

5 APRIL 2018

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

This Appendix is circulated to Shareholders of BBR Holdings (S) Ltd (the "Company") together with the Company's Annual Report. The purpose of this Appendix is to provide information to the Shareholders relating to the proposed renewal of the Share Purchase Mandate (each term as defined herein) to be tabled at the Annual General meeting of the Company to be held on 23 April 2018 at 10 a.m..

The Notice of Annual General Meeting and a Proxy Form are enclosed with the Annual Report.

If you have sold or transferred all your ordinary shares in the capital of the Company, you should forward this Appendix, the Annual Report and the Proxy Form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Appendix.



**APPENDIX TO THE NOTICE OF ANNUAL GENERAL MEETING  
DATED 5 APRIL 2018**

**IN RELATION TO**

**THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE**

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## DEFINITIONS

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In this Appendix, the following definitions shall apply throughout unless the context otherwise requires:

**Companies, Organisations and Agencies**

“BBRS”	:	BBR Holding AG
“CDP”	:	The Central Depository (Pte) Limited
“Company”	:	BBR Holdings (S) Ltd
“CPF”	:	Central Provident Fund
“Group”	:	The Company and its subsidiaries
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“SIC”	:	Securities Industry Council of Singapore

**General**

“AGM”	:	Annual General Meeting of the Company
“Appendix”	:	This Appendix to the Notice of AGM dated 5 April 2018 convening the 24 <sup>th</sup> AGM to be held on 23 April 2018
“Board”	:	The board of directors of the Company as at the Latest Practicable Date
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
“Directors”	:	The directors of the Company for the time being
“EPS”	:	Earnings per Share
“FY2017”	:	Financial year ended 31 December 2017
“Latest Practicable Date”	:	26 March 2018, being the latest practicable date prior to the printing of this Appendix
“Listing Manual”	:	The listing manual of the SGX-ST, as amended or modified from time to time
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“NAV”	:	Net asset value
“Securities Account”	:	Securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
“SFA”	:	The Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time
“Share Purchase Mandate”	:	The mandate to authorise the Directors to exercise all powers of the Company to purchase or otherwise acquire its issued Shares on the terms of such mandate

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## DEFINITIONS

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"Shareholders"	:	Registered holders of Shares, except that where the registered holder is CDP, the term "Shareholders" shall, in relation to such Shares, mean the persons named as Depositors in the Depository Register and whose Securities Accounts maintained with CDP are credited with Shares
"Shares"	:	Ordinary shares in the share capital of the Company
"Substantial Shareholder"	:	A person who has an interest in one or more voting shares in the Company and the total votes attached to such Share(s) is not less than 5% of the total votes attached to all the voting shares (excluding treasury shares) in the Company
"Take-over Code"	:	The Singapore Code on Take-overs and Mergers, as amended or modified from time to time

Currencies, units and others

"S\$" and "cents"	:	Singapore dollars and cents respectively
"%" or "per cent."	:	Per centum or percentage

The terms "Depositor", "Depository Agent" and "Depository Register" shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

The term "subsidiary holdings" shall have the meaning ascribed to it in the Listing Manual.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include corporations.

Any reference in this Appendix to any statute or enactment is a reference to that statute or enactment for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA, the Listing Manual, the Take-over Code or any modification thereof and used in this Appendix shall have the meaning assigned to it under the Companies Act, the SFA, the Listing Manual, the Take-over Code or any modification thereof, as the case may be, unless otherwise provided.

Any reference to a time of day and date in this Appendix is a reference to Singapore time and date, respectively, unless otherwise stated. Any reference to currency set out in this Appendix is a reference to S\$ unless otherwise stated.

Any discrepancies in figures included in this Appendix between the amounts shown and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Appendix may not be an arithmetic aggregation of the figures that precede them.

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## LETTER TO SHAREHOLDERS

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**BBR HOLDINGS (S) LTD**  
(Company Registration No.: 199304349M)  
(Incorporated in the Republic of Singapore)

**Board of Directors**

Prof. Yong Kwet Yew (*Independent Non-Executive Chairman*)  
Tan Kheng Hwee Andrew (*Executive Director and Chief Executive Officer*)  
Voon Yok Lin (*Executive Director*)  
Bruno Sergio Valsangiacomo (*Non-Executive Director*)  
Marcel Poser (*Non-Executive Director*)  
Luk Ka Lai Carrie (*Independent Director*)  
Soh Gim Teik (*Independent Director*)  
Voon Chet Chie (*Alternate Director to Voon Yok Lin*)  
Romano William Fanconi (*Alternate Director to Marcel Poser*)

**Registered Office**

50 Changi South Street 1  
BBR Building  
Singapore 486126

5 April 2018

To: The Shareholders of **BBR Holdings (S) Ltd**

Dear Sir / Madam

### 1. INTRODUCTION

We refer to Ordinary Resolution 11 set out in the Notice convening the 24<sup>th</sup> AGM to be held on 23 April 2018 to seek Shareholders' approval for the proposed renewal of the Share Purchase Mandate.

The purpose of this Appendix is to provide Shareholders with information relating to the above-mentioned proposal to be tabled at the 24<sup>th</sup> AGM and to seek Shareholders' approval at the 24<sup>th</sup> AGM for the same.

This Appendix has been prepared solely for the purpose set out herein and may not be relied upon by any persons (other than Shareholders) or for any other purpose.

The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Appendix.

### 2. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

#### 2.1 Background

At the 23<sup>rd</sup> AGM of the Company held on 21 April 2017, Shareholders had approved the renewal of the Share Purchase Mandate to enable the Company to purchase or otherwise acquire issued Shares. The rationale for, and the authority and limitations on, the Share Purchase Mandate were set out in the Appendix to the Notice of AGM dated 5 April 2017 convening the 23<sup>rd</sup> AGM.

The existing Share Purchase Mandate will expire on the date of the forthcoming 24<sup>th</sup> AGM to be held on 23 April 2018. Accordingly, Shareholders' approval is being sought for the renewal of the Share Purchase Mandate at the 24<sup>th</sup> AGM.

