

**Appendix dated 7 April 2016**

**THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

This Appendix is circulated to the shareholders (“**Shareholders**”) of Cityneon Holdings Limited (“**Company**”) together with the annual report of the Company for the financial year ended 31 December 2015 (“**Annual Report**”). Its purpose is to explain to the Shareholders the rationale and provide information to the Shareholders for the proposed renewal of the IPT Mandate (as defined herein) to be tabled at the Annual General Meeting (“**AGM**”) of the Company to be held at 84 Genting Lane, #06-01 Cityneon Design Centre, Singapore 349584 on Friday, 22 April 2016, at 11.00 a.m.

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

If you are in any doubt in relation to this Appendix or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of the Company, please forward this Appendix, the Annual Report and the Proxy Form immediately to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited (“**SGX-ST**”) assumes no responsibility for the correctness of any of the statements made, reports contained or referred to, or opinions expressed in this Appendix.



**APPENDIX TO SHAREHOLDERS**

**IN RELATION TO**

**THE PROPOSED RENEWAL OF THE SHAREHOLDERS' MANDATE  
FOR INTERESTED PERSON TRANSACTIONS**

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## DEFINITIONS

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

<b>“AGM”</b>	:	The annual general meeting of the Company to be convened on 22 April 2016, notice of which is set out in the Annual Report despatched together with this Appendix
<b>“Auditors”</b>	:	The auditors of the Company for the time being
<b>“Audit Committee”</b>	:	The audit committee of the Company, consisting of Messrs Tan Hup Foi @ Tan Hup Hoi, Lew Weng Ho and Tang Nai Soon
<b>“Board”</b>	:	The board of Directors of the Company for the time being
<b>“CDP”</b>	:	The Central Depository (Pte) Limited
<b>“CFO”</b>	:	The person appointed as Chief Financial Officer of the Company from time to time
<b>“Cityneon Group”</b>	:	Shall have the meaning ascribed to it in paragraph 3 of this Appendix
<b>“Company”</b>	:	Cityneon Holdings Limited
<b>“Companies Act”</b>	:	The Companies Act, Chapter 50 of the statutes of the Republic of Singapore (as may be amended from time to time)
<b>“Directors”</b>	:	The directors of the Company as at the date of this Appendix
<b>“Executive Director”</b>	:	A director of the Company who holds an executive position
<b>“Group”</b>	:	The Company and its subsidiaries
<b>“Group Accountant”</b>	:	The person appointed as the Group Accountant of the Company from time to time
<b>“Independent Directors”</b>	:	In the context of this Appendix, this means the Directors who are deemed to be independent for the purposes of the proposed IPT Mandate, namely, Mr Ko Chee Wah, Mr Lim Poh Hock, Mr Tan Hup Foi @ Tan Hup Hoi, Mr Ron Tan Aik Ti, Datuk Roger Tan Kor Mee and Mr Tang Nai Soon
<b>“Interested Person(s)”</b>	:	The interested person(s) of the Company who fall within the IPT Mandate, as set out in paragraph 5 of this Appendix
<b>“Interested Person Transactions”</b>	:	The categories of transactions with the Interested Person(s) which fall within the IPT Mandate, as set out in paragraph 6 of this Appendix
<b>“IPT Mandate”</b>	:	The proposed Shareholders’ general mandate to be renewed by the Company at the AGM pursuant to Chapter 9 of the Listing Manual, permitting companies within the Cityneon Group, or any of them, to enter into Interested Person Transactions, provided that such transactions are on an arm’s length basis, on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders
<b>“Latest Practicable Date”</b>	:	The latest practicable date prior to the printing of this Appendix, being 23 March 2016.
<b>“Listing Manual”</b>	:	The listing manual of the SGX-ST

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## DEFINITIONS

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“NTA”	:	Net tangible assets
“Securities Accounts”	:	Securities accounts maintained by a Depositor with CDP but does not include securities sub-accounts
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	Registered holders of Shares except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the Depositors into whose Securities Accounts those Shares are credited. Any reference to Shares held by Shareholders shall include Shares standing to the credit of the respective Shareholders’ Securities Accounts
“Shares”	:	Ordinary shares in the capital of the Company
“Star Media”	:	Star Media Group Berhad (Formerly known as Star Publications (Malaysia) Berhad)
“Star Media Group”	:	Star Media Group, its subsidiaries and its associates
“\$” or “S\$” and “cents”	:	Singapore dollars and cents respectively, unless otherwise stated
“%”	:	Per centum

The terms “**Depositor**” and “**Depository Register**” shall have the meanings ascribed to them respectively by Section 130A of the Companies Act.

