

**ADDENDUM DATED 13 AUGUST 2020**

**THIS ADDENDUM TO THE ANNUAL REPORT 2020 IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY AND IN ITS ENTIRETY.**

This Addendum is circulated to Shareholders of Ban Leong Technologies Limited (the "Company") together with the Company's Annual Report 2020. Its purpose is to explain to Shareholders the rationale and provide information to the Shareholders for (i) the proposed renewal of the IPT Mandate for interested person transactions and (ii) the proposed renewal of the Share Buy Back Mandate to be tabled at the Annual General Meeting to be held on 28 August 2020 at 10 a.m. via electronic means. The Notice of Annual General Meeting and a Proxy Form are enclosed with the Annual Report.

If you are in any doubt as to the action you should take, you should consult your bank manager, stockbroker, solicitor, accountant or other professional adviser immediately. If you have sold or transferred all your shares in the capital of the Company, you should immediately forward the Annual Report 2020, this Addendum, the Notice of Annual General Meeting and the enclosed Proxy Form to the purchaser or the transferee or to the bank, stockbroker or agent through whom you effected the sale or transfer for onward transmission to the purchaser or the transferee.

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



(Incorporated in the Republic of Singapore)  
(Registration No: 199303898C)

**ADDENDUM**

**IN RELATION TO**

- 1. THE PROPOSED RENEWAL OF THE IPT MANDATE FOR INTERESTED PERSON TRANSACTIONS; AND**
- 2. THE PROPOSED RENEWAL OF THE SHARE BUY BACK MANDATE**

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## DEFINITIONS

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

<i>“Act”</i>	The Companies Act (Chapter 50) of Singapore
<i>“AGM”</i>	Annual General Meeting of the Company
<i>“Associate”</i>	(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 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
<i>“Audit Committee”</i>	The audit committee of the Company
<i>“Board” or “Directors”</i>	The directors of the Company as at the date of this Addendum
<i>“Beijing Lava”</i>	Beijing Lava Technology Development Co., Ltd. (北京朗万科技发展有限公司)
<i>“CDP”</i>	The Central Depository (Pte) Limited of Singapore
<i>“Constitution”</i>	The Constitution of the Company
<i>“Company”</i>	Ban Leong Technologies Limited
<i>“Controlling Shareholder”</i>	A person who:  (a) holds directly or indirectly 15% or more of the total number of issued Shares (excluding treasury shares, subsidiary holdings and returned shares) unless the SGX-ST determines that such a person is not a controlling shareholder of the Company; or  (b) in fact exercises control over the Company
<i>“Directors”</i>	The Directors of the Company for the time being
<i>“DVD-RW”</i>	DVD rewritable
<i>“Executive Officer”</i>	The senior executives of the Group who are the managing director, deputy managing director, and financial controller as at the date of this Addendum or such other senior management personnel tasked to undertake the foregoing senior management positions from time to time
<i>“EPS”</i>	Earnings per Share
<i>“FY”</i>	The financial year of the Company ended or ending 31 March, as the case may be
<i>“Group”</i>	The Company and its subsidiaries
<i>“HDD”</i>	Hard disk drive
<i>“HK Lava”</i>	Hong Kong Lava Technology Limited
<i>“Independent Directors”</i>	The Directors who are deemed to be independent for the purpose of making a recommendation to Shareholders in respect of the IPT Mandate, being Mr Ronald Teng Woo Boon, Mr Loh Yih, Mr Neo Gim Kiong and Mr Lo Yew Seng
<i>“Interested Person”</i>	A Director, chief executive officer, or Controlling Shareholder of the Company or an Associate of any such Director, chief executive officer, or Controlling Shareholder
<i>“IPT Mandate”</i>	The shareholders' general mandate pursuant to Chapter 9 permitting the Company, its subsidiaries and associated companies or any of them, to enter into certain types of recurrent transactions of a revenue or trading nature necessary for day-to-day operations with specific classes of Interested Persons, which was renewed by Shareholders at the annual general meeting held on 26 July 2019
<i>“IT”</i>	Information technology
<i>“Latest Practicable Date”</i>	30 July 2020, being the last practicable date prior to the finalisation of this Circular

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## DEFINITIONS (CONT'D)

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<i>"Listing Manual"</i>	The listing manual of the SGX-ST
<i>"Market Day"</i>	A day on which the SGX-ST is open for trading in securities
<i>"Mr Wang"</i>	Mr Wang Wei, a Controlling Shareholder of the Company
<i>"NTA"</i>	Net tangible assets
<i>"Securities Accounts"</i>	Securities account maintained by a Depositor with CDP
<i>"SFA"</i>	The Securities and Futures Act (Chapter 289) of Singapore
<i>"SGX-ST"</i>	Singapore Exchange Securities Trading Limited
<i>"Share Buy Back Mandate"</i>	The shareholders' general mandate authorising the Directors to purchase or otherwise acquire, on behalf of the Company, Shares in accordance with the terms set out in this Addendum and in compliance with the rules and regulations set forth in the Act and the Listing Manual
<i>"Shares"</i>	Ordinary shares in the share capital of the Company
<i>"Shareholders"</i>	Registered holders of Shares, except that where the registered holder is CDP, the term "Shareholders" shall, where the context admits, mean the Depositors whose Securities Accounts are credited with Shares
<i>"Substantial Shareholder"</i>	A person who holds directly or indirectly 5% or more of the total number of issued Shares (excluding treasury shares, subsidiary holdings and returned shares)
<i>"Take-over Code"</i>	The Singapore Code on Take-overs and Mergers, as amended or modified from time to time
<i>"Wang Group"</i>	The classes of Interested Persons covered by the IPT Mandate, being Mr Wang's Associates (which currently include Beijing Lava, HK Lava, and will include future Associates)
<i>"S\$" and "cents"</i>	Singapore dollars and cents, respectively
<i>"per cent." or "%"</i>	Percentage or per centum

The terms "Depositor", "Depository Agent" and "Depository Register" shall have the same meanings ascribed to them respectively in Section 81SF of the SFA or any statutory modification thereof, as the case may be.

