

## **ADDENDUM DATED 5 APRIL 2017**

**THIS ADDENDUM IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.**

**If you are in any doubt about this Addendum or the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.**

This Addendum is circulated to shareholders of 3Cnergy Limited (the “**Company**”) together with the Company’s annual report. Its purpose is to provide Shareholders with the relevant information relating to, and seek Shareholders’ approval to renew the IPT Mandate (hereinafter defined) to be tabled at the Annual General Meeting to be held at Nordic Conference Room, 1st floor, No. 3 International Business Park, Nordic European Centre, Singapore 609927 on 20 April 2017 at 10 a.m.

If you have sold or transferred all your shares in the Company, you should immediately forward this Addendum 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.

This Addendum has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, CIMB Bank Berhad, Singapore Branch (the “**Sponsor**”) for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”). The Sponsor has not independently verified the contents of this Addendum. This Addendum has not been examined or approved by the SGX-ST and the SGX-ST and Sponsor assume no responsibility for the contents of this Addendum, including the correctness of any of the statements or opinions made or reports contained in this Addendum.

The contact person for the Sponsor is Mr. Eric Wong (Director, Investment Banking), CIMB Bank Berhad, Singapore Branch, 50 Raffles Place #09-01 Singapore Land Tower, Singapore 048623, Telephone: (65) 6337 5115.

The logo for 3Cnergy Limited, featuring the word "3Cnergy" in a stylized, bold, sans-serif font. The "3" is significantly larger and more prominent than the "Cnergy" part.

**3CNERGY LIMITED**

(Incorporated in the Republic of Singapore)

(Company Registration No. 197300314D)

**ADDENDUM IN RELATION TO THE PROPOSED RENEWAL OF THE SHAREHOLDERS’  
GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS**

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## DEFINITIONS

In this Addendum, the following definitions shall apply throughout unless the context otherwise requires or unless otherwise stated:–

- “2015 Annual Report”** : The annual report of the Company for the financial year ended 31 December 2015, notice of which, dated 14 April 2016, accompanies the annual report of the Company for the financial year ended 31 December 2015
- “2016 AGM”** : The annual general meeting of the Company held on 29 April 2016
- “Companies Act”** : Companies Act (Chapter 50) of Singapore, as amended or modified from time to time
- “Addendum”** : This addendum to Shareholders dated 5 April 2017
- “Advertising-related Services”** : Has the meaning ascribed thereto in paragraph 5 of the Appendix to this Addendum
- “AGM” or “Annual General Meeting”** : The annual general meeting of the Company to be held on 20 April 2017, notice of which, dated 5 April 2017, accompanies the annual report of the Company for the financial year ended 31 December 2016
- “Associate(s)”** : (a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:
- (i) his immediate family;
  - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
  - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and
- (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- “Audit Committee”** : The audit committee of the Company, comprising Mr Yii Hung Due @ Bill Yii, Mr Ong Pai Koo @ Sylvester and Mr Tong Kooi Ong
- “Board”** : The board of directors of the Company

<b>“Catalist Rules”</b>	:	The SGX-ST Listing Manual Section B: Rules of Catalist, as amended, modified or supplemented from time to time
<b>“CDP”</b>	:	The Central Depository (Pte) Limited
<b>“Company”</b>	:	3Cnergy Limited (Company Registration Number 197300314D)
<b>“Constitution”</b>	:	The constitution of the Company for the time being
<b>“Controlling Shareholder”</b>	:	A person who: <ul style="list-style-type: none"> <li>(a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company, unless otherwise determined by the SGX-ST; or</li> <li>(b) in fact exercises control over the Company</li> </ul>
<b>“Director(s)”</b>	:	The director(s) of the Company as at the date of this Addendum
<b>“EAR Group”</b>	:	The following entities at risk: <ul style="list-style-type: none"> <li>(a) the Company;</li> <li>(b) a subsidiary of the Company that is not listed on the SGX-ST or an approved exchange; or</li> <li>(c) an associated company of the Company that is 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 company</li> </ul>
<b>“Future Associates”</b>	:	New Associate(s) of Mr Tong which may arise in the future
<b>“Group”</b>	:	The Company and its subsidiaries
<b>“Independent Directors”</b>	:	The Directors who are deemed to be independent for the purposes of making a recommendation to Shareholders in respect of the proposed renewal of the IPT Mandate, being Mr Yii Hung Due @ Bill Yii and Mr Ong Pai Koo @ Sylvester
<b>“Interested Person(s)”</b>	:	The interested person(s) of the Company who fall within the IPT Mandate, as set out in paragraph 4 of the Appendix to this Addendum
<b>“Interested Person Transaction(s)” or “IPT”</b>	:	The categories of transactions with the Interested Person(s) which fall within the IPT Mandate, as set out in paragraph 5 of the Appendix to this Addendum

