CHINA FLEXIBLE PACKAGING HOLDINGS LIMITED

(Incorporated in Bermuda)

APPENDIX 1

Summary Sheet for Renewal of Shares Purchase Mandate

THIS APPENDIX 1 IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

This Appendix 1 is issued by China Flexible Packaging Holdings Limited (the "Company"). If you are in any doubt in relation to this Appendix 1 or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Appendix 1.

If you have sold or transferred all your ordinary shares in the capital of the Company held through The Central Depositary (Pte) Limited (the "CDP"), you need not forward this Appendix 1 to the purchaser or transferee as arrangements will be made by CDP for a separate Appendix 1 to be sent to the purchaser or transferee. If you have sold or transferred all your shares which are not deposited with the CDP, you should at once hand this Appendix 1 to the purchaser or transferee or to the bank, stockbroker or agent through whom you effected the sale, for onward transmission to the purchaser or transferee.

(A) SHARES PURCHASED IN THE PREVIOUS TWELVE MONTHS

Pursuant to the Shares Purchase Mandate obtained at the Annual General Meeting on 24 February 2015, the Company had not bought back any ordinary shares in the capital of the Company ("Shares") by way of market or off-market acquisitions.

(B) RENEWAL OF THE SHARES PURCHASE MANDATE

The authority contained in the existing renewed Share Purchase Mandate will be expiring on 23 February 2016 being the date of the Company's forthcoming Annual General Meeting.

The Ordinary Resolution No. 7, if passed at the Annual General Meeting, will renew the Shares Purchase Mandate approved by the Shareholders of the Company from the date of the Annual General Meeting until the date that the next annual general meeting of the Company is held or is required by law to be held, whichever is the earlier.

The number of Shares which can be purchased pursuant to the Shares Purchase Mandate is such number of Shares which represents up to a maximum of ten per cent (10%) of the issued ordinary share capital of the Company as at the date of the Annual General Meeting. For illustrative purposes, the existing number of issued and fully paid shares of the Company as at the Latest Practicable Date, 15 January 2016 is 4,860,956 Shares, and assuming that no further Shares are issued on or prior to the forthcoming Annual General Meeting, not more than 486,096 Shares (representing ten per cent (10%) of the issued ordinary share capital of the Company as at that date) may be purchased or acquired by the Company pursuant to the Share Purchase Mandate.

Any purchase of Shares by the Company will have to be made in accordance with, and in the manner prescribed by, The Companies Act 1981 of Bermuda and such other laws and regulations as may for the time being applicable. As the Company is listed on the Singapore Exchange Securities Trading Limited (the "SGX-ST"), it is also required to comply with the requirements of Part XIII of Chapter 8 of the SGX-ST Listing Manual (the "Listing Manual"), which relates to the purchase or acquisition of issued ordinary shares in the capital of a company which is listed on the SGX-ST.

(C) RATIONALE FOR THE SHARES PURCHASE MANDATE

Short-term speculation may at times cause the market price of the Company's Shares to be depressed below the true value of the Company and the Group. The proposed Shares Purchase Mandate will provide the Directors with the means to restore investors' confidence and to protect existing shareholders' investments in the Company in a depressed share-price situation through judicious Shares purchases to enhance the earnings per Share and/or the net asset value per Share. The Shares purchases will enhance the net asset value per Share if the Shares purchases are made at a price below the net asset value per Share.

The proposed Shares Purchase Mandate will also provide the Company with an expedient and cost-effective mechanism to facilitate the return of surplus cash reserves to the shareholders, as and when the Directors are of the view that this would be in the best interests of the Company and the shareholders.

The Directors will only make a Shares purchase as and when the circumstances permit and only if the Directors are of the view that such purchases are in the best interests of the Company and the shareholders. The Directors will decide whether to purchase Shares only after taking into account, among other things, the market conditions at such time, the Company's financial condition and whether such purchases will cause the Company to become insolvent (i.e. the Company is unable to pay its debts as they become due in the ordinary course of business, or the value of the Company's assets is less than the value of its liabilities including contingent liabilities), and whether such purchases, represent the most efficient and cost-effective approach to enhance Share value. Shares purchases will only be made if the Directors believe that such purchases are likely to benefit the Company and increase economic value for shareholders.