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

References to persons shall include corporations.

Any reference in this Appendix to any enactment is a reference to that enactment for the time being amended or re-enacted. Any word defined under the Companies Act, the Listing Manual or any modification thereof and used in this Appendix shall have the same meaning assigned to it under the Companies Act, the Listing Manual or any modification thereof, as the case may be.

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

The headings in this Appendix are inserted for convenience only and shall be ignored in construing this Appendix.

Any discrepancies in the tables in this Appendix between the listed amounts and the totals thereof are due to rounding.

# CITYNEON HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration No. 199903628E)

## THE PROPOSED RENEWAL OF THE SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS

### 1. INTRODUCTION

At the extraordinary general meeting of the Company held on 12 August 2011 (“**2011 EGM**”), approval of the Shareholders was obtained for the adoption of a mandate (“**IPT Mandate**”) to enable the Cityneon Group, or any of them, to enter into transactions within the categories of Interested Person Transactions set out in the Company’s circular to Shareholders dated 28 July 2011 (“**2011 Circular**”) with any member of the Star Media Group, provided that such transactions are made on normal commercial terms, will not be prejudicial to the interests of the Company and its minority Shareholders and are in accordance with the guidelines and review procedures for such Interested Person Transactions as set out in the 2011 Circular.

### 2. THE PROPOSED RENEWAL OF THE IPT MANDATE

- 2.1 Under Chapter 9 of the Listing Manual, a general mandate for transactions with interested persons is subject to annual renewal. The IPT Mandate will (unless revoked or varied by the Company in general meeting) continue to be in force until the AGM. If the proposed resolution for the renewal of the IPT Mandate is approved at the AGM, the IPT Mandate shall continue in force until the date on which the next annual general meeting of the Company is held or required by law to be held, whichever is the earlier.
- 2.2 The rationale of the IPT Mandate, the benefit to Shareholders, the class of Interested Persons, the nature and scope of the IPT Mandate, the guidelines and review procedures for Interested Person Transactions in respect of which the IPT Mandate is sought to be renewed remain unchanged.
- 2.3 General information on the listing rules relating to interested person transactions, including the definitions of certain terms which are used in Chapter 9 of the Listing Manual (such as “entity at risk”, “interested person” and “associate”) are set out in the Annexure to this Appendix.

### 3. RATIONALE FOR THE IPT MANDATE

The Cityneon Group was acquired by the Star Media Group in 2008. Prior to the acquisition, the Cityneon Group had been providing exhibition and event management services to the Star Media Group since 2002.

The Star Media Group operates businesses ranging from publication, printing and distribution of *The Star* and *Sunday Star* newspapers, magazines and provision of advertising services, to the provision of human capital development including training and consultancy, and in the course of their businesses, frequently conduct and participate in events and seminars in respect of which they will frequently require the services currently provided by the Cityneon Group.

It is envisaged that in the ordinary course of their businesses, transactions between the Cityneon Group and the Star Media Group will occur from time to time. Such transactions would include, but are not limited to:

- (a) the provision of exhibitions and event management services, including rental or reusable modules and furnishings, road shows and custom-built pavilions, provision of design and build services for interior architecture and shop fit-out and providing interior and exterior decoration for offices, commercial buildings and shops, in the ordinary course of business of the Cityneon Group to the Star Media Group;

- (b) the provision of financing or financing support from the Star Media Group to the Cityneon Group; and
- (c) the provision of advertising or other media spaces, slots and airtime by the Star Media Group to the Cityneon Group.

The nature and scope of transactions which are proposed to be covered under the proposed renewal of the IPT Mandate are detailed in paragraph 6 below.

The Directors believe that transacting with the Star Media Group will provide the Cityneon Group with more visibility in the Malaysian market, and consequently, the opportunity to expand its corporate presence and increase its market share in Malaysia.

