

ADDENDUM DATED 13 APRIL 2015

This Addendum is circulated to Shareholders of EnGro Corporation Limited (the “Company”) together with the Company’s 2014 Annual Report. Its purpose is to provide Shareholders with information on the proposed renewal of the Share Purchase Mandate to be tabled at the Annual General Meeting to be held on 28 April 2015 at 10.00 a.m at 25 International Business Park, German Centre, 5th Floor, Munich Room, Singapore 609916.

If you are in any doubt as to the course of action you should take, you should consult your legal, financial, tax or other professional adviser immediately.

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



**ENGRO CORPORATION LIMITED**  
(Incorporated in the Republic of Singapore)  
(Company Registration Number: 197302229H)

**ADDENDUM IN RELATION TO**

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

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The following definitions shall apply throughout unless the context requires otherwise or unless otherwise stated in this Addendum:-

<b>“Act”</b>	: The Companies Act, Chapter 50 of Singapore, as may be amended or modified from time to time
<b>“AGM”</b>	: The forthcoming annual general meeting of the Company, notice of which is set out in the 2014 Annual Report
<b>“Associate”</b>	: Shall have the meaning ascribed to it in the Listing Manual
<b>“Board”</b>	: The board of directors of the Company for the time being
<b>“CDP”</b>	: The Central Depository (Pte) Limited
<b>“2011 Circular”</b>	: The Company’s Circular to Shareholders dated 1 April 2011
<b>“Company”</b>	: EnGro Corporation Limited
<b>“Controlling Shareholder”</b>	: A person who holds directly or indirectly 15% or more of all the voting Shares in the Company unless the SGX-ST determines otherwise or a person who in fact exercises control over the Company, as defined under the Listing Manual
<b>“CPF”</b>	: Central Provident Fund
<b>“CPF Approved Nominees”</b>	: Agent banks included under the CPF Investment Scheme established by the CPF
<b>“Directors”</b>	: The directors of the Company as at the Latest Practicable Date
<b>“2011 EGM”</b>	: The Extraordinary General Meeting of the Company held on 27 April 2011
<b>“EPS”</b>	: Earnings per Share
<b>“FY”</b>	: Financial year ended 31 December
<b>“Group”</b>	: The Company and its subsidiaries
<b>“Last AGM”</b>	: The last annual general meeting of the Company held on 29 April 2014
<b>“Latest Practicable Date”</b>	: 30 March 2015, being the latest practicable date prior to the printing of this Addendum
<b>“Listing Manual”</b>	: The Listing Manual of the SGX-ST, as may be amended or modified from time to time
<b>“Market Day”</b>	: A day on which the SGX-ST is open for securities trading
<b>“Market Purchase”</b>	: An on-market purchase of Shares by the Company effected on the SGX-ST through one or more duly licensed dealers appointed by the Company for the purpose
<b>“Notice of AGM”</b>	: The notice of the AGM as set out in the 2014 Annual Report
<b>“NTA”</b>	: Net tangible asset
<b>“Off-Market Purchase”</b>	: An off-market purchase of Shares effected otherwise than on the SGX-ST in accordance with any equal access scheme defined in Section 76C of the Companies Act, and otherwise in accordance with all other laws and regulations and rules of the SGX-ST
<b>“Securities Account”</b>	: The securities account maintained by a Depositor with CDP but does not include a securities sub-account maintained with a Depository Agent
<b>“SGX-ST”</b>	: Singapore Exchange Securities Trading Limited

<b>“Shareholders”</b>	: Registered holders of Shares except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register and whose Securities Account maintained with CDP are credited with the Shares
<b>“Share Purchase”</b>	: The purchase of Shares by the Company pursuant to the Share Purchase Mandate
<b>“Share Purchase Committee”</b>	: A committee comprising directors of the Company duly authorised, appointed and nominated by the Board to administer the Share Purchase Mandate
<b>“Share Purchase Mandate”</b>	: The mandate to authorise the directors of the Company to purchase or otherwise acquire its issued Shares
<b>“Shares”</b>	: Ordinary shares in the capital of the Company
<b>“SIC”</b>	: The Securities Industry Council of Singapore
<b>“Substantial Shareholder”</b>	: A person who has an interest in voting Shares in the Company which carry not less than 5% of the total votes attached to all the voting Shares in the Company
<b>“Take-over Code”</b>	: The Singapore Code on Take-overs and Mergers, as amended or modified from time to time
<b>“S\$” and “cents”</b>	: Singapore dollars and cents, respectively
<b>“%” or “per cent”</b>	: Percentage or per centum

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 130A of the Act. The term **“Treasury Shares”** shall have the meaning ascribed to it in Section 4 of the Act.