The terms "subsidiary holdings" and "treasury shares" shall have the same meanings ascribed to them respectively in the Act or any statutory modification thereof, as the case may be.

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

Any reference in this Addendum to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act, the SFA, the Listing Manual or any modification thereof and not otherwise defined in this Addendum shall have the same meaning assigned to it under the Act, the SFA, the Listing Manual or any modification thereof, as the case may be.

Any reference to a time of day in this Addendum is made by reference to Singapore time unless otherwise stated.

**Directors**

Mr Ronald Teng Woo Boon, Managing Director  
Mr Loh Yih, Lead Independent Director  
Mr Neo Gim Kiong, Independent Director  
Mr Lo Yew Seng, Non-Independent Non-Executive Director

**Registered Office**

150 Ubi Avenue 4  
#04-01  
Singapore 408825

13 August 2020

**To: The Shareholders of Ban Leong Technologies Limited**

Dear Sir / Madam

**1. INTRODUCTION**

1.1 The Directors wish to seek Shareholders' approval for the following:

- (a) a proposed renewal of the IPT Mandate; and
- (b) a proposed renewal of the Share Buy Back Mandate.

1.2 The purpose of this Addendum, to be circulated to Shareholders together with the Company's Annual Report 2020, is to provide Shareholders with information relating to, and to explain the rationale for, the proposed renewal of the IPT Mandate and the proposed renewal of the Share Buy Back Mandate to be tabled at the annual general meeting (the "AGM") of the Company to be held on 28 August 2020 at 10 a.m. Details of the IPT Mandate and the Share Buy Back Mandate, including the rationale for and the benefits to the Company, are set out respectively in paragraphs 2 and 4 below.

1.3 General information relating to Chapter 9 of the Listing Manual are set out in the annexure of this Addendum.

**2. THE IPT MANDATE****2.1 The Existing IPT Mandate**

Chapter 9 of the Listing Manual applies to transactions which a listed company or any of its unlisted subsidiaries or unlisted associated companies proposes to enter with an Interested Person of the listed company.

Chapter 9 of the Listing Manual allows a listed company to seek a general mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations which may be carried out with the listed company's Interested Persons, but not the purchase or sale of assets, undertakings or businesses provided such transactions are entered into at arm's length basis and on normal commercial terms and are not prejudicial to the interests of the listed company and its minority shareholders.

Shareholders had approved the renewal of the general mandate pursuant to Chapter 9 of the Listing Manual permitting the Group to enter into certain types of transactions of a recurrent nature with the Interested Persons set out in paragraph 2.2 of this Addendum at the annual general meeting of the Company held on 26 July 2019. Particulars of the IPT Mandate were set out in the Addendum to Shareholders dated 11 July 2019.

The current IPT Mandate will continue to be in force until the forthcoming AGM. Accordingly, the Directors propose that the IPT Mandate be renewed at the forthcoming AGM.

**2.2 Categories of Interested Persons**

The renewed IPT Mandate will apply to the following classes of Interested Persons:

- (a) Beijing Lava, a company which is 85.00% owned by Mr Wang;
- (b) HK Lava, a company which is wholly-owned by Mr Wang; and
- (c) Any future Associates of Mr Wang.

Mr Wang became a Controlling Shareholder of the Company on 12 May 2015 upon completion of the sale and purchase agreement dated 21 November 2014 between Mr Ronald Teng Woo Boon and Mr Wang ("SPA"). Further details of the SPA can be found in the announcement made by the Company on 24 November 2014.

Transactions with the Wang Group which do not fall within the ambit of the Proposed IPT Mandate, shall be subject to the relevant provisions of Chapter 9 of the Listing Manual.

## 2.3 Categories of Interested Persons Transactions

The types of interested person transactions covered under the IPT Mandate (“**Mandate Transactions**”) relates to the sale or supply from the Group to the Wang Group and/or from the Wang Group to the Group, in respect of the following products traded or services rendered by the Group in its ordinary course of business:

- (a) **Multimedia:** The supply of multimedia products such as earphones, speakers, cameras and commercial and consumer displays;
- (b) **Data Storage:** The supply of data storage products such as cloud drive, HDD enclosures, Blu-ray and portable DVD-RW;
- (c) **IT Accessories:** The supply of IT accessories which are computer systems, components, peripherals, printers, mobile products from wearables, accessories and powerpacks. New categories include smart home solutions and robotics;
- (d) **Other goods and gadgets:** The supply of such goods and gadgets as may be sold by the Company in the ordinary course of business, such as IT products, IT accessories, mobile accessories, gaming products, audio and video products; and
- (e) **Services:** The provision of services related to or ancillary to the products traded by the Group or otherwise in the ordinary course of business, such as warranties, repairs and installations.

The IPT Mandate will cover Mandate Transactions below S\$100,000 in value. All Interested Person Transactions entered or to be entered into by the Company which do not fall within the ambit of the IPT Mandate shall be subject to the relevant provisions of Chapter 9 of the Listing Manual.