The Directors will ensure that the Shares purchases will not have any effect on the listing of the Company's securities. Rule 723 of the Listing Manual requires at least ten per cent (10%) of any class of a company's listed securities to be held by the public at all times. The Directors shall safeguard the interests of public shareholders before undertaking any Shares purchases. Before exercising the Shares Purchase Mandate, the Directors shall at all times take due cognisance of (a) the then shareholding spread of the Company in respect of the number of Shares held by substantial shareholders and by non-substantial shareholders and (b) the volume of trading on the SGX-ST in respect of the Shares immediately before the exercise of any Shares purchase.

As at 15 January 2016 ("Latest Practicable Date"), 2,230,338 Shares being 45.88% of a total of 4,860,956 Shares issued by the Company are held by 2,766 public shareholders. The Company is of the view that there is sufficient number of Shares in issue held by public shareholders which would permit the Company to undertake Shares purchases of up to ten per cent (10%) of its issued ordinary share capital without affecting the listing status of the Shares on the SGX-ST. The Company will ensure that the Shares purchases will not cause market illiquidity or affect orderly trade.

(D) FINANCIAL IMPACT OF THE PROPOSED SHARES PURCHASES

1. Source of funds

Under the Bermuda Companies Act, a purchase of Shares may only be funded out of the capital paid up on the Shares to be purchased, or out of the funds of the company which would otherwise be available for dividend or distribution, or out of the proceeds of a fresh issue of Shares made for the purpose of the purchase, and the premium payable on the purchase (i.e. the amount paid in excess of the nominal value of the Shares to be purchased) must be provided for out of the funds of the company which would otherwise be available for dividend or distribution, or out of the company's share premium account before the Shares are purchased.

The Company will use internal resources and/or external borrowings to finance buy-backs of its shares. It is not possible for the Company to realistically calculate or quantify the impact of purchases that may be made pursuant to the Shares Purchase Mandate on the net asset value and earnings per Share as the resultant effect would depend on factors such as the aggregate number of Shares purchases, the purchase prices paid at the relevant time, and the amount (if any) borrowed by the Company to fund the purchases.

2. Financial and other impact

The purchased Shares will be cancelled. Any Shares purchase will reduce the issued share capital of the Company by the nominal value of the Shares purchased. No reduction is made to the Company's authorised share capital. Any Shares purchase will also reduce the Company's retained earnings by the aggregate sum of the purchase price, to the extent the Company's retained earnings are utilised for the purchase price.

The impact of the Shares purchase by the Company pursuant to the proposed Shares Purchase Mandate on the Group's and the Company's financial positions is illustrated below. Based on the existing issued and paid-up ordinary share capital of the Company as at 15 January 2016, the exercise in full of the Shares Purchase Mandate would result in the Purchase of up to 486,096 Shares. Assuming that the Maximum Price is S$0.442 which is five per cent (5%) above the average of the closing prices of the Shares over the five (5) trading days preceding the Latest Practicable Date on which transactions in the Shares were recorded and deemed to be adjusted for any corporate action that occurs after the relevant 5-day period, the maximum amount of funds required for the purchase of up to 486,096 Shares is S$0.21 million or equivalent to RMB0.98 million (based on an exchange rate of S$1.00:RMB4.58). On this assumption, the impact of the Shares purchase by the Company undertaken in accordance with the Proposed Shares Purchase Mandate on the Company's and the Group's audited financial statements for the financial year ended 31 October 2015 is as follows:

	GROUP		**COMPANY**	
	Before Shares Purchase *(RMB'000)*	**After Shares Purchase** *(RMB'000)*	**Before Shares Purchase** *(RMB'000)*	**After Shares Purchase** *(RMB'000)*
As at 31 October 2015				
Shareholders' funds	265,464	264,480	264,432	263,448
Net tangible assets (NTA)[(1)]	265,464	264,480	264,432	263,448
Current assets	68,081	67,097	297	297
Current liabilities	(11,757)	(11,757)	(163)	(1,147)
Working capital	56,324	55,340	134	(850)
Total liabilities	(11,757)	(11,757)	(163)	(1,147)
Number of Shares[(2)]	4,860,956	4,374,860	4,860,956	4,374,860
Financial Ratios				
NTA Per Share (cents)	54.611	60.454	54.399	60.219
Loss per Share (cents)	(37.494)	(41.663)	N.M[(3)]	N.M[(3)]
Current ratio[(4)]	5.791	5.707	1.822	0.259

NOTES:

(1) Net tangible assets equals Shareholders' funds less intangible assets.