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## LETTER TO SHAREHOLDERS

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### 2.2 Shares Purchased or Acquired during the Previous 12 Months

The following are details of the purchases or acquisitions of Shares made by the Company by way of Market Purchases (as defined below) in the 12 months immediately preceding the Latest Practicable Date, pursuant to the Share Purchase Mandate approved by the Shareholders at the 23<sup>rd</sup> AGM:

Date of purchase or acquisition	Total number of Shares purchased or acquired	Highest price paid per Share	Lowest price paid per Share	Total consideration paid (including commission, brokerage and goods and services tax)
29 December 2017	20,800	S\$0.255	S\$0.25	S\$5,263.41
28 December 2017	30,000	S\$0.25	S\$0.245	S\$7,377.91
27 December 2017	30,000	S\$0.245	S\$0.245	S\$7,368.88
26 December 2017	30,000	S\$0.245	S\$0.245	S\$7,368.88
22 December 2017	30,000	S\$0.245	S\$0.245	S\$7,368.88
21 December 2017	30,000	S\$0.245	S\$0.245	S\$7,368.88
20 December 2017	30,000	S\$0.24	S\$0.24	S\$7,218.49
19 December 2017	30,000	S\$0.245	S\$0.245	S\$7,368.88
18 December 2017	30,000	S\$0.245	S\$0.245	S\$7,368.88
15 December 2017	30,000	S\$0.245	S\$0.245	S\$7,368.88
14 December 2017	30,000	S\$0.245	S\$0.245	S\$7,368.88
13 December 2017	30,000	S\$0.245	S\$0.245	S\$7,368.88
12 December 2017	30,000	S\$0.245	S\$0.245	S\$7,368.88
11 December 2017	30,000	S\$0.245	S\$0.245	S\$7,368.88
8 December 2017	30,000	S\$0.245	S\$0.245	S\$7,368.88
7 December 2017	30,000	S\$0.245	S\$0.245	S\$7,368.88
5 December 2017	30,000	S\$0.26	S\$0.26	S\$7,820.03
4 December 2017	30,000	S\$0.255	S\$0.255	S\$7,669.64
1 December 2017	30,000	S\$0.255	S\$0.25	S\$7,618.50
30 November 2017	30,000	S\$0.26	S\$0.26	S\$7,820.03
27 November 2017	30,000	S\$0.255	S\$0.25	S\$7,660.62
24 November 2017	24,000	S\$0.255	S\$0.255	S\$6,135.71
20 October 2017	30,000	S\$0.26	S\$0.26	S\$7,820.03
19 October 2017	30,000	S\$0.26	S\$0.26	S\$7,820.03
16 October 2017	30,000	S\$0.27	S\$0.27	S\$8,120.79
13 October 2017	30,000	S\$0.27	S\$0.27	S\$8,120.79
6 October 2017	30,000	S\$0.25	S\$0.25	S\$7,519.26
5 October 2017	30,000	S\$0.24	S\$0.24	S\$7,218.49
4 October 2017	30,000	S\$0.24	S\$0.24	S\$7,218.49

**LETTER TO SHAREHOLDERS**

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<b>Date of purchase or acquisition</b>	<b>Total number of Shares purchased or acquired</b>	<b>Highest price paid per Share</b>	<b>Lowest price paid per Share</b>	<b>Total consideration paid (including commission, brokerage and goods and services tax)</b>
3 October 2017	30,000	S\$0.24	S\$0.24	S\$7,218.49
2 October 2017	30,000	S\$0.24	S\$0.24	S\$7,218.49
29 September 2017	30,000	S\$0.235	S\$0.235	S\$7,068.11
28 September 2017	30,000	S\$0.235	S\$0.235	S\$7,068.11
27 September 2017	30,000	S\$0.23	S\$0.23	S\$6,917.73
25 September 2017	60,000	S\$0.23	S\$0.225	S\$13,685.05
21 September 2017	30,000	S\$0.24	S\$0.24	S\$7,218.49
19 September 2017	30,000	S\$0.235	S\$0.235	S\$7,068.11
11 September 2017	30,000	S\$0.235	S\$0.235	S\$7,068.11
8 September 2017	60,000	S\$0.23	S\$0.225	S\$13,582.80
7 September 2017	130,000	S\$0.235	S\$0.225	S\$29,520.60
6 September 2017	30,000	S\$0.235	S\$0.23	S\$7,059.08
5 September 2017	30,000	S\$0.235	S\$0.23	S\$7,016.98
4 September 2017	30,000	S\$0.24	S\$0.235	S\$7,140.29
30 August 2017	30,000	S\$0.235	S\$0.235	S\$7,068.11
29 August 2017	50,000	S\$0.235	S\$0.23	S\$11,679.91
28 August 2017	60,000	S\$0.23	S\$0.225	S\$13,552.72
23 August 2017	50,000	S\$0.225	S\$0.22	S\$11,273.88
22 August 2017	42,000	S\$0.23	S\$0.225	S\$9,524.80
16 August 2017	7,400	S\$0.215	S\$0.215	S\$1,595.08
11 August 2017	50,000	S\$0.22	S\$0.22	S\$11,028.25
10 August 2017	50,000	S\$0.22	S\$0.22	S\$11,028.25
8 August 2017	50,000	S\$0.23	S\$0.23	S\$11,529.53
21 July 2017	6,000	S\$0.22	S\$0.22	S\$1,363.36
20 July 2017	50,000	S\$0.22	S\$0.22	S\$11,047.51
19 July 2017	11,000	S\$0.22	S\$0.22	S\$2,463.83
17 July 2017	50,000	S\$0.22	S\$0.22	S\$11,047.51
29 June 2017	170,000	S\$0.21	S\$0.21	S\$35,791.68
<b>Total</b>	<b>2,111,200</b>			<b>S\$499,062.52</b>

All Shares purchased or acquired by the Company during the above-stated period were held as treasury shares.

## **2.3 Rationale for the Proposed Share Purchase Mandate**

The proposed Share Purchase Mandate will give the Company the flexibility to undertake purchases or acquisitions of its issued Shares during the period when the Share Purchase Mandate is in force, if and when circumstances permit. The purchases or acquisitions of Shares may, depending on market conditions and funding arrangements at the time, allow the Directors to better manage the Company's capital structure with a view to enhancing the EPS and/or NAV per share of the Group. The purchases or acquisitions of Shares may, in appropriate circumstances, also help to mitigate short-term market volatility in the Company's share price, offset the effects of short-term speculation and bolster Shareholders' confidence.

The Directors will decide whether to effect the purchases or acquisitions of the Shares after taking into account the prevailing market conditions, the financial position of the Group and other relevant factors.