## 2.4 Rationale for and Benefits of the IPT Mandate

The Mandate Transactions are entered into or are to be entered into by the Group in its ordinary course of business. The Mandate Transactions are recurring transactions which are likely to occur with some degree of frequency and may 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 with the Wang Group. It is intended that the Mandate Transactions shall continue in the future as long as the Wang Group is an Interested Person of the Group and so long as the transactions are at arm’s length basis and on normal commercial terms and are not prejudicial to the Company and the minority Shareholders.

The IPT Mandate and the renewal of the IPT Mandate on an annual basis will eliminate the need to announce and/or convene separate general meetings on each occasion in order to seek Shareholders’ prior approval for the entry by the Group into Mandate 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 of the Group to be focused towards other corporate and business opportunities.

The IPT Mandate is intended to facilitate the Mandate Transactions, provided that they are carried out at arm’s length basis and on normal commercial terms and are not prejudicial to the Company and the minority Shareholders.

## 2.5 Review Procedures for Mandate Transactions

To ensure that Mandate Transactions are undertaken at arm’s length basis and on normal commercial terms, and are consistent with the Group’s usual business practices and policies, which are generally no more favourable to the Wang Group than those extended to unrelated third parties, the Company will adopt the specific guidelines and procedures as set out below: –

- (i) For Mandate Transactions consisting of sales of products and services to the Wang Group by the Group, such Mandate Transactions shall not be entered into unless the terms of the Mandate Transactions are not more favourable to Wang Group than that offered to the Company’s unrelated third party customers in the 12 months preceding the entry of the Company into the Mandate Transactions, after taking into consideration non-price factors such as customers’ credit standing, transaction volume, delivery requirements, length of business relationship and potential for future repeat business. For Mandate Transactions consisting of purchases of products and services from the Wang Group by the Group, the Group shall obtain two other quotations (wherever possible or available) from non-Interested Persons for similar quantities and/or quality of services or products as a basis for comparison to determine whether the price and terms offered by the Wang Group are fair and reasonable and comparable to those offered by other unrelated third parties for the same or substantially similar type of services or products. In determining the terms, non-price factors such as, but not limited to, quality, delivery time, credit terms, brand image, specification compliance, experience and expertise, track record and where applicable, preferential rates, rebates or discounts accorded for bulk purchases will be taken into account; and
- (ii) In the event that there are no relevant successful sales of products or services to unrelated third party customers, or relevant quotations received from non-Interested Persons regarding the purchases of products or services for the comparison (for example, if the Wang Group is the sole supplier of such products or services), a Director or an Executive Officer of the Group or any such persons as may be appointed by the Audit Committee (each of whom shall not be an Interested Person in respect of the particular transaction) will assess and adopt the following procedures to determine whether the terms offered to the Wang Group are in accordance with the industry norms, at arm’s length basis and on normal commercial terms:
  - (a) For sale of products and services to the Wang Group, the price charged by the Company shall be determined in accordance with the Company’s usual business practices and consistent with the Company’s profit margin to be obtained by the Company for the same or substantially the same products and services after taking into consideration non-price factors such as customers’ credit standing, transaction volume, delivery requirements, length of business relationship, type of working facilities and equipment available, scope of supply of materials and potential for future repeat business; and

- (b) For purchase of products and services from the Wang Group, a Director or an Executive Officer of the Group or any such persons as may be appointed by the Audit Committee (each of whom shall not be an Interested Person in respect of the particular transaction) shall (I) determine whether the price and terms offered by the Wang Group are fair and reasonable by using their business experience and taking into account (including but not limited to), where possible and applicable, factors such as, the prices of the closest possible substitute products or services after considering the additional specification or features if any, quality and nature of the products or services, the profit margins that may be generated from the sale or provision of such products or services and the prevailing market conditions; (II) ensure that the terms of supply will, where applicable, be in accordance with, or not more adverse to the Group than industry norms; and (III) consider whether the terms are in their opinion in the commercial interest of the Group and not prejudicial to the minority Shareholders.
- (iii) In addition, the following review and approval procedures have been implemented by the Company: –
  - (a) Any Mandate Transaction that is less than \$500,000 will be reviewed and approved by an Executive Officer of the Group (each of whom shall not be an Interested Person in respect of the particular transaction) prior to entering into the transaction;
  - (b) Any Mandate Transaction that equals or exceeds S\$500,000 but is less than S\$1,000,000 will be reviewed and approved by the managing director of the Group prior to entering into the transaction;
  - (c) Any Mandate Transaction that equals or exceeds S\$1,000,000 will be reviewed and approved by the Audit Committee prior to entering into the transaction; and
  - (d) The credit limit and credit terms extended by the Company to the Wang Group, as well as the profit margin on the products and services sold to the Wang Group, shall be recommended by the management of the Company to the Audit Committee for review and approval, and shall be reviewed by the Audit Committee on a half-yearly basis.
- (iv) The Group has also implemented the following procedures for the identification of Interested Persons and the recording of Interested Person Transactions (including the Mandate Transactions):–
  - (a) The Company will maintain a list of Interested Persons (which is to be updated immediately if there are any changes) and will disclose the list to relevant key personnel of each subsidiary, being the finance manager or any employee holding a position with similar responsibilities as the finance manager, to enable identification of Interested Persons. The master list of Interested Persons, which will be maintained by the Finance manager of the Company, shall be reviewed by the financial controller of the Group on a half-yearly basis; and
  - (b) The Company will maintain a register of all transactions carried out with Interested Persons, including those Mandate Transactions which are below S\$100,000 in value.
- (v) The Company's Audit Committee will review the Interested Person Transactions on a half-yearly basis as part of its standard procedures while examining the adequacy of the Group's internal controls including those relating to Interested Person Transactions. The Company currently reports its financial results on a half-yearly basis. Where the Company adopts quarterly reporting of its financial results, the Audit Committee will carry out the review of the Interested Person Transactions on a quarterly basis.
- (vi) In the event that the Executive Officer, Director or a member of the Audit Committee (where applicable) has an interest in any Interested Person Transaction, he or she will abstain from reviewing and/or approving that particular transaction.
- (vii) The Board will ensure that all disclosure requirements on Interested Person Transactions, including those required by prevailing legislation, the Listing Manual and accounting standards, are complied with.
- (iv) The Company's Audit Committee shall review from time to time the above guidelines and procedures to determine if they are adequate and/or commercially practicable in ensuring that Mandate Transactions are conducted at arm's length basis and on normal commercial terms, and are not prejudicial to the Company and minority Shareholders. Further, if during these periodic reviews, the Company's Audit Committee is of the view that the guidelines and procedures as stated above are inappropriate or are not sufficient to ensure that the Mandate Transactions will be on arm's length basis and on normal commercial terms, and will not be prejudicial to the Company and minority Shareholders, the Company will (pursuant to Rule 920(1)(B)(V) and (VII) of the Listing Manual) revert to Shareholders for a fresh mandate based on new guidelines and procedures.