The term **“subsidiary”** shall have the meaning ascribed to it in Section 5 of the Act.

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 Addendum to any enactment is a reference to that enactment for the time being amended or re-enacted. Any word defined under the Act or the Listing Manual or any statutory modification thereof and used in this Addendum shall, where applicable, have the meaning assigned to it under the Act or the Listing Manual or any such statutory modification thereof, as the case may be, unless otherwise provided.

Any reference to a time of day in this Addendum shall be a reference to Singapore time, unless otherwise stated.

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

# ENGRO CORPORATION LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration Number: 197302229H)

## Directors:

Tan Cheng Gay (Chairman and Chief Executive Officer)  
Tan Yok Koon (Executive Director)  
Ng Tat Pun (Independent Director)  
Soh Kim Soon (Independent Director)  
Ronnie Teo Heng Hock (Independent Director)

## Registered Office:

29 International Business Park,  
#08-05/06 Acer Building Tower B,  
Singapore 609923

**30 March 2015**

To: The Shareholders of  
EnGro Corporation Limited

Dear Sir/Madam

## PROPOSED RENEWAL OF SHARE PURCHASE MANDATE

### 1. INTRODUCTION

The Directors refer to (a) the Notice of AGM convening the AGM to be held on 28 April 2015; and (b) Resolution 11 set out in the Notice of AGM.

The purpose of this Addendum is to explain the reasons for, and to provide Shareholders with information relating to, and to seek Shareholders' approval at the AGM for the proposed renewal of the Share Purchase Mandate to be tabled at the AGM.

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

#### 2.1 Background

Shareholders had approved the Share Purchase Mandate at the 2011 EGM and renewed it at the Last AGM. The authority and limitations on the Share Purchase Mandate were set out in ordinary resolution 12 of the Notice of the Last AGM.

The Share Purchase Mandate will expire on the date of the forthcoming AGM. Accordingly, Shareholders' approval is being sought for the renewal of the Share Purchase Mandate at the AGM.

If the Share Purchase Mandate is renewed by Shareholders, it will remain in force until the date on which the next annual general meeting of the Company is held or required by law to be held (when it will lapse unless it is renewed) or the date on which the Share Purchases are carried out to the full extent mandated, whichever is the earlier unless prior to that, it is varied or revoked by resolution of the Shareholders in general meeting.

#### 2.2 Rationale

The Share Purchase Mandate would give the Company the flexibility to undertake Share Purchases at any time, subject to market conditions, during the validity period of the Share Purchase Mandate. The Directors believe that the Share Purchase Mandate provides the Company with a mechanism to facilitate the return of any surplus cash in excess of the Group's working capital requirements in an expedient and cost-efficient manner. The Directors further believe that Share Purchases may also help mitigate short-term share price volatility and offset the effects of share price speculation. The ability to hold repurchased shares as Treasury Shares will also allow the Company to restructure its capital and to facilitate future fund-raising without the need to issue new shares.

If and when circumstances permit, the Directors will decide whether to effect the Share Purchases *via* Market Purchases or Off-Market Purchases, after taking into account the amount of surplus cash available, the then prevailing market conditions and the most cost effective and efficient approach.

The Share Purchases would be made only as and when the Directors consider it to be in the best interests of the Company and/or Shareholders and in appropriate circumstances which the Directors believe will not result in any

material adverse effect on the liquidity and the orderly trading of the Shares, as well as the working capital requirements and the financial position of the Group.

## **2.3 Authority and limits**

The authority and limitations placed on the Share Purchase Mandate, if renewed at the AGM, are substantially the same as were previously approved by Shareholders at the Last AGM, and are summarised below:

### **2.3.1 Maximum number of Shares**

The total number of Shares, which may be purchased or acquired by the Company pursuant to the Share Purchase Mandate, is limited to that number of Shares representing not more than 10% of the total number of the Shares as at the date of the forthcoming AGM at which approval for the Share Purchase Mandate is being sought (the “**Approval Date**”). Following the introduction of the Companies (Amendment) Act 2005, any Shares which are held as Treasury Shares will be disregarded for the purpose of computing the 10% limit. As at the Latest Practicable Date, the Company is holding 19,000 Treasury Shares.

