

APPENDIX DATED 11 APRIL 2016

This Appendix is circulated to Shareholders of Nippecraft Limited ("the Company") together with the Company's annual report. Its purpose is to explain to Shareholders the rationale and provide information to Shareholders for the proposed renewal of the Interested Person Transactions Mandate to be tabled at the Annual General Meeting ("AGM") to be held on 28 April 2016 at 10.00 a.m. at 9 Fan Yoong Road, Singapore 629787.

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



NIPPECRAFT LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 197702861N)

APPENDIX IN RELATION TO DETAILS OF THE PROPOSED RENEWAL OF THE SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS

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1. DEFINITIONS

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

“Constitution”	: The Constitution of the Company
“APP”	: Asia Pulp & Paper Co. Ltd, a company incorporated in Singapore
“APP Golden”	: APP Golden Limited, a company incorporated in the British Virgin Islands
“APP Group ”	: APP, its subsidiary and associated companies
“APP Printing”	: APP Printing (Holding) Pte Ltd, a company incorporated in Singapore
“Appendix”	: This Appendix dated 11 April 2016
“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; and (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any company which is its subsidiary or holding company or is a subsidiary of any 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
“Audit Committee”	: The Audit Committee of the Company
“Board”	: The Board of Directors of the Company
“CDP”	: The Central Depository (Pte) Limited
“Company”	: Nippecraft Limited
“Companies Act”	: The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
“Control”	: The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company
“Controlling Shareholder”	: A person who: (a) holds directly or indirectly 15% or more of the number of all voting shares in a company; or (b) in fact exercises Control over a company
“Directors”	: The directors of the Company as at the date of this Appendix
“FY”	: Financial year ended 31 December

“Group”	: The Company and its subsidiaries
“Independent Directors”	: Messrs Ching Jit Yow, See Kian Heng, Lim Yu Neng Paul and Khoo Song Koon
“Interested Person”	: A Director, Chief Executive Officer or Controlling Shareholder of the Company or an Associate of such Director, Chief Executive Officer or Controlling Shareholder
“Interested Person Transactions” or “IPT”	: Transactions proposed to be entered into between the Nippcraft Group and the APP Group, the members of the latter being interested persons as defined under Chapter 9 of the Listing Manual
“Listing Manual”	: The Listing Manual of the SGX-ST, as the same may be amended, varied or supplemented from time to time
“Listing Rules”	: The listing rules of the SGX-ST set out in the Listing Manual
“Latest Practicable Date”	: The latest practicable date prior to the printing of this Appendix, being 24 March 2016.
“NTA”	: Net tangible assets
“Paperich”	: Paperich Pte Ltd, a company incorporated in Singapore
“PT APP”	: PT Andalan Prapanca Pertiwi, a company incorporated in the Republic of Indonesia
“SGX-ST”	: Singapore Exchange Securities Trading Limited
“Shareholder”	: A holder of Shares in the Company
“Shares”	: Ordinary shares in the capital of the Company
“Shareholders’ Mandate”	: The general mandate to be considered and, if thought fit, to be adopted and renewed by Shareholders at the Company’s annual general meeting on 28 April 2016 pursuant to Chapter 9 of the Listing Manual that permits the Group to enter into certain transactions with Interested Persons
“Substantial Shareholder”	: A person who has an interest of not less than 5% of the issued voting shares of the Company
“\$” or “S\$” and “cents”	: Singapore dollars and cents respectively, unless otherwise stated
“%” or “per cent”	: Per centum or percentage

The terms “Depositor”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them, respectively, in section 81SF of the Securities and Futures Act, Chapter 289 of Singapore.

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. References to persons shall, where applicable, include corporations.

Any reference in this Appendix 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 or any statutory modification thereof and used in this Appendix shall, where applicable, have the meaning ascribed to it under the Companies Act or statutory modification as the case may be.

Any reference to a time of a day in this Appendix is a reference to Singapore time.