<b>“IPT Mandate”</b>	:	The Shareholders’ general mandate obtained by the Company at the 2016 AGM pursuant to Chapter 9 of the Catalist Rules and on the terms set out in page 106 of the 2015 Annual Report, permitting the EAR Group to enter into the Interested Person Transactions, 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 review procedures for such Interested Person Transactions
<b>“Latest Practicable Date”</b>	:	29 March 2017, being the latest practicable date prior to the printing of this Addendum
<b>“Mr Tong”</b>	:	Mr Tong Kooi Ong, the non-executive chairman and a Controlling Shareholder of the Company
<b>“Ms Tong”</b>	:	Ms Tong Kooi Lian, the managing director and chief executive officer of the Company
<b>“Notice of AGM”</b>	:	Has the meaning ascribed to it in paragraph 1.1 of this Addendum
<b>“NTA”</b>	:	Net tangible assets
<b>“Ordinary Resolution”</b>	:	Being Resolution 8 in the Notice of AGM in relation to the proposed renewal of the IPT Mandate
<b>“Project Management Services”</b>	:	Has the meaning ascribed thereto in paragraph 5 of the Appendix to this Addendum
<b>“Publiq Development Group”</b>	:	Publiq Development Group Sdn. Bhd. (Company Registration No. 1023918-M), a company incorporated under the laws of Malaysia (previously known as Rainbow Crest Sdn. Bhd.)
<b>“Review Procedures”</b>	:	Has the meaning ascribed to it in paragraph 2.4 of this Addendum
<b>“Securities Account”</b>	:	A securities account maintained by a Depositor with CDP (but does not include a securities sub-account maintained with a Depository Agent)
<b>“SFA”</b>	:	Securities and Futures Act (Chapter 289) of Singapore, as amended or modified from time to time
<b>“SGX-ST”</b>	:	Singapore Exchange Securities Trading Limited
<b>“Shares”</b>	:	Ordinary shares in the capital of the Company and each a <b>“Share”</b>

- “Shareholder(s)”** : Registered holders of Shares in the Register of Members of the Company, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context so admits, mean the Depositors in the Depository Register maintained by the CDP and whose Securities Accounts are credited with those Shares. Any reference to Shares held by or shareholdings of Shareholders shall include Shares standing to the credit of their respective Securities Accounts
- “Substantial Shareholder”** : A person who has an interest (directly or indirectly) in 5% or more of the total issued share capital of the Company
- “S\$” and “cents”** : Singapore dollars and cents, respectively
- “The Edge Media Group”** : The Edge Media Group Pte. Ltd. and its related corporations including, The Edge Publishing Pte. Ltd., The Edge Property Pte. Ltd., The Edge Communications Sdn. Bhd. and The Edge Property Sdn. Bhd., which are Associates of Mr Tong
- “UPP Holdings Limited”** : UPP Holdings Limited (Company Registration No. 196700346M), a company incorporated in Singapore
- “%” or “per cent”** : Per centum

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

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, where applicable, include corporations.

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

Any reference in this Addendum to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Companies Act, the SFA, or the Catalist Rules, or any statutory modification thereof, and used in this Addendum shall, where applicable, have the meaning ascribed to it under the Companies Act, the SFA, or the Catalist Rules, or such modification thereof, as the case may be, unless otherwise provided.

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

Any discrepancies in the tables in this Addendum between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Addendum may not be the arithmetic aggregation of the figures that precede them.

## 3CENERGY LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 197300314D)

### ADDENDUM TO SHAREHOLDERS

#### Board of Directors

Mr Tong Kooi Ong (Non-Independent Non-Executive Chairman)  
Ms Tong Kooi Lian (Managing Director and Chief Executive Officer)  
Mr Yii Hung Due @ Bill Yii (Lead Independent Director)  
Mr Ong Pai Koo @ Sylvester (Independent Director)

#### Registered Office

150 Cecil Street  
#08-01  
Singapore 069543

5 April 2017

To: The Shareholders of 3Cnergy Limited

Dear Sir/Madam

#### 1 INTRODUCTION

- 1.1 Reference is made to (a) the notice of the AGM of the Company dated 5 April 2017 (the “**Notice of AGM**”) convening the AGM of the Shareholders to be held on 20 April 2017, and (b) Resolution 8 under the heading “Special Business” set out in the Notice of AGM.
- 1.2 The purpose of this Addendum is to provide Shareholders with relevant information relating to the proposed renewal of the IPT Mandate for Interested Person Transactions.
- 1.3 The SGX-ST assumes no responsibility for the correctness of any of the statement made, reports contained or opinions expressed in this Addendum. If a Shareholder is in any doubt about this Addendum or the action he should take, he should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

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

##### 2.1 Background

The IPT Mandate was first approved by the Shareholders on 30 June 2014 and was last renewed at the 2016 AGM to enable the EAR Group to enter into any of the transactions falling within the types of Interested Person Transactions described in the Company’s addendum to Shareholders dated 14 April 2016, 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 review procedures for such Interested Person Transactions.