As far as the provision of financing and/or financial support is concerned, the Star Media Group has previously provided financial support from time to time for, *inter alia*, the Cityneon Group's working capital requirements on terms which allowed the Cityneon Group to obtain financing more expediently. The Cityneon Group therefore proposes that where feasible, the Star Media Group continue to provide financing and/or financial support on terms which are no less favourable than those applicable to similar borrowings procured from financial institutions for the Cityneon Group.

Specifically in relation to the provision of advertising or other media space, slots and airtime by the Star Media Group, the Star Media Group is likely to offer competitive rates compared to other media agents whom the Cityneon Group presently purchases such spaces, slots and airtime from.

The Company anticipates that the commercial transactions between the Star Media Group and the Cityneon Group are likely to be time-sensitive in nature. In light of this, and the anticipated frequency of the commercial transactions, renewal of the IPT Mandate pursuant to Rule 920 of the Listing Manual will enable:

- (a) the Company;
- (b) subsidiaries of the Company that are not listed on the SGX-ST or an approved exchange; or
- (c) associated companies of the Company that are not listed on the SGX-ST or an approved exchange, provided that the Group, or the Group and the Interested Person(s), has control over the associated companies,

(collectively, the "**Cityneon Group**")

or any of them, in the ordinary course of their businesses, to enter into the categories of transactions set out in paragraph 6 below with the specified interested persons set out in paragraph 5 below, without being separately subject to the obligations under Rules 905 and 906 of the Listing Manual, provided that such transactions are carried out on an arms' length basis and on normal commercial terms.

#### **4. BENEFIT TO SHAREHOLDERS**

The IPT Mandate will eliminate the need for the Company to announce, or to announce and convene separate general meetings on each occasion to seek Shareholders' prior approval for the entry by the relevant entity in the Cityneon Group into such Interested Person Transactions. This will reduce the expenses associated with the convening of general meetings (including the engagement of external advisers and preparation of documents) on an *ad hoc* basis substantially, will improve administrative efficacy considerably, and will allow manpower resources and time to be channeled towards attaining other business objectives available to the Company.

The IPT Mandate is intended to facilitate Interested Person Transactions in the normal course of business of the Cityneon Group, which are recurrent in nature or necessary for the day-to-day operations of the Cityneon Group, and which may be transacted from time to time with the Interested Persons, provided that they are carried out on an arm's length basis and on normal commercial terms, and are not prejudicial to the interests of the Company and its minority Shareholders.

## **5. CLASS OF INTERESTED PERSONS**

The IPT Mandate will apply to Interested Person Transactions (as described in paragraph 6 below) which are carried out between any entity in the Cityneon Group with any member of the Star Media Group.

Star Media, incorporated in Malaysia and whose shares are listed on the Bursa Malaysia Securities Berhad, is principally involved in the business of publication, printing and distribution of *The Star* and *Sunday Star* newspapers, magazines and provision of advertising and printing services while Star Media's subsidiaries are principally involved in operating a wireless radio broadcasting station, provision of educational research, online advertising, internet research and development, advertising and commission agents and the provision of human capital development including training and consultancy.

## **6. NATURE AND SCOPE OF THE IPT MANDATE**

The Cityneon Group envisages that in the ordinary course of their business, a wide range of transactions between the Cityneon Group and the Star Media Group are likely to occur from time to time. Such transactions would include, but are not limited to:

- (a) the sale or purchase of materials and appliances used in connection with the interior decoration and/or renovation of buildings;
- (b) the provision of exhibitions and event management services, including rental or reusable modules and furnishings, road shows and custom-built pavilions;
- (c) the provision of design and build services for interior architecture and shop fitting-out;
- (d) the provision of interior and exterior decoration services for offices, commercial buildings and shops;
- (e) the provision of financing and/or financing support by Star Media Group to the Cityneon Group, which may include (i) any member of the Star Media Group extending loans to the Cityneon Group, and/or (ii) any member of the Star Media Group providing guarantees, indemnities or securities upon the request by any member of the Cityneon Group in respect of any of their borrowings; and
- (f) the provision of advertising or other media spaces, slots and airtime by the Star Media Group to the Cityneon Group.