2 THE RENEWAL OF THE SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS

2.1 Introduction

The direct and/or indirect interests of APP Printing, PT APP, APP and the Company are as follows:

- a) APP Printing is a company incorporated in the Republic of Singapore and is a wholly-owned subsidiary of PT APP, a company incorporated in the Republic of Indonesia;
- b) APP Printing holds approximately 63.69% of the share capital of the Company and is deemed to be the immediate holding company of Nippecraft;
- c) APP, a company incorporated in the Republic of Singapore, and was, but no longer, listed on the New York Stock Exchange, holds approximately 89.9% of PT APP; and
- d) APP Golden, a company incorporated with limited liability under the laws of the British Virgin Islands, controls approximately 63.32% of the voting power of APP and is considered the ultimate holding company of the Company.

Due to APP Printing's direct shareholding in the Company, APP Printing is deemed to be an interested person as defined in Chapter 9 of the SGX-ST Listing Manual. Accordingly, APP Printing, its representatives and its concerted parties are to abstain from voting on the Shareholders' Mandate in respect of the shareholdings in the Company at the AGM.

Pursuant to Chapter 9 of the SGX-ST Listing Manual, the general shareholders' mandate, which is to be approved at the annual general meeting to be held on 28 April 2016, will continue in force until the forthcoming annual general meeting.

Chapter 9 of the SGX-ST Listing Manual applies to transactions which a listed company or any of its subsidiaries or associated companies proposed to enter into with an interested person of the listed company.

Chapter 9 of the SGX-ST Listing Manual allows a listed company to seek general mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations, which may be carried out with the listed company's interested persons.

Terms such as "interested person", "associate", "associated company" and "controlling shareholder" shall have the meanings given to them in the Listing Manual.

2.2 Background

The Nippecraft Group is principally engaged in the business of designing, manufacturing and distributing of planners, organisers, business accessories, gift stationery, and related products.

Nippecraft has also diversified into the business of global brand management, creative development as well as sourcing services. The Company intends to leverage on its key brand and product competencies that include knowledge of personal and business enrichment tools along its dominant market position in Australia / United Kingdom / South East Asia regions.

The Nippecraft Group, through its wholly owned subsidiary, Paperich Pte Ltd ("**Paperich**"), has diversified into the business of sourcing for photocopier paper from suppliers and thereafter, upon the addition of design and packaging services to meet its customers' needs, reselling the same in a finished form (the "**Trading Business**").

2.3 Categories of Interested Person Transactions

The types of transactions with interested persons in respect of which the Shareholders' Mandate applies and the benefits to be derived there from are set out below:

Transactions with APP Group

i) Purchases

APP Group is one of the largest vertically integrated pulp and paper producers in Asia outside Japan. Besides being one of the largest pulp and paper producers, APP Group also produces a broad range of products, including diaries, organisers, stock forms, envelopes, notebooks, photocopy paper, file folders and other stationery products.

Nippecraft purchases paper and paper related products from APP Group for the manufacturing of its paper-based diaries, organisers, specialist stationery and related products. The subsidiaries of Nippecraft purchase from APP Group stationery products like notebooks, notepads, refill pads and memo pads for selling and distribution in their respective markets.

Nippecraft Group has been sourcing a broad range of raw materials and finished products from APP Group at competitive prices. The raw material purchased is paper whereas the finished products include stationery products such as notebooks, account books and notepads.

ii) Sales

Nippecraft Group, mainly the Company, occasionally sells recycle waste, chemicals, converted products and related materials to APP Group. In addition, the Company also provides services like assembly to APP Group when the need arises. Sales to APP Group are based on published price lists for the Group's products and are on terms no more favourable than those extended to third parties. The credit terms extended to APP Group are in line with the credit policy extended to third parties by the Group.

2.4 Rationale and Benefits for the Shareholders' Mandate

It is envisaged that the Group and the interested person i.e. APP Group will transact with each other in the future in the ordinary course of the Group's business activities. The Company envisages that the Group would, in the ordinary course of its business, enter into transactions with APP Group and it is likely that such transactions will occur with some degree of frequency and could arise at any time and from time to time.