(2) The Company does not have any Treasury Shares.

(3) Not meaningful.

(4) Current ratio equals current assets divided by current liabilities.

As at 31 October 2015, the Group and the Company had cash balances of RMB18.73 million. In order to effect a purchase of up to 486,096 Shares at the Maximum Price Computed at the Latest Practicable Date, cash reserves by the Company of RMB0.98 million will be required.

For purpose of this illustration, it is assumed that the Company borrows RMB0.98 million from its subsidiary companies to finance purchases of its Shares. The Company may, however, when making Share Purchases pursuant to the Shares Purchases Mandate, use internal resources and/or external borrowings to finance the purchases.

As illustrated above, the purchase of Shares will have the effect of reducing the working capital and the net tangible assets of the Company and Group by the dollar value of the Shares Purchased. The consolidated NTA per Share as at 31 October 2015 will increase from RMB54.61 per Share to RMB60.45 per Share as a result of the reduction in the number of issued Shares after the Shares purchases.

Assuming that the Shares purchases had taken place on 31 October 2015, the consolidated basic loss per Share of the Group for the financial year ended 31 October 2015 would be increased from RMB37.49 per Share to RMB41.66 per Share as a result of the reduction in the number of issued Shares, after taking into consideration interest income foregone (based on an interest rate of 1% per annum, being the prevailing savings interest rate for Renminbi in the People's Republic of China). The Company's current liabilities will increase from RMB0.16 million to RMB1.15 million as it is assumed that the Company borrows from its subsidiary companies to finance the purchases of its Shares while its current assets will remain unchanged after the purchase at the Maximum Price in a Market Purchase. The Group's current assets will decrease from RMB68.08 million to RMB67.10 million after the purchase.

As the Shares purchase will reduce the cash reserves of the Group and the Company, there will be a corresponding reduction in the current assets and the Shareholders' funds of the Group and the Company. The current ratios of the Group and the Company will decline. The actual impact on the current ratios will depend on the number of Shares purchased and the prices at which the Shares were purchased.

Shareholders should note that the financial effects set out above, based on the respective aforementioned assumptions, are for illustration purposes only. In particular, it is important to note that the above analysis is based on historical audited financial year 2015 numbers, and is not necessarily representative of future financial performance. This also does not take into account the proposed Capital Reduction exercise to be approval by the Shareholders at a Special General Meeting to be held immediate after forthcoming Annual General Meeting.

The Company will take into account both financial and non-financial factors (for example, cash surplus, debt position and working capital requirement) and non-financial factors (for example, share market conditions and the performance of the Shares) in assessing the relative impact of a Share purchase before execution.

Shares Purchases by the Company pursuant to the Shares Purchase Mandate will only be made in circumstances where it is considered to be in the best interests of the Company. It should be noted that purchases pursuant to the Shares Purchase Mandate may not be carried out to full ten per cent (10%) as mandated. Further, the Directors do not propose to exercise the Shares Purchase Mandate to such an extent as would have a material adverse effect on the working capital requirements of the Company or the gearing levels which, in the opinion of the Directors, are from time to time appropriate for the Company.

(E) CONSEQUENCES OF SHARES PURCHASES UNDER THE SINGAPORE CODE ON TAKE-OVERS AND MERGERS

Mandatory Offers under Rule 14 of the Take-over Code

Under the Take-over Code, a person will be required to make a general offer for a public company if:

(a) he acquires 30% or more of the voting rights of the company; or

(b) he holds between 30% and 50% of the voting rights of the company and he increases his voting rights in the company by more than one per cent. (1%) in any six-month period.

The resultant increase in the percentage of voting rights held by a Shareholder and persons acting in concert with him, following the purchase of Shares by the Company, will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code ("Rule 14"). Consequently, depending on the number of Shares purchased by the Company and the Company's issued share capital at that time, a Shareholder or group of Shareholders acting in concert with each other could obtain or consolidate effective control of the Company and could become obliged to make an offer under Rule 14.

Persons Acting in Concert

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

(i) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts); and

(ii) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies and companies of which such companies are associated companies, all with one another.

For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status.

