
LETTER TO SHAREHOLDERS

TIH LIMITED

(Company Registration No. 199400941K)
(Incorporated in Singapore)

Directors:

Kin Chan (*Chairman and Deemed Executive Director*)¹
Wang Ya Lun Allen (*Deemed Executive Director*)²
Liong Tong Kap (*Independent Director*)
Vince Feng (*Independent Director*)
Thanathip Vidhayasirinun (*Independent Director*)
Alex Shiu Leung Au (*Non-Executive Director*)
Sin Boon Ann (*Lead Independent Director*)
Abram Melkyzedeck Suhardiman (*Alternate to Alex Shiu Leung Au*)
Li Yick Yee Angie (*Alternate to Kin Chan*)

Registered Office:

137 Telok Ayer Street,
#03-07, Singapore 068602

4 April 2023

To: The Shareholders of TIH Limited (the “**Company**”)

Dear Sir/Madam

THE PROPOSED RENEWAL OF THE MANDATE FOR INTERESTED PERSON TRANSACTIONS**1. INTRODUCTION**

- 1.1 **Background.** We refer to (a) the notice of the 29th Annual General Meeting (“**AGM**”) of the Company dated 4 April 2023 (the “**Notice**”), accompanying the annual report for the financial year ended 31 December 2022, convening the 29th AGM of the Company to be held on 20 April 2023, and (b) Resolution 10 under the heading “Special Business” set out in the Notice.
- 1.2 **Advice to Shareholders.** Shareholders of the Company (“**Shareholders**”) who are in any doubt as to the course of action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.
- 1.3 **SGX-ST.** 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 letter (“**Letter**”).

2. THE PROPOSED RENEWAL OF THE MANDATE FOR INTERESTED PERSON TRANSACTIONS

- 2.1 **IPT Mandate.** At the extraordinary general meeting of the Company held on 11 September 2018, approval of the Shareholders was obtained for the adoption of a mandate (the “**IPT Mandate**”) to enable the Company, its subsidiaries and associated companies which are considered to be “entities at risk”, in their ordinary course of businesses (the “**EAR Group**”) under Chapter 9 of the listing manual of the SGX-ST (the “**Listing Manual**”), or any of them, to enter into the categories of transactions which will be covered by the IPT Mandate (the “**Mandated IPTs**”) with Argyle Street Management Holdings Limited (“**ASMHL**”) and its associates as defined in the Listing Manual (together, the “**Mandated Interested Persons**” and each a “**Mandated Interested Person**”),

1 Mr Kin Chan had been a Non-Executive Director of the Company since his appointment to the Company’s board on 1 October 2004. On 1 July 2016, TIH Investment Management Pte. Ltd. (“**TIHIM**”), being the investment manager and a wholly owned subsidiary of the Company, obtained its Capital Markets Services licence from The Monetary Authority of Singapore. Due to Mr Kin Chan’s role as a member of the Board Investment Committee of the Company (“**BIC**”), Mr Chan is now a licenced representative of TIHIM. Following his appointment as a licenced representative of TIHIM on 26 August 2016, Mr Chan is deemed as an Executive Director of the Company. However, other than being a BIC member, Mr Chan does not have any executive role in the day to day operations of TIHIM.

2 Mr Allen Wang is deemed as an Executive Director of the Company as he is a representative of TIHIM on the Company’s board and does not receive any director’s fees or allowance from the Company. Mr Wang is paid an employee’s salary from TIHIM.

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provided that such transactions are made in accordance with the review procedures put in place for the respective categories of Mandated IPTs (the “**Review Procedures**”). The Review Procedures are designed to ensure that the Mandated IPTs are entered into on normal commercial terms and are not prejudicial to the Company and its minority Shareholders.

2.2 **Proposed Renewal of the IPT Mandate.** The IPT Mandate was last renewed at the 28th AGM of the Company held on 21 April 2022 (“**2022 AGM**”). The renewed IPT Mandate was expressed to take effect until the conclusion of the next AGM of the Company, being the 29th AGM which is scheduled to be held on 20 April 2023. Accordingly, the directors of the Company (“**Directors**”) propose that the IPT Mandate be renewed at the 29th AGM, to take effect until the 30th AGM of the Company.

2.3 **Particulars of the IPT Mandate.** The nature of the interested person transactions and the classes of interested persons in respect of which the IPT Mandate is sought to be renewed remains unchanged. As at 15 March 2023, being the latest practicable date prior to the printing of this Letter (the “**Latest Practicable Date**”), the Mandated Interested Persons are regarded as “interested persons” of the Company for the purposes of Chapter 9 of the Listing Manual.

Particulars of the IPT Mandate, including the rationale for the IPT Mandate, the benefits to be derived by the Company, as well as the Review Procedures and the Mandated Interested Persons (including the persons who shall abstain from participating in the review and approval process of the Mandated IPTs by the audit committee of the Company (“**Audit Committee**”)), and other general information relating to Chapter 9 of the Listing Manual, are set out in the Appendix to this Letter.

2.4 **Audit Committee Confirmation.** The Audit Committee, comprising Mr Liong Tong Kap, Mr Thanathip Vidhayasirinun and Mr Alex Shiu Leung Au, as at the Latest Practicable Date, confirms that:

- (a) the methods or procedures for determining the transaction prices under the IPT Mandate have not changed since the 2022 AGM; and
- (b) the methods or procedures referred to in sub-paragraph (a) above are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

2.5 **Rationale.** The IPT Mandate and its subsequent renewal on an annual basis would eliminate the need to convene separate general meetings from time to time to seek Shareholders’ approval as and when potential Mandated IPTs arise, thereby reducing substantially administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the EAR Group.

Further, the IPT Mandate and its subsequent renewal on an annual basis would allow the EAR Group to adhere to its confidentiality obligations under various transactional agreements, which form part of recurring transactions that are likely to occur with some degree of frequency and arise at any time and from time to time. In particular, it would not be practicable, in view of the confidential and market-sensitive information relating to these transactional agreements, to convene general meetings to seek Shareholders’ approval for such agreements.

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3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

3.1 **Directors' Interests.** The interests of the Directors in the ordinary shares in the capital of the Company ("**Shares**") as recorded in the Register of Directors' Shareholdings of the Company as at the Latest Practicable Date are set out below:

	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	% ¹	No. of Shares	% ¹	No. of Shares	% ¹
Directors						
Kin Chan ²	–	–	56,460,089	23.36	56,460,089	23.36
Li Yick Yee Angie ^{2&3}	–	–	56,460,089	23.36	56,460,089	23.36
Wang Ya Lun Allen	1,329,900	0.55	–	–	1,329,900	0.55
Liong Tong Kap	–	–	–	–	–	–
Vince Feng	–	–	–	–	–	–
Thanathip Vidhayasirinun	–	–	–	–	–	–
Alex Shiu Leung Au	–	–	–	–	–	–
Sin Boon Ann	–	–	–	–	–	–
Abram Melkyzedeck Suhardiman	–	–	–	–	–	–

Notes:

- (1) As at the Latest Practicable Date, the issued and paid-up share capital of the Company was S\$56,650,307.76 comprising 241,685,638 Shares.
- (2) Mr Kin Chan and Ms Angie Li are deemed interested through bodies corporate which: (i) they have controlling interests in; or (ii) are accustomed to act in accordance with their directions.
- (3) Ms Li Yick Yee Angie has been appointed as alternate director to Mr Kin Chan on 22 April 2021.

