

# HOTUNG INVESTMENT HOLDINGS LIMITED

(Incorporated in Bermuda on 5 March 1997)

## APPENDIX TO THE NOTICE OF ANNUAL GENERAL MEETING

*Disclaimer: The Singapore Exchange Securities Trading Limited (the “SGX-ST”) assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Appendix in respect of the proposed renewal of Share Buy-back Mandate and the Proposed Share Consolidation.*

*The approval in-principle granted by the SGX-ST for the listing and quotation of the Consolidated Shares arising from the Proposed Share Consolidation on the main board of the SGX-ST is not to be taken as an indication of the merits of the Proposed Share Consolidation, the Consolidated Shares, the Company, its subsidiaries and their securities.*

### Directors:

Tsui-Hui Huang (Chairman, Managing Director and Executive Director)  
Cheng-Wang Huang (Non-Executive Director)  
Andy C. W. Chen (Non-Executive Director)  
Hann-Ching Wu (Non-Executive Director and Independent Director)  
Kazuyoshi Mizukoshi (Non-Executive Director and Independent Director)  
Chun-Chen Tsou (Non-Executive Director)  
Yang-Fu Kuo (Non-Executive Director)  
Chang-Pang Chang (Non-Executive Director and Independent Director)  
Ng-Chee Tan (Non-Executive Director and Independent Director)  
Boon-Wan Tan (Non-Executive Director and Independent Director)  
Yi-Sing Chan (Non-Executive Director and Independent Director)

### Registered Office:

Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

**To: The Shareholders of Hotung Investment Holdings Limited**

### ADDITIONAL INFORMATION IN RELATION TO:

- (1) THE PROPOSED RENEWAL OF SHARE BUY-BACK MANDATE (RESOLUTION 10); AND
- (2) THE PROPOSED SHARE CONSOLIDATION OF EVERY TEN (10) ORDINARY SHARES OF PAR VALUE NT\$5.00 EACH IN THE ISSUED AND AUTHORISED SHARE CAPITAL OF THE COMPANY (INCLUDING TREASURY SHARES) AS AT A BOOKS CLOSURE DATE TO BE DETERMINED BY THE DIRECTORS, INTO ONE (1) ORDINARY SHARE OF PAR VALUE NT\$50.00, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED (THE “PROPOSED SHARE CONSOLIDATION”) (RESOLUTION 11)

### 1. INTRODUCTION

Hotung Investment Holdings Limited (the “Company”) has issued a notice convening an annual general meeting (the “2015 AGM”) of shareholders of the Company (the “Shareholders”) to be held on 24 April 2015 (the “Notice of AGM”).

The Proposed Resolution 10 of the Notice of AGM relates to the proposed renewal of Share Buy-back Mandate. The Proposed Resolution 11 of the Notice of AGM relates to the Proposed Share Consolidation.

The purpose of this Appendix is to provide Shareholders with the relevant information pertaining to, and seek Shareholders’ approval at the 2015 AGM for, the proposed renewal of Share Buy-back Mandate and the Proposed Share Consolidation.

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

The Company had at its last annual general meeting (the “**AGM**”) obtained the approval of the Shareholders for the general mandate (the “**Share Buy-back Mandate**”) to authorize the directors of the Company (the “**Directors**”) to purchase issued ordinary shares in the capital of the Company (the “**Shares**”). The Share Buy-back Mandate will expire on 24 April 2015, being the date of the 2015 AGM.

The Company has effected purchases of 18,094,700 of its own Shares by way of on-market share buy-backs during the last twelve (12) months immediately preceding and up to the Latest Practicable Date (as defined in section 2.4 below). The highest and lowest prices paid for such share buy-backs are S\$0.164 and S\$0.149, respectively. The total consideration paid by the Company for such share buy-backs is S\$2,848,331.66. The said 18,094,700 Shares purchased by the Company are now held by the Company as treasury shares.

At the 2015 AGM, the Directors propose to seek the approval of the Shareholders for the renewal of the Share Buy-back Mandate to authorize the Directors to purchase Shares (the “**Share Buy-backs**”) by way of on-market purchases (the “**On-Market Purchases**”) and/or off-market purchases in accordance with an equal access scheme (the “**Off-Market Purchases**”) on the terms and conditions set out in the Company’s circular dated 19 December 2008 (approved by the Shareholders on 7 January 2009), the key terms of which have been summarized in paragraph 2.3 of this Appendix, subject to the terms below, the Memorandum of Association and the Amended and Restated Bye-laws of the Company (the “**Bye-laws**”), and the Companies Act 1981 of Bermuda (the “**Companies Act**”).

Upon renewal with the approval of the Shareholders, the Share Buy-back Mandate shall continue in force from the period commencing from the date the proposed renewal of the Share Buy-back Mandate is approved by Shareholders at the 2015 AGM and expiring on the earliest of (i) the conclusion of the next AGM or the date by which it is required to be held; (ii) the date on which the Share Buy-backs are carried out to the full extent mandated; or (iii) the date the said mandate is revoked or varied by the Shareholders in a general meeting (the “**Relevant Period**”).

### 2.1 RATIONALE

Short term speculation may at times cause the market price of the Shares to be depressed below the true value of the Company and its subsidiaries (collectively the “**Group**”).

The proposed Share Buy-back Mandate will provide the Directors with the means to restore investors’ confidence and to protect existing Shareholders’ investments in the Company in a depressed share price situation through judicious Share Buy-backs to enhance the earnings per share and/or the net asset value per share.

The proposed Share Buy-back Mandate will also provide the Company with an expedient and cost-effective mechanism to facilitate the return of surplus cash reserves to the Shareholders, as and when the Directors are of the view that this would be in the best interests of the Company and the 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 Share Buy-back is in the best interests of the Company and the Shareholders.

### 2.2 SOURCES OF FUNDS

Purchases by the Company of its own Shares must be funded out of funds legally permitted for such purpose in accordance with the Bye-laws, and the relevant laws and regulations enacted or prescribed by the relevant competent authorities in Bermuda and Singapore.