The IPT Mandate will expire at the forthcoming AGM to be held on 20 April 2017. The Directors propose that the IPT Mandate be renewed at the forthcoming AGM in the terms of the Ordinary Resolution to be proposed at the AGM and (unless revoked or varied by the Company in general meeting) to continue in force until the next annual general meeting of the Company.

The rationale of the IPT Mandate, the scope of the IPT Mandate, the benefit to Shareholders, the classes of Interested Persons<sup>(1)</sup>, the particulars of the Interested Person Transactions and the review procedures for Interested Person Transactions in respect of which the IPT Mandate is sought to be renewed remain unchanged and are set out in the Appendix to this Addendum.

Approval from Shareholders will be sought for the renewal of the IPT Mandate at the next annual general meeting and at each subsequent annual general meeting of the Company, subject to satisfactory review by the Audit Committee of its continued application to transactions with Interested Persons.

**Note:**

- (1) Following the completion of the acquisition by the Company of 3C Marina Park Sdn. Bhd. (formerly known as Liberty Bridge Sdn Bhd) ("**3C Marina**") on 11 August 2016, 3C Marina has ceased to be an Interested Person and transactions between the Company and 3C Marina have ceased to be Interested Person Transactions.

## 2.2 Chapter 9 of the Catalist Rules

Under Chapter 9 of the Catalist Rules, where a listed company or any of its subsidiaries or associated companies that are defined as an "entity at risk" (as defined in Chapter 9 of the Catalist Rules) proposes to enter into a transaction with an "interested person" (as defined in Chapter 9 of the Catalist Rules), an immediate announcement or an immediate announcement and shareholders' approval is required in respect of that transaction if its value is equal to, or more than, certain financial thresholds.

In particular, an immediate announcement is required where:

- (a) the transaction is of a value equal to, or more than, 3% of the group's latest audited NTA; or
- (b) 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 NTA.

Further, shareholders' approval (in addition to an immediate announcement) is required where:

- (a) the transaction is of a value equal to, or more than, 5% of the group's latest audited NTA; or
- (b) the transaction, when aggregated with other transactions entered into with the same interested person during the same financial year, is of a value equal to, or more than, 5% of the group's latest audited NTA.

The above requirements for immediate announcement and/or for shareholders' approval do not apply to any transaction below S\$100,000, and certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk and hence excluded from the ambit of Chapter 9 of the Catalist Rules.

For illustration purposes, based on the latest audited consolidated accounts of the Group for the financial year ended 31 December 2016, the consolidated NTA of the Group was approximately S\$63,100,000. In relation to the Group, for the purposes of Chapter 9 of the Catalist Rules, in the current financial year and until such time as the audited consolidated accounts of the Group for the financial year ending 31 December 2017 are published, 5% of the latest audited NTA of the Group would be approximately S\$3,155,000.



### 2.3 General Mandate

Rule 920 of the Catalist Rules permits a listed company to seek a general mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations 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 (as defined in Chapter 9 of the Catalist Rules). A general mandate is subject to annual renewal.

### 2.4 Audit Committee's Statement

Pursuant to Rule 920(1)(c) of the Catalist Rules, the Audit Committee (save for Mr Tong who has abstained from deliberations and decisions of the Audit Committee in relation to the IPT Mandate due to his interest in the IPT Mandate) confirms that:–

- (a) the review procedures for Interested Person Transactions set out in the Appendix to this Addendum ("**Review Procedures**") have not changed since Shareholders approved the IPT Mandate at the 2016 AGM; and
- (b) the Review Procedures 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.

If, during the periodic reviews by the Audit Committee, the Audit Committee is of the view that the Review Procedures are inadequate or inappropriate to ensure that the Interested Person Transactions will be on normal commercial terms, and will be prejudicial to the interests of the Company and its minority Shareholders, or in the event of any amendment to Chapter 9 of the Catalist Rules, it will in consultation with the Board take such action as it deems proper in respect of such procedures and/or modify or implement such procedures as may be necessary and direct the Company to revert to Shareholders for a fresh mandate based on new guidelines and procedures for transactions with interested persons to ensure that Interested Person Transactions will be on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

### 2.5 Disclosure of Interested Person Transactions pursuant to Shareholders' Mandate

The Company will announce the aggregate value of transactions conducted with Interested Persons pursuant to the IPT Mandate for the half-yearly financial periods which the Company is required to report on pursuant to the Catalist Rules and within the time required for the announcement of such report.