For the avoidance of doubt, there will be no sale or purchase of any assets, undertakings or businesses within the scope of the IPT Mandate. The IPT Mandate will also not cover any transaction by any member of the Cityneon Group with an Interested Person that is below S\$100,000 in value as the threshold and aggregation requirements of Chapter 9 of the Listing Manual would not apply to such transactions. Finally, transactions with other interested persons (other than the classes of Interested Persons detailed at paragraph 5 above) that do not fall within the ambit of the IPT Mandate will be subject to the relevant provisions of Chapter 9 of the Listing Manual and/or other applicable provisions of the Listing Manual.

## 7. GUIDELINES AND REVIEW PROCEDURES FOR INTERESTED PERSON TRANSACTIONS

### (a) Review Procedures

Having regard to the nature of the Interested Person Transactions and the criteria in establishing the review procedures which is to ensure that such review procedures are adequate and/or commercially practicable in ensuring that the Interested Person Transaction is carried out on normal commercial terms, is in the interests of the Company and is not prejudicial to the interests of the Company and the minority Shareholders, the following review procedures will be implemented:

- (i) all Interested Person Transactions shall be conducted in accordance with the Cityneon Group's usual business practices and policies, consistent with the usual margins or prices extended to or received by the Cityneon Group for the same or substantially similar type of transactions between the Cityneon Group and unrelated third parties, and the terms are not more favourable to the Interested Person compared to those extended to or received from unrelated third parties;
- (ii) in the event that any Interested Person Transactions are proposed to be conducted on terms other than in accordance with the usual margins or prices of goods and/or services charged to the Interested Persons, such terms shall be subject to the review and approval of the Chief Financial Officer ("CFO") and any one Executive Director, both of whom shall not have any interest, whether direct or indirect, in the Interested Person Transactions;
- (iii) in the case of the sale or provision of goods or services, the price or fees of such transactions shall not be lower than the lowest price or fee of two other successful sales to non-interested persons reasonably contemporaneous in time;
- (iv) as the renovation, decoration, exhibition and design and build services provided by the Cityneon Group are highly customised to each customer's specific needs and requirements, there may not always be precedent or contemporaneous transactions which the Cityneon Group may use as reference points for determining pricing and terms. Therefore, in the event where it is impractical or impossible to obtain comparable prices of contemporaneous transactions of similar goods or services due to the nature of the goods or services to be purchased or provided, the CFO and any one Executive Director will, subject to the Approval Thresholds as set out in paragraph 7(b) of this Appendix, evaluate and weigh the benefits of, and rationale for transacting with the Interested Persons, taking into account factors such as, but not limited to, the nature of the goods and services, delivery schedules, order quantities, customer requirements and specifications, duration of contract, preferential rates, discounts or rebates for bulk purchases or sales and cost of freight;
- (v) in the case of the sale or provision by the Star Media Group of advertising and other media spaces, slots and airtime to the Cityneon Group, the prices or fees extended to the Cityneon Group shall not be higher than the highest price or fee charged by unrelated third parties for the same or substantially similar type of transactions reasonably contemporaneous in time, and the terms shall not be less favourable to the Cityneon Group compared to those received from the unrelated third parties; and
- (vi) in relation to Star Media Group providing financing and/or financial support to the Cityneon Group:
  - (aa) the extension of loans by the Interested Person should be at rates and on conditions no less favourable than those quoted by financial institutions;
  - (bb) in relation to the provision of guarantees, indemnities or security by the Interested Person, any commission rates (if any) which are chargeable by the Interested Person for the provision of such guarantees or indemnities shall be at rates no less favourable than that quoted by financial institutions;

- (cc) prior to the entry of the transaction(s) with the Interested Person, contemporaneous quotes should be obtained (wherever possible or available) from at least two financial institutions for loan and commission rates, as the case may be, for an equivalent amount, and for the equivalent period, of the funds to be borrowed or the guarantees, indemnities or security to be issued; and
- (dd) in cases where for any reason, quotations from less than two financial institutions or no quotations are received from financial institutions, the CFO and any one Executive Director (as the case may be) shall, subject to the Approval Thresholds as set out in paragraph 7(b) of this Appendix, take such necessary steps which would include but is not limited to (i) reviewing available recent terms and conditions of comparable transactions and (ii) relying on corroborative inputs from market practitioners in order to determine that the terms and conditions provided by the Interested Person are fair and reasonable and are no less favourable than terms which would be offered to the Company or members of the Group by unrelated third party financiers.