Under the Companies Act, the purchase by a company of its own shares may only be funded out of the capital paid up on the shares to be purchased, or out of the funds of the company which would otherwise be available

for dividend or distribution, or out of the proceeds of a fresh issue of shares made for the purpose of the share purchase, and the premium, if any, payable on purchase (i.e. the amount paid in excess of the nominal value of the shares to be purchased) must be provided for out of the funds of the company which would otherwise be available for dividend or distribution, or out of the company's share premium account before the shares are purchased.

Any amount due to a shareholder on a purchase by a company of its own shares may (i) be paid in cash; (ii) be satisfied by the transfer of any part of the undertaking or property of the company having the same value; or (iii) be satisfied partly under (i) and partly under (ii). Any purchase by the company of its own shares may be authorized by its board of directors or otherwise by or in accordance with the provisions of its bye-laws.

No purchase by a company of its own shares may be effected if, on the date on which the share purchase is to be effected, there are reasonable grounds for believing that the company is, or after the purchase would be, unable to pay its liabilities as they become due.

The Directors do not propose to exercise the proposed Share Buy-back Mandate to such extent as would, in the circumstances, have a material adverse effect on the financial condition of the Company, the working capital requirements of the Company or the gearing levels which, in the opinion of the Directors, are from time to time appropriate for the Company.

The Company will make prompt public announcement of any Share Buy-back.

## **2.3 AUTHORITY AND LIMITS ON SHARE BUY-BACK MANDATE**

### **(a) Duration of Authority**

The Share Buy-back Mandate shall continue in force during the Relevant Period.

### **(b) Maximum Number of Shares**

The maximum number of Shares which can be purchased pursuant to the Share Buy-back Mandate is such number of Shares which represents up to a maximum of ten per cent (10%) of the total number of Shares (excluding treasury shares) (ascertained as at the date on which the proposed renewal of Share Buy-back Mandate is approved by the Shareholders, unless the Company has effected the Proposed Share Consolidation at any time during the Relevant Period, in which event the total number of Shares shall be taken to be such number of Shares as at the date on which the proposed renewal of Share Buy-back Mandate is approved by the Shareholders after adjusting for the Proposed Share Consolidation).

As at the Latest Practicable Date, the Company has a total issued share capital comprising 1,004,761,083 Shares (excluding treasury shares).

For illustrative purposes, on the basis of 1,004,761,083 Shares in issue (excluding treasury shares) as at the Latest Practicable Date, and assuming that no further Shares are issued on or prior to the 2015 AGM and the Share Consolidation Effective Date (as defined in section 3.1 below),

- (i) prior to the Proposed Share Consolidation effected during the Relevant Period, not more than 100,476,108 Shares (representing ten per cent (10%) of the Shares in issue (excluding treasury shares) as at the date on which the proposed renewal of the Share Buy-back Mandate is approved by the Shareholders) (rounded to the nearest whole Share) may be purchased or acquired by the Company pursuant to the Share Buy-back Mandate; and
- (ii) subsequent to the Proposed Share Consolidation effected during the Relevant Period, not more than 10,047,610 Shares (representing ten per cent (10%) of the Shares in issue (excluding treasury

shares) as at the date on which the proposed renewal of the Share Buy-back Mandate is approved by the Shareholders after adjusting for the Proposed Share Consolidation) (rounded to the nearest whole Share) may be purchased or acquired by the Company pursuant to the Share Buy-back Mandate.

Further, it is noted that the Company's Memorandum of Association provides that the minimum subscribed share capital of the Company is NT\$350,000. The Company may not purchase any of its own Shares if, as a result of the purchase of the Shares in question, the issued share capital of the Company would be reduced below the said minimum subscribed share capital specified in its Memorandum of Association.

**(c) Maximum Price**

The maximum price (excluding brokerage, commission, applicable goods and services tax and other related expenses) at which the Shares can be purchased pursuant to the proposed Share Buy-back Mandate (the "**Maximum Price**") shall be determined by the Directors, but must not exceed:

- (i) in the case of an On-Market Purchase, the sum constituting five per cent (5%) above the Average Closing Price (or 105% of the Average Closing Price); and
- (ii) in the case of an Off-Market Purchase, the sum constituting thirty per cent (30%) above the Highest Last Dealt Price (or 130% of the Highest Last Dealt Price).

For the above purposes:

"**Average Closing Price**" means the average closing price of the Shares over the period of five (5) days on which the SGX-ST is open for securities trading (the "**Market Days**") in which transactions in the Shares on the SGX-ST were recorded before the day on which such On-Market Purchase is made and deemed to be adjusted for any corporate action which occurs after the relevant five (5) day period;

"**Highest Last Dealt Price**" means the highest price transacted for a Share on the Market Day on which the Shares were transacted on the SGX-ST immediately preceding the date of the making of the offer pursuant to the Off-Market Purchase; 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 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.

**(d) Manner of Share Buy-backs**

Share Buy-backs may be made by way of On-Market Purchases and/or Off-Market Purchases.

**(e) Status of Purchased Shares**

Shares which are purchased by a company under the Share Buy-Back Mandate shall (unless held as treasury shares if authorized to do so by its memorandum of association or bye-laws and to the extent permitted under the Companies Act) be deemed cancelled immediately on purchase, and all rights and privileges attached to such shares will expire on such cancellation.

Where the purchased shares are cancelled and not held as treasury shares, the amount of the company's issued share capital shall be diminished by the nominal value of those shares, but the purchase of such shares shall not be taken as reducing the amount of the company's authorized share capital.

Pursuant to the current Bye-laws and the Companies Act, a Share purchased or acquired by the Company is treated as cancelled 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 which are not held as treasury shares.

**(f) Treasury Shares**

Under the Companies Act, a company may, if authorized by its memorandum of association or bye-laws, purchase its own shares to be held as treasury shares or for cancellation. The shares so purchased may either be cancelled (in which event, the company's issued, but not its authorized, capital will be diminished accordingly) or may be held as treasury shares. Pursuant to the current Bye-laws, the Company may purchase its own Shares on such terms as the Board shall think fit, either for cancellation or to be held as treasury shares in accordance with the Companies Act.

