



SEATRIUM LIMITED
(Incorporated in Singapore)
Company Registration No. 196300098Z

LETTER TO SHAREHOLDERS

Directors:

Mark Gainsborough (*Chairman and Independent Director*)
Yap Chee Keong (*Deputy Chairman and Independent Director*)
Chris Ong Leng Yeow (*Executive Director and Chief Executive Officer*)
Nagi Hamiyeh (*Non-Executive and Non-Independent Director*)
Jan Holm (*Independent Director*)
Lai Chung Han (*Independent Director*)
Ieda Gomes Yell (*Independent Director*)
Sarjit Singh Gill (*Independent Director*)
Astrid Skarheim Onsum (*Independent Director*)
Mariel von Schumann (*Independent Director*)

Registered Office:

80 Tuas South Boulevard
Singapore 637051

9 April 2024

To: The Shareholders of Seatrium Limited (the “**Company**”)

Dear Sir/Madam

1. INTRODUCTION

1.1 **Background.** We refer to:

- (a) the Notice of the 61st Annual General Meeting (“**AGM**”) of the Company dated 9 April 2024 (the “**Notice**”), convening the 61st AGM of the Company to be held on 26 April 2024 (the “**2024 AGM**”);
- (b) Ordinary Resolution No. 12 relating to the proposed renewal of the IPT Mandate (as defined in paragraph 2.1 below, as proposed in the Notice);
- (c) Ordinary Resolution No. 13 relating to the proposed renewal of the Share Purchase Mandate (as defined in paragraph 3.1 below, as proposed in the Notice); and
- (d) Ordinary Resolution No. 14 relating to the Proposed Share Consolidation (as defined in paragraph 4.1 below, as proposed in the Notice).

1.2 **Letter to Shareholders.** The purpose of this Letter is to provide shareholders of the Company (“**Shareholders**”) with information relating to Ordinary Resolution Nos. 12, 13 and 14 as proposed in the Notice (collectively, the “**Proposals**”).

1.3 **SGX-ST.** The Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) takes no responsibility for the accuracy of any statements or opinions made or reports contained in this Letter.

1.4 **Advice to Shareholders.** Shareholders who are in any doubt as to the course of action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers immediately. If a Shareholder has sold all his ordinary shares of the Company, he should immediately inform the purchaser or the bank, stockbroker or other agent

through whom the sale was effected for onward notification to the purchaser, that this Letter (together with the Notice and the Proxy Form) and the Annual Report for the financial year ended 31 December 2023 (the “**Annual Report 2023**”) may be accessed at the Company’s website at the URL https://investors.seatrium.com/agm_egm.html and are also available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

- 1.5 **Legal Adviser.** Allen & Gledhill LLP is the legal adviser to the Company in relation to the proposed renewal of the Share Purchase Mandate and the Proposed Share Consolidation.

2. THE PROPOSED RENEWAL OF THE IPT MANDATE

- 2.1 **IPT Mandate.** At the AGM of the Company held on 26 April 2023 (the “**2023 AGM**”), Shareholders approved the renewal of a mandate (the “**IPT Mandate**”) to enable the Company, its subsidiaries and associated companies that are entities at risk (as that term is used in Chapter 9 of the Listing Manual of the SGX-ST (the “**Listing Manual**”)) to enter into certain interested person transactions with the classes of interested persons as set out in the IPT Mandate. Particulars of the IPT Mandate were set out in the Appendix to the Letter to Shareholders dated 3 April 2023 (the “**2023 Letter to Shareholders**”).

The IPT Mandate was expressed to take effect until the conclusion of the next AGM of the Company, being the 2024 AGM which is scheduled to be held on 26 April 2024. Accordingly, the Directors of the Company (the “**Directors**”) propose that the IPT Mandate be renewed at the 2024 AGM, to take effect until the 62nd AGM of the Company.

- 2.2 **The Appendix.** The IPT Mandate, including the rationale for, and the benefits to, the Company, the review procedures for determining transaction prices and other general information relating to Chapter 9 of the Listing Manual, are set out in the Appendix to this Letter. The particulars of the interested person transactions in respect of which the IPT Mandate is sought to be renewed remain unchanged.
- 2.3 **Audit Committee Statement.** The Audit and Risk Committee of the Company, comprising Mr Yap Chee Keong, Mr Nagi Hamiyeh, Mr Jan Holm, Mr Sarjit Singh Gill and Ms Astrid Skarheim Onsum, confirms that:
- (a) the methods or procedures for determining the transaction prices under the IPT Mandate have not changed since the 2023 AGM; and
 - (b) the methods or procedures referred to in paragraph 2.3(a) above are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

3. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

- 3.1 **Share Purchase Mandate.** At the 2023 AGM, Shareholders approved the renewal of a mandate (the “**Share Purchase Mandate**”) to enable the Company to purchase or otherwise acquire issued ordinary shares of the Company (“**Shares**”). The authority and limitations on the Share Purchase Mandate were set out in the 2023 Letter to Shareholders and Ordinary Resolution No. 14 set out in the Notice of the 2023 AGM.

The Share Purchase Mandate was expressed to take effect on the date of the passing of Ordinary Resolution No. 14 at the 2023 AGM and will expire on the date of the forthcoming 2024 AGM to be held on 26 April 2024. Accordingly, Shareholders’ approval is being sought for the renewal of the Share Purchase Mandate at the 2024 AGM.

Listing Rule 883(5) of the Listing Manual specifies that an issuer is required to set out the details of any share buy-back made by the issuer in the previous 12 months (whether market acquisitions or off-market acquisitions in accordance with an equal access scheme), giving the total number of shares purchased, the purchase price per share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases. As at 11 March 2024 (the “**Latest Practicable Date**”), the Company had purchased or acquired an

aggregate of 21,200,000 Shares by way of Market Purchases (as defined in paragraph 3.3.3 below) pursuant to the Share Purchase Mandate renewed and approved by Shareholders at the 2023 AGM. The highest and lowest price paid was S\$0.134 and S\$0.124 per Share respectively and the total consideration paid for all purchases was S\$2,828,800 excluding commission, brokerage and goods and services tax. As at the Latest Practicable Date, the Company had not purchased or acquired any of its Shares by way of Off-Market Purchases pursuant to the Share Purchase Mandate renewed and approved by Shareholders at the 2023 AGM.

3.2 **Rationale.** Listing Rule 883(2) of the Listing Manual specifies that an issuer is required to set out the reasons for the proposed share buy-back. The rationale for the Company to undertake the purchase or acquisition of its Shares is as follows:

- (a) In managing the business of the Company and its subsidiaries (the “**Group**”), Management strives to increase Shareholders’ value by improving, *inter alia*, the return on equity of the Group. Share purchase is one of the ways through which the return on equity of the Group may be enhanced.
- (b) In line with international practice, the Share Purchase Mandate will provide the Company with greater flexibility in managing its capital and maximising returns to its Shareholders. To the extent that the Company has capital and surplus funds which are in excess of its financial needs, taking into account its growth and expansion plans, the Share Purchase Mandate will facilitate the return of excess cash and surplus funds to Shareholders in an expedient, effective and cost-efficient manner.
- (c) A share repurchase programme will also allow Management to effectively manage and minimise the dilution impact (if any) associated with employee share schemes.

Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full extent authorised and no purchases or acquisitions of Shares would be made in circumstances which would have or may have a material adverse effect on the financial condition of the Group as a whole.

3.3 **Authority and Limits.** The authority and limitations placed on the Share Purchase Mandate, if renewed at the 2024 AGM, are the same as were previously approved by Shareholders at the 2023 AGM. These are summarised below:

3.3.1 **Maximum Number of Shares**

The total number of Shares which may be purchased or acquired by the Company pursuant to the Share Purchase Mandate is limited to that number of Shares representing not more than 2% of the total number of issued Shares as at the date of the 2024 AGM. Treasury shares and subsidiary holdings (as defined in the Listing Manual¹) will be disregarded for purposes of computing the 2% limit.

As at the Latest Practicable Date, the Company had 20,102,623 treasury shares and no subsidiary holdings.

Purely for illustrative purposes, on the basis of 68,237,178,293 Shares in issue as at the Latest Practicable Date and disregarding the 20,102,623 Shares held in treasury as at the Latest Practicable Date, and assuming that on or prior to the 2024 AGM, (i) no further Shares are issued, (ii) no further Shares are purchased or acquired by the Company, and no further Shares purchased or acquired by the Company are held as treasury shares, and (iii) no Shares are held as subsidiary holdings, the purchase or acquisition by the Company of up to the maximum limit of 2% of its issued Shares will result in the purchase or acquisition of 1,364,341,513 Shares.