For illustrative purposes only, on the basis of 118,683,500 Shares as at the Latest Practicable Date, and assuming that no further Shares are issued prior to the AGM, not more than 11,868,350 Shares (representing 10% of the total number of Shares as at that date) may be purchased by the Company pursuant to the proposed Share Purchase Mandate during the duration referred to in Section 2.3.2 below.

### **2.3.2 Duration of authority**

Under the proposed Share Purchase Mandate, Share Purchases may be made, at any time and from time to time, on and from the date of the AGM at which the renewal of the Share Purchase Mandate is approved up to:-

- (i) the date on which the next annual general meeting is held or is required by law to be held;
- (ii) the date on which the purchases or acquisitions of Shares pursuant to the proposed Share Purchase Mandate are carried out to the full extent mandated; or
- (iii) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by the Shareholders in a general meeting,

whichever is the earliest.

### **2.3.3 Manner of Share Purchases**

- (a) Share Purchases may be made by way of:-
  - (i) Market Purchase; and/or
  - (ii) Off-Market Purchase.
- (b) The Share Purchase Committee may impose such terms and conditions, which are not inconsistent with the Share Purchase Mandate, the Listing Manual and the Act, as it considers fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes. However, an Off-Market Share Purchase effected in accordance with an equal access scheme must satisfy all the following conditions:-
  - (i) offers for the Share Purchase shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
  - (ii) all of those persons shall be given a reasonable opportunity to accept the offers made to them; and
  - (iii) the terms of all the offers shall be the same, except that there shall be disregarded:-
    - (1) differences in consideration attributable to the fact that the offers relate to Shares with different accrued dividend entitlements;
    - (2) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid (if applicable); and

- (3) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.
- (c) In addition, the Listing Manual provides that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders which must contain at least the following information:-
- (i) the terms and conditions of the offer;
  - (ii) the period and procedures for acceptance;
  - (iii) the reasons for the proposed Share Purchase;
  - (iv) the consequences, if any, of Share Purchases by the Company that will arise under the Take-over Code or other applicable take-over rules;
  - (v) whether the Share Purchase, if made, would have any effect on the listing of the Shares on the SGX-ST;
  - (vi) details of Share Purchases made during the previous 12 months (whether 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 such Share Purchases, where relevant, and the total consideration paid for such Share Purchases; and
  - (vii) whether the shares purchased by the Company will be cancelled or kept as Treasury Shares.

#### **2.3.4 Maximum purchase price**

- (a) The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Share Purchase Committee.
- (b) However, the purchase price to be paid for the Shares pursuant to the Share Purchases must not exceed:-
  - (i) in the case of a Market Purchase, 105% of the Average Closing Price (as defined below) of the Shares; and
  - (ii) in the case of an Off-Market Purchase, 120% of the Average Closing Price of the Shares,
 (the “**Maximum Price**”) in either case, excluding related expenses of the Share Purchase.
- (c) For the above purposes, “**Average Closing Price**” means the average of the closing market prices of a Share over the last 5 Market Days, on which transactions in the Shares were recorded on the SGX-ST, before the day on which the Market Purchase was made or as the case may be, before the date of making an announcement by the Company of an offer for an Off-Market Purchase and deemed to be adjusted for any corporate action that occurs after the relevant 5 Market Days.

## **2.4 Status of purchased Shares**

Under Section 76B of the Act, any Share which is purchased shall, unless held as a Treasury Share, be deemed cancelled immediately on purchase, and all rights and privileges attached to that Share will expire on cancellation. All Shares purchased by the Company, unless held as Treasury Shares, shall be deemed cancelled immediately on purchase, and all rights and privileges attached to that Share will expire on cancellation. All Share purchased by the Company, unless held as Treasury Shares, will be automatically delisted by the SGX-ST, and (where applicable) all certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following the settlement of any such purchase.