(b) **Approval Thresholds**

In addition to the guidelines and review procedures set out in paragraph 7(a) above, the following approval procedures will be implemented to supplement existing internal control procedures for the Interested Person Transactions to ensure that such transactions are undertaken on an arms' length basis and on normal commercial terms:

- (i) the review and approval of CFO and any one Executive Director (with no interest, direct or indirect, in the proposed Interested Person Transaction) is required for any proposed Interested Person Transaction where the value thereof is below three per centum (3%) of the audited NTA (based on the latest audited consolidated accounts) of the Group; and
- (ii) the review and approval of the Audit Committee is required for any proposed Interested Person Transaction where the value thereof is equal to, or above three per centum (3%) of the audited NTA (based on the latest audited consolidated accounts) of the Group.

The approval thresholds set out above are adopted by the Company taking into account, *inter alia*, the nature, volume, recurrent frequency and size of the transactions as well as the Group's day-to-day operations, administration and businesses. The threshold limits are arrived at as a result of the balancing exercise after considering the operational efficiency for the day-to-day business operations of the Group and the internal control for Interested Person Transactions. The approval thresholds act as an additional safeguard to supplement the review procedures which will be implemented by the Company for Interested Person Transactions.

If any person has an interest in a transaction falling within a category of transactions to be reviewed or approved by him/her, he/she will abstain from any decision making in respect of that transaction.

(c) **Register of Interested Person Transactions**

The Company will maintain a register of all interested person transactions, including the Interested Person Transactions carried out with the Star Media Group pursuant to the IPT Mandate, and the register shall include all information pertinent to all the interested person transactions, such as, but not limited to, the nature of the interested person transaction, the amount of the interested person transactions, the basis and rationale for determining the transaction prices, material terms and conditions and supporting evidence and quotations obtained to support such basis.

The register of interested person transactions referred to above shall be prepared, maintained and monitored by the Group Accountant or the CFO (either of whom shall not be interested in any of the interested person transactions) who are duly delegated to do so by the Audit Committee and reviewed by external Auditors on an annual basis to ascertain that the guidelines and procedures established to monitor interested person transactions (including the guidelines and review procedures set out at paragraphs 7(a) and (b) which are proposed to be established in respect of the Interested Person Transactions) have been complied with.

(d) **Reviews by Audit Committee**

As mentioned under paragraph 7(c) above, the Audit Committee shall review the reports on interested person transactions on a half-yearly basis (or such other more frequent basis as may be required or as the Audit Committee may deem necessary) to ascertain that the established review procedures to monitor the interested person transactions (including the guidelines and review procedures set out at paragraphs 7(a) and (b) which are proposed to be established in respect of the Interested Person Transactions) have been complied with.

If during these reviews by the Audit Committee, the Audit Committee is of the view that the established review procedures as stated above have become inappropriate or insufficient in view of changes to the nature of, or the manner in which, the business activities of the Company are conducted, it will take such actions as it deems appropriate and/or institute additional procedures as necessary (such as, where relevant, to obtain a fresh mandate for Interested Person Transactions) to ensure that the mandated Interested Person Transactions will be conducted based on the Company's normal commercial terms and hence, will not be prejudicial to the interests of the Company and its minority Shareholders.

If any member of the Audit Committee has an interest in a transaction, he shall abstain from participating in the review and approval process in relation to that transaction. The remaining member(s) of the Audit Committee undertaking the review and approval will provide his/their views and the basis for which he/they considers he/they will be able to satisfactorily discharge his/their duties in that respect.

**8. VALIDITY PERIOD OF THE IPT MANDATE**

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

**9. DISCLOSURE IN THE ANNUAL REPORT**

The Company will announce the aggregate value of transactions conducted with the Interested Persons pursuant to the IPT Mandate for the relevant financial periods which the Company is required to report on pursuant to Rule 705 of the Listing Manual and within the time required for the announcement of such reports.

Disclosure will also be made in the Company's annual report of the aggregate value of transactions conducted with the Interested Persons pursuant to the IPT Mandate during the financial year, and in the annual reports for subsequent financial years that the IPT Mandate continues in force, in accordance with the requirements of Chapter 9 of the Listing Manual.