¹ “Subsidiary holdings” is defined in the Listing Manual to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act 1967.

3.3.2 *Duration of Authority*

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the 2024 AGM at which the renewal of the Share Purchase Mandate is approved, up to:

- (a) the date on which the next AGM of the Company is held or required by law to be held;
- (b) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied; or
- (c) the date on which purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated,

whichever is the earliest.

3.3.3 *Manner of Purchases or Acquisitions of Shares*

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

- (a) on-market purchases (“**Market Purchases**”) transacted on the SGX-ST through the SGX-ST’s trading system and/or any other securities exchange on which the Shares may for the time being be listed and quoted through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (b) off-market purchases (“**Off-Market Purchases**”) effected pursuant to an equal access scheme.

The Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Listing Manual, the listing rules of any other securities exchange on which the Shares may for the time being be listed and quoted, and the Companies Act 1967 (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 the following conditions:

- (i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (ii) all of those persons shall be given a reasonable opportunity to accept the offers made; 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 and (2) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

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

- (1) terms and conditions of the offer;
- (2) period and procedures for acceptances; and
- (3) information required under Listing Rules 883(2), (3), (4), (5) and (6) of the Listing Manual.

3.3.4 **Purchase Price**

The purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors and must not exceed, in the case of both Market Purchases and Off-Market Purchases, 105% of the Average Closing Price of the Shares, excluding related expenses of the purchase or acquisition.

For the above purposes:

“Average Closing Price” means the average of the last dealt prices of a Share for the five consecutive market days on which the Shares are transacted on the SGX-ST or, as the case may be, such other securities exchange on which the Shares are listed and quoted, immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted in accordance with the listing rules of the SGX-ST for any corporate action which occurs during the relevant five-day period and the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase; and

“date of the making of the offer” means the date on which the Company makes an offer for the purchase or acquisition of Shares from holders of Shares, stating therein the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

- 3.4 **Status of Purchased Shares.** Listing Rule 883(6) of the Listing Manual specifies that the issuer is required to set out whether the shares purchased by the issuer will be cancelled or kept as treasury shares. Shares purchased or acquired by the Company are deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Shares will expire on such cancellation) unless such Shares are held by the Company as treasury shares. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company, which are cancelled and are not held as treasury shares.
- 3.5 **Treasury Shares.** Under the Companies Act, 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 Companies Act are summarised below:

3.5.1 **Maximum Holdings**

The number of Shares held as treasury shares² cannot at any time exceed 10% of the total number of issued Shares.

3.5.2 **Voting and Other Rights**

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 Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution 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. A subdivision or consolidation of any treasury share is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

² For these purposes, “treasury shares” shall be read as including shares held by a subsidiary under Sections 21(4B) or 21(6C) of the Companies Act 1967.

3.5.3 **Disposal and Cancellation**

Where Shares are held as treasury shares, the Company may at any time but subject always to the Singapore Code on Take-overs and Mergers (the “**Take-over Code**”):

- (a) sell the treasury shares for cash;
- (b) transfer the treasury shares for the purposes of or pursuant to any share scheme, whether for employees, directors or other persons;
- (c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the treasury shares; or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

Under Listing Rule 704(28) of the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares. Such announcement must include details such as the date of the sale, transfer, cancellation and/or use of such treasury shares, the purpose of such sale, transfer, cancellation and/or use of such treasury shares, the number of treasury shares which have been sold, transferred, cancelled and/or used, the number of treasury shares before and after such sale, transfer, cancellation and/or use, the percentage of the number of treasury shares against the total number of issued shares (of the same class as the treasury shares) which are listed on the SGX-ST before and after such sale, transfer, cancellation and/or use, and the value of the treasury shares if they are used for a sale or transfer, or cancelled.

- 3.6 **Source of Funds.** The Company may purchase or acquire its own Shares out of capital, as well as from its profits.

The Company intends to use internal and/or external sources of funds to finance the Company’s purchase or acquisition of Shares. The Directors do not propose to exercise the Share Purchase Mandate to such extent that it would materially affect the working capital requirements of the Group.

- 3.7 **Financial Effects.** The financial effects on the Group and the Company arising from purchases or acquisitions of Shares which may be made pursuant to the Share Purchase Mandate will depend on, *inter alia*, whether the Shares are purchased or acquired out of profits and/or capital of the Company, the number of Shares purchased or acquired, the price paid for such Shares and whether the Shares purchased or acquired are held in treasury or cancelled. The financial effects on the Group and the Company, based on the audited financial statements of the Group and the Company for the financial year ended 31 December 2023, are based on the assumptions set out below.

3.7.1 **Purchase or Acquisition out of Profits and/or Capital**

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company’s profits and/or capital so long as the Company is solvent.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration will correspondingly reduce the amount available for the distribution of dividends by the Company.

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 dividends by the Company will not be reduced.

3.7.2 Number of Shares Purchased or Acquired

Based on the number of issued and paid-up Shares as at the Latest Practicable Date (excluding the 20,102,623 Shares held in treasury) and on the assumptions set out in paragraph 3.3.1 above, the purchase by the Company of up to the maximum limit of 2% of its issued Shares will result in the purchase or acquisition of 1,364,341,513 Shares.

3.7.3 Maximum Price Paid for Shares Purchased or Acquired

In the case of both Market Purchases and Off-Market Purchases by the Company and assuming that the Company purchases or acquires 1,364,341,513 Shares at the maximum price of S\$0.09 for one 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 1,364,341,513 Shares is S\$122,790,736.

3.7.4 Illustrative Financial Effects

The financial effects on the Group and the Company arising from purchases or acquisitions of Shares which may be made pursuant to the proposed Share Purchase Mandate will depend on, *inter alia*, whether the purchase or acquisition is made out of profits and/or capital, the aggregate number of Shares purchased or acquired, the consideration paid at the relevant time and whether the Shares purchased or acquired are cancelled or held in treasury.

For illustrative purposes only and on the basis of the assumptions set out in paragraphs 3.7.2 and 3.7.3 above, the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate on the audited financial statements of the Group and the Company for the financial year ended 31 December 2023 are set out below, assuming the purchase or acquisition of 1,364,341,513 Shares by the Company pursuant to the Share Purchase Mandate by way of Market Purchases or Off-Market Purchases which are held in treasury.

Market Purchases or Off-Market Purchases of up to a maximum of 2% and held as treasury shares

	Group		Company	
	Before Share Purchase S\$'000	After Share Purchase S\$'000	Before Share Purchase S\$'000	After Share Purchase S\$'000
Share capital	8,753,920	8,753,920	8,753,920	8,753,920
Other reserves	(56,220)	(56,220)	(22,947)	(22,947)
Accumulated profits	(2,300,381)	(2,300,381)	1,504,514	1,501,268
	6,397,319	6,397,319	10,235,487	10,232,241
Treasury shares	(2,693)	(125,484)	(2,693)	(125,484)
	6,394,626	6,271,835	10,232,794	10,106,757
Non-controlling interests	20,936	20,936	-	-
Total equity	6,415,562	6,292,771	10,232,794	10,106,757
Net tangible assets (“NTA”)	2,179,243	2,056,452	10,232,661	10,106,625
Current assets	6,319,978	6,197,187	319,072	261,454
Current liabilities	(6,265,347)	(6,265,347)	(234,133)	(302,551)
Interest-bearing borrowings	(3,017,172)	(3,017,172)	-	(65,173)
Cash and cash equivalents	2,270,240	2,147,449	57,618	-
Number of issued and paid-up Shares (excluding treasury shares) ('000) ⁽¹⁾	68,217,076	66,852,734	68,217,076	66,852,734
Financial Ratios				
Basic Earnings per Share (“EPS”) (cents)	(3.24)	(3.31)	0.03	0.03
NTA per Share (S\$)	0.03	0.03	0.15	0.15
Net gearing ⁽²⁾ (times)	0.12	0.14	Net cash	0.01

Notes:

⁽¹⁾ Excludes 20,102,623 Shares held as treasury shares and is computed based on 68,237,178,293 Shares in issue as at the Latest Practicable Date.

⁽²⁾ Net Gearing means the ratio of net borrowings to total equity.

The financial effects set out above are for illustrative purposes only. Although the Share Purchase Mandate would authorise the Company to purchase or acquire up to 2% of the issued Shares (excluding treasury shares and subsidiary holdings), the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 2% of the issued Shares (excluding treasury shares and subsidiary holdings). In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased in treasury.