Under the laws of Bermuda, if a company holds shares as treasury shares, the company shall be entered in the register of members as the member holding the shares but the company is not permitted to exercise any rights in respect of those shares (including any right to attend and vote at meetings) and no dividend or other distribution (whether in cash or otherwise) shall be paid or made to the company in respect of such treasury shares. The company may make an allotment of shares as fully paid bonus shares in respect of shares held by it as treasury shares. But any shares allotted by the company as fully paid bonus shares in respect of treasury shares shall be treated for the purposes of the Companies Act as if the said bonus shares had been acquired by the company at the time they were allotted. A subdivision or consolidation of any treasury share into treasury shares of a smaller amount or of a larger amount, as the case may be, is allowed so long as the total value of the treasury shares after subdivision or consolidation is the same as before.

No acquisition by a company of its own shares whether to be held as treasury shares or for cancellation may be effected if, on the date on which the acquisition is to be effected, there are reasonable grounds for believing that the company is, or after the acquisition would be, unable to pay its liabilities as they become due.

A company that acquires its own shares to be held as treasury shares may:

- (i) hold all or any of the shares;
- (ii) dispose of or transfer all or any of the shares for cash or other consideration; or
- (iii) cancel all or any of the shares.

**(g) SGX-ST Listing Manual**

Under Rule 704(28) of the Listing Manual of the SGX-ST (the "**Listing Manual**"), the Company must immediately announce any sale, transfer, cancellation and/or use of treasury shares, stating the following:

- (i) Date of the sale, transfer, cancellation and/or use;
- (ii) Purpose of such sale, transfer, cancellation and/or use;
- (iii) Number of treasury shares sold, transferred, cancelled and/or used;
- (iv) Number of treasury shares before and after such sale, transfer, cancellation and/or use;

- (v) 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
- (vi) Value of the treasury shares if they are used for a sale or transfer, or cancelled.

**(h) Suspension of Purchase**

Share Buy-backs are prohibited after any price sensitive development has occurred or has been the subject of a decision until such time as the price sensitive information has been publicly announced.

In particular, in compliance with Rule 1207(19)(c) of the Listing Manual, the Company may not purchase Shares on the SGX-ST pursuant to the Share Buy-back Mandate during the period commencing one (1) month (or such other period as the SGX-ST may prescribe) before the announcement of the annual financial results or two (2) weeks (or such other period as the SGX-ST may prescribe) before the interim quarterly financial results, as the case may be, and ending on the date of the public release of the relevant results.

## **2.4 FINANCIAL EFFECTS OF THE PROPOSED RENEWAL OF SHARE BUY-BACK MANDATE**

The financial effects on the Company and the Group arising from a Share Buy-back will depend on, *inter alia*, whether the Shares are purchased out of funds otherwise available for dividend or distribution, or out of capital paid up on those Shares, or out of the share premium account of the Company, the aggregate number of Shares purchased, the price at which such Shares are purchased at the relevant time and whether the purchased Shares are held in treasury or cancelled.

The impact of the Share Buy-backs by the Company pursuant to the proposed Share Buy-back Mandate on the Company's and the Group's financial positions is illustrated below.

Based on the existing issued and paid-up ordinary share capital of the Company of 1,004,761,083 Shares (excluding treasury shares) as at 27 March 2015 (the "**Latest Practicable Date**"), the exercise in full of the Share Buy-back Mandate would result in the purchase of 100,476,108 Shares.

For illustrative purposes only, assuming that the Company purchases or acquires the maximum number of 100,476,108 Shares at the Maximum Price applicable to On-Market Purchases or Off-Market Purchases, the maximum amount of funds required is approximately:

- (a) in the case of On-Market Purchases, S\$15,573,797 (approximately NT\$356,639,951 based on an exchange rate of S\$1 : NT\$22.90) on the basis of a Maximum Price of S\$0.155 (approximately NT\$3.55 based on an exchange rate of S\$1 : NT\$22.90) (being the price equivalent to 5% above the Average Closing Price of the Shares traded on the SGX-ST for the 5 consecutive Market Days immediately preceding the Latest Practicable Date); and
- (b) in the case of Off-Market Purchases, S\$19,391,889 (approximately NT\$444,074,258 based on an exchange rate of S\$1 : NT\$22.90 on the basis of a Maximum Price of S\$0.193 (approximately NT\$4.42 based on an exchange rate of S\$1 : NT\$22.90) (being the price equivalent to 30% above the Highest Last Dealt Price of the Shares traded on the SGX-ST on the Market Day immediately preceding the Latest Practicable Date).

For illustrative purposes only, on the basis of the following assumptions that:

- (a) the proposed Share Buy-back Mandate is exercised in full;
- (b) the maximum amount of funds required for On-Market Purchases is S\$15,573,797 and for Off-Market Purchases is S\$19,391,889;

- (c) the Share Buy-Backs had taken place on 1 January 2014;
- (d) in respect of On-Market Purchases, loss of interest income amounting to approximately NT\$4,832,000 (at 1.355% per annum) and savings on tax expense of approximately NT\$1,305,000 as a result of the lower interest income; and
- (e) in respect of Off-Market Purchases, loss of interest income amounting to approximately NT\$6,017,000 (at 1.355% per annum) and savings on tax expense of approximately NT\$1,625,000 as a result of the lower interest income,

the impact of the proposed Share Buy-back Mandate on the Group's and the Company's audited financial statements for the financial period ended 31 December 2014 is as illustrated below:

### On-Market Purchases

	← ----- GROUP ----- →			← ----- COMPANY ----- →		
	Before Share Buy-backs	After Share Buy-backs		Before Share Buy-backs	After Share Buy-backs	
		Purchased Shares Cancelled	Purchased Shares held as Treasury Shares		Purchased Shares Cancelled	Purchased Shares held as Treasury Shares
<b>As at 31 December 2014</b>						
Shareholders' equity (NT\$'000)	7,138,948	6,778,781	6,778,781	5,629,867	5,269,700	5,269,700
Net tangible assets (NTA) (NT\$'000) <sup>(1)</sup>	7,138,948	6,778,781	6,778,781	5,629,867	5,269,700	5,269,700
Current Assets (NT\$'000)	1,216,555	855,083	855,083	95,361	–	–
Current Liabilities (NT\$'000)	109,746	108,441	108,441	18,006	282,812	282,812
Working Capital (NT\$'000)	1,106,809	746,642	746,642	77,355	(282,812) <sup>(4)</sup>	(282,812) <sup>(4)</sup>
Total Liabilities (NT\$'000)	159,275	157,970	157,970	18,006	282,812	282,812
Number of Shares	1,004,761,083	904,284,975	1,004,761,083	1,004,761,083	904,284,975	1,004,761,083

