

LETTER TO SHAREHOLDERS DATED 12 JULY 2018

THIS LETTER IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY

IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

This Letter is circulated to shareholders of TLV Holdings Limited (the “**Company**”) together with the Company’s annual report for the financial year ended 31 March 2018. Its purpose is to provide shareholders of the Company with the relevant information relating to, the proposed renewal of the share buyback mandate and to seek shareholders’ approval for the same at the Annual General Meeting of the Company to be held at 3 Kaki Bukit Place, Eunos Techpark, Singapore 416181 on Friday, 27 July 2018 at 10:00 a.m..

If you have sold or transferred all your shares of the Company, you should immediately forward this Letter together with the Notice of Annual General Meeting and the accompanying Proxy Form immediately 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 the transferee.

This Letter has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “**Sponsor**”) for compliance with the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalyst. The Sponsor has not verified the contents of this Letter.

The Letter has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this Letter, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Letter.

The contact person for the Sponsor is Mr Joseph Au, Associate Director, Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).



TLV

TLV HOLDINGS LIMITED

Company Registration No. 201526542C
(Incorporated in the Republic of Singapore)

LETTER TO SHAREHOLDERS

IN RELATION TO

THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

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DEFINITIONS

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

- “2018 AGM”** : The annual general meeting of the Company to be held on Friday, 27 July 2018 at 10:00 a.m. at 3 Kaki Bukit Place, Eunostechpark, Singapore 416181
- “ACRA”** : The Accounting & Corporate Regulatory Authority of Singapore
- “Act” or “Companies Act”** : The Companies Act (Chapter 50) of Singapore, as amended or modified from time to time
- “AGM”** : Annual general meeting of the Company
- “Annual Report 2018”** : The annual report of the Company for the financial year ended 31 March 2018
- “Associate”** :
- (a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:-
 - (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more
 - (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- “Board of Directors” or “Board” or “Directors”** : The directors of the Company for the time being
- “Catalist”** : The sponsor-supervised listing platform of the SGX-ST
- “Catalist Rules”** : The SGX-ST Listing Manual Section B: Rules of Catalist, as amended, modified or supplemented from time to time
- “CDP”** : The Central Depository (Pte) Limited
- “Company”** : TLV Holdings Limited
- “Constitution”** : The Constitution of the Company, as amended, supplemented or modified from time to time
- “Controlling Shareholder”** : A person who:-
 - (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company; or
 - (b) in fact exercises control over the Company

“EPS”	:	Earnings per Share
“FY”	:	Financial year ended or ending 31 March
“Group”	:	The Company together with its subsidiaries and associated company, collectively
“Latest Practicable Date” or “LPD”	:	29 June 2018, being the latest practicable date prior to the printing of this Letter
“Letter”	:	This letter to Shareholders dated 12 July 2018
“Market Day(s)”	:	A day or days on which the SGX-ST is open for securities trading
“Market Purchases”	:	On-market purchases transacted on the SGX-ST through the SGX-ST’s trading system, through one or more duly licensed stockbrokers appointed by the Company for the purpose of the Share Buyback
“Notice of 2018 AGM”	:	The notice of 2018 AGM dated 12 July 2018 as set out on pages 82 to 84 of the Annual Report 2018
“NTA”	:	Net tangible asset
“Off-Market Purchases”	:	Off-market purchases (if effected otherwise than on the SGX-ST) in accordance with an “equal access scheme” as defined in Section 76C of the Act
“Ordinary Resolution”	:	The ordinary resolution as set out in the Notice of 2018 AGM as resolution 8.
“Relevant Period”	:	The period commencing from the date on which the resolution in relation to the renewal of Share Buyback Mandate is passed in 2018 AGM and expiring on the earliest of date the next AGM is held or is required by law to be held, or the date on which the share buybacks are carried out to the full extent mandated or the date the said mandate is revoked or varied by the Company in a general meeting
“Securities Account”	:	A securities account maintained by a Depositor with CDP, but does not include a securities sub-account maintained with a Depository Agent
“SFA”	:	Securities and Futures Act (Chapter 289) of Singapore, as amended or modified from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Buyback”	:	The purchase or acquisition of issued Share(s) by the Company pursuant to the terms of the Share Buyback Mandate
“Share Buyback Mandate”	:	The general and unconditional mandate given by Shareholders to authorise the Directors to exercise all powers of the Company to purchase or otherwise acquire, on behalf of the Company, issued Shares within the Relevant Period in accordance with the terms set out in this Letter, as well as the rules and regulations set forth in the Companies Act and the Catalist Rules
“Share(s)”	:	Ordinary share(s) in the issued capital of the Company

“Shareholders”	:	Registered holders of the Shares, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP whose Securities Accounts are credited with those Shares
“SIC”	:	The Securities Industry Council of Singapore
“Sponsor”	:	PrimePartners Corporate Finance Pte. Ltd.
“Subsidiary Holdings”	:	Shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Act
“Substantial Shareholder”	:	A person who has an interest in one (1) or more voting Shares in the Company and the total votes attached to that Share, or those Shares, is not less than 5% of the total votes attached to all the voting Shares in the Company
“Take-over Code”	:	The Singapore Code on Take-overs and Mergers, as modified, supplemented or amended from time to time
“Treasury Shares”	:	Shares purchased or acquired by the Company pursuant to the Share Buyback Mandate and held by the Company in accordance with Section 76H of the Act and have since purchase been continuously held by the Company
“S\$” and “cents”	:	Singapore dollars and cents, the lawful currency of Singapore
“%”	:	Per centum or percentage