- 3.8 **Listing Status of the Shares.** The Listing Manual requires a listed company to ensure that at least 10% of the total number of issued shares (excluding treasury shares, preference shares and convertible equity securities) in a class that is listed is at all times held by the public. Listing Rule 883(4) of the Listing Manual further specifies that the issuer is required to set out whether the share buy-back, if made, could affect the listing of the issuer's equity securities on the Exchange. As at the Latest Practicable Date, the substantial shareholders of the Company are Startree Investments Pte. Ltd. ("**Startree**"), which has a direct interest in 24,219,365,777 Shares representing approximately 35.50% of the Shares in issue (excluding the 20,102,623 Shares held in treasury) as at that date; Fullerton Management Pte Ltd ("**FMPL**"), which has a deemed interest in all of the Shares held by Startree; and Temasek Holdings (Private) Limited ("**Temasek**"), which has a deemed interest in 25,877,132,055 Shares (including the Shares held by Startree) representing approximately 37.93% of the Shares in issue (excluding the 20,102,623 Shares held in treasury) as at that date. As at the Latest Practicable Date, approximately 61.98% of the issued Shares (excluding the 20,102,623 Shares held in treasury) are held by public Shareholders.

The Company is of the view that there is a sufficient number of Shares in issue held by public Shareholders which would permit the Company to undertake purchases or acquisitions of its Shares through Market Purchases up to the full 2% limit pursuant to the proposed Share Purchase Mandate without affecting the listing status of the Shares on the SGX-ST, causing market illiquidity or affecting orderly trading.

- 3.9 **Take-over Implications.** Listing Rule 883(3) of the Listing Manual specifies that the issuer is required to set out the consequences, if any, of share purchases by the issuer that will arise under the Take-over Code or other applicable take-over rules. Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below:

3.9.1 **Obligation to Make a Take-over Offer**

If, as a result of any purchase or acquisition by the Company of its Shares, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. 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.

3.9.2 **Persons Acting in Concert**

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

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

- (a) the following companies:
 - (i) a company;
 - (ii) the parent company of (i);
 - (iii) the subsidiaries of (i);
 - (iv) the fellow subsidiaries of (i);
 - (v) the associated companies of any of (i), (ii), (iii) or (iv);
 - (vi) companies whose associated companies include any of (i), (ii), (iii), (iv) or (v); and

- (vii) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights; and
- (b) 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).

The circumstances under which the Shareholders (including the Directors) and persons acting in concert with them respectively 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.

3.9.3 **Effect of Rule 14 and Appendix 2**

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, the Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or in the event that such Directors and their concert parties hold between 30% and 50% of the Company's voting rights, if the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six months. In calculating the percentages of voting rights of such Directors and their 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 six months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

Based on the interests of substantial Shareholders as recorded in the Register of Substantial Shareholders as at the Latest Practicable Date, neither Temasek, FMPL nor Startree would become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code as a result of the purchase by the Company of the maximum limit of 2% of its issued Shares (excluding treasury shares) as at the Latest Practicable Date.

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

- 3.10 **Reporting Requirements.** Listing Rule 886(1) of the Listing Manual requires the issuer to report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m. (i) in the case of a Market Purchase, on the market day following the day of purchase or acquisition of any of its shares and (ii) in the case of an Off-Market Purchase under an equal access scheme, on the second market day after the close of acceptances of the offer. Such announcement (which must be in the form of Appendix 8.3.1 to the Listing Manual) must include, *inter alia*, details of the date of the purchase, the total number of shares purchased, the number of shares cancelled, the number of shares held as treasury shares, the purchase price per share or the highest and lowest prices paid for such shares (as applicable), the total consideration (including stamp duties and clearing charges) paid or payable for the shares, the number of shares purchased as at the date of announcement (on a cumulative basis), the number of issued shares excluding treasury shares and subsidiary holdings after the purchase, the number of treasury shares held after the purchase and the number of subsidiary holdings after the purchase.

While the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the proposed Share Purchase Mandate at any time after a price or trade sensitive development has occurred or has been the subject of a decision until the price or trade sensitive information has been publicly announced. In particular, the Company will not purchase or acquire any Shares during the period of one month immediately preceding the announcement of the Company’s half-year and full-year financial statements. The Company will also not purchase or acquire any Shares during the period of two weeks immediately preceding the announcement of the Company’s interim business updates for the first and third quarters of each financial year.

4. THE PROPOSED SHARE CONSOLIDATION

- 4.1 **Background.** As announced on 26 February 2024, the Company is proposing to seek Shareholders’ approval to undertake a share consolidation, pursuant to which the Company proposes to consolidate every twenty (20) existing issued ordinary shares (including treasury shares) of the Company (“**Existing Shares**”) held by the Shareholders as at the record date to be determined by the Directors (“**Record Date**”) into one (1) ordinary share of the Company (collectively referred to as the “**Consolidated Shares**” and each, a “**Consolidated Share**”), fractional entitlements to be disregarded (the “**Proposed Share Consolidation**”). Fractions of a Consolidated Share arising from the Proposed Share Consolidation will be aggregated and dealt with in the manner set out in paragraph 4.5.2 below.

Accordingly, subject to Shareholders’ approval being obtained for the Proposed Share Consolidation at the 2024 AGM, Shareholders’ holdings of Consolidated Shares arising from the Proposed Share Consolidation will be ascertained on the Record Date. After the Record Date, every twenty (20) Existing Shares (including treasury shares) registered in the name of each Shareholder as at the Record Date will be consolidated into one (1) Consolidated Share, fractional entitlements to be disregarded.

Each Consolidated Share will rank *pari passu* in all respects with each other, except that the Consolidated Shares which are to be held as treasury shares will be subject to the provisions of the Companies Act on treasury shares, and will be traded in board lots of one hundred (100) Consolidated Shares. Shareholders holding less than twenty (20) Existing Shares as at the Record Date will not be entitled to any Consolidated Shares and will no longer be Shareholders upon completion of the Proposed Share Consolidation (the “**Affected Shareholders**”). Affected Shareholders should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser immediately. They may, subject to such advice on actions that they should take and their own investment policies and risk/return requirements, wish to consider the possibility of purchasing additional Shares so as to increase the number of Existing Shares held to a multiple of twenty (20) Existing Shares as at the Record Date.

As at the Latest Practicable Date, the Company has an issued and paid-up share capital of S\$8,580,774,355.58 comprising 68,217,075,670 Shares (excluding 20,102,623 treasury shares) and no subsidiary holdings. The Company also has no outstanding share options, share awards or convertible securities. On the assumption that there will be no new Shares issued by the Company up to and including the Record Date and no fractions of Consolidated Shares arising from the Proposed Share Consolidation, and subject to Shareholders’ approval being obtained for the Proposed Share Consolidation at the AGM, the issued and paid-up share capital of the Company would be S\$8,580,774,355.58, comprising 3,410,853,783 Consolidated Shares, following the completion of the Proposed Share Consolidation (excluding 1,005,131 treasury shares).

The Proposed Share Consolidation will have no impact on the issued and paid-up share capital of the Company. The Proposed Share Consolidation will not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company and has no effect on the shareholders’ funds (if any) of the Company and the Group. Shareholders will not be required to make any payment to the Company in respect of the

Proposed Share Consolidation. The Proposed Share Consolidation will not cause any material changes to the percentage shareholding of each Shareholder, other than non-material changes due to rounding and disregarding fractional entitlements.

Shareholders should note that the number of Consolidated Shares which they will be entitled to pursuant to the Proposed Share Consolidation, based on their holdings of Existing Shares as at the Record Date, will be rounded down to the nearest whole Consolidated Share and any fractions of a Consolidated Share arising from the Proposed Share Consolidation will be disregarded and dealt with in the manner set out in paragraph 4.5.2 below.

4.2 **Rationale for the Proposed Share Consolidation.** The Directors believe that the Proposed Share Consolidation will generally be beneficial to the Company and its Shareholders for the following reasons:

(a) Reduction of volatility of the Company's share price

The Shares of the Company have traded on the Mainboard of the SGX-ST between S\$0.085 and S\$0.141 in the past six months.

As share trading may involve certain minimum fixed expenses (such as minimum brokerage fees), trading in lowly-priced shares may translate to higher transaction costs, relative to the trading price, for each trading of one board lot of Shares. In addition, lowly-priced shares are generally more prone to speculation and market manipulation, which may result in excessive share price volatility. The Directors believe that the Proposed Share Consolidation may serve to (i) reduce the volatility of the Company's share price and reduce fluctuations in the Company's market capitalisation, and (ii) reduce the percentage transaction cost for trading in each board lot of Shares.