3.2 **Substantial Shareholders' Interests.** The interests of the substantial Shareholders (other than Directors) in the Shares as recorded in the Register of Substantial Shareholders of the Company as at the Latest Practicable Date are set out below:

	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	% ¹	No. of Shares	% ¹	No. of Shares	% ¹
Substantial Shareholders (other than Directors)						
Kaiser Union Limited ²	–	–	96,473,203	39.92	96,473,203	39.92
Tamsett Holdings Limited ³	–	–	96,473,203	39.92	96,473,203	39.92
Rickon Holdings Limited ⁴	–	–	96,473,203	39.92	96,473,203	39.92
Lippo China Resources Limited ⁵	–	–	96,473,203	39.92	96,473,203	39.92
Skyscraper Realty Limited ⁶	–	–	96,473,203	39.92	96,473,203	39.92
Lippo Limited ⁷	–	–	96,473,203	39.92	96,473,203	39.92
Lippo Capital Limited ⁸	–	–	96,473,203	39.92	96,473,203	39.92
Lippo Capital Holdings Company Limited ⁹	–	–	96,473,203	39.92	96,473,203	39.92
Lippo Capital Group Limited ¹⁰	–	–	96,473,203	39.92	96,473,203	39.92
Dr Stephen Riady ¹¹	–	–	96,473,203	39.92	96,473,203	39.92
PT Trijaya Utama Mandiri ¹²	–	–	96,473,203	39.92	96,473,203	39.92
James Tjahaja Riady ¹³	–	–	96,473,203	39.92	96,473,203	39.92

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	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	% ¹	No. of Shares	% ¹	No. of Shares	% ¹
Alexandra Road Limited ¹⁴	56,460,089	23.36	–	–	56,460,089	23.36
Argyle Street Management Limited ¹⁵	–	–	56,460,089	23.36	56,460,089	23.36
ASMHL ¹⁶	–	–	56,460,089	23.36	56,460,089	23.36
V-Nee Yeh ¹⁷	–	–	56,460,089	23.36	56,460,089	23.36
Transpac Investments Limited	24,576,126	10.17	–	–	24,576,126	10.17
Clege & Co Limited ¹⁸	–	–	24,576,126	10.17	24,576,126	10.17
Leong Ho Gong Cliff ¹⁹	–	–	24,576,126	10.17	24,576,126	10.17

Notes:

- (1) As at the Latest Practicable Date, the issued and paid-up share capital of the Company was S\$56,650,307.76 comprising 241,685,638 Shares.
- (2) Kaiser Union Limited (“KUL”) holds 96,473,203 Shares registered in the name of its custodian, Citibank Nominees Singapore Private Limited.
- (3) Tamsett Holdings Limited (“THL”) is the direct holding company of KUL.
- (4) Rickon Holdings Limited (“RHL”) is the direct holding company of THL and an indirect holding company of KUL.
- (5) Lippo China Resources Limited (“LCR”) is the direct holding company of RHL and an indirect holding company of KUL.
- (6) Skyscraper Realty Limited (“SRL”) is the direct holding company of LCR and an indirect holding company of KUL.
- (7) Lippo Limited (“Lippo”) is the direct holding company of SRL and an indirect holding company of KUL.
- (8) Lippo Capital Limited (“Lippo Capital”) is the direct holding company of Lippo and an indirect holding company of KUL.
- (9) Lippo Capital Holdings Company Limited (“LCHCL”) is the direct holding company of Lippo Capital and an indirect holding company of KUL.
- (10) Lippo Capital Group Limited (“LCGL”) is the direct holding company of LCHCL and an indirect holding company of KUL.
- (11) Dr Stephen Riady holds all the shares in LCGL which is an indirect holding company of KUL.
- (12) PT Trijaya Utama Mandiri holds not less than 20% of the shares in Lippo Capital which is an indirect holding company of KUL.
- (13) Mr James Tjahaja Riady holds, through PT Trijaya Utama Mandiri, not less than 20% of the shares in Lippo Capital which is an indirect holding company of KUL.
- (14) Alexandra Road Limited (“ARL”) holds 54,518,323 Shares in the name of its nominee, CGS-CIMB Securities (Singapore) Pte. Ltd. and 1,941,766 Shares in the name of its nominee, Phillip Securities Pte Ltd.
- (15) Argyle Street Management Limited is deemed interested in all the Shares held by ARL as it has the ability to exercise or control the exercise of rights attached to all the Shares held by ARL.
- (16) ASMHL is deemed interested in all the Shares owned by ARL as it is the holding company of Argyle Street Management Limited.
- (17) Mr V-Nee Yeh is deemed a substantial Shareholder through bodies corporate which: (i) he has controlling interests in; or (ii) which are accustomed to act in accordance with his directions.
- (18) Clege & Co Limited (“C&C”) is deemed interested in the 24,576,126 Shares held by Transpac Investments Limited (“TIL”) as it owns 100% of TIL.
- (19) Mr Leong Ho Gong Cliff is deemed interested in the 24,576,126 Shares held by TIL as he owns 100% of C&C and C&C in turn owns 100% of TIL.

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4. INDEPENDENT DIRECTORS' RECOMMENDATION

- 4.1 **Independent Directors' Recommendation.** The Directors who are considered independent for the purposes of the proposed renewal of the IPT Mandate are, as at the Latest Practicable Date, Mr Wang Ya Lun Allen, Mr Liong Tong Kap, Mr Vince Feng, Mr Thanathip Vidhayasirinun, Mr Sin Boon Ann, and Mr Alex Shiu Leung Au (collectively the "**Independent Directors**").

The Independent Directors are of the opinion that the entry by the EAR Group (as described in paragraph 2.2 of the Appendix to this Letter) into the Mandated IPTs (as described in paragraph 4 of the Appendix to this Letter) with the Mandated Interested Persons (as described in paragraph 3 of the Appendix to this Letter) in the ordinary course of business will enhance the efficiency of the Company and its subsidiaries and is in the interests of the Company. Accordingly, the Independent Directors recommend that Shareholders vote in favour of Resolution 10, being the Ordinary Resolution relating to the renewal of the IPT Mandate to be proposed at the 29th AGM ("**IPT Resolution**").