Obligations to make a General Offer as a result of the Share Purchase

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

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

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

Application of the Take-over Code

Based on the Company's register of Directors' shareholdings and register of Substantial Shareholders, as at the Latest Practicable Date, the shareholdings of the Directors (who have interests in Shares) and the Substantial Shareholders before and after the purchase of Shares pursuant to the Share Purchase Mandate, assuming (i) the Company purchases the maximum amount of ten per cent. (10%) of the issued ordinary share capital of the Company, (ii) there is no change in the number of Shares held by the Directors and the Substantial Shareholders or which they are deemed interested in will be as follows:

	Before Share Purchases			**After Share Purchases**		
	Direct Interest *Number of Shares*	**Deemed Interest** *Number of Shares*	**Total Interest** *%*	**Direct Interest** *Number of Shares*	**Deemed Interest** *Number of Shares*	**Total Interest** *%*
Directors						
Zeng Hanming	142,689	66,245[(1)]	4.30	142,689	66,245[(1)]	4.78
Substantial Shareholders						
Chong Yuen	1,780,254	154,824[(2)]	39.81	1,780,254	154,824[(2)]	44.23

Note(s):

(1) The deemed interest of 66,245 Shares are directly held by Ms Zhuang Shaochun, the spouse of our Executive Chairman, Mr Zeng Hanming.

(2) The deemed interests of 154,824 Shares are directly held by Ms Li Kim Yu, the spouse of a substantial shareholder, Mr. Chong Yuen.

Mr Chong Yuen is a substantial shareholder of the Company and Mr Zeng Hanming (as a Director and one of the major shareholders of the Company) who is also a brother in-law of Chong Yuen. Mr Chong Yuen and Mr Zeng Hanming together with their families (including close relatives) are considered persons acting in concert under the Take-over Code. As such, there will not be any obligation on any substantial shareholders (including Directors) and persons acting in concert with them to make a general offer to other Shareholders pursuant to Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring Shares, the voting rights of such substantial shareholders (including Directors) and their concert parties increase, since their shareholdings in the Company as at the Latest Practicable Date are above 50%.

As at the Latest Practicable Date, the Directors' and Substantial Shareholders' shareholding interests in the Company are as follows:

	Direct Interest		**Deemed Interest**	
	Number of Shares	*%*	*Number of Shares*	*%*
Directors				
Zeng Hanming[(2)]	142,689	2.94	66,245	1.36
Holders of 5% or more				
Chong Yuen[(1), (4)]	1,780,254	36.62	154,824	3.19
Holders of 5% or less				
Wu Huiling[(4)]	207,916	4.28	–	–
Li Kim Yu[(1)]	154,824	3.19	1,780,254	36.62
Huang Weiwen[(3)]	123,866	2.55	154,824	3.19
Zhuang Shaochun[(1), (2), (4)]	66,245	1.36	142,689	2.94
Zhuang Shaowen[(1), (3), (4)]	154,824	3.19	123,866	2.55

NOTES:

(1) Ms Li Kim Yu is the wife of Mr Chong Yuen. Mr Chong Yuen, Ms Zhuang Shaochun and Ms Zhuang Shaowen are siblings.

(2) Mr Zeng Hanming is the husband of Ms Zhuang Shaochun.

(3) Mr Huang Weiwen is the husband of Ms Zhuang Shaowen.

(4) Mdm Wu Huiling is the mother of Mr Chong Yuen, Ms Zhuang Shaochun and Ms Zhuang Shaowen.

In the event the Company undertakes Shares Purchases within the Relevant Period, or within any one financial year of the Company, whichever is earlier, of up to ten per cent (10%) of the issued share capital of the Company as permitted by the Shares Purchase Mandate, the shareholdings and voting rights of the above Directors, Substantial Shareholders and their concert parties (as defined in the Take-over Code) will remain above fifty per cent (50%). Accordingly, no general offer is required to be made pursuant to the Take-over Code.

(F) MISCELLANEOUS

1. Any Shares purchases undertaken by the Company shall be at a price of up to but not exceeding the Maximum Price. The Maximum Price is a sum which shall not exceed the sum constituting 5% above the average closing price of the Shares over the period of the last 5 market days on which transactions in the Shares were recorded before the day on which the Shares Purchases are made and deemed to be adjusted for any corporate action that occurs after the relevant 5-day period, in the case of a Market Purchase. In the case of an Off-Market Purchase, the Maximum Price is a sum which shall not exceed the sum constituting 5% above the average closing price of the Shares over the period of the last 5 market days on which transactions in the Shares were recorded, immediately preceding the date of offer by the Company.