The name of the Interested Person and the corresponding aggregate value of the Interested Person Transactions will be presented in the following format:

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review excluding transactions less than \$100,000 and transactions conducted under Shareholders' mandate pursuant to Rule 920 of the Listing Manual)	Aggregate value of all interested person transactions conducted under Shareholders' mandate pursuant to Rule 920 of the Listing Manual (excluding transactions less than \$100,000)
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## 10. DIRECTORS' AND SUBSTANTIAL SHAREHOLDER'S INTERESTS

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

	Direct Interest		Deemed Interest		Total Interest	
	Number of Shares	% <sup>(1)</sup>	Number of Shares	% <sup>(1)</sup>	Number of Shares	% <sup>(1)</sup>
<b>Directors</b>						
Ko Chee Wah	265	0.00	–	–	265	0.00
Lim Poh Hock	885,168	0.40	1,000,000	0.45	1,885,168	0.85
Tan Aik Ti, Ron <sup>(2)</sup>	–	–	45,000,000	20.38	45,000,000	20.38
<b>Substantial Shareholders</b>						
Laviani Pte. Ltd.	143,458,590	64.97	–	–	143,458,590	64.97
Star Media Group Berhad <sup>(3)</sup>	–	–	143,458,590	64.97	143,458,590	64.97
Malaysian Chinese Association <sup>(4)</sup>	–	–	143,458,590	64.97	143,458,590	64.97
Philadelphia Investments Ltd	–	–	14,000,000	6.34	14,000,000	6.34
IGV 33 Investments Ltd	–	–	31,000,000	14.04	31,000,000	14.04

### Notes:-

- (1) The percentage shareholding interest is based on the issued share capital of 220,818,795 Shares as at the Latest Practicable Date.
- (2) Mr. Tan Aik Ti, Ron is deemed to be interested in 14,000,000 Shares and 31,000,000 Shares held by Philadelphia Investments Ltd and IGV 33 Investments Ltd respectively by virtue of his 100% shareholding in Philadelphia Investments Ltd and IGV 33 Investments Ltd.
- (3) Star Media Group Berhad (Formerly known as Star Publications (Malaysia) Berhad) is deemed to be interested in 143,458,590 Shares held by Laviani Pte. Ltd. by virtue of its 100% shareholding in Laviani Pte. Ltd.
- (4) Malaysian Chinese Association is deemed to be interested in 143,458,590 Shares held by Laviani Pte. Ltd. By virtue of its 42.46% interest (direct and deemed) in Star Media Group Berhad which, in turn, holds 100% of Laviani Pte. Ltd.

Save as disclosed herein, none of the Directors or substantial Shareholders of the Company has any interest, direct or indirect, in the proposed renewal of the IPT Mandate.

## 11. STATEMENT OF THE AUDIT COMMITTEE

Mr Lew Weng Ho, being a non-executive Director has an interest in the proposed renewal of the IPT Mandate and has abstained from the Audit Committee's review and determination in relation to the proposed renewal of the IPT Mandate.

The Audit Committee (save for Mr Lew Weng Ho) confirms that:

- (a) the methods and procedures for determining the transaction prices for the Interested Person Transactions (as set out in paragraph 7) have not changed since the 2011 EGM when the IPT Mandate was approved by the Shareholders; and
- (b) the methods and procedures referred to in (a) above are sufficient to ensure that the Interested Person Transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

## **12. INDEPENDENT DIRECTORS' RECOMMENDATION**

Mr. Lew Weng Ho is the Director of Star Media, Tan Sri Dato' Sri Kuan Peng Ching @ Kuan Peng Soon is the Non-Executive Director and Deputy Chairman of Star Media and Datuk Seri Wong Chun Wai is the Executive Director, Group Managing Director and Chief Executive Director of Star Media, each of them will abstain from making any recommendations to the Shareholders to vote in favour of the resolution relating to the proposed renewal of the IPT Mandate. Accordingly, the Directors who are deemed to be independent for the purposes of making a recommendation to the Shareholders in respect of the proposed renewal of the IPT Mandate are Mr Ko Chee Wah, Mr Lim Poh Hock, Mr. Ron Tan Aik Ti, Mr Tan Hup Foi @ Tan Hup Hoi, Datuk Roger Tan Kor Mee and Mr Tang Nai Soon. Save as disclosed herein, none of the Directors has any interest, direct or indirect, in the proposed IPT Mandate.