- 4.2 **Abstention from Recommendation and Voting.** Mr Kin Chan (being a director and shareholder of ASMHL) and Ms Angie Li (being an alternate director to Mr Kin Chan and shareholder of ASMHL) are not considered independent in relation to the proposed renewal of the IPT Mandate. Accordingly, each of Mr Kin Chan and Ms Angie Li:

- (a) has abstained from making any recommendation to Shareholders in relation to the IPT Resolution;
- (b) will abstain from voting his/her respective holdings of Shares (if any) on the IPT Resolution, and has undertaken to ensure that his/her respective associates will abstain from voting their respective holdings of Shares (if any) on the IPT Resolution; and
- (c) will also decline to accept appointment to act as proxy, corporate representative or attorney in respect of the IPT Resolution, unless the Shareholder concerned shall have given specific instructions in his Proxy Form as to the manner in which his votes are to be cast in respect of the IPT Resolution.

- 4.3 **Advice to Shareholders.** In making the above recommendations, the Independent Directors have not had regard to the specific investment objectives, financial situation, tax position and/or unique needs and constraints of any individual Shareholder. As different Shareholders would have different investment objectives, the Independent Directors recommend that any individual Shareholder who may require specific advice in relation to the IPT Mandate should consult his stockbroker, bank manager, solicitor, accountant or other professional advisers.

5. ABSTENTION FROM VOTING

Under Rule 919 of the Listing Manual, where a meeting is held to obtain shareholders' approval, the interested person and any associate of the interested person must not vote on the resolutions, nor accept appointments as proxies unless specific instructions as to voting are given.

As at the Latest Practicable Date, ASMHL, being a Mandated Interested Person, and being deemed interested in the 56,460,089 Shares, which comprises approximately 23.36% Shares in the Company, will abstain and undertake to ensure that its associates shall abstain from voting their Shares (if any) at the AGM in respect of the IPT Resolution.

Furthermore, ASMHL and its associates shall not accept nominations to act as proxy, corporate representative or attorney in respect of the IPT Resolution unless specific instructions as to voting have been given by the Shareholder concerned.

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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 IPT Mandate, and the Company and its subsidiaries which are relevant to the proposed renewal of the IPT Mandate, and the Directors are not aware of any facts the omission of which would make any statement in this Letter misleading.

Where information 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 are available for inspection at the registered office of the Company at 137 Telok Ayer Street, #03-07, Singapore 068602 during normal business hours from the date of this Letter up to the date of the 29th AGM:

- (a) the Constitution of the Company;
- (b) the letter to Shareholders dated 4 April 2023; and
- (c) the annual report of the Company for the financial year ended 31 December 2022.

Yours faithfully
For and on behalf of the Board of Directors of
TIH LIMITED

Wang Ya Lun Allen
Director

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THE IPT MANDATE

1. Chapter 9 of the Listing Manual

- 1.1 Chapter 9 of the listing manual (the “**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) governs transactions between a listed company, as well as transactions by its subsidiaries and associated companies that are considered to be “at risk”, with the listed company’s interested persons.
- 1.2 Except for certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested person and hence are excluded from the ambit of Chapter 9, when this Chapter applies to a transaction with an interested person and the value of the transaction alone or in aggregation with other transactions conducted with the same interested person during the financial year reaches or exceeds certain materiality thresholds (which are based on the listed company’s latest audited consolidated net tangible assets (“**NTA**”), the listed company is required to make an immediate announcement, or to make an immediate announcement and seek its shareholders’ approval for the transaction. In particular, shareholders’ approval is required for an interested person transaction of a value equal to, or exceeding:
- (a) 5% of the listed company’s latest audited consolidated NTA; or
 - (b) 5% of the listed company’s latest audited consolidated NTA, when aggregated with the values of all other transactions entered into with the same interested person (as such term is construed under Chapter 9 of the Listing Manual) during the same financial year.
- 1.3 Based on the latest audited consolidated financial statements of TIH Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) for the financial year ended 31 December 2022, the consolidated NTA of the Group was S\$128,011,000. In relation to the Company, for the purposes of complying with Chapter 9, in the current financial year and until such time as the consolidated audited financial statements of the Group for the financial year ending 31 December 2023 are published, 5% of the latest audited consolidated NTA of the Group would be S\$6,400,550.
- 1.4 Chapter 9 permits a listed company, however, to seek a general mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials (but not in respect of the purchase or sale of assets, undertakings or businesses) that may be carried out with the listed company’s interested persons.
- 1.5 Under the Listing Manual:
- (a) an “**approved exchange**” means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9;
 - (b) (in the case of a company) an “**associate**” in relation to an interested person who is a director, chief executive officer or controlling shareholder, includes an immediate family member (that is, the spouse, child, adopted child, step-child, sibling or parent) of such director, chief executive officer or controlling shareholder, the trustees of any trust of which the director/his immediate family, the chief executive officer/his immediate family or controlling shareholder/his immediate family is a beneficiary, or in the case of a discretionary trust, is a discretionary object, and any company in which the director/his immediate family, the chief executive officer/his immediate family or controlling shareholder/his immediate family has an aggregate interest (directly or indirectly) of 30% or more, and, where a controlling shareholder is a corporation, its subsidiary or holding company or fellow subsidiary or a company in which it and/or they have (directly or indirectly) an interest of 30% or more;

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- (c) an “**associated company**” means a company in which at least 20% but not more than 50% of its shares are held by the listed company or group;
- (d) “**control**” means the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company;
- (e) a “**controlling shareholder**” means a person who: (i) holds directly or indirectly 15% or more of the total number of issued shares in the company excluding treasury shares and subsidiary holdings in the company (the SGX-ST may determine that such person is not a controlling shareholder); or (ii) in fact exercises control over a company;
- (f) an “**entity at risk**” means:
 - (i) the listed company;
 - (ii) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or
 - (iii) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed company and/or its subsidiaries (the “**listed group**”), or the listed group and its interested person(s), has control over the associated company;
- (g) (in the case of a company) an “**interested person**” means a director, chief executive officer or controlling shareholder of the listed company or an associate of such director, chief executive officer or controlling shareholder; and
- (h) an “**interested person transaction**” means a transaction between an entity at risk and an interested person.