## **2.4 Terms of the Proposed Share Purchase Mandate**

The authority and limitations placed on the purchases or acquisitions of Shares by the Company under the Share Purchase Mandate (if renewed at the 24<sup>th</sup> AGM), are substantially the same as those previously approved by Shareholders at the 23<sup>rd</sup> AGM, and are summarised below:

### **2.4.1 *Maximum Number of Shares***

Only Shares which are issued and fully paid up may be purchased or acquired by the Company.

The total number of Shares that may be purchased or acquired by the Company shall not exceed 10% of the total number of Shares (excluding subsidiary holdings and any Shares which are held as treasury shares) in issue as at the date of the 24<sup>th</sup> AGM at which the renewal of the Share Purchase Mandate is approved.

### **2.4.2 *Duration of Authority***

Purchases or acquisitions of Shares by the Company may be made, at any time and from time to time, on and from the date of the 24<sup>th</sup> AGM at which the renewal of the Share Purchase Mandate is approved up to the earliest of:

- (a) the date on which the next AGM is held or required by law to be held;
- (b) the date on which purchases or acquisitions of Shares are carried out to the full extent mandated; or
- (c) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by the Company in general meeting.

### **2.4.3 *Manner of Purchases or Acquisitions of Shares***

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

- (a) an on-market purchase transacted through the SGX-ST's trading system, through one or more duly licensed stockbrokers appointed by the Company for the purpose ("Market Purchase"); and/or
- (b) an off-market purchase in accordance with an equal access scheme as defined in Section 76C of the Companies Act ("Off-Market Purchase").

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## LETTER TO SHAREHOLDERS

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In an Off-Market Purchase, the Directors may impose such terms and conditions, which are not inconsistent with the Share Purchase Mandate, the Constitution of the Company, the Listing Manual, the Companies Act and other applicable laws and regulations, as they consider fit in connection with or in relation to an equal access scheme or schemes.

Under the Companies Act, an equal access scheme must satisfy all the following conditions:

- (a) the offers under the scheme are to be made to every person who holds shares to purchase or acquire the same percentage of their shares;
- (b) all of those persons have a reasonable opportunity to accept the offers made to them; and
- (c) the terms of all the offers are the same except that there shall be disregarded:
  - (i) differences in consideration attributable to the fact that the offers relate to shares with different accrued dividend entitlements;
  - (ii) differences in consideration attributable to the fact that the offers relate to shares with different amounts remaining unpaid; and
  - (iii) differences in the offers introduced solely to ensure that each person is left with a whole number of shares.

Under the Listing Manual, in making an Off-Market Purchase, a listed company must issue an offer document to all shareholders containing, *inter alia*, the following information:

- (a) the terms and conditions of the offer;
- (b) the period and procedures for acceptances;
- (c) the reasons for the proposed share purchases;
- (d) the consequences, if any, of share purchases by the listed company that will arise under the Take-over Code or other applicable take-over rules;
- (e) whether the share purchases, if made, could affect the listing of the listed company's equity securities on the SGX-ST;
- (f) details of any share purchases made by the listed company in the previous 12 months (whether by way of Market Purchases or Off-Market Purchases), giving the total number of shares purchased, the purchase price per share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (g) whether the shares purchased by the listed company will be cancelled or kept as treasury shares.

#### **2.4.4 Maximum Purchase Price**

The purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors, provided that such purchase price must not exceed:

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

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

For the above purposes:

“**Average Closing Price**” means the average of the Closing Market Prices of the Shares over the last five Market Days on the SGX-ST, on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after such five-Market Day period;

“**Closing Market Price**” means the last dealt price for a Share transacted through the SGX-ST’s trading system as shown in any publication of the SGX-ST or other sources; and

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

#### **2.5 Status of Purchased or Acquired Shares: Held in Treasury or Cancelled**

Any Shares purchased or acquired pursuant to the Share Purchase Mandate will be dealt with in such manner as may be permitted by the Companies Act.

Under the Companies Act, any Share purchased or acquired by the Company shall be deemed to be cancelled immediately on purchase or acquisition (and all rights and privileges attached to that Share shall expire on cancellation), unless such Share is held by the Company in treasury in accordance with Sections 76H to 76K of the Companies Act.

##### **2.5.1 Treasury Shares**

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Certain provisions on treasury shares under the Companies Act are summarised below:

- (a) **Maximum Holdings:** The aggregate number of Shares held by the Company as treasury shares shall not at any time exceed 10% of the total number of Shares in issue at that time. In the event that the aggregate number of treasury shares held by the Company exceeds the aforesaid limit, the Company shall dispose of or cancel the excess treasury shares within six months from the day the aforesaid limit is first exceeded.

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## LETTER TO SHAREHOLDERS

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- (b) Voting and Other Rights: The Company cannot exercise any right in respect of the treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members of the Company on a winding up) may be made, to the Company in respect of treasury shares. However, the allotment of shares as fully paid bonus shares in respect of the treasury shares is allowed. A subdivision or consolidation of any treasury share into treasury shares of a smaller amount is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

- (c) Disposal or Cancellation: Where Shares are held as treasury shares, the Company may at any time:

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

In addition, under the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares. Such announcement must include details such as (i) the date of the sale, transfer, cancellation and/or use of such treasury shares, (ii) the purpose of such sale, transfer, cancellation and/or use of such treasury shares, (iii) the number of treasury shares which have been sold, transferred, cancelled and/or used, (iv) the number of treasury shares before and after such sale, transfer, cancellation and/or use, (v) the percentage of the number of treasury shares against the total number of issued shares outstanding (of the same class as the treasury shares) which are listed before and after such sale, transfer, cancellation and/or use and (vi) the value of the treasury shares if they are used for a sale or transfer, or cancelled.

### 2.5.2 ***Purchased or Acquired Shares Cancelled***

Under the Companies Act, where Shares purchased or acquired by the Company are cancelled, the Company shall:

- (a) reduce the amount of its share capital where the Shares were purchased or acquired out of the capital of the Company;
- (b) reduce the amount of its profits where the Shares were purchased or acquired out of the profits of the Company; or

- (c) reduce the amount of its share capital and profits proportionately where the Shares were purchased or acquired out of both the capital and the profits of the Company,

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

Shares which are cancelled will be automatically delisted by the SGX-ST, and certificates (if any) in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following such cancellation. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are cancelled and not held as treasury shares.

## **2.6 Source of Funds**

In purchasing or acquiring its Shares, the Company may only apply funds legally available for such purchase or acquisition as provided in the Constitution of the Company and in accordance with applicable laws in Singapore.