(b) Increase in the market interest and attractiveness of the Company

The Proposed Share Consolidation will rationalise the share capital of the Company by reducing the number of issued Shares. Following the Proposed Share Consolidation, the Directors expect that, all other things being equal, the theoretical trading price and NTA of each Consolidated Share would be higher than that of the current trading price and NTA of each Existing Share, taking into account the decrease in the number of Shares in issue following the Proposed Share Consolidation. In addition, the Proposed Share Consolidation may facilitate corporate actions and increase market interest and activity in the Shares, and generally make the Shares more attractive to investors.

Shareholders should note that there is no assurance that the Proposed Share Consolidation will achieve the desired results described above or benefit all Shareholders, nor is there assurance that such results (if achieved) can be sustained in the longer term.

4.3 **Approvals and Conditions for the Proposed Share Consolidation.** The Proposed Share Consolidation is subject to, *inter alia*:

- (a) the receipt of approval in-principle ("AIP") from the SGX-ST for the dealing in, listing of and quotation for the Consolidated Shares on the Mainboard of the SGX-ST and compliance with such conditions (if any) as the SGX-ST may impose in connection therewith; and
- (b) the approval of the Shareholders for the Proposed Share Consolidation by Ordinary Resolution at the 2024 AGM.

The SGX-ST had on 12 March 2024 granted its AIP for the Proposed Share Consolidation subject to (i) Shareholders' approval for the Proposed Share Consolidation being obtained, and (ii) compliance with the listing requirements of the SGX-ST. The AIP issued by the SGX-ST for the listing and quotation of the Consolidated Shares is not to be taken as an indication of the merits of the Proposed Share Consolidation, the Company, its subsidiaries, the Shares and/or the Consolidated Shares.

An announcement will be made by the Company to notify the Shareholders of the Record Date for the Proposed Share Consolidation, the date when the Proposed Share Consolidation will become effective and the date on which the Consolidated Shares will commence trading on the SGX-ST in board lots of one hundred (100) Consolidated Shares in due course.

- 4.4 **Updating of Register of Members and Depository Register.** If the approval of the Shareholders to the Proposed Share Consolidation is obtained at the 2024 AGM, the Shareholders' entitlements of the Consolidated Shares will be determined on the Record Date, based on their shareholdings as at 5.00 p.m. on such date. The Register of Members and the Depository Register will be updated to reflect the number of Consolidated Shares held by Shareholders based on their shareholdings in the Company as at the Record Date and the Consolidated Shares will begin trading in board lots of one hundred (100) Consolidated Shares at 9.00 a.m. on the Share Consolidation Effective Trading Date (as defined in paragraph 4.5.1).

4.4.1 ***Deposit of Share Certificates with CDP***

Shareholders who hold physical share certificates in respect of the Existing Shares in their own names ("**Old Share Certificates**"), and who wish to deposit the same with The Central Depository (Pte) Limited ("**CDP**") and have their Consolidated Shares credited to their Securities Accounts maintained with CDP, must deposit their Old Share Certificates with CDP, together with duly executed instruments of transfer in favour of CDP, at least twelve (12) market days prior to the Record Date. After the Record Date, CDP will not accept any Old Share Certificates for deposit.

After the Record Date, CDP will only accept the deposit of physical share certificates in respect of the Consolidated Shares ("**New Share Certificates**"). Shareholders who wish to deposit their share certificates with CDP after the Record Date must deliver their Old Share Certificates to the Company's Share Registrar, KCK Corpserve Pte. Ltd. (the "**Share Registrar**"), at 1 Raffles Place, #04-63 One Raffles Place (Tower 2), Singapore 048616, for cancellation and issuance of New Share Certificates in replacement thereof as described below.

4.4.2 ***Issue of New Share Certificates***

Shareholders who have deposited their Old Share Certificates with CDP at least twelve (12) market days prior to the Record Date need not take any action. The Company will make arrangements with CDP to effect the exchange for New Share Certificates pursuant to the Proposed Share Consolidation.

Shareholders who have not deposited their Old Share Certificates as aforesaid or who do not wish to deposit their Old Share Certificates with CDP are advised to forward all their Old Share Certificates to the Share Registrar at 1 Raffles Place, #04-63 One Raffles Place (Tower 2), Singapore 048616 as soon as possible after they have been notified of the Record Date for cancellation and exchange for New Share Certificates, and preferably, not later than five (5) market days after the Record Date. No acknowledgement of receipt will be issued by the Share Registrar upon receipt of any Old Share Certificates tendered. The New Share Certificates will be sent by ordinary mail to the registered addresses of the relevant Shareholders at their own risk within ten (10) market days from the Record Date or the date of receipt of the Old Share Certificates, whichever is later.

Shareholders are to deliver their respective Old Share Certificates to the Share Registrar or CDP in accordance with the provisions set out above, only after the Company's announcement of the Record Date.

Shareholders should note that New Share Certificates will not be issued to Shareholders unless their Old Share Certificates have already been tendered to the Share Registrar for cancellation.

Shareholders should notify the Share Registrar if they have lost any of their existing Old Share Certificates or if there is any change in their respective addresses from those reflected in the Register of Members of the Company.

4.4.3 **Share Certificates not valid for settlement of trades on the SGX-ST**

Shareholders who hold Old Share Certificates are reminded that their Old Share Certificates are not valid for settlement of trading in the Consolidated Shares on the Mainboard of the SGX-ST, as the Shares are traded under a book-entry (scripless) settlement system. After the Share Consolidation Effective Trading Date, their Old Share Certificates will continue to be accepted by the Share Registrar for cancellation and issuance of New Share Certificates in replacement thereof for an indefinite period. The New Share Certificates will not be valid for delivery for trades done on the Mainboard of the SGX-ST although they will continue to be *prima facie* evidence of legal title to Consolidated Shares.

4.5 **Trading Arrangements for the Consolidated Shares, Odd Lots arising from the Proposed Share Consolidation and Fractional Entitlements of Consolidated Shares.**

4.5.1 **Trading Arrangements for Consolidated Shares**

Subject to Shareholders' approval for the implementation of the Proposed Share Consolidation having been obtained at the 2024 AGM, the Register of Members will be closed on the Record Date to determine the entitlements of Shareholders to the Consolidated Shares. With effect from 9.00 a.m. on the market day immediately following the Record Date (the "**Share Consolidation Effective Trading Date**"), every twenty (20) Existing Shares registered in the name of each Shareholder will be consolidated to constitute one (1) Consolidated Share, fractional entitlements to be disregarded. Accordingly, every twenty (20) Existing Shares as at 5.00 p.m. on the market day immediately preceding the Share Consolidation Effective Trading Date will represent one (1) Consolidated Share, fractional entitlements to be disregarded, with effect from 9.00 a.m. on the Share Consolidation Effective Trading Date. Trading in the Existing Shares on the Mainboard of the SGX-ST will cease after 5.00 p.m. on the market day immediately preceding the Share Consolidation Effective Trading Date.

4.5.2 **Fractional Entitlements of Consolidated Shares**

The Company intends to aggregate and dispose of the fractions of Consolidated Shares to which the holders of Existing Shares would otherwise be entitled to (including the entitlements of Affected Shareholders) (collectively, the "**Fractional Entitlement Holders**"), in the open market, as soon as practicable following completion of the Proposed Share Consolidation.

The proceeds arising from such sale after completion of the Proposed Share Consolidation will be distributed on a *pro rata* basis to Fractional Entitlement Holders who are (a) Depositors with a direct Securities Account with CDP, (b) Depository Agents (on behalf of their sub-account holders), and (c) scripholders who hold Shares in scrip form and whose names appear on the Register of Members of the Company ("**Entitled Fractional Entitlement Holders**"), based on their respective fractional entitlements. Due to logistical and practical constraints, Fractional Entitlement Holders who do not hold their Existing Shares in direct Securities Accounts with CDP or Existing Shares in their own names (e.g. beneficial holders of Existing Shares held by agent banks under the Central Provident Fund Investment Scheme or Supplementary Retirement Scheme or in omnibus accounts) may not be entitled to receive any proceeds from the sale of the fractions of Consolidated Shares, given that the entitlements to the proceeds will be determined based on the holdings of Existing Shares as reflected on the Depository Register and the Register of Members on the Record Date.

Entitled Fractional Entitlement Holders will receive such proceeds in cash credited to their Securities Account maintained with CDP, or as the case may be, by cheque sent by ordinary post to their registered address (at their own risk), in proportion to their respective fractional entitlements arising from the Proposed Share Consolidation.