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 to be in force, in accordance with the requirements of Chapter 9 of the Catalist Rules.

### 2.6 Abstention from Voting

In accordance with Rule 919 of the Catalist Rules, Mr Tong shall abstain, and has undertaken to ensure that his Associates (including Ms Tong) will abstain from voting on the Ordinary Resolution.

Further, Mr Tong shall decline, and shall ensure that his Associates (including Ms Tong) decline to accept appointment as proxy(ies) to vote at the forthcoming AGM in respect of the Ordinary Resolution for other Shareholders unless the Shareholders concerned shall have given specific instructions as to the manner in which his votes are to be cast at the AGM.

### 3 DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors and Substantial Shareholders (both direct and deemed) in the Shares as at the Latest Practicable Date, as recorded in the Register of Directors' Shareholdings and the Register of Substantial Shareholders' kept by the Company are set out below:

	Direct Interest		Deemed Interest		Total Interest	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
<b>Directors</b>						
Tong Kooi Ong <sup>(1)</sup>	–	–	542,980,440	47.21	542,980,440	47.21
Tong Kooi Lian	–	–	–	–	–	–
Yii Hung Due @ Bill Yii <sup>(2)</sup>	10,000	nm <sup>(3)</sup>	–	–	10,000	nm <sup>(3)</sup>
Ong Pai Koo @ Sylvester	–	–	–	–	–	–
<b>Substantial Shareholders</b>						
Icon Ventures Group Inc.	477,611,940	41.53	–	–	477,611,940	41.53
Phileo Capital Limited <sup>(4)</sup>	65,368,500	5.68	477,611,940	41.53	542,980,440	47.21
TMF Trustees Singapore Limited <sup>(5)</sup>	–	–	542,980,440	47.21	542,980,440	47.21
Tong Kooi Ong	–	–	542,980,440	47.21	542,980,440	47.21
Golden Ring Worldwide Ltd	119,402,985	10.38	–	–	119,402,985	10.38
Tan Sri Wan Azmi bin Wan Hamzah <sup>(6)</sup>	–	–	119,402,985	10.38	119,402,985	10.38
Champion Brave Sdn. Bhd.	238,805,970	20.76	–	–	238,805,970	20.76
Tan Sri Lee Oi Hian <sup>(7)</sup>	–	–	238,805,970	20.76	238,805,970	20.76
Casi Management Sdn Bhd <sup>(8)</sup>	119,402,985	10.38	–	–	119,402,985	10.38
Hanton Capital Limited <sup>(9)</sup>	–	–	119,402,985	10.38	119,402,985	10.38
Tan Sri Dato' Surin Upatkoon <sup>(9)</sup>	–	–	119,402,985	10.38	119,402,985	10.38

**Notes:**

- (1) By virtue of Section 4 of the SFA, Mr Tong is deemed interested in the Shares held by Icon Ventures Group Inc. ("**Icon Ventures**") and Phileo Capital Limited ("**Phileo Capital**") as Icon Ventures is wholly owned by Phileo Capital, and Mr Tong is the sole ultimate beneficial owner of Phileo Capital through TMF Trustees Singapore Limited ("**TMF Trustees**"), the trustee of a family trust of which Mr Tong is the sole beneficiary.
- (2) The entire shares are held in the name of RHB Securities Singapore Pte Ltd.
- (3) "nm" denotes not meaningful.
- (4) By virtue of Section 4 of the SFA, Phileo Capital is deemed interested in the shares held by Icon Ventures as it is the sole registered shareholder of Icon Ventures.
- (5) By virtue of Section 4 of the SFA, TMF Trustees is deemed interested in the shares held by Icon Ventures and Phileo Capital as Icon Ventures is a wholly-owned subsidiary of Phileo Capital, which is in turn 100% held by TMF Trustees.
- (6) Golden Ring Worldwide Ltd is solely owned by Tan Sri Wan Azmi bin Wan Hamzah.
- (7) By virtue of Section 4 of the SFA, Tan Sri Lee Oi Hian is deemed interested in the shares held by Champion Brave Sdn. Bhd. ("**Champion Brave**") as he is a 99.99% majority shareholder of Champion Brave.