## 2.6 Validity Period of the IPT Mandate

If approved by Shareholders at the AGM, the renewal of the IPT Mandate will take effect from the passing of the ordinary resolution relating thereto at the AGM, and will (unless revoked or varied by the Company in a general meeting) continue in force until the next AGM. Approval from Shareholders will be sought for the renewal of the IPT Mandate at the next AGM and at each subsequent AGM of the Company, subject to satisfactory review by the Audit Committee of its continued application to the transactions with the Interested Persons.

## 2.7 Disclosure in Annual Report

In accordance with the requirements of Chapter 9 of the Listing Manual, the Company will disclose the IPT Mandate and the aggregate value of the Interested Person Transactions conducted pursuant to the IPT Mandate in the annual report of the Company for the current financial year, and in the annual reports of the Company for the subsequent financial years during which the IPT Mandate is in force. Such disclosures shall be in the form set out in Rule 907 of the Listing Manual. The aggregate value of the Interested Person Transactions conducted pursuant to the IPT Mandate for FY2020 may be found in page 57 of the Annual Report 2020.

In addition, the Company will announce the aggregate value of the Interested Person Transactions conducted pursuant to the IPT Mandate for the financial periods which it is required to report on (pursuant to Rule 705 of the Listing Manual) within the time required for the announcement of such report.

### **3. AUDIT COMMITTEE'S STATEMENTS**

- 3.1** The Audit Committee has reviewed the terms of the IPT Mandate and is satisfied that the review procedures for the Mandate Transactions, as well as the reviews to be made periodically by the Audit Committee in relation thereto, are sufficient to ensure that the Interested Person Transactions will be made with the relevant categories of Interested Persons at arm's length basis and on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. The Audit Committee confirms that the methods and procedures for determining the transaction prices have not changed since the approval of the Shareholders was last sought at the annual general meeting held on 26 July 2019.
- 3.2** If, during the periodic reviews by the Audit Committee, the Audit Committee is of the view that the established guidelines and procedures are not sufficient to ensure that the Mandate Transactions will be at arm's length basis and on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, the Company will revert to Shareholders for a fresh mandate based on new guidelines and procedures for transactions with the Interested Persons.

### **4. THE SHARE BUY BACK MANDATE**

#### **4.1 The Existing Share Buy Back Mandate**

Shareholders had approved the renewal of the Share Buy Back Mandate to enable all the Directors to exercise all powers of the Company to purchase or otherwise acquire Shares on the terms of the Share Buy Back Mandate at the AGM of the Company held on 26 July 2019. Particulars of the Share Buy Back Mandate were set out in the Addendum to the Annual Report 2019 to Shareholders dated 11 July 2019.

The Share Buy Back Mandate was expressed to take effect until the conclusion of the next AGM of the Company, being the AGM of the Company to be held on 28 August 2020 at 10 a.m. Accordingly, the Directors propose that the Share Buy Back Mandate be renewed at the upcoming AGM, to take effect until the next AGM of the Company. The terms of the Share Buy Back Mandate which are sought to be renewed remain unchanged.

#### **4.2 Rationale for Share Buy Back Mandate**

The approval of the renewal of the Share Buy Back Mandate authorising the Company to purchase or acquire its Shares would give the Company the flexibility to undertake share purchases or acquisitions up to the ten per cent. (10%) limit described in paragraph 4.4.1 below at any time, during the period when the Share Buy Back Mandate is in force.

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

- (a) The Share Buy Back Mandate is an expedient, effective and cost-efficient way for the Company to return surplus cash/funds over and above its ordinary capital requirements, if any, which is in excess of the financial and investment needs of the Company to its Shareholders. In addition, the Share Buy Back Mandate will allow the Company to have greater flexibility over, inter alia, the Company's share capital structure, cash reserves and its dividend policy.
- (b) The purchase of Shares may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the EPS of the Company.

While the Share Buy Back Mandate would authorise a purchase or acquisition of Shares up to the said ten per cent. (10%) limit during the duration referred to in paragraph 4.4.2 below, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buy Back 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 Buy Back Mandate would be made only as and when the Directors consider it to be in the best interests of the Company and/or Shareholders and in 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 purchase or acquisition of Shares pursuant to the Share Buy Back 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.

#### **4.3 Issued Shares as at the Latest Practicable Date**

As at the Latest Practicable Date, the total number of issued Shares of the Company (excluding 2,577,000 treasury shares and 681,818 returned shares) is 113,923,000 Shares.