Some of the provisions on Treasury Shares under the Act, as amended by the Companies (Amendment) Act 2005, are summarised below:-

#### **(a) Maximum holdings**

The number of Shares held as Treasury Shares shall not at any time exceed 10% of the total number of issued ordinary shares of the Company. The Company shall be entered in the Register of Members as the member holding those Shares.

(b) Voting and other rights

- (i) The Company cannot exercise any right in respect of Treasury Shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Act, the Company shall be treated as having no right to vote in respect of Treasury Shares and the Treasury Shares shall be treated as having no voting rights.
- (ii) In addition, save as provided under the Companies (Amendment) Act 2005, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of the Treasury Shares. However, the allotment of shares as fully paid bonus shares in respect of Treasury Shares is allowed. Also, a sub-division or consolidation of any Treasury Share into Treasury Shares of a smaller or larger amount is allowed so long as the total value of the Treasury Shares after the sub-division or consolidation is the same as before.

(c) Disposal and cancellation

Where Shares purchased or acquired by the Company are held as Treasury Shares, the Company may at any time:-

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

## **2.5 Reporting requirements**

Within 30 days of the passing of a Shareholders' resolution to renew the Share Purchase Mandate, the Company shall lodge a copy of such resolution with the Registrar.

The Company shall lodge with the Registrar a notice of Share Purchase within 30 days of such Share Purchase. Such notification shall include the date of the purchases, the number of Shares purchased by the Company, the number of Shares cancelled, the number of Treasury Shares held, the Company's issued share capital before and after the purchases, the amount of consideration paid by the Company for the purchases and such other particulars as may be required in the prescribed form.

## **2.6 Source of funds**

The Company may only apply funds for the Share Purchases in accordance with the applicable laws in Singapore. The Company may not purchase its Shares for a consideration other than in cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the trading rules of the SGX-ST.

The Company intends to use internal sources of funds or external borrowings, or a combination of both, to finance its Share Purchases.

The Act stipulates that any purchases of Shares may be made out of the Company's capital or profits so long as the Company is solvent. Where the consideration paid by the Company for the Share Purchases is made out of profits, such consideration (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) will correspondingly reduce the amount of profits available for the distribution of cash dividends by the Company. However, where the consideration paid by the Company for the Share Purchases is made out of capital, the amount of profits available for the distribution of cash dividends by the Company will not be reduced.

## **2.7 Financial effects**

The financial effects on the Company and the Group arising from the Share Purchases will depend on, *inter alia*, whether the Share Purchases are made by way of Market Purchases or Off-Market Purchases, the price paid for such Shares and whether the Shares are held in treasury or cancelled.

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

**For illustrative purposes only**, the financial effects on the Company and the Group arising from the Share Purchases, based on the audited financial statements of the Company and the Group as at 31 December 2014, are prepared assuming the following:-

- (a) the Share Purchases comprised 11,868,350 Shares (representing 10% of the 118,683,500 outstanding Shares as at the Latest Practicable Date);
- (b) in the case of Market Purchases, the Maximum Price was S\$1.245 (being 5% above the average of the closing market prices of a Share over the last 5 Market Days prior to the Latest Practicable Date on which there were trades in the Shares) and accordingly, the maximum amount of funds (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) required for effecting such Market Share Purchases would amount to approximately S\$14,776,096;
- (c) in the case of Off-Market Purchases, the Maximum Price was S\$1.423 (being 20% above the average of the closing market prices of a Share over the last 5 Market Days prior to the Latest Practicable Date on which there were trades in the Shares) and accordingly, the maximum amount of funds (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) required for effecting such Off-Market Share Purchases would amount to approximately S\$16,888,662;
- (d) Share Purchases are made entirely out of capital and Shares purchased are kept as Treasury Shares; and
- (e) the Share Purchases took place on 31 December 2014 ;