Unless the context otherwise requires:

- (i) the terms “**Depositor**”, “**Depository Register**” and “**Depository Agent**” shall have the meanings ascribed to them respectively in Section 81SF of the SFA;
- (ii) the terms “**subsidiary**”, “**related company**” and “**substantial shareholder**” shall have the meanings ascribed to them in the Companies Act respectively;
- (iii) 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;
- (iv) any reference in this Letter to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Catalist Rules or the Take-over Code or any modification thereof and not otherwise defined in this Letter shall, where applicable, have the same meaning ascribed to it under the Companies Act, the Catalist Rules or the Take-over Code or such modification thereof, as the case may be, unless the context otherwise requires;
- (v) any reference to a time of a day in this Letter shall be a reference to Singapore time unless otherwise stated;
- (vi) any discrepancies between the figures listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Letter may not be an arithmetic aggregation of the figures that precede them; and
- (vii) the headings in this Letter are inserted for convenience only and shall be ignored in construing this Letter.

TLV HOLDINGS LIMITED

(Company Registration No. 201526542C)
(Incorporated in the Republic of Singapore)

Directors

Goh Yeow Tin	(Non-Executive Chairman and Independent Director)
Teo Boon Leng	(Managing Director)
Ang Kah Leong	(Executive Director)
Lu King Seng	(Independent Director)
Chua Kern	(Independent Director)

Registered Office

3 Kaki Bukit Place
Eunos Techpark
Singapore 416181

12 July 2018

To: The Shareholders of TLV Holdings Limited

Dear Sir/Madam

1. INTRODUCTION

The purpose of this Letter is to provide Shareholders with the relevant information pertaining to, the proposed renewal of the Share Buyback Mandate to be tabled at the 2018 AGM and to seek Shareholders' approval at the 2018 AGM to be held on 27 July 2018 for the proposed renewal of the Share Buyback Mandate.

This Letter has been prepared solely for the purposes outlined above and may not be relied upon by any persons (other than the Shareholders to whom this Letter is despatched to by the Company) or for any other purpose.

2. THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

2.1 Background

The Share Buyback Mandate was originally approved by Shareholders at the extraordinary general meeting of the Company held on 9 March 2016 and was renewed at the AGM of the Company held on 28 July 2017.

The Share Buyback Mandate, renewed at the last AGM of the Company held on 28 July 2017, will expire on the date of 2018 AGM. Accordingly, the Company is proposing to seek the renewal of the Share Buyback Mandate via an ordinary resolution at the 2018 AGM.

If approved by Shareholders at the 2018 AGM, the authority conferred by the Share Buyback Mandate will take effect from the date of the 2018 AGM at which the proposed renewal of the Share Buyback Mandate will be approved ("**Approval Date**") and continue to be in force for the duration of the Relevant Period, which is until the earlier of the date on which the next AGM is held or is required by law to be held, (whereupon it will lapse, unless renewed at such meeting) or when share buybacks pursuant to a Share Buyback Mandate are carried out to the full extent mandated or the date the said mandate is varied or revoked by the Company in general meeting.

Any purchase or acquisition of Shares by the Company will have to be made in accordance with, and in the manner prescribed by, the Companies Act, the Constitution of the Company, the Catalist Rules, and such other laws and regulations as may for the time being applicable.

2.2 Rationale for the Share Buyback Mandate

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

- (a) Directors are constantly seeking to increase Shareholders' value and to improve, *inter-alia*, the return on equity of the Group. The purchase by the Company of its issued Shares at the appropriate price level is one of the ways through which the return on equity of the Group may be enhanced;

- (b) The Share Buyback Mandate will give the Directors the flexibility to purchase or acquire Shares as and when circumstances permit. The Directors believe that the Share Buyback Mandate provides the Company and its Directors with a mechanism to facilitate the use of any surplus cash over and above the Company's ordinary working capital requirements, in an expedient and cost-efficient manner;
- (c) The Share Buyback Mandate will also allow the Directors to exercise greater control over the Company's share capital structure, dividend policy and cash reserves and may lead to an enhancement of EPS and/or NTA per Share of the Company and the Group; and
- (d) The Directors further believe that a Share Buyback by the Company may help mitigate short-term market or price volatility, offset the effects of short-term share speculation or demand and bolster Shareholders' confidence.

Whilst the Share Buyback Mandate would authorise Share Buybacks up to the said ten per cent (10%) limit during the duration referred to in paragraph 2.3.2 below, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buyback Mandate may not be carried out to the full ten per cent (10%) limit as authorised and the purchases or acquisitions of Shares pursuant to the Share Buyback Mandate would be made only as and when the Directors consider it to be in the best interest of the Company and/or Shareholders and in circumstances which they believe will not result in any material adverse effect to the financial position of the Company or the Group, or result in the Company being delisted from the SGX-ST. The Directors will use their best efforts to ensure that after a Share Buyback pursuant to the Share Buyback Mandate, 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 the orderly trading and listing status of the Shares on the SGX-ST.

2.3 Terms of the Share Buyback Mandate

The authority and limitations placed on purchases or acquisitions of Shares by the Company under the Share Buyback Mandate are summarised below:

2.3.1 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 during the Relevant Period shall not exceed ten per cent (10%) of the total number of issued Shares of the Company as at the date of the 2018 AGM at which the renewal of Share Buyback Mandate is approved, unless the Company has, at any time during the Relevant Period (as defined in paragraph 2.3.2), effected a reduction of its share capital in accordance with the applicable provisions of the Act, in which event the total number of issued Shares of the Company shall be taken to be the total number of issued Shares of the Company as altered. Any Shares which are held as Treasury Shares and Subsidiary Holdings will be disregarded for purposes of computing the ten per cent (10%) limit.