#### **4.4 Authority and Limits on the Share Buy Back Mandate**

The authority and limits placed on share purchases or acquisitions of Shares by the Company under the Share Buy Back Mandate are summarised below:

##### **4.4.1 Maximum Number of Shares**

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares which may be purchased or acquired pursuant to the Share Buy Back Mandate is limited to that number of Shares representing not more than ten per cent. (10%) of the total number of issued Shares (excluding treasury shares, subsidiary holdings and returned shares) (ascertained as at the date of the AGM), unless the Company has, at any time during the period in which the Share Buy Back Mandate is in force, reduced its share capital in accordance with the applicable provisions of the Companies Act, in which event the total number of issued Shares (excluding treasury shares, subsidiary holdings and returned shares) shall be taken to be the total number of issued Shares (excluding treasury shares, subsidiary holdings and returned shares) as altered. Any Shares which are held as treasury shares or returned shares will be disregarded for purposes of computing the ten per cent. (10%) limit.

**For illustrative purposes only**, on the basis of 113,923,000 Shares in issue as at the Latest Practicable Date (excluding 2,577,000 treasury shares and 681,818 returned shares), not more than 11,392,300 Shares (representing 10% of the total number of Shares (excluding treasury shares, subsidiary holdings and returned shares) may be purchased by the Company pursuant to the Share Buy Back Mandate during the duration referred to in paragraph 4.4.2 below. As at the Latest Practicable Date, the Company does not hold any subsidiary holdings.

#### **4.4.2 Duration of Authority**

Purchases or acquisitions of Shares pursuant to the Share Buy Back Mandate may be made, at any time and from time to time, on and from the date of the AGM of the Company to be held on 28 August 2020, at which the Share Buy Back Mandate is approved, up to:

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

The authority conferred on the Directors by the Share Buy Back Mandate to purchase Shares may be renewed at the next AGM or any other general meeting of the Company. When seeking the approval of the Shareholders for the renewal of the Share Buy Back Mandate, the Company is required to disclose details pertaining to purchases or acquisitions of Shares pursuant to the Share Buy Back Mandate made during the previous 12 months, including the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for such purchases or acquisitions of Shares, where relevant, the total consideration paid for such purchases or acquisitions.

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

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

- (a) on-market purchases ("**Market Purchase**"), transacted on the SGX-ST through the ready market, and which may be transacted through one or more duly licensed stock brokers appointed by the Company for the purpose; and/or
- (b) off-market purchases ("**Off-Market Purchase**") effected pursuant to an equal access scheme in accordance with Section 76C of the Companies Act.

The Directors may impose such terms and conditions which are not inconsistent with the Share Buy Back Mandate, the Listing Rules and the Companies Act, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes. An Off-Market Purchase must, however, satisfy all of 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 the abovementioned persons shall be given a reasonable opportunity to accept the offers made; and
- (iii) the terms of all the offers shall be the same, except that there shall be disregarded (1) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements, (2) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid (if applicable) and (3) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

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

- (a) the terms and conditions of the offer;
- (b) the period and procedures for acceptances;
- (c) the reasons for the proposed purchase or acquisition of Shares;
- (d) 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 take-over rules;
- (e) whether the purchases or acquisitions of Shares, if made, would have any effect on the listing of the Shares on the SGX-ST; and
- (f) details of any purchases or acquisitions of Shares made by the Company in the previous 12 months (whether by way of Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases of Shares, where relevant, and the total consideration paid for the purchases; and
- (g) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

#### **4.4.4 Maximum Purchase Price**

The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other



related expenses) ("**related expenses**") to be paid for a Share will be determined by the Directors or a committee of Directors that may be constituted for the purposes of effecting purchases or acquisitions of Shares by the Company under the Share Buy Back Mandate. However, the purchase price to be paid for the Shares pursuant to the purchases or acquisitions of the Shares 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:

"**Average Closing Price**" means the average of the closing market prices of a Share over the last five (5) Market Days, on which transactions in the Shares were recorded, before the day on which the purchase or acquisition of Shares was made, and is deemed to be adjusted for any corporate action that occurs after the relevant five (5) Market Days.

#### 4.5 Status of Purchased Shares

Under Section 76B of the Act, any Shares purchased or acquired by the Company through a Share buy back shall be deemed to be cancelled immediately on purchase or acquisition unless such Shares are held by the Company as treasury shares in accordance with Section 76H of the Act. Upon such cancellation, all rights and privileges attached to that Share will expire. 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 de-listed by the SGX-ST, and (where applicable) all certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase or acquisition.

#### 4.6 Treasury Shares

Under the Act, the Shares purchased or acquired by the Company may be held or dealt with as treasury shares.

Some of the provisions on treasury shares under the Act are summarised below:

- (a) The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares.
- (b) The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.
- (c) In addition, no dividend may be paid, and no other distribution of the Company's assets may be made to the Company in respect of treasury shares. However, the allotment of Shares as fully paid bonus shares in respect of treasury shares is allowed. Also, a subdivision or consolidation of any treasury share into treasury shares of a smaller amount is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.
- (d) Where Shares are held as treasury shares, the Company may at any time but subject always to the Take-over Code:
  - (i) sell the treasury shares (or any of them) for cash;
  - (ii) transfer the treasury shares (or any of them) for the purposes of or pursuant to an employees' share scheme and/or performance share plan;
  - (iii) transfer the treasury shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person;
  - (iv) cancel the treasury shares (or any of them); or
  - (v) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Singapore Minister for Finance.