	Group			Company		
	Before Share Purchase	After Share Purchase		Before Share Purchase	After Share Purchase	
		Market Purchase	Off-Market Purchase		Market Purchase	Off-Market Purchase
<b>As at 31 December 2014</b>						
Shareholders' Funds (\$)	228,131,000	213,355,000	211,242,000	183,379,000	168,603,000	166,490,000
NTA (\$)	227,665,000	212,889,000	210,776,000	183,379,000	168,603,000	166,490,000
Current Assets(\$)	122,521,000	107,745,000	105,632,000	90,099,000	75,323,000	73,210,000
Current Liabilities (\$)	30,799,000	30,799,000	30,799,000	23,196,000	23,196,000	23,196,000
Cash & Cash Equivalent <sup>(1)</sup> (\$)	36,940,000	22,164,000	20,051,000	16,751,000	1,975,000	(138,000)
Total Borrowings <sup>(2)</sup> (\$)	11,943,000	11,943,000	11,943,000	10,187,000	10,187,000	10,187,000
Net Profit attributable to Shareholders (\$)	13,160,000	13,160,000	13,160,000	12,643,000	12,643,000	12,643,000
Number of Shares	118,683,500	106,815,150	106,815,150	118,683,500	106,815,150	106,815,150
Weighted Average Number of Shares	118,559,966	118,527,450	118,527,450	118,559,966	118,527,450	118,527,450
<b>Financial Ratios</b>						
NTA per Share (S\$)	1.92	1.99	1.97	1.55	1.58	1.56
Net Gearing (times) <sup>(3)</sup>	NA	NA	NA	NA	0.05	0.06
EPS (cents) <sup>(4)</sup>	11.10	11.10	11.10	10.66	10.67	10.67

Notes:

- (1) Assuming the Company uses cash to fund the purchase of Shares.
- (2) Total Borrowings means the amount of liabilities arising from borrowings from banks and other financial institutions.



- (3) Net Gearing equals Total Borrowings less Cash and Cash Equivalent divided by Shareholders' Funds.
- (4) EPS equals Net Profit attributable to Shareholders divided by Weighted Average Number of Shares.
- (5) The disclosed financial effects remain the same irrespective of whether:
  - (i) the purchase of Shares are effected out of capital or profits; or
  - (ii) the purchased Shares are held in treasury or are cancelled.
- (6) As illustrated above, the Share Purchases will:
  - (i) increase the consolidated NTA per Share of the Group; and
  - (ii) not increase or decrease the consolidated EPS of the Group.

**The financial effects set out above are purely for illustrative purposes only. Although the proposed Share Purchase Mandate would authorise the Company to buy back up to 10% of the total number of shares issued by the Company as at the date that the Share Purchase Mandate is obtained, the Company may not necessarily buy back or be able to buy back 10% of the total number of shares issued in full. In addition, the Company may cancel all or part of the Shares purchased or hold all or part of the Shares purchased as Treasury Shares.**

## **2.8 Tax implications arising from Share Purchases**

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

## **2.9 Listing Manual**

The Listing Manual specifies that a listed company shall notify the SGX-ST of any Market Purchase not later than 9.00 a.m. on the Market Day following the day on which the Market Purchase was made, and of any Off-Market Purchase not later than 9.00 a.m. on the second Market Day after the close of acceptance of the offer for the Off-Market Purchase. The notification of such Share Purchases to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe. The Company shall make arrangements with its stockbrokers to ensure that they provide the Company in a timely fashion the necessary information which will enable the Company to make the notifications to the SGX-ST.

While the Listing Manual does not expressly prohibit purchase of shares by a listed company during any particular time or times, the Company will not undertake Share Purchases after a price sensitive development has occurred or has been the subject of a consideration and/or a decision of the Board until such time as the price sensitive information has been publicly announced. In particular, the Company will not buy any Shares during the period commencing 1 month before the announcement of the Company's annual results and during the period of 2 weeks before the announcement of the Company's quarterly results, as the case may be.

The Listing Manual requires a listed company to ensure that the percentage of equity securities of any class that is listed and held in public hands does not fall below 10%. The "public", as defined under the Listing Manual, are persons other than the directors, chief executive officer, Substantial Shareholders or Controlling Shareholders of the Company and its subsidiaries, as well as the Associates of such persons. Based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders maintained by the Company as at the Latest Practicable Date, there are 52,728,750 Shares in the hands of public Shareholders, representing approximately 44.43% of the total number of issued ordinary shares of the Company. Assuming the Company exercises the Share Purchase Mandate in full and purchases 10% of the total number of issued ordinary shares of the Company from the public, the number of Shares in the hands of the public not taking into account Treasury Shares would be reduced to approximately 40,860,400 Shares, representing approximately 38.25% of the total number of issued ordinary shares of the Company (excluding Treasury Shares). Accordingly, the Company is of the view that there is a sufficient number of Shares in issue held by public Shareholders which would permit the Company to undertake purchases or acquisitions of its Shares up to the full 10% limit pursuant to the Share Purchase Mandate without 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.