Purely for illustrative purposes only, based on the issued and paid-up share capital of the Company as at the Latest Practicable Date comprising 559,406,000 Shares (excluding 6,100,000 Treasury Shares and *nil* Subsidiary Holdings held), and assuming that no further Shares are issued on or prior to the 2018 AGM, not more than 55,940,600 Shares (representing 10% of the total number of issued Shares, excluding Treasury Shares and Subsidiary Holdings as at that date) may be purchased or acquired by the Company pursuant to the Share Buyback Mandate.

2.3.2 Duration of Authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, by the Company on and from the date of the 2018 AGM at which the renewal of Share Buyback Mandate is approved up to the earlier of:

- (a) the conclusion of the next AGM or the date by which such AGM of the Company is held or required by law to be held;

- (b) the date on which the Share Buybacks are carried out to the full extent mandated; or
- (c) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied by the Company in general meeting.

(the “**Relevant Period**”)

The authority conferred on the Directors by the Share Buyback Mandate to purchase or acquire Shares may be renewed by the Shareholders in a general meeting of the Company, such as at the next AGM of the Company or at an extraordinary general meeting to be convened immediately after the conclusion or adjournment of the next AGM.

2.3.3 Manner of Purchases or Acquisitions of Shares

Purchases or acquisitions of Shares can be effected by the Company by way of:

- (a) on-market purchases transacted on the SGX-ST through the SGX-ST’s trading system, through one or more duly licensed stockbrokers appointed by the Company for the purpose of the Share Buyback (“**Market Purchases**”); and/or
- (b) off-market purchases (if effected otherwise than on the SGX-ST) in accordance with an “equal access scheme” as defined in Section 76C of the Act (“**Off-Market Purchases**”).

In an Off-Market Purchase, the Directors may impose such terms and conditions which are consistent with the Share Buyback Mandate, the Catalist Rules, the Act, the Constitution and other applicable laws and regulations, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes.

Under the Act, an Off-Market Purchase must satisfy all the following conditions:

- (i) offers for the purchase or acquisition of Shares 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, where applicable:
 - (a) differences in consideration attributable to the fact that the offers may relate to Shares with different accrued dividends entitlements;
 - (b) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid; and
 - (c) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

Pursuant to Rule 870 of the Catalist Rules, if the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, it must issue an offer document to all Shareholders containing at least the following information:

- (aa) the terms and conditions of the offer;
- (bb) the period and procedures for acceptances;
- (cc) the reasons for the proposed purchase or acquisition of Shares;
- (dd) the consequences, if any, of the purchases or acquisitions of Shares by the Company that will arise under the Take-over Code or other applicable takeover rules;

- (ee) whether the purchases or acquisitions of Shares, if made, would have any effect on the listing of the Shares on the SGX-ST;
- (ff) details of any purchases or acquisitions of Shares made by the Company in the previous twelve (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 or acquisitions of Shares, where relevant, and the total consideration paid for the purchases or acquisitions; and
- (gg) whether the Shares purchased by the Company will be cancelled or kept as Treasury Shares.

2.3.4 Maximum Purchase Price

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

- (a) in the case of a Market Purchase, one hundred and five per cent (105%) of the Average Closing Price (as defined hereinafter); and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, one hundred and twenty per cent (120%) of the Average Closing Price (as defined hereinafter),

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

For the above purposes of determining the Maximum Price:

“**Average Closing Price**” means the average of the closing market prices of the Shares over the last five (5) Market Days on which transactions in the Shares were recorded immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer (as defined below) pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5)-Market Day period.

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

2.4 **Status of Purchased or Acquired Shares**

Any Share purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to that Share will expire on such cancellation) unless such Shares are held by the Company as Treasury Shares to the extent permitted under the Companies Act. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as Treasury Shares.

All Shares purchased or acquired by the Company (other than Treasury Shares held by the Company to the extent permitted under the Act) will be automatically delisted by the SGX-ST, and (where applicable) the certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase or acquisition.

At the time of each purchase or Shares by the Company, the Directors may decide to cancel Shares which have been purchased by the Company or hold such Shares as Treasury Shares, depending on whether it is in the interests of the Company to do so.

2.5 Treasury Shares

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

2.5.1 Maximum holdings

The aggregate number of Shares held as Treasury Shares shall not at any time exceed ten per cent. (10%) of the total number of issued Shares of the Company. 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 in accordance with Section 76K of the Act within six (6) months from the day the aforesaid limit is first exceeded or such further periods as ACRA may allow.

2.5.2 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 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.

The Treasury Shares may be sub-divided or consolidated, so long as the total value of the Treasury Shares after such sub-division or consolidation is the same as the total value of the Treasury Shares before the sub-division or consolidation, as the case may be.

2.5.3 Disposal or cancellation

Where Shares are held as Treasury Shares, the Company may at any time:

- (a) sell the Treasury Shares (or any of them) for cash;
- (b) transfer the Treasury Shares (or any of them) for the purposes of or pursuant to an employees' share scheme;
- (c) 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;
- (d) cancel the Treasury Shares (or any of them); or
- (e) sell, transfer or otherwise use the Treasury Shares for such other purposes as the Minister for Finance may by order prescribe.