The Companies Act permits any purchase or acquisition of shares to be made out of a company's capital or profits so long as the company is solvent. For this purpose, a company is "solvent" if at the time of the payment, the following conditions are satisfied:

- (a) there is no ground on which the company could be found to be unable to pay its debts;
- (b) if:
  - (i) it is intended to commence winding up of the company within the period of 12 months immediately after the date of the payment, the company will be able to pay its debts in full within the period of 12 months after the date of commencement of the winding up; or
  - (ii) it is not intended so to commence winding up, the company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of the payment; and
- (c) the value of the company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the proposed purchase or acquisition, become less than the value of its liabilities (including contingent liabilities).

The Company intends to use the Group's internal resources, or external loans and borrowings or a combination of both to finance its purchases or acquisitions of Shares pursuant to the Share Purchase Mandate. The amount of funding required for the Company to purchase or acquire Shares under the Share Purchase Mandate will depend on, *inter alia*, the aggregate number of Shares purchased or acquired and the consideration paid at the relevant time.

The Board does not propose to exercise the Share Purchase Mandate in a manner and to such an extent that would materially and adversely affect the working capital requirements, the gearing levels of the Group and the financial position of the Group taken as a whole.

## **2.7 Financial Effects**

The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Purchase Mandate will depend on, *inter alia*, the aggregate number of Shares purchased or acquired, the price paid for such Shares, whether the purchase or acquisition is made out of capital or profits of the Company and whether the Shares purchased or acquired are held in treasury or cancelled. The financial effects on the Company and the Group, based on the audited financial statements of the Company and the Group for FY2017, are prepared based on the assumptions set out below.

### **2.7.1 *Purchase or Acquisition of Shares made out of Capital or Profits***

Where the purchase or acquisition of Shares is made out of profits, the purchase price paid by the Company for the Shares will correspondingly reduce the profits available for distribution as dividends by the Company. Where the purchase or acquisition of Shares is made out of capital, the profits available for the distribution as dividends by the Company will not be reduced. For the purposes of preparing the financial effects below, the Company has excluded brokerage, stamp duties, applicable goods and services tax and other related expenses from the purchase price paid by the Company for the Shares.

### **2.7.2 *Number of, and Maximum Price paid for, Shares Purchased or Acquired***

As at the Latest Practicable Date, the Company has a total of 322,388,218 Shares in issue (excluding treasury shares) and has no subsidiary holdings. Further, as at the Latest Practicable Date, 2,322,200 Shares are held by the Company as treasury shares.

Based on 322,388,218 Shares in issue (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date (and assuming that no further Shares are issued and no further Shares are purchased or acquired and held by the Company as treasury shares on or prior to the forthcoming AGM), the purchase or acquisition by the Company of up to the maximum limit of 10% of the total number of its issued Shares (excluding treasury shares and subsidiary holdings) will result in the purchase or acquisition by the Company of up to 32,238,821 Shares.

#### **(a) Where Shares purchased or acquired are cancelled**

The financial effects of the purchase or acquisition of Shares by the Company made entirely out of capital or profits and where such Shares are cancelled are based on the purchase or acquisition of 32,238,800 Shares (rounded down to the nearest 100 Shares).

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 32,238,800 Shares at the Maximum Price of S\$0.231 for each Share (being the price equivalent to 105% of the Average Closing Price of the Shares over the last five Market Days on the SGX-ST, on which transactions in the Shares were recorded, immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 32,238,800 Shares is approximately S\$7.4 million.

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 32,238,800 Shares at the Maximum Price of S\$0.264 for each Share (being the price equivalent to 120% of the Average Closing Price of the Shares over the last five Market Days on the SGX-ST, on which transactions in the Shares were recorded, immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 32,238,800 Shares is approximately S\$8.5 million.

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## LETTER TO SHAREHOLDERS

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(b) Where Shares purchased or acquired are held as treasury shares

As stated in section 2.5.1 of this Appendix, the aggregate number of Shares held by the Company as treasury shares shall not at any time exceed 10% of the total number of Shares in issue at that time. On the basis of the aforesaid limit and that the Company holds 2,322,200 Shares as treasury shares as at the Latest Practicable Date, the maximum number of Shares which can be purchased or acquired by the Company and be held as treasury shares is 30,148,800 Shares (rounded down to the nearest 100 Shares), representing approximately 9.35% of the total number of Shares in issue (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date.

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 30,148,800 Shares at the Maximum Price of S\$0.231 for each Share (being the price equivalent to 105% of the Average Closing Price of the Shares over the last five Market Days on the SGX-ST, on which transactions in the Shares were recorded, immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 30,148,800 Shares is approximately S\$7.0 million.

In the case of Off-Market Purchases by the Company assuming that the Company purchases or acquires 30,148,800 Shares at the Maximum Price of S\$0.264 for each Share (being the price equivalent to 120% of the Average Closing Price of the Shares over the last five Market Days on the SGX-ST, on which transactions in the Shares were recorded, immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 30,148,800 Shares is approximately S\$8.0 million.

(c) Source of funds

As the Company has insufficient cash and cash equivalents as at 31 December 2017 to purchase or acquire the relevant maximum number of Shares, the financial effects below are prepared on the basis that the Company will utilize the financial resources of its subsidiaries for the entire cash amount that is needed to purchase or acquire the relevant maximum number of Shares.

### 2.7.3 ***Illustrative Financial Effects***

It is not possible for the Company to realistically calculate or quantify the financial effects of Share purchases or acquisitions that may be made pursuant to the Share Purchase Mandate as the resultant effect would depend on, *inter alia*, the aggregate number of Shares purchased or acquired, the price paid for such Shares, whether the purchase or acquisition is made out of capital or profits and whether the Shares purchased or acquired are held in treasury or cancelled.