### Financial Ratios

NTA Per Share (NT\$)	7.11	7.50	7.50	5.60	5.83	5.83
Gearing (%) <sup>(2)</sup>	2.23	2.33	2.33	0.32	5.37	5.37
Current ratio (%) <sup>(3)</sup>	1,108.52	788.52	788.52	529.61	–	–

### **Notes:**

- (1) Net tangible assets equal Shareholders' equity less intangible assets.
- (2) Gearing equals total liabilities divided by Shareholders' equity.
- (3) Current ratio equals current assets divided by current liabilities.
- (4) This is on the assumption that the proposed Share Buy-back Mandate is exercised in full. The Directors do not propose to exercise the proposed Share Buy-back Mandate to such extent as would result in the Company being in a negative working capital position.

As at 31 December 2014, the Group had cash balances of approximately S\$44,597,246. In order to effect On-Market Purchases of up to 100,476,108 Shares at the Maximum Price computed in the above illustration, cash reserves of S\$15,573,797 will be required.

As illustrated above, the Share Buy-backs will have the effect of reducing the working capital and NTA of the Group and the Company by the dollar value of the Shares purchased, further compounded by the loss of interest income (net of tax).

Assuming that the On-Market Purchases had all taken place on 1 January 2014:

- (a) the consolidated NTA per Share of the Group as at 31 December 2014 will increase from S\$0.297 to S\$0.313 ; and
- (b) the consolidated basic EPS of the Group for the financial period ending 31 December 2014 would increase from S\$0.0109 per Share to S\$0.0120 per Share.

#### Off-Market Purchases

	←-----GROUP-----→			←-----COMPANY-----→		
	Before Share Buy-backs	After Share Buy-backs		Before Share Buy-backs	After Share Buy-backs	
		Purchased Shares Cancelled	Purchased Shares held as Treasury Shares		Purchased Shares Cancelled	Purchased Shares held as Treasury Shares
<b>As at 31 December 2014</b>						
Shareholders' equity (NT\$'000)	7,138,948	6,690,482	6,690,482	5,629,867	5,181,401	5,181,401
Net tangible assets (NTA) (NT\$'000) <sup>(1)</sup>	7,138,948	6,690,482	6,690,482	5,629,867	5,181,401	5,181,401
Current Assets (NT\$'000)	1,216,555	766,464	766,464	95,361	–	–
Current Liabilities (NT\$'000)	109,746	108,121	108,121	18,006	371,111	371,111
Working Capital (NT\$'000)	1,106,809	658,343	658,343	77,355	(371,111) <sup>(4)</sup>	(371,111) <sup>(4)</sup>
Total Liabilities (NT\$'000)	159,275	157,650	157,650	18,006	371,111	371,111
Number of Shares	1,004,761,083	904,284,975	1,004,761,083	1,004,761,083	904,284,975	1,004,761,083
<b>Financial Ratios</b>						
NTA Per Share (NT\$)	7.11	7.40	7.40	5.60	5.73	5.73
Gearing (%) <sup>(2)</sup>	2.23	2.36	2.36	0.32	7.16	7.16
Current ratio (%) <sup>(3)</sup>	1,108.52	708.89	708.89	529.61	–	–

#### **Notes:**

- (1) Net tangible assets equal Shareholders' equity less intangible assets.
- (2) Gearing equals total liabilities divided by Shareholders' equity.
- (3) Current ratio equals current assets divided by current liabilities.
- (4) This is on the assumption that the proposed Share Buy-back Mandate is exercised in full. The Directors do not propose to exercise the proposed Share Buy-back Mandate to such extent as would result in the Company being in a negative working capital position.

As at 31 December 2014, the Group had cash balances of approximately S\$44,597,246. In order to effect Off-Market Purchases of up to 100,476,108 Shares at the Maximum Price computed in the above illustration, cash reserves of S\$19,391,889 will be required.



As illustrated above, the Share Buy-backs will have the effect of reducing the working capital and NTA of the Group and the Company by the dollar value of the Shares purchased, further compounded by the loss of interest income (net of tax).

Assuming that the Off-Market Purchases had all taken place on 1 January 2014:

- (a) the consolidated NTA per Share of the Group as at 31 December 2014 will increase from S\$0.297 to S\$0.309; and
- (b) the consolidated basic EPS of the Group for the financial period ending 31 December 2014 would increase from S\$0.0109 per Share to S\$0.0119 per Share.

As illustrated above, as both On-Market Purchases and Off-Market Purchases will reduce the cash reserves of the Group and the Company, there will be a corresponding reduction in the current assets and the shareholders' equity of the Group and the Company. The gearing ratios of the Group and the Company will thus be increased and the current ratios of the Group and the Company will decline. The actual impact of the gearing and current ratios will depend on the number of Shares purchased and the prices at which the Shares were purchased.

When undertaking any Share Buy-back, the Directors will ensure that (i) the Company and the Group will at all times have adequate working capital to meet its operational requirements, (ii) any Share Buy-back will be financed by the Company's funds legally available for such purpose and (iii) the Company will neither obtain nor incur any borrowings to finance any Share Buy-back.

***Shareholders should note that the financial effects illustrated above are for illustration purposes only. In particular, it is important to note that the above analysis is based on the audited accounts of the Company and the Group as at 31 December 2014, and is not representative of the future financial performance of the Company or the Group. Although the proposed renewal of Share Buy-back Mandate would authorize the Company to purchase such number of Shares representing up to ten per cent (10%) of the total number of Shares (excluding treasury shares), the Company may not purchase or be able to purchase such number of Shares representing up to ten per cent (10%) of the Company's total number of Shares (excluding treasury shares) in full.***

## **2.5 OBLIGATION TO EXTEND TAKE-OVER OFFER**

Following legislative amendments to the Securities and Futures Act (Chapter 289) of Singapore (the "**SFA**") with effect from 15 October 2005, the Company is subject to Sections 139 and 140 of the SFA and the Singapore Code on Take-overs and Mergers (the "**Take-over Code**") notwithstanding that the Company is incorporated in Bermuda.