For the avoidance of doubt, the proceeds arising from the aggregation and disposal of the fractions of the Consolidated Shares will only be distributed to Entitled Fractional Entitlement Holders based on their respective holdings of fractional entitlements. Fractional Entitlement Holders who are not Entitled Fractional Entitlement holders and Shareholders who do not hold fractions of a Consolidated Share or who are not Affected Shareholders will not be entitled to any proceeds.

4.5.3 **Trading Arrangements for Odd Lots of Shares**

(a) Odd Lots Trading Arrangements

The Existing Shares are currently traded in board lots of one hundred (100) Existing Shares on the Mainboard of the SGX-ST. After completion of the Proposed Share Consolidation, the Securities Accounts maintained with CDP of Shareholders (being Depositors) may be credited with odd lots of Consolidated Shares (that is, lots other than board lots of one hundred (100) Consolidated Shares).

Shareholders who receive odd lots of Consolidated Shares pursuant to the Proposed Share Consolidation and who wish to trade in such odd lots, may trade with a minimum size of one (1) Consolidated Share on the SGX-ST Unit Share Market. The SGX-ST Unit Share Market will enable trading in odd lots in any quantity less than one (1) board lot of the underlying shares.

Shareholders should note that the market for trading of such odd lots of Consolidated Shares may be illiquid and they may have to bear disproportionate transaction costs in trading their Consolidated Shares on the SGX-ST Unit Share Market. Shareholders who wish to trade their Consolidated Shares on the SGX-ST Unit Share Market should consult their stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers.

(b) Concessionary Brokerage Arrangements

Shareholders who hold odd lots of Existing Shares or receive odd lots of Consolidated Shares pursuant to the Proposed Share Consolidation, may wish to acquire or dispose of their holdings to hold full board lots of one hundred (100) Shares.

To facilitate Shareholders in making Odd Lots Trades (as defined in this paragraph 4.5.3(b)), the Company will appoint DBS Vickers Securities (Singapore) Pte Ltd (the “**Broker**”) as agent to facilitate the trading of odd lots during the Applicable Period (as defined in paragraph 4.5.3(c) below).

The provision of brokerage services is limited to (i) an aggregate of 99 or less Existing Shares and/or Consolidated Shares (as the case may be) acquired in a single day, and/or (ii) an aggregate of 99 or less Existing Shares and/or Consolidated Shares (as the case may be) disposed of in a single day (the “**Odd Lots Trade**”).

The brokerage fees (including any goods and services tax relating to such fees) in respect of Odd Lots Trades carried out via the Broker during the Applicable Period will be borne by the Company. As such, Shareholders will not be charged any brokerage fees for Odd Lots Trades during the Applicable Period (the “Concessionary Brokerage Arrangement”).

For illustration, the following situations would qualify for the Concessionary Brokerage Arrangement during the Applicable Period (as defined in paragraph 4.5.3(c) below):

- (i) a Shareholder holding 19 Existing Shares who wishes to acquire 1 Existing Share to round up to hold 20 Existing Shares;
- (ii) a Shareholder holding 198 Existing Shares who wishes to acquire 2 Existing Shares to round up to hold 200 Existing Shares;
- (iii) a Shareholder holding 198 Existing Shares who wishes to dispose of 98 Existing Shares to round down to hold 100 Existing Shares;
- (iv) a Shareholder holding 198 Consolidated Shares who wishes to acquire 2 Consolidated Shares to round up to hold 200 Consolidated Shares; and/or
- (v) a Shareholder holding 198 Consolidated Shares who wishes to dispose of 98 Consolidated Shares to round down to hold 100 Consolidated Shares.

For the avoidance of doubt, the buy/sell orders of the Existing Shares or Consolidated Shares (as the case may be) in (i) to (v) above may be made in multiple tranches, but should not exceed an aggregate 99 Existing Shares or Consolidated Shares (as the case may be) in a single day.

Notwithstanding the Concessionary Brokerage Arrangement, Shareholders will be required to bear clearing fees and other regular trading fees imposed by the SGX-ST (including any goods and services tax relating to such fees), which shall be based on customary rates imposed from time to time.

(c) Applicable Period for Concessionary Brokerage Arrangement

The Concessionary Brokerage Arrangement shall be put in place for the period commencing from 29 April 2024 to 29 May 2024 (both days inclusive) (the “**Applicable Period**”). Any changes to the Applicable Period will be announced by the Company on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>.

In respect of any trades of odd lots of Existing Shares and/or odd lots of Consolidated Shares (as the case may be) carried out via the Broker outside the Applicable Period, the Concessionary Brokerage Arrangement is not and will no longer be applicable.

(d) Trading Account with the Broker

Shareholders intending to avail the Concessionary Brokerage Arrangement and carry out any Odd Lots Trades via the Broker, or who intend to use the Broker’s online trading platforms, should note that they are required to have an account with the Broker. Shareholders who do not have an existing account with the Broker and intend to avail themselves of the Concessionary Brokerage Arrangement are required to personally apply to open an account with the Broker.

To open an account with the Broker, Shareholders are requested to refer to the Broker’s website at the URL <https://www.dbs.com.sg/vickers/en/accounts/> for account opening instructions. Queries in relation to opening an account with the Broker may be directed to the Broker via telephone at +65 6327 2288 or via email at info-sg@dbsonline.com.

Shareholders should note that the opening of an account with the Broker is subject to the Broker’s criteria, procedures, approvals and timeline. The Broker retains, at all times, the absolute discretion to accept or reject any account opening application without furnishing any reason.

Shareholders who are in doubt regarding the odd lots trading arrangement or Concessionary Brokerage Arrangement should consult their stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers.

4.6 Financial Effects of the Proposed Share Consolidation.

4.6.1 *Bases and Assumptions*

The financial effects of the Proposed Share Consolidation on the Group are presented purely for illustrative purposes only and do not purport to be indicative or a projection of the actual results and financial position of the Group immediately after completion of the Proposed Share Consolidation.

The pro forma financial effects of the Proposed Share Consolidation have been computed based on the audited consolidated financial statements of the Company for the financial year ended 31 December 2023, on the following bases and assumptions:

- (a) there will be no fractions of Consolidated Shares arising from the Proposed Share Consolidation;
- (b) the issued and paid-up share capital share capital of the Company as at the Latest Practicable Date comprises 68,217,075,670 Shares (excluding 20,102,623 treasury shares);
- (c) the financial effects on the consolidated NTA per Share of the Group and the gearing of the Group is computed on the assumption that the Proposed Share Consolidation was completed on 31 December 2023;
- (d) the financial effects on the EPS / loss per Share (“**LPS**”) of the Group is computed on the assumption that the Proposed Share Consolidation was completed on 1 January 2023; and
- (e) the computation does not take into account any expenses that may be incurred in connection with the Proposed Share Consolidation.

4.6.2 *Share Capital*

For illustrative purposes only and assuming that the Proposed Share Consolidation had been completed on the Latest Practicable Date, the pro forma financial effects of the Proposed Share Consolidation on the share capital of the Company are as follows:

	Before the Proposed Share Consolidation	After the Proposed Share Consolidation
Issued and paid-up capital (S\$)	8,580,774,355.58	8,580,774,355.58
Number of Shares as at the Latest Practicable Date	68,217,075,670 Shares (excluding 20,102,623 treasury shares)	3,410,853,783 Shares (excluding 1,005,131 treasury shares)

4.6.3 **NTA per Share**

For illustrative purposes only and assuming that the Proposed Share Consolidation had been completed on 31 December 2023, the pro forma financial effects of the Proposed Share Consolidation on the consolidated NTA of the Group as at 31 December 2023 are as follows:

	Before the Proposed Share Consolidation	After the Proposed Share Consolidation
Net assets (S\$ million)	6,395	6,395
Less: intangibles (S\$ million)	4,215	4,215
NTA (S\$ million)	2,179	2,179
Number of Shares (excluding treasury shares) as at 31 December 2023 (million)	68,217	3,411
NTA per Share (S\$ cents)	3.19	63.88

4.6.4 **EPS / (LPS)**

For illustrative purposes only and assuming that the Proposed Share Consolidation had been completed on 1 January 2023, the pro forma financial effects of the Proposed Share Consolidation on the earnings / (losses) of the Group are as follows:

	Before the Proposed Share Consolidation	After the Proposed Share Consolidation
Net profit / (loss) attributable to ordinary shareholders (S\$ million)	(2,017)	(2,017)
Weighted average number of Shares (excluding treasury shares) for the financial year ended 31 December 2023 (million)	62,274	3,114
EPS / (LPS) (S\$ cents)	(3.24)	(64.80)

4.6.5 **Gearing**

The Proposed Share Consolidation will not have any effect on the gearing of the Company.