Purely for illustrative purposes only, based on the audited financial statements of the Company and the Group for FY2017, the assumptions stated above and assuming the purchases or acquisitions of Shares by the Company are funded solely from internal resources, the effects of such purchases or acquisitions of Shares by way of Market Purchases and Off-Market Purchases on the financial positions of the Company and the Group under each of the following Scenarios A to D described below are as follows:

**LETTER TO SHAREHOLDERS**

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**(1) Market Purchases**

As at 31 December 2017 (audited)	Before Share Purchase	GROUP			
		After Share Purchase			
		Scenario A	Scenario B	Scenario C	Scenario D
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Profit attributable to equity holders	7,088	7,088	7,088	7,088	7,088
Share capital	49,082	49,082	49,082	49,082	41,635
Reserves	89,642	89,642	89,642	82,195	89,642
Treasury shares	(566)	(7,530)	(7,530)	(566)	(566)
NAV	138,158	131,194	131,194	130,711	130,711
Non-controlling interests	430	430	430	430	430
Equity	138,588	131,624	131,624	131,141	131,141
Current assets	220,928	213,964	213,964	213,481	213,481
Current liabilities	64,076	64,076	64,076	64,076	64,076
Net current assets	156,852	149,888	149,888	149,405	149,405
Total loans and borrowings <sup>1</sup>	85,759	85,759	85,759	85,759	85,759
Cash & bank balances	30,435	23,471	23,471	22,988	22,988
Number of Shares (in '000) (excluding treasury shares)	322,388	292,239	292,239	290,149	290,149
Treasury shares (in '000)	2,322	32,471	32,471	2,322	2,322
<u>Financial Ratios</u>					
EPS – cents	2.20	2.43	2.43	2.44	2.44
NAV per Share – cents	42.85	44.89	44.89	45.05	45.05
Gearing ratio <sup>2</sup> (times)	0.40	0.47	0.47	0.48	0.48
Current ratio <sup>3</sup> (times)	3.45	3.34	3.34	3.33	3.33

**LETTER TO SHAREHOLDERS**

<b>COMPANY</b>					
<b>As at 31 December 2017 (audited)</b>	<b>Before Share Purchase</b>	<b>After Share Purchase</b>			
		Scenario A	Scenario B	Scenario C	Scenario D
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Profit attributable to equity holders	4,491	4,491	4,491	4,491	4,491
Share capital	49,082	49,082	49,082	49,082	41,635
Reserves	21,454	21,454	21,454	14,007	21,454
Treasury shares	(566)	(7,530)	(7,530)	(566)	(566)
NAV	69,970	63,006	63,006	62,523	62,523
Current assets	7,337	7,337	7,337	7,337	7,337
Current liabilities <sup>4</sup>	6,342	13,306	13,306	13,789	13,789
Net current assets/(liabilities)	995	(5,969)	(5,969)	(6,452)	(6,452)
Total loans and borrowings <sup>1</sup>	10,125	10,125	10,125	10,125	10,125
Cash & bank balances	1,559	1,559	1,559	1,559	1,559
Number of Shares (in '000) (excluding treasury shares)	322,388	292,239	292,239	290,149	290,149
Treasury shares (in '000)	2,322	32,471	32,471	2,322	2,322
<b>Financial Ratios</b>					
EPS – cents	1.39	1.54	1.54	1.55	1.55
NAV per Share – cents	21.70	21.56	21.56	21.55	21.55
Gearing ratio <sup>2</sup> (times)	0.12	0.14	0.14	0.14	0.14
Current ratio <sup>3</sup> (times)	1.16	0.55	0.55	0.53	0.53

**Notes:**

1. Total loans and borrowings include bank loans and finance leases.
2. Gearing ratio equals net debts (i.e. total loans and bank borrowings after deducting cash and bank balances) divided by equity.
3. Current ratio equals current assets divided by current liabilities.
4. See assumption stated in section 2.7.2(c) of this Appendix.

(a) Scenario A: Market Purchases of 30,148,800 Shares made entirely out of profits and held as treasury shares.

As illustrated under Scenario A in the tables above, such purchase of Shares will have the effect of reducing the working capital and NAV of the Company and of the Group by the dollar value of the Shares purchased. The consolidated NAV per Share of the Group as at 31 December 2017 will increase from 42.85 cents to 44.89 cents.

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## LETTER TO SHAREHOLDERS

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Assuming that the purchase of Shares had taken place on 1 January 2017, the consolidated basic EPS of the Group for FY2017 would be increased from 2.20 cents to 2.43 cents per Share as a result of the reduction in the number of issued Shares. No adjustments have been made to take into account foregone interest income as a result of the use of funds for the purchase of Shares.

- (b) Scenario B: Market Purchases of 30,148,800 Shares made entirely out of capital and held as treasury shares.

As illustrated under Scenario B in the tables above, such purchase of Shares will have the effect of reducing the working capital and NAV of the Company and of the Group by the dollar value of the Shares purchased. The consolidated NAV per Share of the Group as at 31 December 2017 will increase from 42.85 cents to 44.89 cents.

Assuming that the purchase of Shares had taken place on 1 January 2017, the consolidated basic EPS of the Group for FY2017 would be increased from 2.20 cents to 2.43 cents per Share as a result of the reduction in the number of issued Shares. No adjustments have been made to take into account foregone interest income as a result of the use of funds for the purchase of Shares.

- (c) Scenario C: Market Purchases of 32,238,800 Shares made entirely out of profits and cancelled.

As illustrated under Scenario C in the tables above, such purchase of Shares will have the effect of reducing the working capital and NAV of the Company and of the Group by the dollar value of the Shares purchased. The consolidated NAV per Share of the Group as at 31 December 2017 will increase from 42.85 cents to 45.05 cents.

Assuming that the purchase of Shares had taken place on 1 January 2017, the consolidated basic EPS of the Group for FY2017 would be increased from 2.20 cents to 2.44 cents per Share as a result of the reduction in the number of issued Shares. No adjustments have been made to take into account foregone interest income as a result of the use of funds for the purchase of Shares.

- (d) Scenario D: Market Purchases of 32,238,800 Shares made entirely out of capital and cancelled.

As illustrated under Scenario D in the tables above, such purchase of Shares will have the effect of reducing the working capital and NAV of the Company and of the Group by the dollar value of the Shares purchased. The consolidated NAV per Share of the Group as at 31 December 2017 will increase from 42.85 cents to 45.05 cents.

Assuming that the purchase of Shares had taken place on 1 January 2017, the consolidated basic EPS of the Group for FY2017 would be increased from 2.20 cents to 2.44 cents per Share as a result of the reduction in the number of issued Shares. No adjustments have been made to take into account foregone interest income as a result of the use of funds for the purchase of Shares.