In general terms, Rule 14 and Appendix 2 of the Take-over Code requires, *inter alia*, except with the consent of the Securities Industry Council (the "**Council**"), where

- (a) any person acquires whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry thirty per cent (30%) or more of the voting rights of a company; or
- (b) any person who, together with persons acting in concert with him, holds not less than 30% but not more than fifty per cent (50%) of the voting rights and such person, or any person acting in concert with him, acquires in any period of six (6) months additional shares carrying more than one per cent (1%) of the voting rights,

such person must extend offers immediately, on the basis set out in Rule 14 of the Take-over Code, to the holders of any class of share capital of the company which carries votes and in which such person, or persons acting in concert with him, hold shares. In addition to such person, each of the principal members of the group of persons acting in concert with him may, according to the circumstances of the case, have the obligation to extend an offer.

As at the Latest Practicable Date, the respective interests of the Company's Substantial Shareholders (as defined in the Companies Act, Chapter 50, of Singapore) in the Shares are as set out below:

	Direct Interest	%	Deemed Interest	%
Tai Lung Capital Inc. <sup>(1)</sup>	174,151,008	17.33	18,944,774	1.89
Mega International Commercial Bank Co., Ltd.	60,252,554	5.99	–	–
Daiwa Corporate Investment Co., Ltd. <sup>(2)</sup>	–	–	52,755,136	5.25
Tsui-Hui Huang <sup>(3)</sup>	–	–	206,493,635	20.55
Cheng-Wang Huang <sup>(4)</sup>	–	–	193,095,782	19.22

**Notes:**

- (1) Tai Lung Capital Inc. has a deemed interest in 18,944,774 Shares held by Chung Lung Investment Co., Ltd.
- (2) Daiwa Corporate Investment Co., Ltd. has a deemed interest in 52,755,136 Shares held by Daiwa Capital Markets Singapore Ltd.
- (3) Tsui-Hui Huang has deemed interests in the following: (a) 174,151,008 Shares held by Tai Lung Capital Inc., (b) 18,944,774 Shares held by Chung Lung Investments Co., Ltd., and (c) 13,397,853 Shares held by Alps International Co., Ltd.
- (4) Cheng-Wang Huang has deemed interests in the following: (a) 174,151,008 Shares held by Tai Lung Capital Inc., and (b) 18,944,774 Shares held by Chung Lung Investments Co., Ltd.

In the event the Company undertakes Share Buy-backs within the Relevant Period of the maximum of ten per cent (10%) of the total number of Shares (excluding treasury shares) as permitted by the Share Buy-back Mandate, it is not expected that the shareholdings and/or voting rights of any of the Shareholders will be increased to thirty per cent (30%) or more, thereby triggering a requirement for any member to make a general offer to the other Shareholders under Rule 14 of the Take-over Code.

Accordingly, none of the Substantial Shareholders of the Company has sought approval from the Council to exempt them from the requirement to make a general offer to the other Shareholders under Rule 14 of the Take-over Code.

**Shareholders who are in doubt as to whether they would incur any obligations to make a take-over offer as a result of any Share Buy-backs pursuant to the Share Buy-back Mandate are advised to consult their professional advisers and/or the Council and/or the relevant authorities at the earliest opportunity before they acquire any Shares during the period when the Share Buy-back Mandate is in force.**

## 2.6 LISTING STATUS OF THE COMPANY'S SECURITIES

The Company is required under Rule 723 of the Listing Manual to ensure that at least ten per cent (10%) of its Shares are in the hands of the public. The "public", as defined in the Listing Manual, are persons other than the directors, chief executive officer, substantial shareholders, or controlling shareholders of the Company and its subsidiaries, as well as the associates (as defined in the Listing Manual) of such persons.

As at the Latest Practicable Date, there are 624,728,142 Shares in the hands of the public (as defined above), representing approximately 62.18% of the issued share capital of the Company (excluding treasury shares). The maximum number of Shares that may be purchased pursuant to the Share Buy-back Mandate is 100,476,108 Shares (representing 10% of the total number of Shares (excluding treasury shares) as at the Latest Practicable Date). Assuming that the Company makes Share Buy-backs up to the full 10% limit pursuant to the Share

Buy-back Mandate from the public, the number of Shares in the hands of the public would be reduced to 524,252,034 Shares, representing approximately 57.97% of the issued share capital of the Company (excluding treasury shares) after such Share Buy-backs.

In undertaking any Share Buy-backs, the Directors will use their best efforts to ensure that a sufficient number of Shares remain in public hands so that Share Buy-back(s) up to the full ten per cent (10%) limit pursuant to the Share Buy-back Mandate will not:

- (a) adversely affect the listing status of the Shares on the SGX-ST;
- (b) cause market illiquidity; or
- (c) adversely affect the orderly trading of Shares.

## 2.7 LIMITS ON SHAREHOLDING

The Company does not have any limits on the shareholdings of the Shareholders.

## 2.8 REPORTING REQUIREMENTS

Under Rule 886 of the Listing Manual, the Company shall notify the SGX-ST in respect of any Share Buy-backs from time to time, not later than 9.00 a.m. (a) in the case of an On-Market Purchase, on the Market Day following the day of purchase or acquisition 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 should be made in compliance with Appendix 8.3.1 of the Listing Manual which requires the inclusion of details, such as the total number of shares purchased, the purchase price per share or the highest and lowest prices paid for such shares, as applicable.

The Company shall make arrangements with its stockbrokers to ensure that they provide to the Company in a timely fashion the necessary information which will enable the Company to make the aforesaid notification to the SGX-ST.

## 3. THE PROPOSED SHARE CONSOLIDATION

On 17 February 2015, the Company announced that it is proposing to seek Shareholders' approval to undertake a share consolidation of every ten (10) Shares of par value NT\$5.00 each in the issued and authorised capital of the Company (including treasury shares) as at a books closure date to be determined by the Directors (the "**Books Closure Date**") into one (1) Share of par value NT\$50.00 (the "**Consolidated Share**"), fractional entitlements to be disregarded.