4.6.6 Six (6)-months VWAP

The following table sets out the highest and lowest transacted price of the Shares, and the volume of Shares transacted, on the Mainboard of the SGX-ST for the 6-month period up to and including the Latest Practicable Date:

	Share Price		Share Volume
	Highest Price	Lowest Price	
September 2023	S\$0.141	S\$0.130	4,291,598,208
October 2023	S\$0.135	S\$0.110	6,916,332,592
November 2023	S\$0.113	S\$0.105	5,020,712,752
December 2023	S\$0.120	S\$0.101	4,318,226,120
January 2024	S\$0.120	S\$0.100	5,202,405,912
February 2024	S\$0.104	S\$0.085	12,026,354,336
1 March 2024 up to and including the Latest Practicable Date	S\$0.096	S\$0.088	3,032,968,548

Source: Bloomberg L.P.

The volume-weighted average price (“VWAP”) per Share for the 6-month period up to and including the Latest Practicable Date was S\$0.1065. Assuming the Proposed Share Consolidation was completed prior to the Latest Practicable Date, the theoretical adjusted VWAP per Share for the six (6)-month period up to and including the Latest Practicable Date would be S\$2.13.

- 4.7 **Notice of Record Date.** The Record Date for the purpose of determining Shareholders’ entitlements pursuant to the Proposed Share Consolidation will be announced at a later date.

5. DIRECTORS’ AND SUBSTANTIAL SHAREHOLDERS’ INTERESTS

- 5.1 **Directors’ Interests.** As at the Latest Practicable Date, the Directors’ interests in Shares as recorded in the Register of Directors’ Shareholdings are as follows:

Director	Number of Shares		Number of Shares		Number of Shares comprised in outstanding share awards
	Direct Interest	% ⁽¹⁾	Deemed Interest	% ⁽¹⁾	
Mark Gainsborough	-	-	-	-	-
Yap Chee Keong	2,083,085	0.003	-	-	-
Chris Ong Leng Yeow	9,432,796	0.014	-	-	-
Nagi Hamiyeh	-	-	-	-	-
Jan Holm	-	-	-	-	-
Lai Chung Han	-	-	-	-	-
Ieda Gomes Yell	-	-	-	-	-
Sarjit Singh Gill	741,636	0.001	-	-	-
Astrid Skarheim Onsum	-	-	-	-	-
Mariel von Schumann	-	-	-	-	-

Note:

- (1) Based on 68,237,178,293 Shares in issue (and disregarding 20,102,623 Shares held in treasury) as at the Latest Practicable Date.

- 5.2 **Substantial Shareholders' Interests.** As at the Latest Practicable Date, the interests of the substantial Shareholders in Shares as recorded in the Register of Substantial Shareholders are as follows:

Substantial Shareholder	Number of Shares					
	Direct Interest	% ⁽¹⁾	Deemed Interest	% ⁽¹⁾	Total Interest	% ⁽¹⁾
Startree	24,219,365,777	35.50	-	-	24,219,365,777	35.50
FMPL	-	-	24,219,365,777 ⁽²⁾	35.50	24,219,365,777	35.50
Temasek	-	-	25,877,132,055 ⁽³⁾	37.93	25,877,132,055	37.93

Notes:

- (1) Based on 68,237,178,293 Shares in issue (and disregarding 20,102,623 Shares held in treasury) as at the Latest Practicable Date, and rounded down to the nearest 0.01%.
- (2) FMPL is deemed to be interested in the 24,219,365,777 Shares held by Startree.
- (3) Temasek is deemed to be interested in the 24,219,365,777 Shares held by Startree and the 1,657,766,278 Shares in which certain of its subsidiaries and associated companies have direct or deemed interests pursuant to Section 4 of the Securities and Futures Act 2001.

6. DIRECTORS' RECOMMENDATIONS

- 6.1 **Proposed Renewal of the IPT Mandate.** All the Directors are interested persons (as described in paragraph 5.1 of the Appendix to this Letter). Accordingly, they have refrained from making any voting recommendation to Shareholders in respect of Ordinary Resolution No. 12, being the Ordinary Resolution relating to the proposed renewal of the IPT Mandate to be proposed at the 2024 AGM.

Temasek and each of the Directors will abstain from voting, and each has undertaken to ensure that its/his/her associates will abstain from voting, on Ordinary Resolution No. 12, being the Ordinary Resolution relating to the proposed renewal of the IPT Mandate to be proposed at the 2024 AGM. The Company will disregard any votes cast by Temasek and each of the Directors, and their respective associates, in respect of their holdings of Shares (if any) on Ordinary Resolution No. 12. Each of the Directors and their respective associates will also decline to accept appointment as proxy for any other Shareholder to vote in respect of Ordinary Resolution No. 12, unless the Shareholder concerned shall have given instructions in its/his/her Proxy Form as to the manner in which its/his/her votes are to be cast in respect of Ordinary Resolution No. 12.

- 6.2 **Proposed Renewal of the Share Purchase Mandate.** The Directors are of the opinion that the proposed renewal of the Share Purchase Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Ordinary Resolution No. 13, being the Ordinary Resolution relating to the proposed renewal of the Share Purchase Mandate to be proposed at the 2024 AGM.
- 6.3 **Proposed Share Consolidation.** The Directors are of the opinion that the Proposed Share Consolidation is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Ordinary Resolution No. 14, being the Ordinary Resolution relating to the Proposed Share Consolidation to be proposed at the 2024 AGM.

7. DIRECTORS' RESPONSIBILITY STATEMENT

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

8. INSPECTION OF DOCUMENTS

The Annual Report 2023 and the 2023 Letter to Shareholders may be accessed under the "Investors" section of the Company's website at the URL <https://investors.seatrium.com>.

Yours faithfully
for and on behalf of
the Board of Directors of Seatrium Limited

Mark Gainsborough
Chairman

THE IPT MANDATE

1. CHAPTER 9 OF THE LISTING MANUAL

- 1.1. Chapter 9 of the Listing Manual of the SGX-ST governs transactions by a listed company, as well as transactions by its subsidiaries and associated companies that are considered to be at risk, with the listed company's interested persons. When this Chapter applies to a transaction and the value of that transaction alone or on aggregation with other transactions conducted with the interested person during the financial year reaches, or exceeds, certain materiality thresholds, the listed company is required to make an immediate announcement, or to make an immediate announcement and seek its shareholders' approval for that transaction.
- 1.2. 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 hence are 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 net tangible assets ("**NTA**")) are reached or exceeded. In particular, shareholders' approval is required for an interested person transaction of a value equal to, or which exceeds:
 - (a) 5% of the listed company's latest audited consolidated NTA; or
 - (b) 5% of the listed company's latest audited consolidated NTA, when aggregated with other transactions entered into with the same interested person (as such term is construed under Chapter 9 of the Listing Manual) during the same financial year.
- 1.3. Based on the latest audited consolidated financial statements of the Group for the financial year ended 31 December 2023, the consolidated NTA of the Group was S\$2,179,243,000. In relation to the Company, for the purposes of Chapter 9 of the Listing Manual, in the current financial year and until such time as the consolidated audited financial statements of the Group for the financial year ending 31 December 2024 are published, 5% of the latest audited consolidated NTA of the Group would be S\$108,962,150.
- 1.4. Chapter 9 of the Listing Manual permits a listed company, however, to seek a mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials (but not in respect of the purchase or sale of assets, undertakings or businesses) that may be carried out with the listed company's interested persons.
- 1.5. Under the Listing Manual:
 - (a) 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;

- (b) 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. The SGX-ST may also deem any person or entity to be an interested person if the person or entity has entered into, or proposes to enter into (i) a transaction with an entity at risk, and (ii) an agreement or arrangement with an interested person in connection with that transaction;
- (c) an “**associate**” in relation to an interested person who is a director, chief executive officer or controlling shareholder includes an immediate family member (that is, the spouse, child, adopted child, step-child, sibling or parent) of such director, chief executive officer or controlling shareholder, the trustees of any trust of which the director/his immediate family, the chief executive officer/his immediate family or controlling shareholder/his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object, and any company in which the director/his immediate family, the chief executive officer/his immediate family or controlling shareholder/his immediate family has an aggregate interest (directly or indirectly) of 30% or more, and, where a controlling shareholder is a corporation, its subsidiary or holding company or fellow subsidiary or a company in which it and/or they have (directly or indirectly) an interest of 30% or more;
- (d) 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; and
- (e) an “**interested person transaction**” means a transaction between an entity at risk and an interested person.