For the reasons set out in paragraphs 3 and 4 above, the Independent Directors unanimously recommend that Shareholders vote in favour of the Ordinary Resolution No. 8 relating to the proposed renewal of the IPT Mandate at the AGM.

## **13. ABSTENTION FROM VOTING**

In accordance with Rule 920(1)(b)(viii) of the Listing Manual, the Star Media Group, being an Interested Person, will abstain, and has undertaken to ensure that its associates will abstain, from voting on the resolutions approving the proposed IPT Mandate herein.

Further, the Star Media Group undertakes to decline, and shall ensure that its associates shall decline, to accept appointment as proxies to vote and attend at the AGM in respect of the resolution relating to the proposed renewal of the IPT Mandate for other Shareholders unless the Shareholder concerned shall have given specific instructions as to the manner in which his votes are to be cast at the AGM.

## **14. DIRECTORS' RESPONSIBILITY STATEMENT**

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

## **15. DOCUMENTS FOR INSPECTION**

Copies of the following documents may be inspected at the registered office of the Company during normal office hours from the date of this Appendix up to and including the date of the AGM:

- (a) the Memorandum and Articles of Association of the Company; and
- (b) the annual report of the Company for the financial year ended 31 December 2015.

## 1. INTRODUCTION

Chapter 9 of the Listing Manual applies to transactions between a party that is an entity at risk and a counter party that is an interested person. The objective of Chapter 9 of the Listing Manual is to guard against the risk that interested persons could influence a listed company, its subsidiaries or associated companies to enter into transactions with interested persons that may adversely affect the interests of the listed company or its shareholders.

The aforementioned terms “entity at risk”, “interested person” and “associated companies” as well as other terms used are defined below.

## 2. MAIN TERMS USED IN CHAPTER 9 OF THE LISTING MANUAL

- (a) An “**approved exchange**” means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Listing Manual.
- (b) An “**associate**” means:
- (i) in relation to any director, chief executive officer or controlling shareholder (being an individual):
    - (aa) his immediate family;
    - (bb) 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
    - (cc) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more.
  - (ii) 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.
- (c) An “**associated company**” means a company in which at least 20% but not more than 50% of its shares are held by the listed company or group.
- (d) A “**chief executive officer**” means the most senior executive officer who is responsible under the immediate authority of the board of directors for the conduct of the business of the listed company.
- (e) A “**controlling shareholder**” of a listed company means a person who (i) holds directly or indirectly 15 per cent. or more of the voting rights in the listed company. The SGX-ST may determine that a person who satisfies this section is not a controlling shareholder; or (ii) a person who in fact exercises control over a company.
- (f) An “**entity at risk**” means:
- (i) the listed company;
  - (ii) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or

- (iii) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed company and/or its subsidiaries (the “**listed group**”), or the listed group and its interested person(s), has control over the associated company.
- (g) An “**interested person**” means a director, chief executive officer or controlling shareholder of the listed company or an associate of such director, chief executive officer or controlling shareholder.
- (h) An “**interested person transaction**” means a transaction between an entity at risk and an interested person.

### 3. **MATERIALITY THRESHOLDS, DISCLOSURE REQUIREMENTS AND SHAREHOLDERS’ APPROVAL**

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 persons and are hence excluded from the ambit of Chapter 9 of the Listing Manual, immediate announcement and/or shareholders’ approval would be required in respect of transactions with interested persons if certain financial thresholds (which are based on the value of the transaction as compared with the listed company’s latest audited consolidated NTA) are reached or exceeded.

#### Immediate Announcement

An immediate announcement is required where the interested person transaction is of a value equal to, or more than, 3% of the group’s latest audited NTA. Where the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 3% or more of the group’s latest audited net tangible assets, the listed company must make an immediate announcement of the latest transaction and all future transactions entered into with the same interested person during that financial year.

#### Shareholders’ Approval

Shareholders’ approval is required where the interested person transaction is of a value equal to, or more than:

- (a) 5% of the listed group’s latest audited NTA; or
- (b) 5% of the listed group’s latest audited NTA, when aggregated with other transactions entered into with the same interested person during the same financial year.

However, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.

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

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