The Shares purchased or acquired under the Share Buy Back Mandate will be held as treasury shares or cancelled by the Company taking into consideration the then prevailing circumstances and requirements of the Company at the relevant time.

#### 4.7 Reporting Requirements

Within 30 days of the passing of a Shareholders' resolution to approve the purchases of Shares by the Company, the Company shall lodge a copy of such resolution with the Registrar.

The Company shall notify the Registrar within 30 days of a purchase of Shares by the Company on the SGX-ST or otherwise. Such notification shall include details of the purchase, including the date of the purchase, the total number of Shares purchased by the Company, the number of Shares cancelled and the number of Shares held as treasury shares, the Company's issued ordinary share capital before and after the purchase of Shares, the amount of consideration paid by the Company for the purchase, whether the shares were purchased or acquired out of the profits or capital of the Company, and such other information as required by the Companies Act.

Listing Rule 886(1) specifies 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; and
- (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the closing of acceptances of the offer for the Off-Market Purchase.

The notification of such purchases or acquisitions of Shares to the SGX-ST shall include details of the total number of Shares authorised for purchase, the date of purchase, prices paid for the total number of Shares purchased, the purchase price per Share or the highest and lowest purchase price per Share, the number of Shares cancelled, the number of Shares held as treasury shares, and the number of issued Shares excluding treasury shares after purchase, in the form prescribed under the Listing Rules. 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.

The Company, upon undertaking any sale, transfer, cancellation and/or use of treasury shares, will comply with Rule 704(28) of the Listing Manual, which provides that an issuer must make an immediate announcement thereof, stating the following:

- (a) date of the sale, transfer, cancellation and/or use;
- (b) purpose of such sale, transfer, cancellation and/or use;
- (c) number of treasury shares sold, transferred, cancelled and/or used;
- (d) number of treasury shares before and after such sale, transfer, cancellation and/or use;
- (e) percentage of the number of treasury shares against the total number of Shares outstanding before and after such sale, transfer, cancellation and/or use; and
- (f) value of the treasury shares if they are used for a sale or transfer, or cancelled.

#### **4.8 Source of Funds**

The Company may only apply funds legally available for the purchase or acquisition of its Shares as provided in the Constitution and in accordance with 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.

Previously, any payment made by the Company in consideration of the purchase or acquisition of its Shares may only be made out of the Company's distributable profits. The Act currently permits the Company to also purchase or acquire its Shares out of capital, as well as from its distributable profits, so long as the Company is solvent (as defined in Section 76F(4) of the Act).

The Company intends to use internal sources of funds or borrowings or a combination of both to finance the Company's purchase or acquisition of Shares pursuant to the Share Buy Back Mandate. In purchasing or acquiring Shares pursuant to the Share Buy Back Mandate, the Directors will principally consider the availability of internal resources. In addition, the Directors will also consider the availability of external financing. However, in considering the option of external financing, the Directors will consider particularly the prevailing gearing level of the Group and the costs of such financing.

The Directors will only make purchases or acquisitions pursuant to the Share Buy Back Mandate in circumstances which they believe will not result in any material adverse effect to the financial position of the Company or the Group.

#### **4.9 Financial Effects**

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 Buy Back Mandate on the NTA and EPS of the Company and the Group as the resultant effect would depend on, inter alia, the aggregate number of Shares purchased or acquired, whether the purchase or acquisition is made out of capital or profits, the purchase price paid for such Shares, the amount (if any) borrowed by the Company to fund such purchases or acquisitions and whether the Shares purchased or acquired are cancelled or held as treasury shares.

The repurchased Shares may be cancelled or held as treasury shares. Any Share buy back will:

- (a) reduce the number of issued Shares in the capital of the Company where the Shares were purchased or acquired out of the capital of the Company;
- (b) reduce the amount of the Company's profits where the Shares were purchased or acquired out of the profits of the Company; or
- (c) reduce the amount of the Company's share capital and profits proportionately where the Shares were purchased or acquired out of both the capital and the profits of the Company,

by the total amount of the purchase price paid by the Company upon the cancellation of such repurchased Shares.

Under the Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital or profits so long as the Company is solvent. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration will correspondingly reduce the amount available for the distribution of cash dividends by the Company upon cancellation of the repurchased Shares. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

The Directors do not propose to exercise the Share Buy Back Mandate to such an extent that it would have a material adverse effect on the working capital requirements of the Group. The purchase or acquisition of Shares will only be effected after considering relevant factors such as the working capital requirements, the availability of financial resources, the expansion and investment plans of the Group and the prevailing market conditions. The Share Buy Back Mandate will be exercised with a view to enhancing the earnings and/or the NTA per Share of the Group.

The financial effects presented below are based on the following assumptions:

(a) *Information as at the Latest Practicable Date*

As at the Latest Practicable Date, the Company has 113,923,000 issued Shares (including treasury shares, subsidiary holdings and returned shares).

(b) *Illustrative Financial Effects*

Purely for illustrative purposes, on the basis of 113,923,000 Shares in issue as at the Latest Practicable Date (excluding treasury shares, subsidiary holdings and returned shares), the purchase by the Company of 10% of its Shares will result in the purchase of 11,392,300 Shares.

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 11,392,300 Shares at the Maximum Price of S\$0.229 for each Share (being the price equivalent to 105% of the Average Closing Price of the Shares for the five consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 11,392,300 Shares is approximately S\$2,608,837 (excluding related expenses).

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 11,392,300 Shares at the Maximum Price of S\$0.2635 for each Share (being the price equivalent to 120% of the Average Closing Price of the Shares for the five consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 11,392,300 Shares is approximately S\$3,001,871 (excluding related expenses).