2. Rationale for and Benefits of the IPT Mandate

- 2.1 It is anticipated that the EAR Group (as defined in paragraph 2.2 below) would, in the ordinary course of its business, enter into certain transactions with its Mandated Interested Persons (as defined in paragraph 3.1 below). It is likely that such transactions will occur with some degree of frequency and could arise at any time.
- 2.2 Owing to the time-sensitive nature of commercial transactions, the directors of the Company (the “**Directors**”) are seeking approval from the shareholders of the Company (the “**Shareholders**”) for the renewal of the mandate for interested person transactions pursuant to Chapter 9 of the Listing Manual (the “**IPT Mandate**”) to enable:
 - (a) the Company;
 - (b) subsidiaries of the Company (excluding subsidiaries listed on the SGX-ST or an approved exchange); and
 - (c) associated companies of the Company (excluding associated companies listed on the SGX-ST or an approved exchange) over which the Company, or the Company and its interested person(s) has or have control,

(together, the “**EAR Group**”), or any of them, in the normal course of their business, to enter into the categories of Mandated IPTs (as defined in paragraph 4.1 below) with the Mandated Interested Persons, provided that such transactions are made on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders. The IPT Mandate will provide greater clarity and transparency on the Mandated IPTs entered into by the EAR Group with the Mandated Interested Persons.

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- 2.3 The IPT Mandate will not cover any transaction by a member of the EAR Group with a Mandated Interested Person that is below S\$100,000 in value for so long as the threshold and aggregation requirements of Chapter 9 do not apply to such transactions. For the avoidance of doubt, the IPT Mandate shall cover any transaction by a member of the EAR Group with a Mandated Interested Person that is below S\$100,000 in value in the event the S\$100,000 threshold in Chapter 9 ceases to apply.
- 2.4 The IPT Mandate will take effect from the date of the passing of the Resolution 10, being the Ordinary Resolution relating to the renewal of the IPT Mandate to be proposed at the 29th annual general meeting (“**AGM**”) of the Company, and will (unless revoked or varied in general meeting) continue in force until the conclusion of the next AGM of the Company. Thereafter, approval from Shareholders for a renewal of the IPT Mandate will be sought at each subsequent AGM or extraordinary general meeting (as the case may be) of the Company, subject to the satisfactory review by the audit committee of the Company (“**Audit Committee**”) of its continued application to the Mandated IPTs and that the Review Procedures (as elaborated in paragraph 5 below) continue to be sufficient to ensure that the Mandated IPTs will be carried out on normal commercial terms and will not be prejudicial to the Company and its minority Shareholders.
- 2.5 The Company is a private equity fund with a principal business of making investments and divestments in a broad variety of sectors, including but not limited to, consumer and industrial products, healthcare and technology. In addition, the Company actively manages its investee companies to create value.
- 2.6 Argyle Street Management Holdings Limited (“**ASMHL**”) is the holding company of Argyle Street Management Limited (“**ASML**”), a Hong Kong based Securities and Futures Commission licensed fund manager, focused on pan-Asian special situations investments, with approximately US\$2.18 billion assets under management as at 31 January 2023. ASMHL is a controlling shareholder of the Company, holding approximately 23.36% of shares in the Company. As a controlling shareholder of the Company, ASMHL seeks to maximise profit for the Company so that it may reap the rewards as a controlling shareholder.
- 2.7 Founded in 2002, ASML has an established track record of investments and a wide base of strategic relationships. As TIH Investment Management Pte. Ltd. (“**TIHIM**”, being a wholly owned subsidiary of the Company) holds a Capital Markets Services licence for fund management, TIHIM leverages off its close relationship with ASML to better position itself to source investors and investments. This close relationship is also formalised in a strategic sourcing agreement with ASML, as disclosed in the Company’s annual report.
- 2.8 Given the complementary capabilities and resources (such as sourcing networks and structuring and execution expertise) of the Company and its subsidiaries and associates, and the Mandated Interested Persons, the IPT Mandate and its subsequent renewal on an annual basis would also allow the EAR Group to secure a competitive advantage by capitalising on the aforementioned capabilities and resources.
- 2.9 The IPT Mandate and its subsequent renewal on an annual basis would eliminate the need to convene separate general meetings from time to time to seek Shareholders’ approval as and when potential Mandated IPTs arise, thereby reducing substantially administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the EAR Group.
- 2.10 Further, the IPT Mandate and its subsequent renewal on an annual basis would allow the EAR Group to adhere to its confidentiality obligations under various transactional agreements, which form part of recurring transactions that are likely to occur with some degree of frequency and arise at any time and from time to time. In particular, it would not be practicable, in view of the confidential and market-sensitive information relating to these transactional agreements, to convene general meetings to seek Shareholders’ approval for such agreements.

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3. Classes of Mandated Interested Persons

- 3.1 The IPT Mandate will apply to the EAR Group's transactions with ASMHL and its associates as defined in the Listing Manual (together, the "**Mandated Interested Persons**" and each a "**Mandated Interested Person**").
- 3.2 Transactions with Mandated Interested Persons which do not fall within the ambit of the IPT Mandate shall be subject to the relevant provisions of Chapter 9.

4. Mandated IPTs

- 4.1 The categories of transactions which will be covered by the IPT Mandate are as follows:

- (a) acquisition or disposition by (the "**Category 1 Mandated IPTs**"):
- (i) any member of the EAR Group of any interest in a general partner of an investment fund which is deemed as an associate of a Mandated Interested Person; or
 - (ii) a Mandated Interested Person of any interest in a general partner of an investment fund which is a member of the EAR Group,
- (each of the general partner in (i) and (ii) above referred to as "**General Partner**");
- (b) provision of investment advisory services or investment management services by any member of the EAR Group (including but not limited to TIHIM) to a General Partner, such General Partner being an entity in which the Mandated Interested Person has an interest (the "**Category 2A Mandated IPTs**");
- (c) receipt of investment management services or investment advisory services from any of the Mandated Interested Persons by a General Partner, such General Partner being an entity in which the EAR Group has an interest (the "**Category 2B Mandated IPTs**");
- (d) entry into of any agreements to govern its relationship *vis-à-vis* a General Partner, including but not limited to shareholders' or joint venture agreements, between any member of the EAR Group and a Mandated Interested Person(s) in connection with any investment fund, such fund being a fund in which any Mandated Interested Person or the EAR Group has an interest (the "**Category 3 Mandated IPTs**");
- (e) direct or indirect investment by any member of the EAR Group in any investment fund, such fund being a fund in which any Mandated Interested Person has an interest (the "**Category 4A Mandated IPTs**");
- (f) direct or indirect investment by any Mandated Interested Person in any investment fund, such fund being one in which the EAR Group has an interest (the "**Category 4B Mandated IPTs**"); and
- (g) receipt of fees from or payment of fees to any Mandated Interested Person in connection with the sourcing, by any member of the EAR Group and any Mandated Interested Person collectively, of third party investors, as standalone investors or joint investors, for investments made by any of the funds managed by any Mandated Interested Person and/or members of the EAR Group (the "**Category 5 Mandated IPTs**"),

(each a "**Mandated IPT**" and collectively, the "**Mandated IPTs**").