### 3.1 BASIS FOR THE PROPOSED SHARE CONSOLIDATION

Under the Proposed Share Consolidation, every ten (10) Shares of par value NT\$5.00 each in the issued and authorised capital of the Company (including treasury shares) as at the Books Closure Date will be consolidated into one (1) Consolidated Share of par value NT\$50.00. The said Proposed Share Consolidation is to take effect on the market day immediately following the Books Closure Date (the "**Share Consolidation Effective Date**"), being the date on which the Register of Members of the Company and the depository register (the "**Depository Register**") (being such register maintained by the Central Depository (Pte) Limited (the "**CDP**") in respect of book-entry securities) will be updated to reflect the number of Consolidated Shares held by each Shareholder or depositor (the "**Depositor**") (being such person who has an account directly with CDP) respectively based on the number of existing Shares held by them as at the Books Closure Date. Each Consolidated Share will rank *pari passu* in all respects with each other. The Consolidated Shares will be traded in board lots of 100 Consolidated Shares.

As at the Latest Practicable Date, the Company has an issued and paid-up share capital of NT\$5,233,033,915 comprising 1,004,761,083 Shares (excluding 41,845,700 treasury shares) of par value NT\$5.00 each. Following the implementation of the Proposed Share Consolidation, the Company will have an issued and paid-up share capital of NT\$5,233,033,915 comprising 100,476,108 Consolidated Shares (subject to rounding) (excluding 4,184,570 treasury shares on a post-consolidated basis).

**Shareholders should note that the number of Consolidated Shares which Shareholders will be entitled to, based on their holdings of existing Shares as at the Books Closure Date, will be rounded down to the nearest whole Consolidated Share and any fractions of a Consolidated Share arising from the Proposed Share Consolidation shall be disregarded. Fractions of a Consolidated Share arising from the Proposed Share Consolidation will be aggregated or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the best interests of the Company. Affected Shareholders will not be paid for any fractions of a Consolidated Share which are disregarded.**

The Proposed Share Consolidation will have no impact on the issued and paid-up share capital of the Company. The Proposed Share Consolidation will not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company, and has no effect on the shareholders' funds of the Company and its subsidiaries. Shareholders will not be required to make any payment to the Company in respect of the Proposed Share Consolidation. The Proposed Share Consolidation will not cause any changes to the percentage shareholding of each Shareholder, other than non-material changes due to rounding. For illustrative purposes, based on the closing market price of the Shares on the Latest Practicable Date on which the Shares were traded on the SGX-ST of S\$0.148, upon completion of the Proposed Share Consolidation, the theoretical share price of each Consolidated Share is S\$1.48.

### 3.2 RATIONALE FOR THE PROPOSED SHARE CONSOLIDATION

The Board believes that the Proposed Share Consolidation will generally be beneficial to the Company and its Shareholders in view of the recent introduction of a minimum trading price as a continuing listing requirement.

In September 2014, the SGX-ST released a regulatory announcement informing the market that the Monetary Authority of Singapore and the SGX-ST intend to introduce a minimum trading price of S\$0.20 for mainboard-listed stocks as a continuing listing requirement (the "**MTP Requirement**").

The MTP Requirement was introduced in March 2015. A transition period of 12 months from the date of introduction of the MTP Requirement will be provided to allow affected issuers to undertake corporate actions to meet the MTP Requirement. Issuers who are unable to record a 6-month volume-weighted average price of S\$0.20 or above at each of the quarterly watch-list review dates, which will first commence in March 2016, will be placed on the watch-list.

Accordingly, the Company proposes to undertake the Proposed Share Consolidation in order to comply with the MTP Requirement and prevent the Company from being placed on the watch-list.

**However, Shareholders should note that there is no assurance that the Proposed Share Consolidation will achieve the desired results, nor is there assurance that such results (if achieved) can be sustained in the longer term.**

### 3.3 APPROVAL AND CONDITIONS

The Proposed Share Consolidation is subject to, *inter alia*,

- (a) the approval of Shareholders by way of an ordinary resolution at the 2015 AGM; and
- (b) the approval in-principle from the SGX-ST for the listing of and quotation for the Consolidated Shares arising from the Proposed Share Consolidation.

On 27 February 2015, the Company obtained the approval in-principle from the SGX-ST for the listing of and quotation for the Consolidated Shares on the mainboard of the SGX-ST, subject to, *inter alia*, (i) Shareholders' approval being obtained at the 2015 AGM; and (ii) compliance with the SGX-ST's listing requirements. Approval in-principle granted by the SGX-ST for the listing of and quotation for up to 104,660,678 Consolidated Shares (including 4,184,570 treasury shares on a post-consolidated basis) on the main board of the SGX-ST is not to be taken as an indication of the merits of the Proposed Share Consolidation, the Consolidated Shares, the Company, its subsidiaries and their securities.

Subject to the approval of the Proposed Share Consolidation by Shareholders at the 2015 AGM, an announcement will be made by the Company in due course to notify Shareholders of the Books Closure Date as determined by the Board and the date on which the Consolidated Shares will trade on the Mainboard in board lots of 100 Consolidated Shares (the "**Effective Trading Date**").

### 3.4 UPDATING OF REGISTER OF SHAREHOLDERS AND DEPOSITORY REGISTER FOR THE CONSOLIDATED SHARES

If Shareholders at the 2015 AGM approve the Proposed Share Consolidation, Shareholders' entitlements to the Consolidated Shares will be determined on the Books Closure Date. The Register of Members and the Depository Register will be updated to reflect the number of Consolidated Shares held by Shareholders, and the Consolidated Shares will begin trading in board lots of 100 Consolidated Shares on the Effective Trading Date.

(a) *Deposit of Share Certificates with CDP*

Shareholders who hold physical share certificates for the existing Shares in their own names (the "**Old Share Certificates**") and who wish to deposit the same with CDP and have their Consolidated Shares credited to their securities accounts maintained with CDP (the "**Securities Accounts**") must deposit their Old Share Certificates, together with duly executed instruments of transfer in favour of CDP, no later than twelve (12) Market Days prior to the Books Closure Date.

After the Books Closure Date, CDP will only accept the deposit of share certificates for Consolidated Shares (the "**New Share Certificates**"). Shareholders who wish to deposit their share certificates with CDP after the Books Closure Date must first deliver their Old Share Certificates to the Share Transfer Agent, M&C Services Private Limited at 112 Robinson Road, #05-01, Singapore 068902 for cancellation and issuance of New Share Certificates in replacement thereof as described below.