- (8) The entire shares are held in the name of UOB Kay Hian Pte Ltd for Metra Nominees Sdn Bhd, appointed nominee for Casi Management Sdn Bhd (“**Casi**”).
- (9) By virtue of Section 4 of the SFA, Tan Sri Dato’ Surin Upatkoon is deemed interested in the shares held by Casi and Hanton Capital Limited (“**Hanton**”) as Casi is 92.72% owned by Hanton and Tan Sri Dato’ Surin Upatkoon is the ultimate beneficial owner.

#### **4 DIRECTORS’ RECOMMENDATIONS**

- 4.1 Both Mr Tong and Ms Tong, being an Associate of Mr Tong by way of their relationship as siblings, shall abstain from the Board’s review and determination, and making recommendations to Shareholders in relation to the proposed renewal of the IPT Mandate.
- 4.2 Having considered the scope, review procedures, rationale and benefits of the IPT Mandate as set out in the Appendix to this Addendum, the Independent Directors are unanimously of the opinion that the renewal of the IPT Mandate is in the best interests of the Company and accordingly recommend that Shareholders vote in favour of the Ordinary Resolution.

#### **5 ACTION TO BE TAKEN BY SHAREHOLDERS**

- 5.1 Shareholders who are unable to attend the AGM and who wish to appoint a proxy to attend and vote at the AGM on their behalf should complete, sign and return the proxy form attached to the Notice of AGM in accordance with the instructions printed therein as soon as possible and, in any event, so as to arrive at the Company’s Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road, #11-02 Singapore 068898, not later than forty-eight (48) hours before the time appointed for the AGM. The appointment of a proxy by a Shareholder does not preclude him from attending and voting in person at the AGM if he so wishes in place of the proxy. In such event, the relevant proxy forms will be deemed to be revoked.
- 5.2 A Depositor shall not be regarded as a member of the Company entitled to attend the AGM and to speak and vote thereat unless his name appears on the Depository Register maintained by CDP at least seventy-two (72) hours before the AGM.

#### **6 DIRECTORS’ RESPONSIBILITY STATEMENT**

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

## 7 INSPECTION OF DOCUMENTS

Copies of the following documents are available for inspection during normal office hours, on any weekday (public holidays excepted), at the registered office of the Company at 150 Cecil Street #08-01 Singapore 069543 from the date of this Addendum up to the date of the AGM:

- (a) the annual report of the Company for the financial year ended 31 December 2016; and
- (b) the Constitution.

Yours faithfully,

For and on behalf of the Board of Directors of  
**3Cnergy Limited**

Mr Yii Hung Due @ Bill Yii  
Lead Independent Director  
5 April 2017

## APPENDIX

### FURTHER INFORMATION ON THE IPT MANDATE FOR INTERESTED PERSON TRANSACTIONS

#### 1. Rationale for the IPT Mandate

The EAR Group being one of the more established real estate related services provider envisages that it will in its normal course of business enter into transactions involving the sale, purchase or supply of services and/or products to or from Interested Person(s). The Interested Person(s) such as Publiq Development Group, UPP Holdings Limited and The Edge Media Group are actively involved in the businesses of property development and investment and the provision of Advertising-related Services and would continually require services such as real estate agency services and Project Management Services for properties or development projects that are owned or to be owned by them and/or provide Advertising-related Services for the EAR Group's marketing purposes. The EAR Group therefore envisages that it is likely that such interested person transactions will occur with some degree of frequency and may arise at any time. In view of the time-sensitive and/or recurrent nature of such transactions, it is proposed that approval be obtained from the Shareholders for the renewal of the IPT Mandate for the EAR Group to enter into the categories of Interested Person Transactions set out in paragraph 5 below with the specified classes of Interested Person(s) as set out in paragraph 4 below, provided that such Interested Person Transactions are made on normal commercial terms, are not prejudicial to the interest of the Company and its minority Shareholders, and are in accordance with the review procedures for such Interested Person Transactions.

#### 2. Scope of the IPT Mandate

The IPT Mandate will cover Interested Person Transactions as set out in paragraph 5 below.

The IPT Mandate will not cover any transaction by 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 Catalist Rules would not apply to such transactions.

Transactions with other interested persons (other than the classes of Interested Persons detailed in paragraph 4 below) that do not fall within the ambit of the IPT Mandate will be subject to the relevant provisions of Chapter 9 of the Catalist Rules and/or other applicable provisions of the Catalist Rules.

#### 3. Benefit to Shareholders

The proposed renewal of the IPT Mandate, if approved by the Shareholders, will obviate the need for the Company to announce the entry by the EAR Group into each Interested Person Transaction that exceeds 3% of the Group's latest audited NTA, or to announce and convene separate general meetings on each occasion to seek Shareholders' prior approval for the entry by the EAR Group into such Interested Person Transactions that exceed 5% of the Group's latest audited NTA. This will substantially 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, will improve administrative efficacy considerably, and will allow manpower resources and time to be channelled towards attaining other business objectives available to the EAR Group.