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- 4.2 Each of the Mandated IPTs relate to transactions which occur in the normal course of business, or which are necessary for the day-to-day operations, of the EAR Group in the context of investment funds activities (being the primary business of the Company). Further elaboration on each of the Mandated IPTs are as follows:
- (a) **Category 1 Mandated IPTs:** in general, investments funds are set up as a limited partnership. The general partner of a limited partnership typically has management control, actual authority and at times acts as an agent of the limited partnership in contact with third parties in the ordinary course of the partnership's investments. In the context of investment funds being first incorporated by a Mandated Interested Person or a member of the EAR Group, for the purpose of joint management control over the investment fund, it is anticipated that the EAR Group and one of the Mandated Interested Persons will jointly hold interests in the General Partner;
 - (b) **Category 2A Mandated IPTs and Category 2B Mandated IPTs:**
 - (i) the provision of investment advisory services by any member of the EAR Group or any of the Mandated Interested Persons to a General Partner within the ambit of paragraph 4.1(b) or 4.1(c) above, as the case may be, will ordinarily be governed by an investment advisory agreement (the "**Investment Advisory Agreement**"). The Investment Advisory Agreement, which is separately negotiated in respect of each investment fund, will set out the range of fees, term of service provided and scope of investment advisory services which typically include but are not limited to, *inter alia*, (i) sourcing, identifying and evaluating potential investment opportunities, (ii) assisting with investment due diligence, negotiation and execution, and (iii) keeping such books and records of actions undertaken by the investment advisor as may be necessary; and
 - (ii) the provision of investment management services by any member of the EAR Group or any of the Mandated Interested Persons to a General Partner within the ambit of paragraph 4.1(b) or 4.1(c) above, as the case may be, will ordinarily be governed by an investment management agreement (the "**Investment Management Agreement**"). The Investment Management Agreement, which is separately negotiated in respect of each investment fund, will set out the range of fees, term of service provided and scope of investment management services provided by the investment manager, which typically include but are not limited to, *inter alia*, (i) managing the fund's operations and performing duties and functions attributed to the General Partner, (ii) entering into agreements, instruments, deeds or transactions for the acquisition or disposal of investments on behalf of the fund, and (iii) managing the fund's investment portfolio to achieve investment objectives;
 - (c) **Category 3 Mandated IPTs:** in connection with the transactions covered in Category 1 Mandated IPTs, it is anticipated that any member of the EAR Group and a Mandated Interested Person(s) may enter into agreements to govern its relationship *vis-à-vis* a General Partner. These agreements include, but are not limited to, shareholders' or joint venture agreements and will set out rights (such as voting rights, entitlements to dividends and liquidation preferences) of the relevant member of the EAR Group and Mandated Interested Person(s) in its respective capacity as a shareholder or joint venture partner of the General Partner. These agreements are essential in the context of a typical funds structure where the General Partner has management control over the fund. Accordingly, as each shareholder or joint venture partner of the General Partner has control over the General Partner and are entitled to profit (if any) derived from the General Partner, it is necessary for the relevant member of the EAR Group and Mandated Interested Person(s) to enter into such agreements in respect of each fund. Given that the relevant members of the EAR Group operate primarily as a fund manager, the setting up of funds occurs on a frequent basis and the entry into of such agreements would occur on a recurring basis to regulate their respective rights in the relevant General Partner;

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- (d) **Category 4A Mandated IPTs:** as certain entities within the Mandated Interested Person(s) also manage or operate existing investment portfolios or may do so in the future (“**IP Funds**”), where any member of the EAR Group chooses to invest in such IP Funds, it may invest only in the capacity of a passive investor (including but not limited to an acquisition of interest by way of limited partnership interest). It is an industry norm for affiliated entities of a fund to commit capital to the fund to show third party investors that the investment manager and investment advisor are invested in the fund. Hence, it is necessary for members of the EAR Group to have the ability to invest in the capacity of a passive investor in IP Funds as and when new IP Funds are set up;
- (e) **Category 4B Mandated IPTs:** as certain entities within the EAR Group also manage or operate investment portfolios or may do so in the future (“**EAR Funds**”), where any member of the Mandated Interested Person(s) chooses to invest in such EAR Funds, it may invest only in the capacity of a passive investor (including but not limited to an acquisition of interest by way of limited partnership interest). It is an industry norm for affiliated entities of a fund to commit capital to the fund to show third party investors that the investment manager and investment advisor are invested in the fund. Hence, it is necessary for EAR Funds to have the ability to obtain investments from any member of the Mandated Interested Person(s) in the capacity of a passive investor in EAR Funds as and when new EAR Funds are set up; and
- (f) **Category 5 Mandated IPTs:** as part of the ordinary course of business of certain funds managed by the Mandated Interested Persons and/or members of the EAR Group, the funds may enter into co-investment arrangements with third parties in respect of other ventures or the provision of debt financing. In line with industry norm for similarly sized fund managers, it is anticipated that members of the EAR Group and the Mandated Interested Persons may collectively introduce these third parties to any of the funds managed by the Mandated Interested Person(s) and/or members of the EAR Group in exchange for certain introduction fees and performance fees as these third parties are not subject to the fees charged by the investment manager and/or investment advisor to the fund, such fees to be split between such member of the EAR Group and Mandated Interested Person in proportion to the remuneration provided to or by the relevant member of the EAR Group in Category 2A Mandated IPTs, Category 2B Mandated IPTs and Category 3 Mandated IPTs.

4.3 By way of example, an illustration of the Mandated IPTs, save for Category 5 Mandated IPTs which operate separately, in the context of a typical investment fund structure is set out in the Annex to this Appendix.

5. Review Procedures

5.1 Ordinary Procedures

The Company has established procedures to ensure that the Mandated IPTs are undertaken on an arm's length basis and on normal commercial terms, consistent with the EAR Group's usual business practices and policies, and are no more favourable to the relevant Mandated Interested Person or the relevant member of the EAR Group (as the case may be), having regard to all relevant factors. In particular, the following Review Procedures have been put in place for the respective categories of Mandated IPTs:

(a) Category 1 Mandated IPTs

- (i) In relation to the acquisition or disposition of any interest by any member of the EAR Group in a General Partner, the relevant member of the EAR Group shall evaluate the potential acquisition or disposition according to a set of pre-determined criteria, including but not limited to:

- (A) the amount of the investment or divestment (as the case may be) and the basis for which such investment or divestment amount is calculated; and