(b) *Issue of New Share Certificates*

Shareholders who have deposited their Old Share Certificates with CDP at least twelve (12) Market Days prior to the Books Closure Date need not take any action. The Company will make arrangements with CDP to effect the exchange for New Share Certificates pursuant to the Proposed Share Consolidation.

**Shareholders who have not deposited their Old Share Certificates as aforesaid or who do not wish to deposit their Old Share Certificates with CDP are advised to forward all their Old Share Certificates to the Share Transfer Agent, M&C Services Private Limited at 112 Robinson Road, #05-01, Singapore 068902, as soon as possible after they have been notified of the Books Closure Date, for cancellation and exchange for New Share Certificates. No receipt will be issued by the Share Transfer Agent upon receipt of any Old Share Certificates. The New Share Certificates will be sent by ordinary mail to the registered addresses of Shareholders at their own risk within ten (10) Market Days from the Books Closure Date or the date of receipt of the Old Share Certificates, whichever is later.**

Shareholders should note that New Share Certificates will not be issued to Shareholders unless their Old Share Certificates have already been tendered to the Share Transfer Agent for cancellation.

Shareholders should notify the Share Transfer Agent if they have lost any of their existing Old Share Certificates or if there is any change in their respective addresses from that reflected in the Register of Members of the Company.

Shareholders shall deliver their respective Old Share Certificates to the Share Transfer Agent or CDP in accordance with the provisions set out above, only after the Company's announcement of the Books Closure Date.

(c) *Share Certificates Not Valid for Settlement of Trades on Mainboard*

Shareholders who hold physical share certificates are reminded that their Old Share Certificates are no longer valid for settlement of trading in the Shares (and the Consolidated Shares) on the SGX-ST (as the Company is under a book-entry (scripless) settlement system) but will continue to be accepted for cancellation and issue of New Share Certificates in replacement thereof for an indefinite period by the Share Transfer Agent. The New Share Certificates will not be valid for delivery for trades done on the SGX-ST, though they will continue to be *prima facie* evidence of legal title.

### **3.5 TRADING ARRANGEMENTS FOR THE CONSOLIDATED SHARES AND ODD LOTS**

(a) *Trading Arrangements for the Consolidated Shares*

Subject to the approval of the Proposed Share Consolidation by Shareholders at the 2015 AGM, with effect from 9.00 a.m. on the Effective Trading Date, trading in the Consolidated Shares will be in board lots of 100 Consolidated Shares. Accordingly, ten (10) existing Shares as at 5.00 p.m. on the Market Day immediately preceding the Effective Trading Date will represent one (1) Consolidated Share with effect from 9.00 a.m. on the Effective Trading Date. Trading in the existing Shares will cease after 5.00 p.m. on the Market Day immediately preceding the Effective Trading Date.

(b) *Trading Arrangements for Odd Lots*

Fractions of a Consolidated Share arising from the Proposed Share Consolidation will be aggregated or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the best interests of the Company.

The existing Shares are currently traded in board lots of 100 Shares in the ready market. Following the completion of the Proposed Share Consolidation, the Securities Accounts maintained with CDP of Depositors holding existing Shares may be credited with odd lots of the Consolidated Shares (that is, lots other than board lots of 100 Consolidated Shares).

Shareholders and Depositors who receive odd lots of Consolidated Shares pursuant to the Proposed Share Consolidation and who wish to trade in odd lots on the SGX-ST should note that the odd lots can be traded in the Unit Share market with a minimum size of one (1) Consolidated Share on the SGX-ST.

### **3.6 FINANCIAL EFFECTS OF THE PROPOSED SHARE CONSOLIDATION**

For illustration purposes only and on the basis of the following assumptions, the financial effects of the Proposed Share Consolidation on the Group and/or the Company are set out below:

- (a) the pro forma financial effects have been computed based on the Group's and the Company's audited financial statements for the financial period ended 31 December 2014;

- (b) the pro forma financial effects of the Proposed Share Consolidation on the share capital, net tangible asset (the “**NTA**”) per Share, earnings per Share (the “**EPS**”) and gearing of the Group and/or the Company are prepared purely for illustration only and do not reflect the actual future financial situation of the Group and/or the Company immediately after the completion of the Proposed Share Consolidation; and
- (c) the number of Shares for the financial effects relating to the NTA per share, EPS and the share capital of the Group and/or the Company are based on 1,012,422,783 shares (excluding treasury shares) as at 31 December 2014,

### 3.6.1 Share Capital

As at 31 December 2014	Before the Proposed Share Consolidation	After the Proposed Share Consolidation
Issued and paid up capital (NT\$) <sup>(1)</sup>	5,233,033,915	5,233,033,915
Number of Shares	1,046,606,783 (including 34,184,000 treasury shares)	104,660,678 (including 3,418,400 treasury shares)

**Note:**

- (1) Exchange rate of S\$1 : NT\$22.90 as at 27 March 2015, being the Latest Practicable Date.

### 3.6.2 NTA

As at 31 December 2014	Before the Proposed Share Consolidation	After the Proposed Share Consolidation
NTA (NT\$000) <sup>(1)</sup>	7,138,948	7,138,948
Number of Shares	1,012,422,783 (excluding 34,184,000 treasury shares)	101,242,278 (excluding 3,418,400 treasury shares)
NTA per Share (NT\$) <sup>(1)</sup>	7.05	70.5

**Note:**

- (1) Exchange rate of S\$1 : NT\$22.90 as at 27 March 2015, being the Latest Practicable Date.

### 3.6.3 Consolidated EPS

As at 31 December 2014	Before the Proposed Share Consolidation	After the Proposed Share Consolidation
Earnings attributable to Shareholders (NT\$000) <sup>(1)</sup>	262,136	262,136
Weighted average number of shares for EPS	1,015,529,260	101,552,926
EPS (NT\$) <sup>(1)</sup>	0.26	2.6

**Note:**

- (1) Exchange rate of S\$1 : NT\$22.90 as at 27 March 2015, being the Latest Practicable Date.

### 3.6.4 Gearing

The Proposed Share Consolidation will not affect the gearing of the Company and the Group.