Under the Catalist Rules, an immediate announcement must be made of any sale, transfer, cancellation and/or use of Treasury Shares (in each case, the "**usage**"). Such announcement must include details such as the date of the usage, the purpose of the usage, the number of Treasury Shares comprised in the usage, the number of Treasury Shares before and after the usage, the percentage of the number of Treasury Shares comprised in the usage against the total number of issued Shares (of the same class as the Treasury Shares) which are listed on the SGX-ST before and after the usage and the value of the Treasury Shares comprised in the usage.

2.6 Reporting Requirement

Within thirty (30) days of the passing of the Shareholders' resolution to approve any purchase or acquisition of Shares by the Company, the Company shall lodge a copy of such resolution with ACRA.

The Company shall notify ACRA in the prescribed form within thirty (30) days of a purchase or acquisition of Shares on the SGX-ST or otherwise. Such notification shall include, *inter alia*, details of the purchase or acquisition, the total number of Shares purchased or acquired by the Company, the number of Shares cancelled, the number of Shares held as Treasury Shares, the Company's issued share capital before and after the purchase or acquisition of Shares and the amount of consideration paid by the Company for the purchase or acquisition, whether the Shares were purchased or acquired out of profits or the capital of the Company and such other particulars as may be required by ACRA.

Within thirty (30) days of the cancellation or disposal of Treasury Shares in accordance with the provisions of the Companies Act, the Directors shall lodge with ACRA the notice of cancellation or disposal of Treasury Shares in the prescribed form as required by ACRA.

The Catalist Rules specify that a listed company shall notify the SGX-ST of all purchases or acquisitions of its shares not later than 9.00 a.m.:

- (a) in the case of a Market Purchase, on the Market Day following the day on which the Market Purchase was made; or
- (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptance of the offer for the Off-Market Purchase.

The notification of such purchases or acquisitions of Shares to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe. The Company shall make arrangements with its stockbrokers to ensure that they provide the Company in a timely fashion the necessary information which will enable the Company to make the notifications to the SGX-ST.

2.7 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, Catalist Rules and the applicable laws in Singapore.

The Company may not purchase or acquire 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.

Pursuant to the Act, any payment made by the Company in consideration of the purchase or acquisition of Shares by the Company may be made out of the Company's capital or profits, so long as the Company is solvent.

When Shares are purchased or acquired, and cancelled:

- (a) if the Shares are purchased or acquired entirely out of the capital of the Company, the Company shall reduce the amount of its share capital by the total amount of the purchase price paid by the Company for the Shares (including brokerage, stamp duties, applicable goods and services tax, clearance fees and other related expenses incurred directly in the purchase or acquisition by the Company of its Shares) ("**Purchase Price**") and the amount available for the distribution of dividends by the Company will not be reduced;
- (b) if the Shares are purchased or acquired entirely out of profits of the Company, the Company shall reduce the amount of its profits and the amount available for distribution of dividends by the total amount of the Purchase Price; or
- (c) where the Shares are purchased or acquired out of both the capital and the profits of the Company, the Company shall reduce the amount of its share capital and profits proportionately by the total amount of the Purchase Price.

It is an offence for a Director or an officer of the Company to approve or authorise the purchase or acquisition of Shares or the release of obligations, knowing that the Company is not solvent. For this purpose, pursuant to the Section 76F(4) of the Act, a company is solvent if at the date of the payment referred to in subsection (1) of Section 76F of the Act 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)
 - (i) if it is intended to commence winding up 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) if 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 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, acquisition, variation or release (as the case may be), become less than the value of its liabilities (including contingent liabilities).

In determining whether the Company is solvent, the Directors must have regard to the most recently audited financial statements, other relevant circumstances, and may rely on valuations of assets or estimates of liabilities. In determining the value of the contingent liabilities, the Directors may take into account the likelihood of the contingency occurring, as well as any counter-claims by the Company.

The Company intends to use internal sources of funds or external borrowings or a combination of both to finance purchases or acquisitions of its Shares pursuant to the Share Buyback Mandate. The amount of funding required for the Company to purchase or acquire its Shares and the financial impact on the Company and the Group arising from such purchases or acquisitions of Shares pursuant to the Share Buyback Mandate will depend on, *inter alia*, the aggregate number of Shares purchased or acquired, the consideration paid at the relevant time, and the amount (if any) borrowed by the Company to fund the purchases or acquisitions. However, in considering the option of external financing, the Board will consider particularly the prevailing gearing level of the Group. The Board will only make purchases or acquisitions of Shares pursuant to the Share Buyback Mandate in circumstances which they believe will not result in any material adverse effect to the financial position of the Company or the Group.

2.8 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 Buyback Mandate will depend on, *inter alia*, the number of Shares purchased or acquired, the price paid for such Shares, whether the Shares are purchased or acquired out of profits and/or capital of the Company and whether the Shares purchased or acquired are held by the Company as Treasury Shares or cancelled.

Under the Act, the Company may purchase or acquire its Shares out of its profits and/or capital so long as the Company is solvent.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (including brokerage, stamp duties, applicable goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

Where the consideration (including brokerage, stamp duties, applicable goods and services tax and other related expenses) paid by the Company for the purchase or acquisition of Shares is made out of capital, this will not reduce the amount available for the distribution of cash dividends by the Company.

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 Buyback Mandate on the Company and Group's NTA and EPS as the resultant effect would depend on, *inter alia*, the aggregate number of Shares purchased or otherwise acquired, whether the purchase or acquisition is made out of 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 otherwise acquired are cancelled or held as Treasury Shares.