2. RATIONALE FOR THE IPT MANDATE

- 2.1. It is envisaged that in the ordinary course of their businesses, transactions between companies in the EAR Group (as defined below) and the Company’s interested persons are likely to occur from time to time. Such transactions would include, but are not limited to, the provision of goods and services in the ordinary course of business of the EAR Group to the Company’s interested persons or the obtaining of goods and services from them.
- 2.2. In view of the time-sensitive nature of commercial transactions, the renewal of the interested person transaction mandate (the “**IPT Mandate**”) pursuant to Chapter 9 of the Listing Manual will enable:
 - (a) the Company;
 - (b) subsidiaries of the Company (excluding other subsidiaries listed on the SGX-ST or an approved exchange); and
 - (c) associated companies of the Company (other than an associated company that is listed on the SGX-ST or an approved exchange) over which the Company, the Group and interested persons has or have control,

(together, the “**EAR Group**”), or any of them, in the ordinary course of their businesses, to enter into the categories of transactions (“**Interested Person Transactions**”) set out in paragraph 6 below with the specified classes of the Company’s interested persons (the “**Interested Persons**”) set out in paragraph 5.1 below, provided such Interested Person Transactions are made on normal commercial terms.

3. SCOPE OF THE IPT MANDATE

- 3.1. The EAR Group engages in a wide range of activities which include the following principal activities for which the renewal of the IPT Mandate is sought:
- (a) newbuilding, engineering, procurement and construction, conversion and repair services for all marine and offshore vessels, platforms and structures; nearshore terminal solutions; sale and purchase of vessels; offshore engineering; metal and steel fabrication; design and procurement services; project management services;
 - (b) ancillary services such as the supply of equipment rental services; bulk trading in materials and copper slag; the processing and distribution of copper slag for grit blasting and building; marine, general electronic and electrical works and general contracting services; and
 - (c) provision of turnkey engineering and construction services for oil and gas industries.
- 3.2. The IPT Mandate does not cover any transaction by a company in the EAR 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. The IPT Mandate would, however, cover Interested Person Transactions with values below S\$100,000 entered into during the same financial year and which are aggregated by the SGX-ST under Chapter 9 of the Listing Manual and treated as if they were one Interested Person Transaction which has a value of S\$100,000 or more.
- 3.3. Transactions with interested persons (including the Interested Persons) 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.

4. BENEFIT TO SHAREHOLDERS

The IPT Mandate (and its subsequent renewal thereafter on an annual basis) will enhance the ability of companies in the EAR Group to pursue business opportunities which are time-sensitive in nature, and will eliminate the need for the Company to announce, or to announce and convene separate general meetings on each occasion to seek Shareholders' prior approval for the entry by the relevant company in the EAR Group into such transactions. This will substantially reduce the expenses associated with the convening of general meetings on an *ad hoc* basis, considerably improve administrative efficacy, and allow manpower resources and time to be channeled towards attaining other corporate objectives.

5. CLASSES OF INTERESTED PERSONS

- 5.1. The IPT Mandate applies to the Interested Person Transactions (as described in paragraph 6 below) which are carried out with the following classes of Interested Persons:
- (a) Temasek Holdings (Private) Limited and its associates (the "**Temasek Group**"); and
 - (b) Directors, chief executive officer and controlling shareholders of the Company (other than the controlling shareholder described in sub-paragraph (a) above) and their respective associates.
- 5.2. Transactions with Interested Persons 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.

6. CATEGORIES OF INTERESTED PERSON TRANSACTIONS

The Interested Person Transactions with the Interested Persons (as described in paragraph 5.1 above) which are covered by the IPT Mandate and the benefits to be derived therefrom are set out below:

(a) General Transactions

This category relates to general transactions (“**General Transactions**”) in connection with the provision to, or the obtaining from, Interested Persons of products and services in the normal course of business of the EAR Group (as more particularly described in paragraph 3.1 above) or which are necessary for the day-to-day operations of the EAR Group comprising the following:

- (i) the provision of newbuilding, conversion and repair services for all marine and offshore vessels, platforms and structures, and nearshore terminal solutions;
- (ii) the provision of engineering, procurement, construction, installation and commissioning services for marine and offshore vessels, platforms and structures, modules and floating production systems services, and nearshore terminal solutions;
- (iii) the provision of complete Floating Production Storage and Offloading (“**FPSO**”) facilities, including FPSO hull conversion, topside, turret and mooring system fabrication and installation, integration of marine and process controls and instrumentation systems;
- (iv) the provision of project management services;
- (v) the sale and purchase of vessels;
- (vi) the obtaining and provision of construction and design consultancy services (covering architectural, structural, mechanical, civil, electrical and land/quantity surveying) for purposes of meeting the construction and engineering requirements of the Company;
- (vii) the fabrication of steelwork structure, pipe fittings and painting for the marine industry;
- (viii) the leasing and rental (as lessor and lessee) of equipment, land parcels or office space used in connection with the services provided;
- (ix) the provision of marine, general electronic and electrical works and general contracting services;
- (x) the provision of ancillary services such as bulk trading in materials;
- (xi) the obtaining or the purchase of electronic and engineering equipment, computer maintenance and systems, software licences and information technology services, logistic services and insurances;
- (xii) the collection and treatment of used copper slag and the processing and distribution of copper slag for blast cleaning purposes;
- (xiii) the production and sale of concrete products;
- (xiv) the provision of turnkey contracting services in marine automation, switchboard fabricators, motor and generators refurbishing, heating ventilation air conditioners and industrial electronic boards assembly and any of the businesses of engineering and electricians (metalwork specialists and machinery fitting);
- (xv) ship owning and the provision of specialist marine services;

- (xvi) the provision of corrosion control services (including blasting and painting) and equipment trading;
- (xvii) the provision of factoring services to in-house sub-contractors;
- (xviii) the provision of harbour tug services;
- (xix) the obtaining of electricity and steam and other power sources and utilities;
- (xx) the obtaining of industrial and commercial waste collection services;
- (xxi) the obtaining of printing or publishing services;
- (xxii) the purchase of airline tickets; and
- (xxiii) the provision or the obtaining of such other products and/or services which are incidental to or in connection with the provision or obtaining of products and/or services in sub-paragraphs (i) to (xxii) above.

The transactions set out in paragraphs (i) to (vii) arise in the normal course of business of the Company, while those set out in paragraphs (viii) to (xxiii) are necessary for the day-to-day operations of the Company.

The EAR Group will benefit from having access to competitive quotes from the different companies in the different industries within the Temasek Group in addition to obtaining quotes from, or transacting with, non-Interested Persons.

(b) Treasury Transactions

Treasury transactions (“**Treasury Transactions**”) comprise (a) the placement of funds with any Interested Person, (b) the borrowing of funds from any Interested Person, (c) the entry into with any Interested Person of forex, swap and option transactions for hedging purposes and (d) the subscription of debt securities or preference shares issued by any Interested Person and the issue of debt securities or preference shares to any Interested Person and the buying from, or the selling to, any Interested Person of debt securities or preference shares.

The EAR Group can benefit from competitive rates and quotes in an expedient manner on the placement of funds with, the borrowings from, the entry into forex, swap and option transactions with, and the subscription and purchase of debt securities or preference shares issued by, or the issue of debt securities or preference shares to, any Interested Person.

(c) Management Support Services

The EAR Group may, from time to time, receive management and support services from its Interested Persons in the areas of finance, treasury, investment risk review, governmental relations, strategic development, management information systems, and human resources management and development (“**Management Support Services**”). By having access to and providing such management support, the EAR Group will derive operational and financial leverage in its dealings with third parties as well as benefits from the global network of its Interested Persons.

7. REVIEW PROCEDURES FOR INTERESTED PERSON TRANSACTIONS

7.1. The EAR Group has established the following procedures to ensure that Interested Person Transactions are undertaken on an arm's length basis and on normal commercial terms:

7.1.1. *General Transactions*

Review Procedures

In general, there are procedures established by the EAR Group to ensure that General Transactions with Interested Persons are undertaken on an arm's length basis and on normal commercial terms consistent with the EAR Group's usual business practices and policies, which are generally no more favourable to the Interested Persons than those extended to unrelated third parties.

In particular, the following review procedures have been put in place.