The Directors are of the view that it will be beneficial to the Group to transact or continue to transact with Interested Persons, where such transactions are entered into on arm's length basis. In particular, the transaction of services and goods from the APP Group enables the Group to secure competitive supplies that meet the Group's quality control. The Group will also benefit from the established practices, and work-flow and quality requirements arising from the good long-standing working arrangements between the Group and the APP Group.

Due to the time-sensitive nature of commercial transactions, the Company is proposing to seek Shareholders' approval pursuant to Chapter 9 of the SGX-ST Listing Manual for the Shareholders' Mandate to enable the Group to enter into transactions with the interested person, provided that such transactions are entered into in its ordinary course of business and on arm's length basis.

The Shareholders' Mandate is intended to enhance the Group's ability to pursue business opportunities which are time-sensitive in nature, and will eliminate the need for the Company to announce, or to announce and convene separate general meetings on each occasion to seek Shareholders' prior approval for, the entry by the Group into such transactions. This will substantially reduce the expenses associated with the convening of such general meetings from time to time, improve administrative efficiency, and allow resources and time to be focused towards other corporate and business opportunities.

The Shareholders' Mandate will not cover a transaction which has a value of below \$100,000 as the threshold and aggregation requirements contained in Chapter 9 of the SGX-ST Listing Manual would, in any event, not apply to such a transaction. In addition, the Shareholders' Mandate will not cover transactions not specifically disclosed under paragraph 2.3 above, and the purchase or sale of assets, undertakings or businesses that are not in the Group's ordinary course of business.

The Shareholders' Mandate is intended to facilitate transactions in the ordinary course of business of the Group which are transacted from time to time with the interested persons, provided they are transacted on an arm's length basis and on approved commercial terms that will not be prejudicial to the interests of the Company and minority shareholders.

Transactions with the Interested Person that do not fall within the ambit of the Shareholders' Mandate will be subject to the provisions of Chapter 9 and/or other applicable provisions of the SGX-ST Listing Manual.

If approved at the AGM, the Shareholders' Mandate will take effect from the date of the passing of the Shareholders' Mandate resolution to be proposed at the AGM and will continue to be in force until the next annual general meeting. The Company will seek the approval of Shareholders for the renewal of the Shareholders' Mandate annually.

The Company is required, under Rule 907 and 920(1) of the SGX-ST Listing Manuals to disclose in the Company's annual report the aggregate value of transactions conducted pursuant to the Shareholders' Mandate during the current financial year, as well as in the annual reports for the subsequent financial years during which the Shareholders' Mandate is in force. In addition, the Company must announce the aggregate value of transactions entered into pursuant to the Shareholders' Mandate during the relevant financial period within the required time frame stipulated in the SGX-ST Listing Manual.

The name of the interested person and the corresponding aggregate value of the transactions will be presented in the format stipulated under Rule 907 of the SGX-ST Listing Manual.

2.5 Guidelines and Review Procedures

There are internal control procedures established by the Company to ensure that interested person transactions are conducted at arms' length basis, that is, the transactions with the interested person are transacted on terms and prices not more favourably to the relevant party than if they were transacted with third party and that the Company has not been disadvantaged in any other way.

The following review procedures are established with regard to the Shareholders' Mandate:

- (a) All interested person transactions (including transactions below \$100,000) shall be recorded and maintained in a register and submitted to the Audit Committee for periodic reviews (at least twice a year). Judgement as to whether the terms are at arm's length shall be based on the following considerations:
 - (i) when purchasing raw materials such as paper from an interested person, the costs and terms of at least two other competitive bids from third parties, contemporaneous in time. The purchase price shall not be higher than the most competitive bid of the two other competitive offers from third parties. In determining the most competitive bid, factors such as (but not limited to) the cost, quality, reliability, lead time in goods delivery of the supplier and credit terms will be taken into consideration; and
 - (ii) when selling to an interested person, the prices and terms of at least two other recent sales to unrelated third parties. The sales price to the interested person shall not be lower than the sales price of these two recent sales to unrelated third parties. In determining the prices and terms, factors such as (but not limited to) the volume or quantity or quality of the product sold, the specification, duration of contracts, credit worthiness, will be taken into consideration.