2. In making Share purchases, the Company will comply with the requirements of the SGX-ST Listing Manual, in particular, Rule 886 with respect to notification to the SGX-ST of any Shares purchases. Rule 886 is reproduced below:

   "(1) An issuer must notify the Exchange of any share buy-back as follows:

      (a) In the case of a market acquisition, by 9.00 am on the market day following the day on which it purchased shares,

      (b) In the case of an off market acquisition under an equal access scheme, by 9.00 am on the second market day after the close of acceptance of the offer.

   (2) Notification must be in the form of Appendix 8.3.1 (or 8.3.2. for an issuer with a dual listing on another stock exchange)."

3. Shares Purchases will be made in accordance with the "Guidelines on Shares Purchases" as set out in Appendix I of the Company's Circular to Shareholders dated 11 February 2006, a copy of which is annexed as 'Annex 1'. All information required under the Bermuda Companies Act relating to the Shares Purchase Mandate is contained in the said Guidelines.

4. The SGX-ST Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time or times. However, as a listed company would be considered an "insider" in relation to any proposed purchase or acquisition of its shares, the Company will undertake not to purchase or acquire Shares pursuant to the Proposed Shares Purchase mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced in particular, the Company will not purchase or acquire any Shares during the period commencing one month immediately preceding the announcement of the Company's full-year results and the period of two weeks immediately preceding the announcement of its first three quarters of its results.

5. The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Appendix. If you are in doubt as to the action that you should take, you should consult your stockbroker or other professional adviser immediately.

(G) DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Summary Sheet and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Summary Sheet constitutes full and true disclosure of all material facts about the proposed renewal of the Share Purchase Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Summary Sheet misleading.

(H) DIRECTORS' RECOMMENDATION

The Directors of the Company are of the opinion that the renewal of the proposed Shares Purchase Mandate is in the best interests of the Company. Accordingly, the Directors of the Company recommend the shareholders vote in favour of Ordinary Resolution 7.

(I) TAXATION

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

(J) DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at the registered office or the Share Transfer Agent of the Company at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623 during normal business hours up to and including the date of the Annual General Meeting:

(a) the Bye-laws of the Company; and

(b) the audited financial statements of the Company for the financial year ended 31 October 2015.

ANNEX 1
Guidelines on Share Purchases

1. SHAREHOLDERS' APPROVAL

(a) Purchases of Shares by the Company must be approved in advance by the Shareholders at a general meeting of the Company, by way of a general mandate.

(b) A general mandate authorizing the purchase of Shares by the Company representing up to ten per cent (10%) of the Company's issued ordinary share capital is valid for the period (the "Relevant Period") commencing from the date of the Shares Purchase Mandate and on the earlier of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the date by which the next annual general meeting of the Company is required by law to be held;

(iii) the date on which the Share Purchases are carried out to the full extent mandated; or

(iv) the time when such mandate is revoked or varied by an ordinary resolution of the Shareholders of the Company in general meeting.

(c) The authority conferred on the Directors by the Shares Purchase Mandate to purchase Shares shall be renewed at the next annual general meeting of the Company.

(d) When seeking Shareholders' approval for the renewal of the Shares Purchase Mandate, the Company shall disclose details pertaining to the purchases of Shares made during the previous twelve (12) months, including the total number of Shares purchased, the purchase price per Share or the highest and lowest price for such purchases of Shares, where relevant, and the total consideration paid for such purchases.

2. MODE OF PURCHASE

Shares purchases ("Share Purchases") can be effected by the Company in either one of the following two ways or both:

(a) by way of market purchases of Shares on the Official List of SGX-ST, which means a purchase transacted through the ready market ("Market Purchases"); or

(b) by way of off-market acquisitions on an equal access scheme as defined in Section 76C of the Act ("Off-Market Purchases").

3. FUNDING OF SHARES PURCHASES

(a) In purchasing the Shares, the Company may only apply funds legally permitted for such purchase in accordance with its Bye-laws, and the relevant laws and regulations enacted or prescribed by the relevant competent authorities in Bermuda and Singapore.