For illustrative purposes only, the financial effects on the Company and the Group are based on the audited financial statements of the Company and the Group for the FY2018, and the assumptions set out below:

- (a) that the Share Buyback Mandate was effective as at the Latest Practicable Date;
- (b) based on 559,406,000 Shares in issue (excluding 6,100,000 Treasury Shares *nil* Subsidiary Holdings held) as at the Latest Practicable Date, and assuming that no further Shares are issued, purchased and kept as Treasury Shares on or prior to the 2018 AGM, the purchase or acquisition by the Company of 10% of its issued Shares (excluding 6,100,000 Treasury Shares and *nil* Subsidiary Holdings held) will result in the purchase or acquisition of 55,940,600 Shares;
- (c) in the case of Market Purchases by the Company, assuming that the Company purchases or acquires 10% of its issued Shares (excluding 6,100,000 shares Treasury Shares and *nil* Subsidiary Holdings held) at the Maximum Price of S\$0.097 (being the price equivalent to 5% above the Average Closing Price of the Shares over the last five (5) consecutive Market Days on the SGX-ST preceding the Latest Practicable Date on which transactions in the Shares were recorded), the maximum amount of funds required for the purchase or acquisition of 55,940,600 Shares is approximately S\$5.426 million; and
- (d) in the case of Off-Market Purchases by the Company, assuming that the Company purchases or acquires 10% of its issued Shares (excluding 6,100,000 Treasury Shares and *nil* Subsidiary Holdings held) at the Maximum Price of S\$0.111 (being the price equivalent to 20% above the Average Closing Price of the Shares over the last five (5) Market Days on the SGX-ST preceding the Latest Practicable Date on which transactions in the Shares were recorded), the maximum amount of funds required for the purchase or acquisition of 55,940,600 Shares is approximately S\$6.209 million.

For illustrative purposes only, and based on the assumptions set out in (a), (b), (c) and (d) above, and further assuming that the Share Buyback Mandate will be funded by the Company solely by internal funds through cash disbursement of S\$9 million from subsidiaries to the Company prior to the purchase or acquisition of shares by the Company, transaction costs incurred for the purchase or acquisition of Shares pursuant to the Share Buyback Mandate are assumed to be insignificant and have been ignored for the purposes of computing the financial effects:

- (i) the purchase or acquisition of 55,940,600 Shares pursuant to the Share Buyback Mandate by way of Market Purchases made entirely out of capital and cancelled; and
- (ii) the purchase or acquisition of 55,940,600 Shares pursuant to the Share Buyback Mandate by way of Off-Market Purchases made entirely out of capital, with 50,450,600 Shares held as Treasury Shares and 5,490,000 Shares cancelled (56,550,600 Shares being the maximum number of Shares which may be held as Treasury shares under the Act after taking into consideration that 6,100,000 Treasury Shares held by the Company as at the Latest Practicable Date),

on the audited financial statements of the Company and the Group for FY2018 are set out below:

(a) Market Purchases of 10% of issued Shares made entirely out of capital and cancelled

	Group		Company	
	Before Share Buyback S\$'000	After Share Buyback S\$'000	Before Share Buyback S\$'000	After Share Buyback S\$'000
As at 31 March 2018				
Share capital	96,719	91,293	96,719	91,293
Reserves	(64,197)	(64,197)	0	0
Retained earning	71,998	71,998	2,677	2,677
Treasury Shares	(698)	(698)	(698)	(698)
Equity attributable to equity holders	103,822	98,396	98,698	93,272
Non-controlling interest	0	0	0	0
Total equity	103,822	98,396	98,698	93,272
NTA	102,977	97,551	98,698	93,272
Current assets	140,584	135,158	17,459	12,033
Current liabilities	47,751	47,751	837	837
Working capital	92,833	87,407	16,622	11,196
Total borrowings	11,909	11,909	0	0
Profit attributable to Shareholders	3,469	3,469	1,408	1,408
Cash and cash equivalents	11,036	5,610	2,325	5,899
Total issued no. of Shares (excluding Treasury Shares and Subsidiary Holdings) ('000)	559,406	503,465	559,406	503,465
Weighted average no. of Shares ('000)	559,406	503,465	559,406	503,465
Financial Ratios				
NTA per Share ⁽¹⁾ (cents)	18.41	19.38	17.64	18.53
Gearing ratio ⁽²⁾ (times)	0.11	0.12	0	0
Current ratio ⁽⁴⁾ (times)	2.94	2.83	20.86	14.38
EPS ⁽³⁾ (cents)	0.62	0.69	0.25	0.28

Notes:

- (1) NTA per Share equals to NTA (excludes minority interests) divided by the number of Shares outstanding adjusted for the effect of the Share Buy Back as at 31 March 2018.
- (2) Gearing ratio represents total borrowings divided by Shareholders' equity.
- (3) EPS is calculated based on profit attributable to Shareholders and aggregated weighted average number of issued and paid-up Shares (excluding Treasury Shares and Subsidiary Holdings) adjusted for the effect of the Share BuyBack based on the audited financial statements of the Company and the Group for FY2018.
- (4) Current ratio equals to current assets divided by current liabilities.