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**(2) Off-Market Purchases**

As at 31 December 2017 (audited)	Before Share Purchase	GROUP			
		After Share Purchase			
		Scenario A	Scenario B	Scenario C	Scenario D
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Profit attributable to equity holders	7,088	7,088	7,088	7,088	7,088
Share capital	49,082	49,082	49,082	49,082	40,571
Reserves	89,642	89,642	89,642	81,131	89,642
Treasury shares	(566)	(8,525)	(8,525)	(566)	(566)
NAV	138,158	130,199	130,199	129,647	129,647
Non-controlling interests	430	430	430	430	430
Equity	138,588	130,629	130,629	130,077	130,077
Current assets	220,928	212,969	212,969	212,417	212,417
Current liabilities	64,076	64,076	64,076	64,076	64,076
Net current assets	156,852	148,893	148,893	148,341	148,341
Total loans and borrowings <sup>1</sup>	85,759	85,759	85,759	85,759	85,759
Cash & bank balances	30,435	22,476	22,476	21,924	21,924
Number of Shares (in '000) (excluding treasury shares)	322,388	292,239	292,239	290,149	290,149
Treasury shares (in '000)	2,322	32,471	32,471	2,322	2,322
<u>Financial Ratios</u>					
EPS – cents	2.20	2.43	2.43	2.44	2.44
NAV per Share – cents	42.85	44.55	44.55	44.68	44.68
Gearing ratio <sup>2</sup> (times)	0.40	0.48	0.48	0.49	0.49
Current ratio <sup>3</sup> (times)	3.45	3.32	3.32	3.32	3.32

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<b>COMPANY</b>					
<b>As at 31 December 2017 (audited)</b>	<b>Before Share Purchase</b>	<b>After Share Purchase</b>			
		Scenario A	Scenario B	Scenario C	Scenario D
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Profit attributable to equity holders	4,491	4,491	4,491	4,491	4,491
Share capital	49,082	49,082	49,082	49,082	40,571
Reserves	21,454	21,454	21,454	12,943	21,454
Treasury shares	(566)	(8,525)	(8,525)	(566)	(566)
NAV	69,970	62,011	62,011	61,459	61,459
Current assets	7,337	7,337	7,337	7,337	7,337
Current liabilities <sup>4</sup>	6,342	14,301	14,301	14,853	14,853
Net current assets/(liabilities)	995	(6,964)	(6,964)	(7,516)	(7,516)
Total loans and borrowings <sup>1</sup>	10,125	10,125	10,125	10,125	10,125
Cash & bank balances	1,559	1,559	1,559	1,559	1,559
Number of Shares (in '000) (excluding treasury shares)	322,388	292,239	292,239	290,149	290,149
Treasury shares (in '000)	2,322	32,471	32,471	2,322	2,322
<b>Financial Ratios</b>					
EPS – cents	1.39	1.54	1.54	1.55	1.55
NAV per Share – cents	21.70	21.22	21.22	21.18	21.18
Gearing ratio <sup>2</sup> (times)	0.12	0.14	0.14	0.14	0.14
Current ratio <sup>3</sup> (times)	1.16	0.51	0.51	0.49	0.49

**Notes:**

1. Total loans and borrowings include bank loans and finance leases.
2. Gearing ratio equals net debts (i.e. total loans and borrowings after deducting cash and bank balances) divided by equity.
3. Current ratio equals current assets divided by current liabilities.
4. See assumption stated in section 2.7.2(c) of this Appendix.

(a) Scenario A: Off-Market Purchases of 30,148,800 Shares made entirely out of profits and held as treasury shares.

As illustrated under Scenario A in the tables above, such purchase of Shares will have the effect of reducing the working capital and NAV of the Company and of the Group by the dollar value of the Shares purchased. The consolidated NAV per Share of the Group as at 31 December 2017 will increase from 42.85 cents to 44.55 cents.

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Assuming that the purchase of Shares had taken place on 1 January 2017, the consolidated basic EPS of the Group for FY2017 would be increased from 2.20 cents to 2.43 cents per Share as a result of the reduction in the number of issued Shares. No adjustments have been made to take into account foregone interest income as a result of the use of funds for the purchase of Shares.

- (b) Scenario B: Off-Market Purchases of 30,148,800 Shares made entirely out of capital and held as treasury shares.

As illustrated under Scenario B in the tables above, such purchase of Shares will have the effect of reducing the working capital and NAV of the Company and of the Group by the dollar value of the Shares purchased. The consolidated NAV per Share of the Group as at 31 December 2017 will increase from 42.85 cents to 44.55 cents.

Assuming that the purchase of Shares had taken place on 1 January 2017, the consolidated basic EPS of the Group for FY2017 would be increased from 2.20 cents to 2.43 cents per Share as a result of the reduction in the number of issued Shares. No adjustments have been made to take into account foregone interest income as a result of the use of funds for the purchase of Shares.

- (c) Scenario C: Off-Market Purchases of 32,238,800 Shares made entirely out of profits and cancelled.

As illustrated under Scenario C in the tables above, such purchase of Shares will have the effect of reducing the working capital and NAV of the Company and of the Group by the dollar value of the Shares purchased. The consolidated NAV per Share of the Group as at 31 December 2017 will increase from 42.85 cents to 44.68 cents.

Assuming that the purchase of Shares had taken place on 1 January 2017, the consolidated basic EPS of the Group for FY2017 would be increased from 2.20 cents to 2.44 cents per Share as a result of the reduction in the number of issued Shares. No adjustments have been made to take into account foregone interest income as a result of the use of funds for the purchase of Shares.

- (d) Scenario D: Off-Market Purchases of 32,238,800 Shares made entirely out of capital and cancelled.

As illustrated under Scenario D in the tables above, such purchase of Shares will have the effect of reducing the working capital and NAV of the Company and of the Group by the dollar value of the Shares purchased. The consolidated NAV per Share of the Group as at 31 December 2017 will increase from 42.85 cents to 44.68 cents.

Assuming that the purchase of Shares had taken place on 1 January 2017, the consolidated basic EPS of the Group for FY2017 would be increased from 2.20 cents to 2.44 cents per Share as a result of the reduction in the number of issued Shares. No adjustments have been made to take into account foregone interest income as a result of the use of funds for the purchase of Shares.