For illustrative purposes only and on the basis of the assumptions set out above as well as the following:

- (i) the Share Buy Back Mandate had been effective as at 31 March 2020;
- (ii) the purchase or acquisition of 11,392,300 Shares by the Company pursuant to the Share Buy Back Mandate by way of Market Purchases made entirely out of profits and cancelled;
- (iii) there was no issuance of Shares pursuant to the exercise of share options and/or vesting of share awards after the Latest Practicable Date; and
- (ii) such Share purchases are funded solely by internal resources,

the financial effects of the Share buy back on the audited consolidated financial results of the Group for FY2020, are set out below:-

**Illustrative financial effects<sup>(1)</sup>:**

	Market Purchase		Off-Market Purchase	
	Before S\$' 000	After S\$' 000	Before S\$' 000	After S\$' 000
<b>As at 31 March 2020</b>				
Shareholders' fund	31,751	29,142	31,751	28,749
Net Tangible Assets	31,751	29,142	31,751	28,749
Current Assets	62,711	60,102	62,711	59,709
Current Liabilities	30,827	30,827	30,827	30,827
Working Capital	31,884	29,275	31,884	28,882
Net Debt	7,181	7,181	7,181	7,181
No of shares ('000)	113,923	102,531	113,923	102,531
Financial Ratios				
NTA per share(S\$)	0.28	0.28	0.28	0.28
Gearing (times)	0.23	0.25	0.23	0.25
Current Ratio (times)	2.03	1.95	2.03	1.94
Basic EPS (cents) <sup>(2)</sup>	2.62	2.91	2.62	2.91

**Notes:**

- (1) The disclosed financial effects remain the same irrespective of whether:
  - (a) the purchase of the Shares is effected out of capital or profits; or
  - (b) the purchased Shares are held in treasury or are cancelled.
- (2) Based on the profits from the Group's continuing operations

Shareholders should note that the financial effects set out above are purely for illustrative purposes only based on the abovementioned assumptions. 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 the financial year ended 31 March 2020, and is not necessarily representative of the future financial performance of the Company or the Group.

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. Although the Share Buy Back Mandate would authorise the Company to purchase or acquire up to ten per cent. (10%) of the total number of issued Shares (excluding treasury shares, subsidiary holdings and returned shares) as determined in accordance with the applicable provisions of the Companies Act, the Company may not necessarily purchase or be able to purchase the entire ten per cent. (10%) of the total number of its issued Shares (excluding treasury shares, subsidiary holdings and returned shares). In addition, the Company may cancel all or part of the Shares purchased or hold all or part of the Shares purchased as treasury shares.

**Shareholders who are in doubt as to their tax positions or any tax implications in their respective jurisdictions should consult their own professional advisers.**

#### **4.10 Take-over Code implications**

Appendix 2 of the Take-over Code 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.

##### **4.10.1 Obligations to make a Take-over Offer**

If, as a result of any purchase or acquisition by the Company of the 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. 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 of the Take-over Code.

##### **4.10.2 Persons acting in concert**

Under the Take-over Code, persons acting in concert (“**concert parties**”) comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), cooperate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of the company.

Unless the contrary is established, the Take-over Code presumes, inter alia, the following individuals and companies to be persons acting in concert:

- (a) a company with its parent company, its subsidiaries, its 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 each of them, will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

##### **4.10.3 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, a Shareholder and his concert parties 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 Shareholder and his concert parties would increase to 30% or more, or in the event that such Shareholder and his concert parties hold between 30% and 50% of the Company’s voting rights, if the voting rights

of such Shareholder and his concert parties would increase by more than 1% in any period of 6 months. In calculating the percentages of voting rights of such Shareholder and his concert parties, treasury shares shall be excluded.

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

Based on the information in the Company's Register of Shareholders as at the Latest Practicable Date, none of the Directors or Substantial Shareholders of the Company are obliged to make a general offer to other Shareholders under Rule 14 and Appendix 2 of the Take-over Code as a result of a purchase or acquisition of Shares by the Company pursuant to the Share Buy Back Mandate. The Directors are not aware of any potential Shareholder(s) who may have to make a general offer to the other Shareholders as a result of a purchase or acquisition of Shares by the Company pursuant to the Share Buy Back Mandate.

**Shareholders who are in doubt as to their obligations, if any, to make a mandatory takeover offer under the Take-over Code as a result of any purchase or acquisition of Shares by the Company should consult the Singapore Securities Industry Council and/or their professional advisers at the earliest opportunity.**

#### 4.11 Listing Manual

4.11.1 While the Listing Manual does not expressly prohibit any purchase of shares by an issuer during any particular time, because the issuer 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 Share Buy Back Mandate at any time after any matter or development of a price-sensitive nature has occurred or has been the subject of consideration and/or a decision of the Board until such price-sensitive information has been publicly announced. Further, in conformity with the best practices on dealing with securities under the Listing Manual, the Company will not purchase or acquire any Shares through Market Purchases:

- (a) during the period commencing from one month immediately preceding the announcement of the Company's interim (half-year) results or the annual (full-year) results; or
- (b) if there is any unpublished material price-sensitive information of the Group.

4.11.2 The Company is required under Rule 723 of the Listing Manual to ensure that at least 10% of its Shares are in the hands of the public. The "public", as defined under the Listing Manual, are persons other than the directors, chief executive officer, substantial shareholders or controlling shareholders of the Company or its subsidiaries, as well as the associates of such persons.

Based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders maintained by the Company as at the Latest Practicable Date, approximately 35.00% of the issued Shares (excluding treasury shares, subsidiary holdings and returned shares), are in the hands of the public.