(b) Off-Market Purchases of 10% of issued Shares made entirely out of capital, with 50,450,600 Shares held as Treasury Shares and 5,490,000 Shares cancelled, pursuant to the limits set out in paragraph 2.5.1

	Group		Company	
	Before Share Buyback S\$'000	After Share Buyback S\$'000	Before Share Buyback S\$'000	After Share Buyback S\$'000
As at 31 March 2018				
Share capital	96,719	96,110	96,719	96,110
Reserves	(64,197)	(64,197)	0	0
Retained earning	71,998	71,998	2,677	2,677
Treasury Shares	(698)	(6,298)	(698)	(698)
Equity attributable to equity holders	103,822	97,613	98,698	92,489
Non-controlling interest	0	0	0	0
Shareholders' equity	103,822	97,613	98,698	92,489
NTA	102,977	96,768	98,698	92,489
Current assets	140,584	134,375	17,459	11,250
Current liabilities	47,751	47,751	837	837
Working capital	92,833	86,624	16,622	10,413
Total borrowings	11,909	11,909	0	0
Profit attributable to Shareholders	3,469	3,469	1,408	1,408
Cash and cash equivalents	11,036	4,827	2,325	5,116
Total issued no. of Shares (excluding Treasury Shares and Subsidiary Holdings) ('000)	559,406	503,465	559,406	503,465
Weighted average no. of Shares ('000)	559,406	503,465	559,406	503,465
Financial Ratios				
NTA per Share ⁽¹⁾ (cents)	18.41	19.22	17.64	18.37
Gearing ratio ⁽²⁾ (times)	0.11	0.12	0	0
Current ratio ⁽⁴⁾ (times)	2.94	2.81	20.86	13.44
EPS ⁽³⁾ (cents)	0.62	0.69	0.25	0.28

Notes:

- (1) NTA per Share equals to NTA (excludes minority interests) divided by the number of Shares outstanding adjusted for the effect of the Share Buy Back as at 31 March 2018.
- (2) Gearing ratio represents total borrowings divided by Shareholders' equity.
- (3) EPS is calculated based on profit attributable to Shareholders and aggregated weighted average number of issued and paid-up Shares (excluding Treasury Shares and Subsidiary Holdings) adjusted for the effect of the Share BuyBack based on the audited financial statements of the Company and the Group for FY2018.
- (4) Current ratio equals to current assets divided by current liabilities.

The actual impact will depend on the number and price of the Shares bought back. As stated, the Directors do not propose to exercise the Share Buyback Mandate to such an extent that it would have a material adverse effect to the financial position of the Company or the Group. The purchase of Shares will only be effected after assessing the relative impact of a share buyback taking into consideration both financial factors (such as cash surplus, debt position and working capital requirements) and non-financial factors (such as share market conditions and performance of the Shares).

Shareholders should note that the financial effects illustrated above, based on the respective aforesaid assumptions, are for illustration purposes only. In particular, it is important to note that the above analysis is based on the audited financial statements of the Company and the Group for FY2018, and is not necessarily representative of the future financial performance of the Company and the Group.

It should be noted that although the Share Buyback Mandate would authorise the Company to purchase or otherwise acquire up to ten per cent (10%) of the issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or otherwise acquire the entire ten per cent (10%) of the issued Shares. In addition, the Company may cancel, or hold as Treasury Shares, all or part of the Shares purchased or otherwise acquired (subject to the provisions under the Act). The Company will take into account both financial and non-financial factors (for example, stock market conditions and the performance of the Shares) in assessing the relative impact of a share purchase or acquisition before execution.

2.9 Interested Persons

The Company is prohibited from knowingly buying Shares on the SGX-ST from an interested person, that is, a Director, the chief executive officer of the Company or Substantial Shareholder of the Company or any of their Associates, and an interested person is prohibited from knowingly selling his Shares to the Company.

2.10 Take-over Implications Arising from Share Buybacks

Appendix 2 of the Take-over Code ("**Appendix 2**") contains the Share Buy-Back Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

2.10.1 Obligation to make a take-over offer

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

- (a) a company with its parent company, subsidiaries, fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing for the purchase of voting rights;
- (b) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trusts;
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;

- (e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10% or more of the client's equity share capital;
- (f) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where they have reason to believe a *bona fide* offer for their company may be imminent;
- (g) partners; and
- (h) an individual, his close relatives, his related trusts, any person who is accustomed to act according to his instructions, companies controlled by any of the foregoing persons, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons and/or entities for the purchase of voting rights.

For this purpose, 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 under Rule 14 after a purchase or acquisition of Shares by the Company are set out in Appendix 2.

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

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

Under Appendix 2, 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 six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buyback Mandate.

2.10.4 Application of the Take-over Code

Teo Boon Leng, Managing Director, and Ang Kah Leong, Executive Director, are co-founders of the Group (collectively referred to as the "**Relevant Parties**"). Teo Boon Leng and Ang Kah Leong hold shareholding interests of 30.63% and 28.22% in the Company respectively as at the Latest Practicable Date.

Assuming that there is no change in the number of Shares held or deemed to be held by Teo Boon Leng, the purchase or acquisition by the Company of the maximum limit of 10% of the issued and paid-up share capital of the Company will result in an increase in the aggregate shareholding interest of Teo Boon Leng by more than 1% in any period of six (6) months. Accordingly, Teo Boon Leng, would, unless exempted, be required to make a general offer under Rule 14 of the Take-over Code.

Similarly, under Rule 14 of the Take-over Code, Ang Kah Leong would, unless exempted, become obliged to make a general offer under the Take-over Code for the Shares not owned by him, if as a result of the exercise of the Share Buyback Mandate, his interests in the voting rights of the Company increases to 30% or more.

As at the Latest Practicable Date, the details of the shareholdings of the Substantial Shareholders and Directors of the Company are set out in Paragraph 3 below.