(a) *Provision of Services or the Sale of Products*

The review procedures are:

- (i) all contracts entered into or transactions with Interested Persons are to be carried out at the prevailing market rates or prices of the service or product providers, on terms which are no more favourable to the Interested Person than the usual commercial terms extended to unrelated third parties (including, where applicable, preferential rates/prices/discounts accorded to corporate customers or for bulk purchases) or otherwise in accordance with applicable industry norms; and
- (ii) where the prevailing market rates or prices are not available due to the nature of service to be provided or the product to be sold, the EAR Group's pricing for such services to be provided or products to be sold to Interested Persons is determined in accordance with the EAR Group's usual business practices and pricing policies, consistent with the usual margin to be obtained by the EAR Group for the same or substantially similar type of contract or transaction with unrelated third parties. In determining the transaction price payable by Interested Persons for such services or products, factors such as, but not limited to, quantity, volume, consumption, customer requirements, specifications, duration of contract and strategic purposes of the transaction will be taken into account.

(b) *Obtaining of Services or the Purchasing of Products*

The review procedures are:

- (i) all contracts entered into or transactions with Interested Persons are to be carried out by obtaining quotations (wherever possible or available) from at least two other unrelated third party suppliers for similar quantities and/or quality of services or products, prior to contracting or transacting with the Interested Person, as a basis for comparison to determine whether the price and terms offered by the Interested Person 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 whether the price and terms offered by the Interested Person are fair and reasonable, factors such as, but not limited to, delivery schedules, specification compliance, track record, experience and expertise, and where applicable, preferential rates, rebates or discounts accorded for bulk purchases, will also be taken into account; and

- (ii) in the event that such competitive quotations cannot be obtained (for instance, if there are no unrelated third party vendors of similar products or services, or if the product is a proprietary item), the senior management staff of the relevant company in the EAR Group (with no interest, direct or indirect, in the transaction), will determine whether the price and terms offered by the Interested Person are fair and reasonable.

Threshold Limits

In addition to the review procedures, the EAR Group supplements its internal systems to ensure that General Transactions are undertaken with Interested Persons on an arm's length basis and on normal commercial terms as follows:

- (i) a Category 1 transaction is one where the EAR Group's proportionate share in a transaction with an Interested Person is in excess of S\$50 million, except that in the case of sale and purchase of vessels, the EAR Group's proportionate share in such a transaction with an Interested Person is one in excess of S\$5 million; and
- (ii) a Category 2 transaction is one where the EAR Group's proportionate share in a transaction with an Interested Person is above S\$100,000 but below or equal to S\$50 million, except that in the case of sale and purchase of vessels, the EAR Group's proportionate share in such a transaction with an Interested Person is one below or equal to S\$5 million.

Category 1 transactions must be approved by the audit committee of the Company (the "**Audit Committee**") prior to being contracted. Category 2 transactions do not require the prior approval of the Audit Committee but shall be reviewed on a quarterly basis by the Audit Committee.

7.1.2. Treasury Transactions

Review Procedures

In general, there are procedures established by the EAR Group to ensure that Treasury Transactions with Interested Persons are undertaken on an arm's length basis and on normal commercial terms consistent with the EAR Group's usual business practices and policies, which are generally no more favourable to the Interested Persons than those extended to unrelated third parties.

In particular, the following review procedures have been put in place.

(a) *Placements*

In relation to the placement with any Interested Person by the EAR Group of its funds, the Company will require that quotations shall be obtained from such Interested Person and at least two banks for rates of deposits with such banks of an equivalent amount, and for the equivalent period, of the funds to be placed by the EAR Group. The EAR Group will only place its funds with such Interested Person, provided that the terms quoted are no less favourable than the terms quoted by such banks for equivalent amounts.

(b) *Borrowings*

In relation to the borrowing of funds from any Interested Person by the EAR Group, the Company will require that quotations shall be obtained from such Interested Person and at least two banks for rates for loans from such banks of an equivalent amount, and for the equivalent period, of the funds to be borrowed. The EAR Group will only borrow funds from such Interested Person, provided that the terms quoted are no less favourable than those quoted by such banks.

(c) *Debt Securities and Preference Shares*

In relation to the subscription of debt securities or preference shares issued by, or purchase of debt securities or preference shares from, Interested Persons, the EAR Group will only enter into the subscription or purchase of such debt securities or preference shares provided that the price(s) at which the EAR Group subscribes for or purchases such debt securities or preference shares will not be higher than the price(s) at which such debt securities or preference shares are subscribed for or purchased by third parties.

In relation to the issue or sale to Interested Persons of debt securities or preference shares, the EAR Group will only issue or sell such debt securities or preference shares to Interested Persons provided that the price(s) at which the EAR Group issues or sells such debt securities or preference shares will not be lower than the price(s) at which such debt securities or preference shares are issued or sold to third parties. The EAR Group will also comply with all applicable laws and regulations in connection with the issue or sale of such debt securities or preference shares to Interested Persons.

For the purposes of the IPT Mandate, the preference shares to be subscribed or purchased from Interested Persons, or to be issued or sold to Interested Persons, will not carry any voting rights, except that they shall carry the right to attend any general meeting and in a poll thereat to at least one vote in respect of each such share held:

- (i) during such period as the preferential dividend or any part thereof remains in arrear and unpaid, such period starting from a date not more than 12 months, or such lesser period as the constitution may provide, after the due date of the dividend;
- (ii) upon any resolution which varies the rights attached to such shares; or
- (iii) upon any resolution for the winding up of the Company.

(d) *Forex, Swaps, Options*

In relation to forex, swap and option transactions with any Interested Person by the EAR Group, the Company will require that rate quotations shall be obtained from such Interested Person and at least two banks. The EAR Group will only enter into such forex, swap or option transactions with such Interested Person provided that such terms quoted are no less favourable than the terms quoted by such banks.

Threshold Limits

In addition to the foregoing, the following threshold limits (“**Treasury Limits**”) will be applied to supplement the internal systems of the EAR Group to ensure that Treasury Transactions are undertaken with Interested Persons on an arm’s length basis and on normal commercial terms:

Type of Treasury Transaction	Treasury Limit (S\$ million)
Placements	50
Borrowings	50
Subscription or Purchase of Debt Securities	50
Issue or Sale of Debt Securities and Preference Shares	50
Subscription or Purchase of Preference Shares	30
Forex, Swaps, Options	30

Where the EAR Group’s proportionate share in a transaction with an Interested Person exceeds any of the Treasury Limits set out above, such transaction must be approved by the Audit Committee prior to its entry. Where the EAR Group’s proportionate share in a

transaction is equal to or below any of the Treasury Limits set out above, such transaction does not require the prior approval of the Audit Committee, but shall be reviewed on a quarterly basis by the Audit Committee.

7.1.3. Management Support Services

The EAR Group will satisfy itself that the costs for any Management Support Services provided by any Interested Person shall be on an arm's length and on normal commercial basis and in accordance with any formula for such cost recovery agreed with such Interested Person. Transactions exceeding the amount of S\$1,000,000 must be approved by the Audit Committee, and transactions equal to or below S\$1,000,000 shall be reviewed on a quarterly basis by the Audit Committee.

- 7.2. The Company will maintain a register of transactions carried out with Interested Persons pursuant to the IPT Mandate (recording the basis, including the quotations obtained to support such basis, on which they were entered into), and the Company's internal audit plan will incorporate a review of all transactions entered into in the relevant financial year pursuant to the IPT Mandate.
- 7.3. The Audit Committee of the Company shall review these internal audit reports on Interested Person Transactions to ascertain that the established review procedures to monitor Interested Person Transactions have been complied with.
- 7.4. If during these periodic reviews by the Audit Committee, the Audit Committee is of the view that the review procedures as stated above have become inappropriate or insufficient in view of changes to the nature of, or the manner in which, the business activities of the EAR Group are conducted, the Company will revert to Shareholders for a fresh mandate based on new guidelines and review procedures to ensure that Interested Person Transactions will be on an arm's length and on normal commercial basis.
- 7.5. In the event that a member of the Audit Committee has a conflict of interests in relation to any Interested Person Transaction, he will abstain from reviewing that particular transaction.

8. VALIDITY PERIOD OF THE IPT MANDATE

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

9. DISCLOSURE OF INTERESTED PERSON TRANSACTIONS PURSUANT TO THE IPT MANDATE

- 9.1. The Company will announce the aggregate value of transactions conducted with Interested Persons pursuant to the IPT Mandate for the financial periods which the Company is required to report on pursuant to the Listing Manual and within the time required for the announcement of such report.
- 9.2. Disclosure will also be made in the Company's Annual Report of the aggregate value of transactions conducted with 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.