In undertaking any Share Purchase, the Directors will use their best efforts to ensure that, notwithstanding such Share Purchases, a sufficient float in the hands of the public will be maintained so that the Share Purchases will not adversely affect the listing status of the Shares on the SGX-ST, cause market illiquidity or adversely affect the orderly trading of the Shares.

## 2.10 Take-over Code implications arising from Share Purchases

Under the Take-over Code, persons acting in concert or concert parties comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), cooperate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of the company. Unless the contrary is established, the following persons, *inter alia*, will be presumed to be acting in concert, namely, (i) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts), and (ii) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies and companies of which such companies are associated companies, all with one another. For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status.

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 after a purchase or acquisition of Shares by the Company are set out in Rule 14 and Appendix 2 of the Take-over Code.

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Shareholders and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Shareholders and their concert parties, who together hold less than 30% of the voting rights in the Company, would increase to 30% or more, or, in the event that such Shareholders and their concert parties hold between 30% and 50% of the Company's voting rights, the voting rights of such Shareholders and their concert parties would increase by more than 1% in any period of 6 months.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of 6 months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

For the purpose of the Take-over Code, an increase in the percentage of voting rights as a result of the Share Purchases will be taken into account in determining whether a Shareholder and persons acting in concert with him have increased their voting rights to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of 6 months.

If the Company decides to cease the purchase of Shares before it has purchased in full such number of Shares authorised by its Shareholders at the latest annual general meeting, the Company will promptly inform its Shareholders of such cessation. This will assist Shareholders to determine if they can buy any more Shares without incurring an obligation under Rule 14.

Subject to further notifications on any changes in shareholdings that may be received by the Company, based on the Register of Directors' and Substantial Shareholdings as at the Latest Practicable Date (as set out in Section 3.1 of this Addendum read together with the notes thereto), certain shareholders, namely Afro-Asia International Enterprises Pte. Ltd, Tan Choo Pin, Ho Bee Holdings (Pte) Ltd and Chua Thian Poh, each of whom has a direct and deemed interest in between 30% to 50% of the Company's Shares, and any other person deemed under the Take-over Code to be acting in concert with them, may incur an obligation to make a take-over offer under Rule 14 by virtue of their respective shareholding increasing by more than 1% in any period of six months as a result of the Company purchasing or acquiring Shares.

**Shareholders are advised to consult their professional advisers and/or the SIC and/or other relevant authorities at the earliest opportunity as to whether an obligation on their part, if any, to make a mandatory take-over offer under the Take-over Code would arise by reason of any Share Purchases by the Company.**

## 3 INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

### 3.1 Register of Directors' and Substantial Shareholdings

The interests of the Directors and Substantial Shareholders of the Company as at the Latest Practicable Date are set out below based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders, as at the Latest Practicable Date. In addition, the shareholdings of the Directors and the Substantial Shareholders before and after the purchase of Shares pursuant to the Share Purchase Mandate, assuming (i) the Company purchases the maximum amount of 10% of the total number of issued ordinary shares of the Company, and (ii) there is no change in the number of Shares held by the Directors and the Substantial Shareholders or which they are deemed interested in, will be as follows:-

	Before Share Purchase (No. of Shares)			Total Interest Before Share Purchase	Total Interest After Share Purchase
	Direct Interest	Deemed Interest	Total Interest	%	%
<b>Director</b>					
Tan Cheng Gay	636,750	826,000	1,462,750	1.23	1.37
Tan Yok Koon	366,000	–	366,000	0.31	0.34
Ng Tat Pun	–	–	–	–	–
Soh Kim Soon	46,500	–	46,500	0.04	0.04
Ronnie Teo Heng Hock	–	–	–	–	–
<b>Substantial Shareholder</b>					
Tan Choo Suan <sup>(1) (7)</sup>	1,419,000	60,137,500	61,556,500	51.87	57.63
Chua Thian Poh <sup>(2)</sup>	165,000	45,745,500	45,910,500	38.68	42.98
Ho Bee Holdings (Pte) Ltd <sup>(3)</sup>	–	45,745,500	45,745,500	38.54	42.83
Tan Choo Pin <sup>(4)</sup>	25,500	44,463,000	44,488,500	37.48	41.65
Ng Giok Oh <sup>(5)</sup>	–	15,674,500	15,674,500	13.21	14.67
Afro-Asia International Enterprises Pte. Limited	44,463,000	–	44,463,000	37.46	41.63
Afro Asia Shipping Co (Pte) Ltd	14,270,500	1,404,000	15,674,500	13.21	14.67
The Estate of the late Tan Kiam Toen, deceased <sup>(6)</sup>	–	60,137,500	60,137,500	50.67	56.30