2.10.5 Conditions for exemption from having to make a general offer under Rule 14 of the Take-over Code

Pursuant to Section 3(a) of Appendix 2 of the Take-over Code, the Relevant Parties will be exempted from the requirement to make a general offer under Rule 14 of the Take-over Code as a result of any share buy-back carried out by the Company pursuant to the Share Buyback Mandate, subject to the following conditions:

- (a) the Letter to Shareholders seeking their approval for the Share Buyback Mandate will contain:
 - (i) advice to the effect that by voting in favour of the resolution to approve the Share Buyback Mandate, Shareholders are waiving their rights to a general offer at the required price from the Relevant Parties and parties acting in concert with them who, as a result of the Company buying back its shares, would increase their voting rights to 30% or more, or if they together hold between 30% and 50% of the Company's voting rights, would increase their voting rights by more than 1% in any period of 6 months; and
 - (ii) the names and voting rights of the Relevant Parties as at the date of the resolution and after the Company exercises the power under the Share Buyback Mandate in full and purchases 10% of the issued Shares;
- (b) the resolution to renew the Share Buyback Mandate is approved by a majority of Shareholders who are present and voting at the 2018 AGM on a poll who could not become obliged to make an offer as a result of the Share Buyback by the Company pursuant to the Share Buyback Mandate;
- (c) the Relevant Parties and/or persons acting in concert with them will abstain from voting for and/or recommending Shareholders to vote in favour of the resolution to approve the renewal of Share Buyback Mandate;
- (d) within seven (7) days after the passing of the resolution to approve the renewal of Share Buyback Mandate, Teo Boon Leng and Ang Kah Leong submit to the SIC a duly signed form as prescribed by the SIC;
- (e) the Relevant Parties and/or persons acting in concert with them not to have acquired and not to acquire any shares between the date on which they know that the announcement of the Share Buyback Mandate is imminent and the earlier of:
 - (i) the date on which the authority of the Share Buyback Mandate expires; and
 - (ii) the date on which the Company announces it has bought back such number of Shares as authorised by the Share Buyback Mandate or it has decided to cease buying back its Shares, as the case may be,if such acquisitions, taken together with the buy-back, would cause their aggregate voting rights to increase to 30% or more; and
- (f) the Relevant Parties and/or persons acting in concert with them, together holding between 30% and 50% of the company's voting rights, not to have acquired and not to acquire any shares between the date on which they know that the announcement of the Share Buyback Mandate is imminent and the earlier of:
 - (i) the date on which the authority of the Share Buyback Mandate expires; and

- (ii) the date on which the Company announces it has bought back such number of Shares as authorised by the Share Buyback Mandate or it has decided to cease buying back its Shares, as the case may be,

if such acquisitions, taken together with the buy-back, would cause their aggregate voting rights to increase by more than 1% in the preceding six (6) months. It follows that where aggregate voting rights held by a director and persons acting in concert with him increase by more than 1% solely as a result of the Share Buyback and none of them has acquired any shares during the relevant period defined above, then such director and/or persons acting in concert with him would be eligible for SIC's exemption from the requirement to make a general offer under Rule 14 of the Takeover Code, or where such exemption had been granted, would continue to enjoy the exemption.

2.10.6 Form 2 submission to the SIC

Form 2 (Submission by directors and their concert parties pursuant to Appendix 2) is the prescribed form to be submitted to the SIC by a director and persons acting in concert with him pursuant to the conditions for exemption as set out in paragraph 2.10.5(d) above from the requirement to make a take-over offer under Rule 14 of the Take-over Code as a result of the buy-back of shares by a listed company under its Share Buyback Mandate.

As at the Latest Practicable Date, the Relevant Parties have informed the Company that they will be submitting the Form 2 to the SIC within seven (7) days after the passing of the resolution relating to the renewal of the Share Buyback Mandate.

2.10.7 Advice to Shareholders

Shareholders should note that by voting for the Ordinary Resolution in relation to the proposed renewal of Share Buyback Mandate, they are waiving their rights to a take-over offer at the required price from the Relevant Parties in the circumstances set out above. Such a take-over offer, if required to be made and had not been exempted by the SIC, would have to be made in cash or be accompanied by a cash alternative at the required price.

Save as disclosed, the Directors are not aware of any facts or factors which suggest or imply that any particular person(s) and/or Shareholder(s) are, or may be regarded as, persons acting in concert such that their respective interests in voting shares in the capital of the Company should or ought to be consolidated, and consequences under the Take-over Code would ensue as a result of a purchase of shares by the Company pursuant to the Share Buyback Mandate.

Appendix 2 of the Take-over Code requires that the resolution relating to the renewal of the Share Buyback Mandate will be voted on by a poll and is to be approved by a majority of those Shareholders present and voting at the meeting who could not become obliged to make an offer under the Take-over Code as a result of the Share Buyback.

2.11 **Listing Status of Shares on the SGX-ST**

Rule 723 of the Catalist Rules requires a listed company to ensure that at least 10% of the total number of issued shares (excluding Treasury Shares, preference shares and convertible equity securities) in a class that is listed is at all times held by public shareholders.

The expression “**public**” is defined under the Catalist Rules as persons other than (a) the Directors, chief executive officer, Substantial Shareholders or Controlling Shareholders of the Company and its subsidiaries and (b) the Associates (as defined in the Catalist Rules) of the persons described in paragraph (a). As at the Latest Practicable Date, there are 145,424,730 Shares in the hands of the public, representing 26.01% of the issued Shares of the Company (excluding 6,100,000 Treasury Shares and *nil* Subsidiary Holdings). Assuming that the Company purchases its Shares through Market Purchases up to the full 10% limit pursuant to the Share Buyback Mandate from the public on the Latest Practicable Date, the number of Shares in the hands of the public would be reduced to 89,484,130 Shares, representing 17.77% of the issued Shares of the Company (excluding Treasury Shares and Subsidiary Holdings).