- (b) The Company will monitor the Interested Person Transactions with the following thresholds:
- (i) a Category 1 IPT is to be defined as a contract or transaction amounting to or exceeding S\$100,000 but less than or equal to S\$250,000 in value, which would be required to be approved by a designated senior management staff or such other person as may be appointed by the Audit Committee, and reviewed by the Audit Committee at least twice in a financial year;
 - (ii) a Category 2 IPT is to be defined as a contract or transaction exceeding S\$250,000 but less than or equal to 5% of the audited NTA of the Group in value, which would be required to be approved by an executive Director and a designated senior management staff or such other person as may be appointed by the Audit Committee, and reviewed by the Audit Committee at least twice in a financial year;
 - (iii) a Category 3 IPT is to be defined as a contract or transaction exceeding 5% of the audited NTA of the Group in value, which would be required to be approved by an executive Director and two non-executive Directors (at least one of whom must be a member of the Audit Committee), and reviewed by the Audit Committee in each quarter during a financial year.

The thresholds as stated in Categories 1 to 3 above are for the types of Interested Person Transactions which are set out in Paragraph 2.2 above and preclude contracts and transactions entered into by the Group in the course of the Trading Business which involve the purchase of goods from other Interested Persons.

- (iv) a Category 4 IPT is to be defined as a contract or transaction entered into by the Company and or any of its subsidiaries with its customers in the course of the Trading Business in respect of which goods is transacted with an Interested Person. Where the Group:
 - (I) upon consideration of its vendors' and/or suppliers' evaluation procedures; and
 - (II) after having taken into consideration relevant factors in respect of the photocopier paper to be procured for the Trading Business, including, the price, quality and terms offered by, and the track record, production capacity and availability, financial capability and vertical integrated manufacturing capability of, the suppliers thereof,

shortlists an Interested Person as the best-suited candidate to meet its customers' requirements with respect to, *inter alia*, product specification, quantity, volume, delivery schedule and production capacity, the following shall apply to any contract or transaction entered into by the Group with such person:

- (A) any such contract or transaction amounting to or exceeding S\$100,000 but less than or equal to 5% of the audited NTA of the Group in value shall be approved by an executive Director and a designated senior management staff or such other person as may be appointed by the Audit Committee, and reviewed by the Audit Committee at least twice in a financial year; and
- (B) any contract or transaction exceeding 5% of the audited NTA of the Group in value shall, prior to its entry, be approved unanimously by the Audit Committee and receive the approval of the majority of the Board. Such approvals shall be subject to a maximum validity period of three months from the dates on which they are respectively received.

In addition, the Audit Committee and the Board will determine whether the price and terms offered by the Interested Person in a Category 4 IPT is fair and reasonable on the basis that the price, quality, and terms are offered at prevailing market prices and quality as determined by market conditions, and on terms which are no more favourable to the Interested Person than the usual commercial terms obtained from unrelated third parties (including, where applicable, preferential prices, rates, or discounts accorded to a class of customers or for bulk purchases and long-term contracts where the giving of such preferential prices, rates, or discounts are

commonly practised within the applicable industry and may be offered by unrelated third parties), or otherwise in accordance with applicable industry norms.

Further, in the case of a Category 4 IPT, the Company will obtain at least two other competitive quotes from unrelated third parties for the purpose of ensuring that the bid from the Interested Person is the most competitive. In determining the most competitive bid, relevant factors, including, the cost and quality of the photocopier paper, and the reliability, required lead time for delivery, production capacity and credit terms of the supplier thereof, will be taken into consideration.