**Notes:-**

- (1) This represents Dr Tan Choo Suan's deemed interest of 60,137,500 shares held in the name of the following:-
  - a. 44,463,000 shares held by Afro-Asia International Enterprises Pte. Limited;
  - b. 14,270,500 shares held by Afro Asia Shipping Co (Pte) Ltd; and
  - c. 1,404,000 shares held by Performance Investment Pte Ltd.
- (2) This represents Mr Chua Thian Poh's deemed interest of 45,745,500 shares held indirectly by Ho Bee Holdings (Pte) Ltd.
- (3) This represents Ho Bee Holdings (Pte) Ltd's deemed interest of 45,745,500 shares held in the name of the following:-
  - a. 44,463,000 shares held by Afro-Asia International Enterprises Pte. Limited; and
  - b. 1,282,500 shares held by Zen Property Management Pte Ltd.
- (4) This represents Mdm Tan Choo Pin's deemed interest of 44,463,000 shares held by Afro-Asia International Enterprises Pte. Limited by virtue of the provisions under Section 7 of the Companies Act, Cap 50.
- (5) This represents Mdm Ng Giok Oh's deemed interest of 15,674,500 shares held in the name of the following:-
  - a. 14,270,500 shares held by Afro Asia Shipping Co (Pte) Ltd; and
  - b. 1,404,000 shares held by Performance Investment Pte Ltd.
- (6) This represents the Estate's deemed interest of 60,137,500 shares held in the name of the following:-
  - a. 44,463,000 shares held by Afro-Asia International Enterprises Pte. Limited;
  - b. 14,270,500 shares held by Afro Asia Shipping Co (Pte) Ltd; and
  - c. 1,404,000 shares held by Performance Investment Pte Ltd.

The Estate's notification of deemed interest on 29 December 2010 was objected to by Mr Tan Yok Koon, an executive director of the Company, and Mdm Tan Choo Pin, a substantial shareholder of the Company (both siblings to Dr Tan Choo Suan, the sole executrix of the Estate) on 30 December 2010 on the basis that there is a dispute as to the beneficial interest in the shares concerned, which is currently before the High Court. On 10 January 2011, Mr Tan Cheng Gay, Chairman and Chief Executive Officer of the Company and sibling to Dr Tan Choo Suan, also lodged his objection with the Company on similar grounds.

- (7) Dr Tan Choo Suan's claim to direct interest in 1,419,000 shares and deemed interest in 60,137,500 shares in the Company are subject to dispute by her siblings, namely Mr Tan Cheng Gay, Mr Tan Yok Koon, Mdm Tan Choo Pin and Mr Tan Chin Hoon, and this is presently the subject matter of Suit 570.

### **3.2 Share purchase during the previous 12 months**

The Company has not purchased any Shares during the 12 months period preceding the Latest Practicable Date.

## **4 DIRECTORS' RECOMMENDATION**

The Directors are of the opinion that the Share Purchase Mandate is in the interests of the Company and accordingly recommend that Shareholders vote in favour of Resolution 11 relating to the renewal of the Share Purchase Mandate, at the AGM.

## **5 DIRECTORS' RESPONSIBILITY STATEMENT**

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

## **6 DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents may be inspected at the registered office of the Company during normal business hours from the date hereof up to and including the date of the AGM:-

- (a) the Memorandum and Articles of Association of the Company; and
- (b) the 2011 Circular.

Yours faithfully  
For and on behalf of the Board of Directors of  
**EnGro Corporation Limited**

Tan Cheng Gay  
Chief Executive Officer