Accordingly, the Company is of the view that there is a sufficient number of Shares 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 proposed Share Buyback 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 or to affect orderly trading.

2.12 Details of Shares Bought by the Company in the Previous Twelve (12) Months

No purchases or acquisitions of Shares have been made by the Company in the 12 months preceding the Latest Practicable Date.

2.13 Timing of Purchases

While the Catalist Rules do not expressly prohibit any purchase of shares by a listed company during any particular time, because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the renewed Share Buyback Mandate at any time after a price sensitive matter or development has occurred or has been the subject of a decision until the said price sensitive information has been publicly announced. In particular, in observing the best practices recommended in the Catalist Rules on securities dealings, the Company will not purchase or acquire any Shares through Market Purchases during the period of two (2) weeks and one (1) month immediately preceding the announcement of the Company’s interim and full-year results respectively, as the case may be, and ending on the date of announcement of the relevant results.

2.14 Tax Implications

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

3. INTERESTS OF DIRECTORS AND/OR SUBSTANTIAL SHAREHOLDERS

3.1 Interests in the Company

Assuming (a) the Company purchases the maximum number of ten per cent (10%) of the issued Shares of the Company as at the Latest Practicable Date; and (b) there is no change in the number of Shares held or deemed to be held by the Directors and Substantial Shareholders based on the Register of Directors’ Shareholdings of the Company and the Register of Substantial Shareholders of the Company maintained pursuant to Sections 164 and 88 of the Act respectively, as at the Latest Practicable Date, the shareholdings of the Directors and Substantial Shareholders before and after the purchase or acquisition of Shares were/will be as follows:

Directors and/or Substantial Shareholders	Before the Share Buyback				After the Share Buyback	
	Direct Interest (No. of Shares)	Deemed Interest (No. of Shares)	Total Interest (No. of Shares)	Total Interest (%)	Total Interest (No. of Shares)	Total Interest (%)
Directors						
Teo Boon Leng	171,359,753	–	171,359,753	30.63	171,359,753	34.04
Ang Kah Leong	157,884,355	–	157,884,355	28.22	157,884,355	31.36
Substantial Shareholders						
Lee Sui Hee	55,733,478	–	55,733,478	9.96	55,733,478	11.07
Sim Choon Lam	29,003,684	–	29,003,684	5.18	29,003,684	5.76

ANNUAL GENERAL MEETING

The 2018 AGM, of which the Notice of 2018 AGM is set out on pages 82 to 84 of the Annual Report 2018, will be held at 3 Kaki Bukit Place, Eunos Techpark, Singapore 416181 on Friday, 27 July 2018 at 10.00 a.m. for the purpose of considering and, if thought fit, passing, with or without modification the resolutions set out in the Notice of 2018 AGM.

4. ACTIONS TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the 2018 AGM and who wish to appoint a proxy or proxies to attend and vote on their behalf, should complete, sign and return the Proxy Form attached to the Notice of 2018 AGM in accordance with the instructions printed therein as soon as possible and, in any event, so as to arrive at the registered office of the Company at 3 Kaki Bukit Place, Eunos Techpark, Singapore 416181, not later than forty-eight (48) hours before the time fixed for the 2018 AGM. The appointment of a proxy by a Shareholder does not preclude him from attending and voting in person at the 2018 AGM if he so wishes in place of the proxy.

A Depositor shall not be regarded as a member of the Company entitled to attend the 2018 AGM and to speak and vote thereat unless his name appears on the Depository Register maintained by CDP at least seventy-two (72) hours before the 2018 AGM.

5. ABSTENTION FROM VOTING

The Relevant Parties will abstain, and will procure their Associates to abstain, from voting on the Ordinary Resolution in relation to the proposed renewal of Share Buyback Mandate pursuant to the conditions for exemption under Appendix 2 of the Take-over Code (as set out in Paragraph 2.10.5(c) above).

The Relevant Parties and their Associates will also decline to accept appointment as proxies to attend and vote at the 2018 AGM, unless the Shareholder concerned have given specific instructions as to the manner in which their votes are to be cast in respect of the Ordinary Resolution.

6. DIRECTORS' RECOMMENDATION

Having fully considered, *inter alia*, the rationale set out in paragraph 2.2 of this Letter, the Directors, save for Teo Boon Leng and Ang Kah Leong who have abstained from making any recommendation to Shareholders pursuant to the conditions for exemption under Appendix 2 of the Take-over Code (as set out in Paragraph 2.10.5(c) above), are of the opinion that the proposed renewal of the Share Buyback Mandate is in the best interests of the Company and accordingly recommend that Shareholders to vote in favour of Ordinary Resolution 8 as stated in the Notice of 2018 AGM in respect of the proposed renewal of the Share Buyback Mandate to be proposed at the 2018 AGM.

7. DIRECTORS' RESPONSIBILITY STATEMENT

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

8. DOCUMENTS FOR INSPECTION

Copies of the Constitution and the Annual Report 2018 are available for inspection during normal office hours, on any weekday (public holidays excluded), at the registered office of the Company at 3 Kaki Bukit Place, Eunos Techpark, Singapore 416181 from the date of this Letter up to the date of the 2018 AGM.

Yours faithfully

For and on behalf of the Board of Directors of
TLV HOLDINGS LIMITED

Teo Boon Leng
Managing Director

12 July 2018