchase or acquire up to 10% of the issued Shares (excluding treasury shares), the Company may not necessarily purchase or acquire part of or the

entire 10% of the issued Shares (excluding treasury shares). In addition, the Company may cancel all or parts of the Shares repurchased or hold all or part of the Shares repurchased in treasury.

Even if the renewal of the Share Purchase Mandate is approved, the Directors would not exercise the Share Purchase Mandate if they believe that such exercise would result in a material adverse effect to the financial position of the Company or the Group.

Scenario 2(A)

Off-Market Purchases of 105,200,000 Shares out of capital and cancelled

	Group		Company	
As at 31 December 2015	**Before Share Purchase (S$'000)**	**After Share Purchase (S$'000)**	**Before Share Purchase (S$'000)**	**After Share Purchase (S$'000)**
Share Capital	263,692	237,323	263,692	237,323
Other Reserves	348,251	348,251	–	–
Revenue Reserves	116,587	108,030	380,702	372,145
	728,530	693,604	644,394	609,468
Treasury shares	–	–	–	–
Shareholders' Funds	728,530	693,604	644,394	609,468
NTA*	728,530	693,604	644,394	609,468
NAV*	728,530	693,604	644,394	609,468
Current Assets	36,890	33,397	48	48
Current Liabilities	32,189	32,189	19,229	19,229
Cash and Cash Equivalents	5,002	1,509	38	38
Number of Shares ('000)	1,052,000	946,800	1,052,000	946,800
Treasury shares ('000)	–	–	–	–
Financial Ratios				
Basic EPS (cents)	1.41	1.56	–	–
Diluted EPS (cents)	1.41	1.56	–	–
NTA per Share (cents)	69.25	73.26	61.25	64.37
NAV per Share (cents)	69.25	73.26	61.25	64.37
Current Ratio (times)	1.15	1.04	0.00	0.00

* excluding non-controlling interests

Note:

The figures for the Group and the Company before share purchase are based on the financial statements as at 31 December 2015.

Scenario 2(B)

Off-Market Purchases of 105,200,000 Shares out of capital, of which 105,200,000 Shares are held in treasury

	Group		Company	
As at 31 December 2015	**Before Share Purchase (S$'000)**	**After Share Purchase (S$'000)**	**Before Share Purchase (S$'000)**	**After Share Purchase (S$'000)**
Share Capital	263,692	263,692	263,692	263,692
Other Reserves	348,251	348,251	–	–
Revenue Reserves	116,587	116,587	380,702	380,702
	728,530	728,530	644,394	644,394
Treasury shares	–	(34,926)	–	(34,926)
Shareholders' Funds	728,530	693,604	644,394	609,468
NTA*	728,530	693,604	644,394	609,468
NAV*	728,530	693,604	644,394	609,468
Current Assets	36,890	33,397	48	48
Current Liabilities	32,189	32,189	19,229	19,229
Cash and Cash Equivalents	5,002	1,509	38	38
Number of Shares ('000)	1,052,000	946,800	1,052,000	946,800
Treasury shares ('000)	–	105,200	–	105,200
Financial Ratios				
Basic EPS (cents)	1.41	1.56	–	–
Diluted EPS (cents)	1.41	1.56	–	–
NTA per Share (cents)	69.25	73.26	61.25	64.37
NAV per Share (cents)	69.25	73.26	61.25	64.37
Current Ratio (times)	1.15	1.04	0.00	0.00

* excluding non-controlling interests

Note:

The figures for the Group and the Company before share purchase are based on the financial statements as at 31 December 2015.

Shareholders who are in doubt as to their respective tax positions or any tax implications arising from the Share Purchase Mandate or who may be subject to tax in a jurisdiction other than Singapore should consult their own professional advisers.

2.8 Listing Status of the Shares

The Listing Manual requires a listed company to ensure that at least 10% of equity securities (excluding treasury shares, preference shares and convertible equity securities) in a class that is listed is at all times held by the public. Approximately 27.64% of the issued Shares were held by public Shareholders as at the Latest Practicable Date. No Shares were held by the Company as treasury shares as at the Latest Practicable Date. If the Company had purchased or acquired Shares from the public up to the full limit pursuant to the proposed Share Purchase Mandate on the Latest Practicable Date, approximately 19.60% of the issued Shares would have been held by public Shareholders as at that date.

The Company will ensure that there is a sufficient number of Shares in issue held by public Shareholders which would permit the Company to undertake purchases or acquisitions of its Shares up to the full limit pursuant to the proposed Share Purchase Mandate without affecting the listing status of the Shares on the SGX-ST, causing market illiquidity or affecting orderly trading.

2.9 Take-over implications under the Singapore Code of Take-overs and Mergers

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.

2.9.1 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 person(s) 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 could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14 of the Take-over Code.

2.9.2 Persons Acting in Concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), 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, *inter alia*, will be presumed to be acting in concert, namely:

(a) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights;

(b) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trusts;

(c) a company with any of its pension funds and employee share schemes;

(d) a person with any investment company, unit trust or other fund in respect of investment account which such person manages on a discretionary basis;

(e) a financial or other professional adviser, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholding of the adviser and any of those funds in the client total 10% or more of the client's equity share capital;

(f) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where they have reason to believe a *bona fide* offer for their company may be imminent;

(g) partners; and

(h) an individual, his close relatives, his related trusts, any person who is accustomed to act according to his instructions, companies controlled by any of the foregoing persons and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons and/or entities for the purchase of voting rights.

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.

2.9.3 Effect of Rule 14 and Appendix 2

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 Rule 14 and Appendix 2 of the Take-over Code.

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 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 (6) months. In calculating the percentages of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

Under Appendix 2 of the Take-over Code, a Shareholder 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, (i) the voting rights of such Shareholder would increase to 30% or more, or (ii) 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 (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the renewal of the Share Purchase Mandate.