The EAR Group will be able to maximize its business opportunities especially in transactions that are time-sensitive in nature, and the significant amount of administrative resources, time and expenses saved could be channelled towards attaining other corporate objectives. The provision of services to Interested Person(s) are also an additional source of revenue stream for the EAR Group which will help to bolster its market share within the industry, provided that such products and services are provided on normal commercial terms. Notwithstanding the above, Shareholders will be updated on the value of such Interested Person Transactions through the Company's interim and full-year financial statements and in its annual report.

#### **4. Classes of Interested Persons**

The IPT Mandate will apply to Interested Person Transactions (as described in paragraph 5 of below) which are carried out between the EAR Group with Mr Tong and/or his Associates (including Future Associates) such as:

- (a) Publiq Development Group;
- (b) UPP Holdings Limited; and
- (c) The Edge Media Group.

#### **5. Categories of Interested Person Transactions**

The EAR Group envisages that in the ordinary course of their business, a wide range of transactions between the EAR Group and the Interested Person(s) are likely to occur from time to time. Such transactions would include, but are not limited to:

##### **(a) Real Estate Agency Services**

The EAR Group may enter into contracts to provide real estate agency services such as the marketing and sale of industrial, commercial and/or residential properties owned by or that will be owned by the Interested Person(s).

The EAR Group, through its network of marketing agents will execute the sale, purchase and/or lease of properties that are owned or developed by or that will be owned or developed by the Interested Person(s).

The EAR Group may also market the properties owned or developed by the Interested Person(s) in Singapore or overseas solely or jointly with other real estate agencies. Such services may commence during the development phase of the properties and include the conduct of show-flat events to create awareness about the new development properties in Singapore and/or abroad.

##### **(b) Facilities Management Services**

The EAR Group may enter into contracts to provide facilities management services for industrial, commercial and/or residential properties owned by or that will be owned by the Interested Person(s). Such services include revenue management, occupancy improvements, cost management and property maintenance.

(c) Project Management Services

The EAR Group may provide services to Interested Person(s) in relation to property development projects which include:

- (i) Pre-planning/pre-development consultancy services such as marketing and pricing strategy and project financial feasibility assessment;
- (ii) Design and implementation services such as architectural design, provision of engineering expertise and construction management services; and
- (iii) Post-completion services such as rectification of defects and conduct post-mortem review of the project development project.

(collectively, “**Project Management Services**”)

The nature, project scope, duration and the transaction values of the Project Management Services is dependent on, inter alia, the size of the land and the projected development value or cost of the land by the owner. Due to the nature of the Project Management Services, it is envisaged that the duration of such transaction between Interested Person(s) will spread over several years and payment from the Interested Person(s) to the EAR Group will be based on an agreed payment schedule stipulated in the contracts or agreements upon meeting specific milestones.

(d) Purchase of Advertising-related Services from The Edge Media Group

The EAR Group may from time to time purchase advertising or other media spaces and slots, and/or other services for promotional, marketing, data mining and analytic purposes (collectively, “**Advertising-related Services**”) from The Edge Media Group which publishes *The Edge Singapore*, *The Edge Malaysia*, *The Edge Financial Daily*, *TheEdgeProperty.com* and has an online presence through its websites, [theedgemarkets.com](http://theedgemarkets.com) and [theedgeproperty.com](http://theedgeproperty.com).

(e) Financial Assistance and Services

The EAR Group may provide and/or obtain financial assistance and services to or from the Interested Person(s), which include (but are not limited to) the lending or borrowing of funds and provision or receipt of corporate guarantees or other credit support (such as securities interests, indemnities or letters of comfort).

(f) Lease of Properties or Spaces

The EAR Group may lease to or from the Interested Person(s) properties or spaces including (but not limited to) industrial, commercial and/or residential properties or spaces.

(g) Secondment of Staff

From time to time, secondment of staff might take place between the EAR Group and the Interested Person(s) to meet the respective company’s operational needs and/or expertise requirements (for example, in the areas of management and technical knowledge or know-how).

(h) Corporate-related Services

The EAR Group may provide and/or obtain corporate-related services to or from the Interested Person(s), which include (but are not limited to) rental of meeting facilities, and finance and accounting services.