**Shareholders should note that the financial effects set out above, based on the respective assumptions stated above, are purely for illustration purposes only and are not necessarily representative of future financial performance. In addition, the actual impact will depend on, *inter alia*, the actual number and price of Shares that may be purchased or acquired by the Company, whether the purchase or acquisition of Shares is made out of the profits or capital of the Company and whether the Shares purchased or acquired are held in treasury or cancelled.**

Although the Share Purchase Mandate would authorise the Company to purchase up to 10% of the total number of the Company's issued Shares (excluding treasury shares and subsidiary holdings), the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of the total number of the issued Shares (excluding treasury shares and subsidiary holdings) as mandated. In addition, the Company may cancel all or part of the Shares purchased or hold all or part of the Shares purchased in treasury. The Board would emphasise that it does not propose to exercise the Share Purchase Mandate to such an extent that would, or in circumstances that might, result in a material adverse effect on the financial position of the Company or the Group taken as a whole, or result in the Company being delisted from the SGX-ST.

## **2.8 Tax Implications**

Shareholders who are in doubt as to their respective tax positions or any tax implications arising from the purchase or acquisition of Shares by the Company, including those who may be subject to tax in a jurisdiction outside Singapore, should consult their own professional advisers.

## **2.9 Listing Manual**

### **2.9.1 *No Purchases during Price Sensitive Developments***

Whilst the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the Company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its issued Shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the proposed Share Purchase Mandate at any time after a price sensitive development has occurred or has been the subject of a consideration and/or decision of the Board until the price sensitive information has been publicly announced.

In particular, in line with Rule 1207(19) of the Listing Manual, the Company will not purchase or acquire any Shares through Market Purchases or Off-Market Purchases during the period of one month immediately preceding the announcement of the Company's annual results and during the period of two weeks immediately preceding the announcement of the Company's financial statements for each of the first three quarters of its financial year.

### **2.9.2 *Listing Status of the Shares***

Under Rule 723 of the Listing Manual, a listed company shall ensure that at least 10% of the total number of issued Shares excluding treasury shares (excluding preference shares and convertible equity securities) in a class that is listed is at all times held by the public. The word "public" is defined in the Listing Manual as persons other than directors, chief executive officer, substantial shareholders, or controlling shareholders of the listed company or its subsidiaries, as well as the associates of such persons.

As at the Latest Practicable Date, there are approximately 176,055,666 Shares, representing approximately 54.6% of the total number of issued Shares (excluding treasury shares), held by the public. In the event that the Company purchases the maximum of 10% of the total number of issued Shares from public Shareholders, the percentage of the Company's public float would be reduced to approximately 49.6% of the total number of Shares in issue (excluding treasury shares and subsidiary holdings). Accordingly, the Board is of the view that there is, at present, a sufficient number of Shares in issue held by public Shareholders that would permit the Company to potentially undertake purchases or acquisitions of Shares through Market Purchases up to the full 10% limit pursuant to the Share Purchase Mandate without adversely affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect orderly trading of the Shares.

#### **2.9.3 *Reporting Requirements***

The Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m. (a) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares and (b) in the case of an Off-Market Purchase, on the second Market Day after the close of acceptances of the offer. Such announcement must include details of the date of the purchase, the total number of shares purchased, the number of shares cancelled, the number of shares held as treasury shares, the purchase price per share or the highest and lowest prices paid for such shares, as applicable, the total consideration (including stamp duties and clearing charges) paid or payable for the shares, the number of shares purchased as at the date of announcement (on a cumulative basis), the number of issued shares (excluding treasury shares and subsidiary holdings) after the purchase, the number of treasury shares held after the purchase and the number of subsidiary holdings after the purchase.

### **2.10 Certain Take-over Code Implications Arising from the Proposed Share Purchase Mandate**

Certain take-over implications arising from the purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate are summarised below:

#### **2.10.1 *Obligation to Make a Take-over Offer***

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

#### **2.10.2 *Persons Acting in Concert***

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company. Unless the contrary is established, the Take-over Code presumes, *inter alia*, the following individuals and companies to be acting in concert with each other:

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- (a) the following companies:
  - (i) a company;
  - (ii) the parent of (i);
  - (iii) the subsidiaries of (i);
  - (iv) the fellow subsidiaries of (i);
  - (v) the associated companies of any of (i) to (iv);
  - (vi) companies whose associated companies include any of (i) to (v); and
  - (vii) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights; and
- (b) a company with any of its directors (together with their close relatives and related trusts and companies controlled by any of the directors, their close relatives and related trusts).

For the above purpose, a company is an associated company of another company if the second-mentioned company owns or controls at least 20% but not more than 50% of the voting rights of the first-mentioned company.

### 2.10.3 ***Effect of Rule 14 and Appendix 2 of the Take-over Code***

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

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

- (a) the percentage of voting rights held by such Directors and their concert parties in the Company would increase to 30% or more; or
- (b) where the Directors and their concert parties together hold between 30% and 50% of the Company's voting rights, their voting rights would increase by more than 1% in any period of six months.

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

Shareholders will be subject to the provisions of Rule 14 of the Take-over Code if they acquire voting Shares after the Company's purchase of its own Shares. For this purpose, an increase in the percentage of voting rights as a result of the Company's purchase of its own Shares will be taken into account in determining whether a Shareholder and persons acting in concert with him have increased their voting rights by more than 1% in any period of six months.

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Any Shares held by the Company as treasury shares shall be excluded from the calculation of the percentages of voting rights under the Take-over Code referred to above.

### 2.10.4 **Shareholding Interests of Directors**

Based on information in the Register of Directors' Shareholdings as at the Latest Practicable Date, the interests of the Directors in the Shares of the Company before and after the purchase or acquisition of Shares pursuant to the Share Purchase Mandate, on the basis that (i) the Company purchases the maximum of 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date, (ii) there is no change in the number of Shares in which the Directors have an interest as at the Latest Practicable Date, (iii) there are no further issue of Shares and (iv) no further Shares are purchased or acquired and held by the Company as treasury shares and no Shares are held as subsidiary holdings on or prior to the 24<sup>th</sup> AGM, will be as follows:

Name of Director	Number of Shares Held			% Before Share Purchase	% After Share Purchase
	Direct Interest	Deemed Interest	Total Interest		
Prof. Yong Kwee Yew	-	-	-	-	-
Tan Kheng Hwee Andrew <sup>(1)</sup>	17,250,474	228,400	17,478,874	5.422	6.024
Voon Yok Lin <sup>(2)</sup>	16,690,000	-	16,690,000	5.177	5.752
Bruno Sergio Valsangiacomo <sup>(3)</sup>	-	85,632,978	85,632,978	26.562	29.513
Marcel Poser	-	-	-	-	-
Luk Ka Lai Carrie	-	-	-	-	-
Soh Gim Teik	-	-	-	-	-
Voon Chet Chie (Alternate Director to Voon Yok Lin)	-	-	-	-	-
Romano William Fanconi (Alternate Director to Marcel Poser)	80,000	-	80,000	0.025	0.028

**Notes:**

- (1) Mr Tan Kheng Hwee Andrew is deemed to have an interest in the Shares held by his wife, Ms Koh Peck Poh, Phyllis.
- (2) The shares of Mr Voon Yok Lin are held in the name of Citibank Nominees Singapore Pte Ltd.
- (3) Mr Bruno Sergio Valsangiacomo is deemed to have an interest in the Shares held by BBRS by virtue of him together with his wife, Mrs Claudia Valsangiacomo-Brandestini, holding in aggregate not less than 20% of the voting shares of Tectus S.A.. See also Notes (2) and (3) under section 2.10.5 of this Appendix.