In the case of a Category 4 IPT, the value of which exceeds 5% of the audited NTA of the Group, the Company will present three-month (or longer) projected sales orders and a delivery schedule matching with the proposed/projected procurement orders to be made to an Interested Person, prior to its entry, for the unanimous approval of the Audit Committee and the majority approval of Board. In meetings held subsequent to such advance approvals, the Board and the Audit Committee shall review the status of the approved procurement orders and compare them against the actual procurements made during the period for which such approvals had been granted.

Where the prevailing market prices, quality or terms are not available due to the nature of the products, in particular the photocopier paper, to be purchased and the then prevailing business conditions, the Company will, subject to the Audit Committee's concurrence, determine whether the pricing and terms for photocopier paper offered by an Interested Person is reasonable, in accordance with industry norms and usual business practices, strategic direction of the Group and the vendor policies of the relevant Group company. In determining the transaction price or rate payable to the Interested Person for such products, relevant factors, including, specifications, quantity, volume, customer requirements, duration of contract, and track record, will be taken into consideration.

Any member of the Audit Committee or the Board who is deemed to be interested in any particular IPT shall abstain from reviewing and voting on the IPT.

Based on the financial statements of FY2015, 5% of the audited NTA amounts to approximately \$2.47 million.

(c) Additional Controls

The Audit Committee currently comprises Messrs Ching Jit Yow (Chairman), See Kian Heng, Lim Yu Neng Paul and Khoo Song Koon. If a member of the Audit Committee has an interest in a transaction, he shall abstain from participating in the review and approval process in relation to that transaction.

The Audit Committee will:

- (i) carry out regular periodic reviews (at least twice a year) to ascertain that the established guidelines and procedures for the interested person transaction have been complied with;
- (ii) approve and/or ratify all the records for all the related party transactions to ensure that they comply with the internal control procedures;
- (iii) consider from time to time whether the established guidelines and procedures for transactions with interested persons have become inappropriate or are unable to ensure that the transactions will be transacted on arm's length basis, and will not be on terms or conditions that would be prejudicial to the interests of the Company;
- (iv) request for additional information pertaining to the transaction under review from independent sources, advisers or valuers as he/they deem fit; and
- (v) approve the internal control procedures and arrangements for all future interested person transactions to ensure that they are transacted on arm's length basis, and will not be on terms or conditions that would be prejudicial to the interests of the

Company. The review includes the examination of the transaction and its supporting documents or such other data deemed necessary by the Audit Committee.

- (d) The Directors will ensure that all disclosures requirements on the Interested Person Transactions, including those required by prevailing legislation, the SGX-ST Listing Manual and accounting standards, are complied with. In addition, such transactions will be subject to Shareholders' approval if required by the SGX-ST Listing Manual. The Company will disclose in its annual reports the aggregate value of the Interested Person Transactions conducted during the financial year.
- (e) If, during these periodic reviews by the Audit Committee, the Audit Committee is of the view that the review procedures as stated above have become inappropriate or insufficient in view of changes to the nature of, or the manner in which, the business activities of the Nippecraft Group are conducted, the Company will revert to Shareholders for a fresh mandate based on new guidelines and review procedures to ensure that Interested Person Transactions will be conducted at arm's length and on normal commercial terms.

The Shareholders' Mandate will not cover an IPT which has a value below \$100,000. Transactions which do not fall within the ambit of the Shareholders' Mandate will be subject to the relevant provisions of Chapter 9 of the SGX-ST Listing Manual.

2.6 Statement of the Audit Committee

The Audit Committee had reviewed the renewal of the general mandate for IPT and confirmed that:

- (i) the methods and procedures for determining the transaction prices have not changed since last shareholders' approval on 29 April 2015; and
- (ii) the procedures set out in Rule 920(1)(c)(i) of the Listing Manual are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.
- (iii) if during the periodic reviews by the Audit Committee, it comes to the view that the established guidelines and procedures are no longer appropriate or adequate to ensure that the IPTs will be transacted at arm's length basis and on normal commercial terms, the Company will seek a fresh mandate from Shareholders based on fresh and adequate guidelines and procedures.