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 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 Catalist Rules would not apply to such transactions. Finally, transactions with other interested persons (other than the classes of Interested Persons detailed in paragraph 4 above) that do not fall within the ambit of the IPT Mandate will be subject to the relevant provisions of Chapter 9 of the Catalist Rules and/or other applicable provisions of the Catalist Rules.

## 6. 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 Transactions are carried out on an arm's length basis, on normal commercial terms, are in the interest of the Company and are not prejudicial to the interests of the Company and the minority Shareholders, the EAR Group proposes to implement the following review procedures for the Interested Person Transactions:

- (i) all Interested Person Transactions shall be conducted in accordance with the usual business practices and policies of the EAR Group, consistent with the usual margins or prices or rates extended to or received by the EAR Group for the same or substantially similar type of services or products between the EAR Group and unrelated third parties and the terms are not less favourable to the EAR Group compared to those extended to or received from unrelated third parties;
- (ii) where possible and practicable, the EAR Group will use its reasonable endeavours to make comparisons with at least two other invoices issued to or quotes received from unrelated third parties for the same or substantially similar type of transactions. In the event where it is impossible or impracticable to obtain comparable prices of contemporaneous transactions of similar services due to the customisation or nature of services to be provided to the Interested Person, an executive director of the relevant company within the EAR Group and the Head of Finance (both of whom must have no interest, direct or indirect, in the Interested Person Transaction) will, subject to the Approval Thresholds as set out in paragraph 6(b) below, evaluate and weigh the benefits of, and rationale for transacting with the Interested Person, taking into account factors such as, but not limited to, the nature and scope of services, customer requirements and specifications, duration of contract, credit standing and the EAR Group's then prevailing capacity and resources;
- (iii) where the EAR Group is providing or receiving services to an Interested Person or leasing properties or spaces to or from an Interested Person, the margins, prices or rates of such transactions are not less favourable to the EAR Group compared to those provided to or received from unrelated third parties;



- (iv) subject to and in accordance with paragraphs 6(a)(i) and/or (ii) above, due to the nature and duration for transactions relating to the provision of Project Management Services to Interested Person(s), the payment schedule stipulated in the contracts or agreements should be in accordance and consistent with the EAR Group's usual practices and policies extended to unrelated third parties for the same or substantially similar type of Project Management Services and the payment terms and/or schedules are not less favourable to the EAR Group compared to those extended to unrelated third parties;
- (v) in the case of financial assistance or services to or from an Interested Person, the interest rates and conditions shall not be less favourable to the EAR Group than those quoted by financial institutions in relation to provision or receipt of loans. In relation to provision of guarantees, indemnities or security to or by the Interested Person, any commission rates (if any) which are chargeable to or by the Interested Person shall be at rates no less favourable to the EAR Group than that quoted by financial institutions. Prior to the entry of such transaction(s) with the Interested Person, contemporaneous quotes should be obtained (wherever possible or available) from at least two licensed 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 loaned or borrowed or the guarantees, indemnity or security to be given or obtained by the Interested Person;
- (vi) subject to and in accordance with paragraphs 6(a)(i) and/or (ii) above, in the case of the lease of properties or spaces to or from an Interested Person, the EAR Group shall take appropriate steps to ensure that such lease or rental payable is commensurate with the prevailing market rates, including adopting measures such as making relevant enquiries regarding similar properties or spaces and obtaining necessary reports or reviews published by property agents or independent valuers, where considered appropriate. In the case of lease from or to an Interested Person, the amount of rent payable or receivable shall be not be less favourable to the EAR Group than those rates extended to or received from unrelated third parties for a similar property in terms of size, location, quality of premise, services provided, credit terms and deposits needed; and
- (vii) in the case of the secondment of staff to or from an Interested Person (being an entity), the salary of the seconded staff payable shall be determined on a pro-rated basis and based on his or her existing salary (including bonuses or other monetary benefit), and the seconded staff shall be entitled to other accompanying terms and conditions of employment under his or her employment contract. The head of the human resources department of the Group (who must not have any interest, direct or indirect, in the Interested Person Transaction) shall approve such secondment after considering, inter alia, (i) the needs of the EAR Group and its projects; (ii) the availability of the staff; and (iii) the expertise of the staff. In the event that the head of human resources department has any interest, direct or indirect, the Head of Finance shall approve such secondment.

(b) Approval Thresholds

In addition to the review procedures, the following approval procedures will be implemented to supplement existing internal control procedures for Interested Person Transactions to ensure that such transactions are undertaken on an arm's length basis and on normal commercial terms and are not prejudicial to the Company and its minority shareholders:

(i) Category 1 threshold

Real Estate Agency Services, Facilities Management Services and Project Management Services

The Category 1 threshold shall apply where the aggregate value of the Interested Person Transaction(s) in relation to the respective provision of Real Estate Agency Services, Facilities Management Services and Project Management Services entered into with the same Interested Person within a financial year of the Company is equal to or exceeds S\$1,000,000. Such transaction(s) must be reviewed and approved by the Audit Committee before the Interested Person Transaction(s) is entered into.