### 3.7 EFFECT OF THE PROPOSED SHARE CONSOLIDATION ON THE VOLUME WEIGHTED AVERAGE SHARE PRICE

For illustration purposes only, based on the 6-month volume weighted average share price (the “**VWAP**”) of the Company of S\$0.1508 for the period from 1 September 2014 to 28 February 2015, the theoretical 6-month VWAP as adjusted for the Proposed Share Consolidation is S\$1.508.

### 3.8 NOTICE OF BOOKS CLOSURE DATE

The Books Closure Date for the purpose of determining Shareholders’ entitlements pursuant to the Proposed Share Consolidation will be as at a time and date to be determined by the Directors, and will be announced by the Company at a later date in due course.

## 4. DISCLOSURE OF INTERESTS

The interests of the Directors and Substantial Shareholders, as recorded in the Register of Directors and Register of Members, respectively, as at the Latest Practicable Date, are as follows:

	Direct Interest		Deemed Interest		Total Interest	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
<b>Directors</b>						
Tsui-Hui Huang	–	–	206,493,635	20.55	206,493,635	20.55
Cheng-Wang Huang	–	–	193,095,782	19.22	193,095,782	19.22
Andy C. W. Chen	–	–	–	–	–	–
Hann-Ching Wu	–	–	–	–	–	–
Kazuyoshi Mizukoshi	–	–	–	–	–	–
Chun-Chen Tsou	–	–	21,718,699	2.16	21,718,699	2.16
Yang-Fu Kuo	12,652,047	1.26	26,160,870	2.60	38,812,917	3.86
Chang-Pang Chang	–	–	–	–	–	–
Ng-Chee Tan	–	–	–	–	–	–
Boon-Wan Tan	–	–	–	–	–	–
Yi-Sing Chan	–	–	–	–	–	–
<b>Substantial Shareholders</b>						
Tai Lung Capital Inc. <sup>(1)</sup>	174,151,008	17.33	18,944,774	1.89	193,095,782	19.22
Mega International Commercial Bank Co., Ltd.	60,252,554	5.99	–	–	60,252,554	5.99
Daiwa Corporate Investment Co., Ltd. <sup>(2)</sup>	–	–	52,755,136	5.25	52,755,136	5.25
Tsui-Hui Huang <sup>(3)</sup>	–	–	206,493,635	20.55	206,493,635	20.55
Cheng-Wang Huang <sup>(4)</sup>	–	–	193,095,782	19.22	193,095,782	19.22

#### Notes:

- (1) Tai Lung Capital Inc. has a deemed interest in 18,944,774 Shares held by Chung Lung Investment Co., Ltd.
- (2) Daiwa Corporate Investment Co., Ltd. has a deemed interest in 52,755,136 Shares held by Daiwa Capital Markets Singapore Ltd.



- (3) Tsui-Hui Huang has deemed interests in the following: (a) 174,151,008 Shares held by Tai Lung Capital Inc., (b) 18,944,774 Shares held by Chung Lung Investments Co., Ltd., and (c) 13,397,853 Shares held by Alps International Co., Ltd.
- (4) Cheng-Wang Huang has deemed interests in the following: (a) 174,151,008 Shares held by Tai Lung Capital Inc., and (b) 18,944,774 Shares held by Chung Lung Investments Co., Ltd.

None of the Directors or Substantial Shareholders have notified the Company that they have a present intention to sell any Shares to the Company, or have undertaken not to do so, in the event that the Share Buy-back Mandate is approved by the Shareholders and exercised.

Save for their respective shareholding interests in the Company, none of the Directors and Substantial Shareholders have any interest, direct or indirect, in the Proposed Share Consolidation.

## **5. ANNUAL GENERAL MEETING**

The 2015 AGM, notice of which has been, or will be, despatched to Shareholders on the same date as the date of this Appendix, will be held on 24 April 2015 at 10:00 a.m. at The Chevrons, Hibiscus Room, Level 1, 48 Boon Lay Way, Singapore 609961 for the purpose of considering and, if thought fit, passing, with or without modification, the ordinary resolutions relating to the proposed renewal of Share Buy-back Mandate and the Proposed Share Consolidation.

## **6. ACTION TO BE TAKEN BY SHAREHOLDERS**

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 will find attached to the Notice of AGM a proxy form which they are requested to complete, sign and return in accordance with the instructions printed thereon as soon as possible and, in any event, so as to arrive at the office of the Company's Singapore Share Transfer Agent, M&C Services Private Limited, at 112 Robinson Road #05-01, Singapore 068902, not later than 48 hours before the time fixed for holding the 2015 AGM.

The appointment of a proxy by a Shareholder does not preclude him from attending and voting in person at the 2015 AGM if he so wishes. A Depositor shall not be regarded as a member of the Company entitled to attend the 2015 AGM and to speak and vote thereat. A Depositor will only be able to attend and vote at the 2015 AGM as CDP's proxy if his name appears on the Depository Register 48 hours before the 2015 AGM.

## **7. BOARD'S RECOMMENDATION**

Having considered the rationale and terms of the proposed renewal of Share Buy-back Mandate, the Board is of the opinion that the proposed renewal of Share Buy-back Mandate is in the best interests of the Company and accordingly, recommends that Shareholders vote in favour of Ordinary Resolution No. 10 relating to the renewal of Share Buy-back Mandate to be proposed at the 2015 AGM.

Having considered the rationale and terms of the Proposed Share Consolidation, the Board is of the opinion that the Proposed Share Consolidation is in the best interests of the Company and accordingly, recommends that Shareholders vote in favour of Ordinary Resolution No. 11 relating to the Proposed Share Consolidation to be proposed at the 2015 AGM.

## **8. DIRECTORS' RESPONSIBILITY STATEMENT**

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

## **9. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents may be inspected at the office of the Company's Singapore Share Transfer Agent, M&C Services Private Limited, at 112 Robinson Road #05-01, Singapore 068902 during normal business hours from the date of this Appendix up to and including the date of the 2015 AGM:

- (i) the Memorandum of Association and the Bye-laws; and
- (ii) the annual report of the Company for FY2014.

Yours faithfully

Tsui-Hui Huang  
Chairman and Managing Director  
Hotung Investment Holdings Limited

9 April 2015

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