2.7 Abstention

Messrs Linda Suryasari Wijaya Limantara, and Indah Suryasari Wijaya Limantara, each a non-executive Director, have interest in companies in the APP Group. They will abstain from voting in respect of their shareholdings, if any, in the Company on Ordinary Resolution 7 relating to the proposed renewal of the Shareholders' Mandate at the AGM.

Further, they and APP Printing will decline to accept appointment as proxy to vote on Ordinary Resolution 7 at the AGM for any Shareholders who are regarded as being interested in Ordinary Resolution 7. They may, however, act as proxies to vote at the AGM for independent Shareholders provided that the appointor (being an independent Shareholder) shall have given specific voting instructions to the proxy on the voting of the appointor's Shares in relation to Ordinary Resolution 7.

3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

3.1 Directors' Interests in Shares.

The interests of the Directors in Shares as at the Latest Practicable Date are set out below:

	Direct Interests		Deemed Interests		Total Interests	
	No of Shares	% ⁽¹⁾	No of Shares	% ⁽¹⁾	No of Shares	% ⁽¹⁾
Linda Suryasari Wijaya Limantara	-	-	-	-	-	-
Connie Oi Yan Chan (Appointed on 2 December 2015)	-	-	-	-	-	-
Wiria Hartanto Muljono (Resigned on 2 December 2015)	-	-	-	-	-	-
Indah Suryasari Wijaya Limantara	-	-	-	-	-	-
Benny Iswandy	-	-	-	-	-	-
Ching Jit Yow	-	-	-	-	-	-
See Kian Heng	-	-	-	-	-	-
Lim Yu Neng Paul	-	-	-	-	-	-
Khoo Song Koon	-	-	-	-	-	-

Note:

(1) Based on 351,398,000 issued shares as at the Latest Practicable Date.

3.2 Substantial Shareholders' Interests in Shares.

The interests of the Substantial Shareholders in Shares as at the Latest Practicable Date are set out below:

	Direct Interests		Deemed Interests		Total Interests	
	No of Shares	% ⁽¹⁾	No of Shares	% ⁽¹⁾	No of Shares	% ⁽¹⁾
APP Printing (Holding) Pte Ltd	223,804,666	63.69	-	-	223,804,666	63.69
PT Andalan Prapanca Pertiwi	-	-	223,804,666 ⁽²⁾	63.69	223,804,666	63.69
Asia Pulp & Paper Company Ltd	-	-	223,804,666 ⁽²⁾	63.69	223,804,666	63.69
APP Golden Limited	-	-	223,804,666 ⁽²⁾	63.69	223,804,666	63.69

Notes:

(1) Based on 351,398,000 issued shares as at the Latest Practicable Date.

(2) Deemed to be interested by virtue of Section 7 of the Companies Act in the Shares held by APP Printing (Holding) Pte Ltd.

4. DIRECTORS' RECOMMENDATIONS

The Directors, with the exception of Messrs Linda Suryasari Wijaya Limantara and Indah Suryasari Wijaya Limantara, are of the opinion that the proposed renewal of the Shareholders' Mandate is in the interests of the Company and accordingly recommend that Shareholders vote in favour of Ordinary Resolution 7 relating to the proposed renewal of the Shareholders' Mandate at the AGM.

5. ANNUAL GENERAL MEETING

The AGM, notice of which is set out in the Annual Report 2015 of the Company, will be held at 9 Fan Yoong Road, Singapore 629787 on 28 April 2016 at 10.00 a.m. for the purpose of considering and, if thought fit, passing (with or without modifications) the resolution relating to the proposed renewal of the IPT Mandate as an ordinary resolution at the AGM.