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### 2.10.5 ***Shareholding Interests of Substantial Shareholders***

Based on information in the Register of Substantial Shareholders as at the Latest Practicable Date, the interests of the Substantial Shareholders in the Shares of the Company before and after the purchase or acquisition of Shares pursuant to the Share Purchase Mandate, on the basis that (i) the Company purchases or acquires the maximum of 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date, (ii) there is no change in the number of Shares in which the Substantial Shareholders have an interest as at the Latest Practicable Date, (iii) there are no further issue of Shares and (iv) no further Shares are purchased or acquired and held by the Company as treasury shares no shares are held as subsidiary holdings on or prior to the 24<sup>th</sup> AGM, will be as follows:

Name of Substantial Shareholder	Number of Shares Held			% Before Share Purchase	% After Share Purchase
	Direct Interest	Deemed Interest	Total Interest		
BBRS	85,632,978	-	85,632,978	26.562	29.513
Tectus S.A. <sup>(1)</sup>	-	85,632,978	85,632,978	26.562	29.513
Claudia Valsangiacomo-Brandestini <sup>(2)</sup>	-	85,632,978	85,632,978	26.562	29.513
Bruno Sergio Valsangiacomo <sup>(3)</sup>	-	85,632,978	85,632,978	26.562	29.513
Vesna Eckert-Brandestini <sup>(2)</sup>	-	85,632,978	85,632,978	26.562	29.513
Nick Brandestini <sup>(2)</sup>	-	85,632,978	85,632,978	26.562	29.513
Tan Kheng Hwee Andrew <sup>(4)</sup>	17,250,474	228,400	17,478,874	5.422	6.024
Voon Yok Lin <sup>(5)</sup>	16,690,000	-	16,690,000	5.177	5.752
Chiu Hong Keong <sup>(6)</sup> or Khoo Yok Kee	26,160,700	40,000	26,200,700	8.127	9.030

#### **Notes:**

- (1) Tectus S.A. is deemed to have interests in the Shares held by BBRS by virtue of its holding in aggregate not less than 20% of the voting shares of BBRS.
- (2) Mrs Claudia Valsangiacomo-Brandestini, Ms Vesna Eckert-Brandestini and Mr Nick Brandestini are each deemed to have an interest in the Shares held by BBRS by virtue of each of them holding not less than 20% of the voting shares of Tectus S.A.
- (3) Mr Bruno Sergio Valsangiacomo is deemed to have an interest in the Shares held by BBRS by virtue of him together with his wife, Mrs Claudia Valsangiacomo-Brandestini, holding in aggregate not less than 20% of the voting shares of Tectus S.A.
- (4) Mr Tan Kheng Hwee Andrew is deemed to have an interest in the Shares held by his wife, Ms Koh Peck Poh, Phyllis.
- (5) The shares of Mr Voon Yok Lin are held in the name of Citibank Nominees Singapore Pte Ltd.
- (6) Mr Chiu Hong Keong or Ms Khoo Yok Kee are deemed to have an interest in the Shares held by their son, Mr Chiu Wei Wen.

**2.10.6 Consequences of Share Purchases or Acquisitions by the Company**

As at the Latest Practicable Date, BBRS, a Substantial Shareholder of the Company and Mr Romano William Fanconi, the alternate Director to Mr Marcel Poser, together with certain persons acting in concert or presumed to be acting in concert with them (collectively, the “**BBRS Concert Parties**”) own or control an aggregate of 85,712,978 Shares representing approximately 26.587% of the total voting rights of the Company as at the Latest Practicable Date.

Assuming that there is no change in the shareholding interests of the BBRS Concert Parties in the Company as at the Latest Practicable Date, the purchase or acquisition by the Company of the maximum of 32,238,821 Shares (being 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date) will result in an increase in the holdings of the BBRS Concert Parties in the Shares from approximately 26.587% to 29.541%.

Based on the Register of Directors’ Shareholdings and the Register of Substantial Shareholders of the Company as at the Latest Practicable Date, the Directors are not aware of any Substantial Shareholder who would become obliged to make a mandatory take-over offer for the Company under Rule 14 of the Take-over Code in the event that the Company purchases or acquires the maximum of 32,238,821 Shares (being 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date) pursuant to the Share Purchase Mandate.

**The statements herein do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Take-over Code. Shareholders who are in doubt as to whether they would incur any obligation to make a take-over offer under the Take-over Code as a result of any purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate are advised to consult their professional advisers and/or the SIC at the earliest opportunity.**

**3. DIRECTORS’ RECOMMENDATION**

The Directors are of the opinion that the proposed renewal of the Share Purchase Mandate is in the interests of the Company and, accordingly, they recommend that Shareholders **vote in favour** of the ordinary resolution in relation to the renewal of the Share Purchase Mandate to be proposed at the 24<sup>th</sup> AGM.

**4. DIRECTORS’ RESPONSIBILITY STATEMENT**

The Directors of the Company 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 the Share Purchase Mandate and the Group, 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.

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## LETTER TO SHAREHOLDERS

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### **5. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of the Company at 50 Changi South Street 1, BBR Building, Singapore 486126 during normal business hours from the date of this Appendix up to and including the date of the 24<sup>th</sup> AGM:

- (a) the Constitution of the Company; and
- (b) the annual report of the Company for the financial year ended 31 December 2017.

Yours faithfully,  
For and on behalf of the Board of Directors of  
**BBR Holdings (S) Ltd**

Tan Kheng Hwee Andrew  
Executive Director and Chief Executive Officer