Other Interested Person Transactions

Save for the Real Estate Agency Services, Facilities Management Services and Project Management Services, the Category 1 threshold shall apply where the aggregate value of other Interested Person Transaction(s) entered into with the same Interested Person within a financial year of the Company is equal to or exceeds S\$500,000. Such transaction(s) must be reviewed and approved by the Audit Committee before the Interested Person Transaction(s) is entered into.

(ii) Category 2 threshold

Real Estate Agency Services, Facilities Management Services and Project Management Services

The Category 2 threshold shall apply where the aggregate value of the Interested Person Transaction(s) in relation to the respective provision of Real Estate Agency Services, Facilities Management Services and Project Management Services entered into with the same Interested Person within a financial year of the Company is equal to or exceeds S\$100,000 but is less than S\$1,000,000. Such transaction(s) must be reviewed and approved by an executive director of the relevant company within the EAR Group and the Head of Finance (both of whom must have no interest, direct or indirect, in the Interested Person Transaction). For the avoidance of doubt, such transaction does not require the prior approval of the Audit Committee but shall be reviewed on a half-yearly basis by the Audit Committee.

Other Interested Person Transactions

Save for the Real Estate Agency Services, Facilities Management Services and Project Management Services, the Category 2 threshold shall apply where the aggregate value of other Interested Person Transaction(s) entered into with the same Interested Person within a financial year of the Company is equal to or exceeds S\$100,000 but is less than S\$500,000. Such transaction(s) must be reviewed and approved by an executive director of the relevant company within the

EAR Group and the Head of Finance (both of whom must have no interest, direct or indirect, in the Interested Person Transaction). For the avoidance of doubt, such transaction does not require the prior approval of the Audit Committee but shall be reviewed on a half-yearly basis by the Audit Committee.

The 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 EAR Group's day-to-day operations, administration and businesses. The thresholds are arrived at as a result of the balancing exercise after considering the operational efficiency for the day-to-day business operations of the EAR Group and the internal controls for Interested Person Transactions. The 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 or her, he or she will abstain from any decision making in respect of that transaction.

## **7. Register of Interested Person Transactions**

The Company will maintain a register of all Interested Person Transactions (the "**IPT Register**") including the Interested Person Transactions carried out with Interested Person(s) 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 list of Associates, 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. For the avoidance of doubt, all Interested Person Transactions, including Interested Person Transactions below S\$100,000, shall be recorded in the IPT Register.

The IPT Register shall be prepared, maintained and monitored by the Head of Finance of the Company, who shall not be interested in any of the Interested Person Transactions and who is duly delegated to do so by the Audit Committee. The IPT Register will be reviewed by the internal auditors of the Company on an annual basis to ascertain that the procedures established to monitor the Interested Person Transactions (including the review procedures set out in paragraphs 6(a) and 6(b) of this Appendix to the Addendum which are proposed to be established in respect of the Interested Person Transactions) have been complied with.

## **8. Half-Yearly Review by the Audit Committee**

The Audit Committee shall review the IPT Register and any accompanying reports 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 review procedures set out in paragraphs 6(a) and 6(b) of this Appendix to the Addendum 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 an arm's length basis and on the Company's normal commercial terms and hence, will not be prejudicial to the interests of the Company and its minority Shareholders.

If a member of the Audit Committee has an interest in an Interested Person Transaction to be reviewed by the Audit Committee, he will abstain from voting on any resolution, and/or any decision and/or any review of the established review procedures in respect of that Interested Person Transaction. Approval of that Interested Person Transaction will be undertaken by the remaining members of the Audit Committee.

In addition, the Board will also ensure that all disclosure, approvals and other requirements on Interested Person Transactions, including those required by prevailing legislation, the Catalist Rules and relevant accounting standards, are complied with.

#### **9. Validity Period of the IPT Mandate**

The IPT Mandate, if renewed, will take effect from the passing of the Ordinary Resolution at the AGM, and will (unless revoked or varied by the Company in general meeting) continue in force until the next annual general meeting or the date by which the next annual general meeting is required by law to be held, whichever is earlier. Approval from the Shareholders will be sought for the renewal of the IPT Mandate at the next annual general meeting and at each subsequent annual general meeting or the date by which the next annual general meeting of the Company is required by law to be held, subject to satisfactory review by the Audit Committee of its continued application to the transactions with the Interested Person(s).