6. ACTION TO BE TAKEN BY SHAREHOLDERS

6.1 Appointment of Proxies. If a Shareholder is unable to attend the AGM and wishes to appoint a proxy to attend and vote at the AGM in his stead, then he should complete and sign the attached Proxy Form in accordance with the instructions printed thereon and return it to the Company's registered office at 9 Fan Yoong Road, Singapore 629787, as soon as possible, and, in any event, so as to arrive at the Company's registered office at 9 Fan Yoong Road, Singapore 629787, not later than 10.00 a.m. on 26 April 2016. The completion and return of the Proxy Form by a Shareholder will not preclude him from attending the AGM if he so wishes.

6.2 When Depositor regarded as Shareholder. A depositor shall not be regarded as a shareholder of the Company entitled to attend the AGM and to speak and vote thereat unless his name appears on the Depository Register maintained by the CDP at least 72 hours before the AGM.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the Shareholders' 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 Appendix misleading. Where information in the Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Appendix in its proper form and context.

8. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 9 Fan Yoong Road, Singapore 629787, during business hours on any weekday (public holidays excepted) up to and including the date of the AGM:

Audited accounts of the Company and the Group for each of the last two financial years ended 31 December 2015 and 31 December 2014.

9. SELECTED INFORMATION RELATING TO CHAPTER 9 OF THE SGX-ST LISTING MANUAL

Scope

Chapter 9 of the SGX-ST Listing Manual applies to transactions which a listed company or any of its subsidiaries (other than a subsidiary that is listed on an approved stock exchange) or associated companies (other than an associated company that is listed on an approved stock exchange or over which the listed group and/or its interested person(s) has no control) proposes to enter into with a counter-party who is an interested person of the listed company. Below is a summary of Chapter 9 of the Listing Manual.

Definitions

An “interested person” means a director, chief executive officer or controlling shareholder of the issuer; or an associate of any such director, chief executive officer or controlling shareholder.

An “associate” includes an immediate family member (that is, the spouse, child, adopted child, step-child, sibling or parent) of such director, chief executive officer, substantial shareholder or controlling shareholder, and any company in which the director/his immediate family, the chief executive officer/his immediate family, substantial shareholder/his immediate family or controlling shareholder/his immediate family has an aggregate interest (directly or indirectly) of 30% or more, and, where a substantial shareholder or a controlling shareholder is a corporation, its subsidiary or holding company or fellow subsidiary or a company in which it and/or they have (directly or indirectly) an interest of 30% or more.

An “associated company” means a company in which at least 20% but not more than 50% of its shares are held by the listed company or the group.

A “controlling shareholder” means a person who holds (directly or indirectly) 15% or more of the total number of issued shares (excluding treasury shares) in the listed company or one who in fact exercises control over the listed company.

General Requirements

Except for certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company and its minority shareholders at risk to its interested person and are hence excluded from the ambit of Chapter 9, immediate announcement, or, immediate announcement and shareholders’ approval would be required in respect of transactions with interested persons if certain financial thresholds (which are based on the value of the transaction as compared with the listed company’s latest audited consolidated NTA), are reached or exceeded. In particular, shareholder approval is required where:

- (a) the value of such transaction when aggregated with the values of all other transactions previously entered into with the same interested person in the same financial year of the listed company is equal to or exceeds 5% of the latest audited consolidated NTA of the listed company; or
- (b) the value of such transaction is equal to or exceeds 5% of the latest audited consolidated NTA of the listed company.

Immediate announcement of a transaction is required where:

- (a) the value of such transactions when aggregated with the value of all other transactions previously entered into with the same interested person in the same financial year of the listed company is equal to or exceeds 3% of the latest audited consolidated NTA of the listed company; or
- (b) the value of such transactions is equal to or exceeds 3% of the latest audited consolidated NTA of the listed company.

General Mandate

A listed company may seek a general mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials but not in respect of the purchase or sale of assets, undertakings or businesses. A general mandate is subject to annual renewal.