(b) Any purchase by the Company may only be funded out of the capital paid up on the Shares to be purchased, or out of the funds of the Company which would otherwise be available for dividend or distribution, or out of the proceeds of a fresh issue of Shares made for the purpose of the purchase, and the premium payable on the purchase (i.e. the amount paid in excess of the nominal value of the Shares to be purchased) must be provided for out of the funds of the Company which would otherwise be available for dividend or distribution, or out of the Company's share premium account before the Shares are purchased.

(c) The Company may not purchase its Shares on the Official List of SGX-ST for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the SGX-ST.

4. TRADING RESTRICTIONS

The number of Shares which can be purchased pursuant to the Shares Purchase Mandate is such number of Shares which represents up to a maximum of ten per cent (10%) of the issued ordinary share capital of the Company as at the date of the last annual general meeting of the Company.

5. PRICE RESTRICTIONS

Any Shares Purchase undertaken by the Company shall be at the price of up to but not exceeding the sum constituting five per cent (5%) above the average closing price of the Shares over the period of five (5) trading days in which transactions in the Shares on the SGX-ST were recorded and deemed to be adjusted for any corporate action that occurs after the relevant 5-day period in the case of a Market Purchase, before the day on which such purchase is made, and, in the case of an Off-Market Purchase, immediately preceding the date of offer by the Company, as the case may be (the "Maximum Price").

6. OFF-MARKET PURCHASES

(a) For purchases of Shares made by way of an Off-Market Purchase, the Company shall issue an offer document to all Shareholders. The offer document shall contain, *inter alia,* the following information:

(i) the terms and conditions of the offer;

(ii) the period and procedures for acceptances;

(iii) the reasons for the proposed Shares Purchase;

(iv) the consequences, if any, of Shares purchase by the Company that will arise under the Singapore Code on Take-overs and Mergers or any other applicable take-over rules;

(v) whether the purchase of Shares, if made, would have any effect on the listing of the Company's securities on the Official List of SGX-ST; and

(vi) details of any purchase of Shares made by the Company in the previous twelve (12) months, whether through Market Purchases or Off-Market Purchases, including the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such purchases of Shares, where relevant, and the total consideration paid for such purchases.

(b) All Offeree Shareholders shall be given a reasonable opportunity to accept any offer made by the Company to purchase their Shares under the Shares Purchase Mandate.

(c) The Company may offer to purchase Shares from time to time under the Shares Purchase Mandate subject to the requirement that the terms of any offer to purchase Shares by the Company shall be *pari passu* in respect of all Offeree Shareholders save under the following circumstances:

(i) where there are differences in consideration attributable to the fact that an offer relates to Shares with different dividend entitlements;

(ii) where there are differences in consideration attributable to the fact that an offer relates to Shares with different amounts remaining unpaid; and

(iii) where there are differences in an offer introduced solely to ensure that every Shareholder is left with a whole number of Shares in board lots of 1,000 Shares after the Shares Purchases, in the event there are Offeree Shareholders holding odd numbers of Shares.

7. STATUS OF PURCHASED SHARES

The listing of all purchased Shares on the SGX-ST will be automatically cancelled and the relative certificates for these Shares shall be cancelled and destroyed. The Company's purchased Shares shall be treated as cancelled and the issued share capital of the Company shall be diminished by the nominal value of these cancelled Shares accordingly. No reduction is made to the Company's authorised capital.

8. NOTIFICATION TO THE SGX-ST

(a) The Company must notify the SGX-ST of any Shares Purchases as follows:

(i) in the case of a market acquisition, by 9.00 a.m. on the market day following the day on which it purchased Shares; or

(ii) in the case of an off-market acquisition under an equal access scheme, by 9.00 a.m. on the second Market day after the close of acceptances of the offer.

(b) Notification must be in the form of Appendix 8.3.1 of the Listing Manual (or 8.3.2 if the Company has a dual listing on another stock exchange).

9. SUSPENSION OF PURCHASE

(a) The Company may not undertake any Shares Purchase prior to the announcement of any price-sensitive information by the Company, until such time as the price sensitive information has been publicly announced or disseminated in accordance with the requirements of the Listing Manual.

(b) The Company may not affect any repurchases of Shares on the SGX-ST during the period commencing two (2) weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year, or one month before the full year of its financial year, as the case may be, and ending on the date of announcement of the relevant results.