Assuming the Company were to purchase or acquire the entire 10% of the total number of its issued Shares, there will be approximately 27.78% of the issued Shares (excluding treasury shares, subsidiary holdings and returned shares), being held in the hands of the public. In undertaking any purchases or acquisitions of Shares through Market Purchases, the Directors will use their best efforts to ensure that a sufficient float in the hands of the public will be maintained so that such purchases or acquisitions of Shares will not adversely affect the listing status of the Shares on the SGX-ST, cause market illiquidity or adversely affect the orderly trading of the Shares.

#### 4.12 Previous Share Purchases

There were no share purchases undertaken by the Company during the 12-month period preceding the Latest Practicable Date.

### 5. DIRECTORS AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors and Substantial Shareholders in the capital of the Company as at the Latest Practicable Date are as follows:-

	Direct Interest		Deemed Interest	
	Number of Shares	% <sup>(1)</sup>	Number of Shares	% <sup>(1)</sup>
<b>Directors</b>				
Ronald Teng Woo Boon <sup>(2)</sup>	26,066,000	22.88	3,208,000	2.82
Loh Yih	4,500,000	3.95	-	-
Neo Gim Kiong	3,094,100	2.72	-	-
Lo Yew Seng	1,506,000	1.32	-	-
<b>Substantial Shareholders (other than Directors)</b>				
Wang Wei	28,281,000	24.82	-	-
Teng Kim Sui	6,902,000	6.06	-	-

**Notes:**

- (1) The percentage shareholding interest is based on the total issued share capital of 113,923,000 Shares, (excluding treasury shares, subsidiary holdings and returned shares) as at the Latest Practicable Date
- (2) Ronald Teng Woo Boon is deemed to be interested through 3,208,000 Shares held by his spouse, Teo Su Ching.

Save as disclosed above, the Directors and Substantial Shareholders do not have any interest, whether direct or indirect, in the Company.

## **6. INDEPENDENT DIRECTORS' RECOMMENDATION AND ABSTENTION FROM VOTING**

### **6.1 Proposed Renewal of the IPT Mandate**

The Directors who are considered independent for the purposes of the proposed renewal of the IPT Mandate are Mr Ronald Teng Woo Boon, Mr Loh Yih, Mr Neo Gim Kiong and Mr Lo Yew Seng. The Independent Directors are of the opinion that the entry into the Interested Person Transactions by the Group in the ordinary course of business will enhance the efficiency of the Group and is in the best interests of the Company. For reasons set out in paragraph 2.4 of this Addendum, the Independent Directors recommend that Shareholders vote in favour of Ordinary Resolution 8, being the resolution relating to the proposed renewal of the IPT Mandate at the forthcoming AGM.

### **6.2 Proposed Renewal of the Share Buy Back Mandate**

The Directors are of the opinion that the proposed renewal of the Share Buy Back Mandate is in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of Ordinary Resolution 9, being the resolution relating to the proposed renewal of the Share Buy Back Mandate at the forthcoming AGM.

## **7. ACTION TO BE TAKEN BY SHAREHOLDERS**

Shareholders who are unable to attend the AGM and wish to appoint a proxy to attend and vote at the AGM on their behalf must complete, sign and return the Proxy Form attached to the Annual Report 2020 in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive via email at [agm@banleong.com.sg](mailto:agm@banleong.com.sg) or at the registered office of the Company at 150 Ubi Avenue 4, #04-01, Singapore 408825 not less than 48 hours before the time fixed for the AGM.

A Depositor shall not be regarded as a shareholder of the Company entitled to appoint the chairman of the meeting as proxy unless his name appears on the Depository Register at least 72 hours before the AGM.

As Rule 919 of the Listing Manual requires that interested persons must not vote on any shareholders' resolution approving any mandate in respect of any interested person transactions, Mr Wang (being an Interested Person in relation to the IPT Mandate) together with his Associates who are shareholders of the Company (if any) shall abstain from voting in respect of Ordinary Resolution 8 at the AGM to be held on 28 August 2020 at 10 a.m.

## **8. RESPONSIBILITY STATEMENT**

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

## **9. DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents are available for inspection at the registered office of the Company at 150 Ubi Avenue 4, #04-01, Singapore 408825 during normal business hours from the date of this Addendum up to the date of the forthcoming AGM:

- (a) the Annual Report of the Company for FY2020;
- (b) the Constitution of the Company.

Yours faithfully  
For and on behalf of the Board of Directors of  
**BAN LEONG TECHNOLOGIES LIMITED**

Ronald Teng Woo Boon  
Managing Director

## GENERAL INFORMATION RELATING TO CHAPTER 9 OF THE LISTING MANUAL

### Scope

Chapter 9 of the 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.

### General Requirements

Except for certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested person and are hence excluded from the ambit of Chapter 9 of the Listing Manual, immediate announcement, or, immediate announcement and shareholders' approval would be required in respect of transactions with interested persons if certain 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, shareholders' approval is required where:

- (a) the value of such transaction is equal to or exceeds 5% of the latest audited consolidated NTA of the group; or
- (b) the value of such transaction when aggregated with the value of all other transactions previously entered into with the same interested person in the same financial year of the group is equal to or exceeds 5% of the latest audited consolidated NTA of the group. However, a transaction which has been approved by shareholders, or is the subject approved by shareholders, need not be included in any subsequent aggregation.

Immediate announcement of a transaction is required where:

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

The above requirements for immediate announcement and for shareholders' approval do not apply to any transaction below \$100,000.

### General Mandate

A listed company may seek a general mandate from its shareholders for recurrent transactions with interested persons 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.