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- (B) the rationale behind and/or the benefits to the relevant member of the EAR Group of entering into the acquisition/disposition, including but not limited to the proportionate returns which may accrue to the EAR Group.
 - (ii) Pursuant to the evaluation carried out in accordance with paragraph 5.1(a)(i) above, the relevant member of the EAR Group will only enter into such transaction if the terms of the transaction are no more favourable to the Mandated Interested Persons than the usual commercial terms extended to at least two independent third parties.
 - (iii) With regard to paragraph 5.1(a)(ii) above, where the relevant member of the EAR Group is, for any reason whatsoever, not able to meaningfully evaluate the terms of the potential Mandated IPT against the usual commercial terms extended to independent third parties, the following review procedures shall apply:
 - (A) individual potential Mandated IPTs which are valued below the lower of 5% of the EAR Group's latest consolidated audited NTA or US\$3,000,000 must be reviewed and approved by a majority of the members of the Manager Investment Committee of the Company ("MIC")³ who are not interested in the transaction prior to the entry into of such potential Mandated IPTs; and
 - (B) individual potential Mandated IPTs which are valued at or above the lower of 5% of the EAR Group's latest consolidated audited NTA or US\$3,000,000 must be reviewed and approved unanimously by all members of the Audit Committee who are not interested in the transaction prior to the entry into of such potential Mandated IPTs to ensure that the credit and investment risks related to such Mandated IPTs are not prejudicial to the interests of the Company and its minority shareholders.
- (b) Category 2A Mandated IPTs
- (i) In relation to the entry into by any member of the EAR Group of any Investment Advisory Agreement or Investment Management Agreement with a General Partner, the relevant member of the EAR Group shall evaluate the potential Investment Advisory Agreement or Investment Management Agreement according to certain predetermined criteria, including but not limited to:
 - (A) an acceptable percentage range, which shall always be at least or better than a same-risk same-reward basis, for the fees to be received on an annual basis by the relevant member of the EAR Group as an investment advisor or investment manager;
 - (B) whether or not the fees to be received by the relevant member of the EAR Group are proportionate to the shareholding of any member of the EAR Group in the General Partner, which at the minimum, shall be equal to or more than such fees being received on a same-risk same-reward basis; and
 - (C) other cost-plus quantitative bases, including but not limited to the operational expenses of the relevant member of the EAR Group.
 - (ii) The relevant member of the EAR Group will only enter into such Investment Advisory Agreement or Investment Management Agreement with a General Partner provided that the terms of the transaction are no more favourable to the General Partner than the usual commercial terms extended to at least two independent third party general partners.

³ The MIC currently comprises Mr Stanley Wang and Mr Wang Ya Lun Allen as at the Latest Practicable Date. The MIC is in charge of assessing investment and divestment decisions of the Group (including transactions which are not interested person transactions). As such, members of MIC are not precluded from being a member of committees of other external funds, including funds managed by the Mandated Interested Persons. For the avoidance of doubt, where any member of MIC has a conflict of interests in relation to the Mandated IPTs, he will abstain from reviewing such transactions.

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- (iii) With regard to paragraph 5.1(b)(ii) above, where the relevant member of the EAR Group is, for any reason whatsoever, not able to meaningfully evaluate the terms of the potential Mandated IPT against the usual commercial terms extended to independent third parties, the following review procedures shall apply:
 - (A) individual potential Mandated IPTs which are valued below the lower of 5% of the EAR Group's latest consolidated audited NTA or US\$3,000,000 must be reviewed and approved by a majority of the members of the MIC who are not interested in the transaction prior to the entry into of such potential Mandated IPTs; and
 - (B) individual potential Mandated IPTs which are valued at or above the lower of 5% of the EAR Group's latest consolidated audited NTA or US\$3,000,000 must be reviewed and approved unanimously by all members of the Audit Committee who are not interested in the transaction prior to the entry into of such potential Mandated IPTs.
- (c) Category 2B Mandated IPTs
 - (i) In relation to the entry into by any member of the EAR Group of any Investment Management Agreement or Investment Advisory Agreement with an investment manager or investment advisor which is a Mandated Interested Person, the relevant member of the EAR Group shall evaluate the potential Investment Management Agreement or Investment Advisory Agreement according to a set of pre-determined criteria, including but not limited to:
 - (A) an acceptable percentage range for the fees, which shall be no better than a same-risk same-reward basis, payable to the Mandated Interested Person as an investment manager or investment advisor;
 - (B) professional experience of the Mandated Interested Person as an investment manager or investment advisor;
 - (C) whether or not the fees payable to the Mandated Interested Person are proportionate to the shareholding of any Mandated Interested Person in the General Partner, which at the maximum, shall be equal to or less than such fees being payable on a same-risk same-reward basis; and
 - (D) other cost-plus quantitative bases, including but not limited to the operational expenses of the Mandated IPT.
 - (ii) The relevant member of the EAR Group will only enter into such Investment Management Agreement or Investment Advisory Agreement provided that the terms of the transaction are no more favourable to the potential investment manager or investment advisor than the usual commercial terms extended to at least two independent third party investment managers or investment advisors.
 - (iii) With regard to paragraph 5.1(c)(ii) above, where the relevant member of the EAR Group is, for any reason whatsoever, not able to meaningfully evaluate the terms of the potential Mandated IPT against the usual commercial terms extended to independent third parties, the following review procedures shall apply:
 - (A) individual potential Mandated IPTs which are valued below the lower of 5% of the EAR Group's latest consolidated audited NTA or US\$3,000,000 must be reviewed and approved by a majority of the members of the MIC who are not interested in the transaction prior to the entry into of such potential Mandated IPTs; and

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- (B) individual potential Mandated IPTs which are valued at or above the lower of 5% of the EAR Group's latest consolidated audited NTA or US\$3,000,000 must be reviewed and approved unanimously by all members of the Audit Committee who are not interested in the transaction prior to the entry into of such potential Mandated IPTs.
- (d) Category 3 Mandated IPTs
 - (i) In relation to the entry into of any shareholders' or joint venture agreement between any member of the EAR Group and a Mandated Interested Person(s), the relevant member of the EAR Group shall evaluate the potential shareholders' or joint venture agreement according to a set of pre-determined criteria, including but not limited to:
 - (A) an acceptable percentage range, which shall always be at least or better than a same-risk same-reward basis, for the profit sharing margin between the relevant member of the EAR Group and any Mandated Interested Person(s) shareholder or joint venture partner;
 - (B) professional experience of the Mandated Interested Person(s) shareholder or joint venture partner;
 - (C) whether the risks and rewards are in proportion to the equity of each member of the potential joint venture. For the avoidance of doubt, the relevant member of the EAR Group shall only proceed with the potential joint venture where the risks are less or at least proportional to the equity of each member of the potential joint venture; and
 - (D) other cost-plus quantitative bases.
 - (ii) The relevant member of the EAR Group will only enter into such shareholders' or joint venture agreement with a Mandated Interested Person(s) provided that the terms of the agreement are no more favourable to the Mandated Interested Person(s) shareholder or joint venture partner than the usual commercial terms extended to at least two independent third party shareholders or joint venture partners.
 - (iii) With regard to paragraph 5.1(d)(ii) above, where the relevant member of the EAR Group is, for any reason whatsoever, not able to meaningfully evaluate the terms of the potential Mandated IPT against the usual commercial terms extended to independent third parties, the following review procedures shall apply:
 - (A) individual potential Mandated IPTs which are valued below the lower of 5% of the EAR Group's latest consolidated audited NTA or US\$3,000,000 must be reviewed and approved by a majority of the members of the MIC who are not interested in the transaction prior to the entry into of such potential Mandated IPTs; and
 - (B) individual potential Mandated IPTs which are valued at or above the lower of 5% of the EAR Group's latest consolidated audited NTA or US\$3,000,000 must be reviewed and approved unanimously by all members of the Audit Committee who are not interested in the transaction prior to the entry into of such potential Mandated IPTs to ensure that the credit and investment risks related to such Mandated IPTs are not prejudicial to the interests of the Company and its minority shareholders.