The statements herein in relation to the Take-over Code do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Take-over Code. 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 SIC and/or their professional advisers at the earliest opportunity.

2.9.4 As at the Latest Practicable Date, the details of the holdings in Shares by the Directors and Substantial Shareholders of the Company are set out in paragraph 4 below.

2.9.5 Application of the Take-over Code

As at the Latest Practicable Date, Dr. Koh Wee Meng ("**Dr. Koh**") holds 682,700,000 Shares, representing approximately 64.89% of the issued Shares of the Company, and Ms. Lim Wan Looi ("**Ms. Lim**") holds 58,800,000 Shares, representing approximately 5.59% of the issued Shares of the Company. Dr. Koh is the spouse of Ms. Lim and accordingly, each of Dr. Koh and Ms. Lim are deemed interested in the other's shareholdings in the Company, and are deemed to be parties acting in concert pursuant to the Take-over Code in relation to their interests in the Company. Ms. Ko Lee Meng is the sister of Dr. Koh. Ms. Ko Lee Meng holds in aggregate 7,575,760 Shares, representing approximately 0.72% of the issued Shares of the Company. Ms. Ko Lee Meng is presumed to be parties acting in concert with Dr. Koh pursuant to the Take-over Code. Dr. Koh, Ms. Lim and Ms. Ko shall hereinafter be referred to collectively as the "**Relevant Shareholders**".

As at the Latest Practicable Date, the Relevant Shareholders hold in aggregate 749,075,760 Shares, representing approximately 71.20% of the issued Shares of the Company.

As the interest of the Relevant Shareholders in the issued Shares of the Company is above 50%, no obligation to make a general offer to other Shareholders will be incurred by the Relevant Shareholders under the Take-over Code solely by reason of the Share Purchase Mandate.

2.10 Reporting requirements

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 a purchase of Shares by the Company on SGX-ST or otherwise. Such notification shall include details of the date of the purchases, 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 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 Listing Rules specify 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 an On-Market Purchase, on the Market Day following the day on which the On-Market Purchase was made; and

(b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptance of the offer for an 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 fashion the necessary information which will enable the Company to make the notifications to the SGX-ST.

2.11 No Purchases during Price Sensitive Developments

While the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the proposed Share Purchase 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 through On-Market Purchases or Off-Market Purchases during the period of two (2) weeks immediately preceding the announcement of the Company's results for each of the first three (3) quarters of the financial year, and during the period of one (1) month immediately preceding the announcement of the Company's annual results.

2.12 Shares purchased in the previous twelve (12) months

The Company did not make any purchases of its Shares in the twelve (12) months preceding the Latest Practicable Date.

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

3.1 Director's Interests

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

	Number of Shares			
Directors	**Direct Interest**	**Deemed Interest**	**Total Interest**	**% of Issued Shares[(1)]**
Koh Wee Meng[(2)]	682,700,000	58,800,000	741,500,000	70.48
Ko Lee Meng[(3)]	5,466,160	2,109,600	7,575,760	0.72
Khoo Chee Meng Mark	–	–	–	–
Periakaruppan Aravindan	406,880	–	406,800	0.04
Kau Jee Chu	–	–	–	–
Woo Peng Kong	–	–	–	–
Kwan Chee Wai	–	–	–	–

Notes:

(1) The percentage of issued Shares is calculated based on the number of issued Shares as at the Latest Practicable Date, excluding any Shares held in treasury as at that date.

(2) Dr. Koh Wee Meng is the spouse of Ms. Lim Wan Looi and hence deemed to be interested in the shares held by Ms. Lim Wan Looi.

(3) Ms. Ko Lee Meng is deemed to be interested in the shares held by her spouse.

3.2 Substantial Shareholders' interests

The interests of the Substantial Shareholders (other than Directors) in the Shares, as extracted from the Register of Substantial Shareholders, as at the Latest Practicable Date, are set out below:

	Number of Shares			
Substantial Shareholders	**Direct Interest**	**Deemed Interest**	**Total Interest**	**% of Issued Shares[1]**
Lim Wan Looi[2]	58,800,000	682,700,000	741,500,000	70.48

Notes:

(1) The percentage of issued Shares is calculated based on the number of issued Shares as at the Latest Practicable Date, excluding any Shares held in treasury as at that date.

(2) Ms. Lim Wan Looi is the spouse of Dr. Koh Wee Meng, Non-Executive Director and Chairman. Accordingly, Ms. Lim Wan Looi is deemed to be interested in the shares held by Dr. Koh Wee Meng.

4. DIRECTORS' RECOMMENDATIONS

The Directors are of the opinion that the proposed renewal of the Share Purchase Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the Ordinary Resolution relating to the proposed renewal of the Share Purchase Mandate to be proposed at the 2016 AGM.

5. ANNUAL GENERAL MEETING

The 2016 AGM of the Company will be held at 456 Alexandra Road, #04-07, Fragrance Empire Building, Singapore 119962 on 8 April 2016 at 9.00 a.m. for the purpose of considering and, if thought fit, passing with or without modifications the Ordinary Resolution.

6. DIRECTORS' RESPONSIBILITY STATEMENT

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

7. INSPECTION OF DOCUMENTS

Copies of the following documents may be inspected at the registered office of the Company at 456 Alexandra Road, #04-07, Fragrance Empire Building, Singapore 119962 during normal business hours from the date of this Letter up to and including the date of the 2016 AGM:

(i) the Constitution of the Company; and

(ii) the annual report of the Company for the financial year ended 31 December 2015.

Yours faithfully
for and on behalf of
the Board of Directors of
GLOBAL PREMIUM HOTELS LIMITED

Koh Wee Meng
Chairman and Non-Executive Director