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(e) Category 4A Mandated IPTs

- (i) In relation to the direct or indirect investment by any member of the EAR Group in any investment fund, such fund being a fund in which any Mandated Interested Person has an interest, the following review procedures shall apply:
- (A) an investment proposal in respect of each Category 4A Mandated IPT shall be prepared by the investment professionals of TIHIM (“**Investment Proposal**”), who shall evaluate the amount of the investment and the basis for which such investment amount is calculated so as to ensure that:
- (1) where the Mandated Interested Person will not invest in such fund as a limited partner, the terms of the investment by the relevant member of the EAR Group are the same or no less favourable to the relevant member of the EAR Group as compared to the terms extended to at least two independent third party investors; or
- (2) where the Mandated Interested Person will invest in such fund as a limited partner, the terms of the investment by the relevant member of the EAR Group are the same or no less favourable to the relevant member of the EAR Group as compared to the Mandated Interested Person;
- (B) where the Investment Proposal is able to be meaningfully evaluated against the usual commercial terms extended to independent third parties or the Mandated Interested Person, each Investment Proposal shall be reviewed and approved by a majority of the members of the MIC who are not interested in the transaction prior to the entry into of such potential Mandated IPTs taking into account, amongst others, the following criteria:
- (1) the potential growth of the proposed business model;
- (2) the experience of the management team; and
- (3) the relevant risk-reward profiles; and
- (C) if the Investment Proposal is approved by a majority of the members of the MIC who are not interested in the transaction prior to the entry into of such potential Mandated IPTs, the Investment Proposal shall be recommended to the Board Investment Committee of the Company (“**BIC**”)⁴ for review and oversight. The BIC shall have the ability to veto any Investment Proposal presented by the MIC.
- (ii) With regard to paragraph 5.1(e)(i)(A) above, where the relevant member of the EAR Group is, for any reason whatsoever, not able to meaningfully evaluate the terms of the potential Mandated IPT against the usual commercial terms extended to independent third parties or the Mandated Interested Person, the following review procedures shall apply:
- (A) individual potential Mandated IPTs which are valued below the lower of 5% of the EAR Group’s latest consolidated audited NTA or US\$3,000,000 must be reviewed and approved by a majority of the members of the MIC who are not interested in the transaction prior to the entry into of such potential Mandated IPTs; and

⁴ The BIC currently comprises Mr Kin Chan, Mr Wang Ya Lun Allen, Mr Vince Feng, and Mr Alex Shiu Leung Au as at the Latest Practicable Date and BIC is in charge of reviewing and overseeing Investment Proposals recommended by the MIC. Mr Kin Chan is a director and shareholder of ASMHL, being a Mandated Interested Person, and is not considered independent for the purposes of the IPT Mandate. As such, Mr Kin Chan will abstain from reviewing such Investment Proposals.

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- (B) individual potential Mandated IPTs which are valued at or above the lower of 5% of the EAR Group's latest consolidated audited NTA or US\$3,000,000 must be reviewed and approved unanimously by all members of the Audit Committee who are not interested in the transaction prior to the entry into of such potential Mandated IPTs to ensure that the credit and investment risks related to such Mandated IPTs are not prejudicial to the interests of the Company and its minority shareholders.
- (f) Category 4B Mandated IPTs
 - (i) In relation to the direct or indirect investment by any Mandated Interested Person in any investment fund, such fund being a fund in which the EAR Group has an interest, the relevant member of the EAR Group shall evaluate the amount of the investment so as to ensure that:
 - (A) where the EAR Group will not invest in such fund as a limited partner, the terms of the investment by Mandated Interested Persons are the same or no more favourable to the Mandated Interested Persons as compared to the terms extended to at least two independent third party investors; or
 - (B) where the EAR Group will invest in such fund as a limited partner, the terms of the investment by Mandated Interested Persons are the same or no more favourable to the Mandated Interested Persons as compared to the terms extended to the relevant EAR Group.
 - (ii) With regard to paragraph 5.1(f)(i) above, where the relevant member of the EAR Group is, for any reason whatsoever, not able to meaningfully evaluate the terms of the potential Mandated IPT against the usual commercial terms extended to independent third parties or the relevant member of the EAR Group, the following review procedures shall apply:
 - (A) individual potential Mandated IPTs which are valued below the lower of 5% of the EAR Group's latest consolidated audited NTA or US\$3,000,000 must be reviewed and approved by a majority of the members of the MIC who are not interested in the transaction prior to the entry into of such potential Mandated IPTs; and
 - (B) individual potential Mandated IPTs which are valued at or above the lower of 5% of the EAR Group's latest consolidated audited NTA must be reviewed and approved unanimously by all members of the Audit Committee who are not interested in the transaction prior to the entry into of such potential Mandated IPTs to ensure that the credit and investment risks related to such Mandated IPTs are not prejudicial to the interests of the Company and its minority shareholders.
- (g) Category 5 Mandated IPTs
 - (i) In relation to the introduction fees and performance fees received by any member of the EAR Group from any Mandated Interested Person or received by any Mandated Interested Person from any member of the EAR Group in connection with the introduction of third party investors to any of the funds managed by the Mandated Interested Persons and/or members of the EAR Group ("**Fee Arrangements**"), the relevant member of the EAR Group shall ensure that the Fee Arrangements are proportionate to the remuneration provided to or by the relevant member of the EAR Group in Category 2A Mandated IPTs, Category 2B Mandated IPTs and Category 3 Mandated IPTs.

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- (ii) For the avoidance of doubt, the relevant member of the EAR Group or Mandated Interested Persons shall be paid, in the context of Category 5 Mandated IPTs, according to the percentage split of any fees payable to the relevant member of the EAR Group or Mandated Interested Persons under Category 2A Mandated IPTs, Category 2B Mandated IPTs and Category 3 Mandated IPTs, being the percentage split based on the interest of the relevant member of the EAR Group or the Mandated Interested Persons in the General Partner. As the percentage split of any fees payable to the relevant member of the EAR Group or Mandated Interested Persons under Category 2A Mandated IPTs, Category 2B Mandated IPTs and Category 3 Mandated IPTs would first need to be approved in accordance with its respective Review Procedure, the Fee Arrangements would in effect have been approved through the similar Review Procedures.

5.2 Other Review Procedures

The Company has also implemented the following Review Procedures for the identification of Mandated Interested Persons and the recording of all of the EAR Group's interested person transactions.

(a) Register of Mandated IPTs

The Company will maintain a register recording: (i) all Mandated IPTs; (ii) the amount of monies at risk for the EAR Group in connection with each Mandated IPT; (iii) the basis for determining the transaction amounts / prices (as the case may be); and (iv) supporting evidence obtained to support the aforementioned basis.

(b) Review by Audit Committee

- (i) On a quarterly basis, TIHIM will submit a report to the Audit Committee of all recorded interested person transactions entered into by the EAR Group.
- (ii) The Audit Committee shall review the report referred to in sub-paragraph (b)(i) above to ascertain whether the guidelines and procedures established to monitor Mandated IPTs have been complied with. In addition, the Audit Committee shall also review from time to time such guidelines and procedures to determine if they are adequate and/or commercially practicable in ensuring that transactions between the EAR Group and the Mandated Interested Persons are conducted on normal commercial terms. Further, if during these periodic reviews by the Audit Committee, the Audit Committee is of the view that the guidelines and procedures as stated above are not sufficient or appropriate to ensure that these Mandated IPTs will be on normal commercial terms and will not be prejudicial to the Company and its minority Shareholders, the Company will revert to Shareholders for a fresh mandate based on new guidelines and procedures for transactions with Mandated Interested Persons.
- (iii) In the event that a member of the Board of Directors of the Company (the "**Board of Directors**"), a member of the Audit Committee, a member of the MIC, a member of the BIC or an authorised reviewing officer (where applicable) has a conflict of interests in relation to any Mandated IPT, he will abstain from reviewing that particular transaction. In such instances, an alternative approving authority will be responsible for reviewing the transaction.
- (iv) The Board of Directors will also ensure that all disclosure requirements on Mandated IPTs, including those required by prevailing legislation, the Listing Manual and accounting standards, are complied with.
- (v) The internal audit plan, which shall be renewed once every three years, shall incorporate a review of all Mandated IPTs entered into pursuant to the IPT Mandate on a yearly basis.

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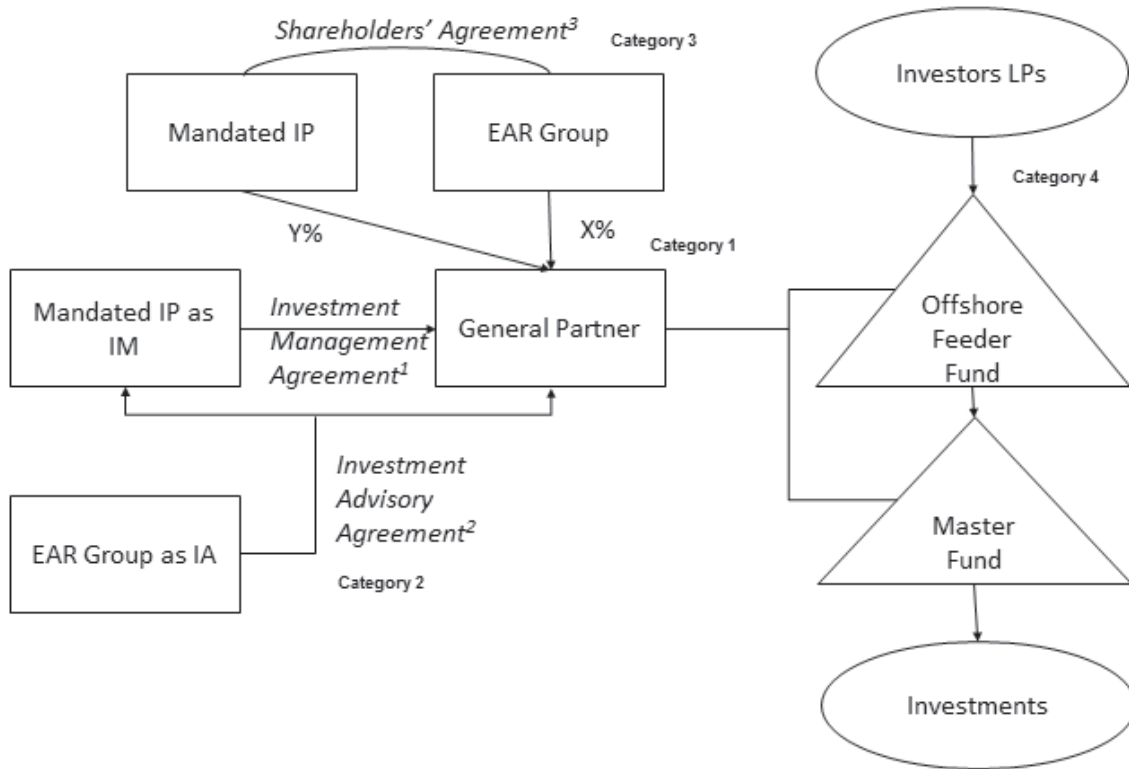
5.3 Overall Responsibility

All investment proposals for Mandated IPTs will be concurrently circulated to the Board of Directors to keep the Board of Directors aware of such transactions. The Board of Directors will not be required to approve the Mandated IPT but can provide their input (if any) on the investment proposal(s).

The Board of Directors shall have overall responsibility for the determination of the Review Procedures with the authority to sub-delegate to individuals or committees within the Company as it deems appropriate.

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ANNEX



Notes :

- 1 Investment Management Agreement refers to the agreement relating to the provision of investment management services by any member of the EAR Group or any of the Mandated Interested Persons to a General Partner as set out in paragraph 4.2(b)(ii) of the Appendix.
 - 2 Investment Advisory Agreement refers to the agreement relating to the provision of investment advisory services by any member of the EAR Group or any of the Mandated Interested Persons to a General Partner as set out in paragraph 4.2(b)(i) of the Appendix.
 - 3 Shareholders' Agreement is an example of one of the agreements referred to in Category 3 Mandated IPTs as set out in paragraph 4.2(c) of the Appendix.
- “Investors LPs”: Investors which hold limited partnership interests in the fund
- “IM”: Investment Manager
- “IA”: Investment Advisor