

SUTL ENTERPRISE LIMITED

(Company No.: 199307251M)
(Incorporated in the Republic of Singapore)

Directors:

Lew Syn Pau, *Chairman (Non-Executive) and Independent Director*
Tay Teng Guan Arthur, *Executive Director and Chief Executive Officer*
Tay Teng Hock, *Non-Executive Director*
Chan Kum Tao, *Non-Executive Director*
Ng Teck Sim Colin, *Independent Director*

Registered Office:

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13 April 2016

To: The Shareholders of SUTL Enterprise Limited

Dear Sir/Madam

ADDENDUM RELATING TO THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE AND THE PROPOSED RENEWAL OF THE MANDATE FOR RECURRING INTERESTED PERSON TRANSACTIONS

1. INTRODUCTION

- 1.1 SUTL Enterprise Limited (the “**Company**”) has on 13 April 2016 issued a Notice convening the Twenty-Second Annual General Meeting of the shareholders of the Company (the “**Shareholders**”) to be held on 28 April 2016 (the “**Twenty-Second AGM**”).
- 1.2 The proposed Resolution 8 in the Notice of the Twenty-Second AGM relates to the renewal of a general mandate (the “**Share Purchase Mandate**”) to authorise the directors of the Company (the “**Directors**”) to make purchases of ordinary shares in the capital of the Company (the “**Shares**”) representing up to a maximum of ten (10) per cent. of the total number of issued Shares (excluding any Shares held as treasury shares) as at the date of the last annual general meeting or the date on which the resolution authorising the same is passed, whichever is the higher, unless the Company has effected a reduction of the share capital of the Company in which event the number of issued ordinary shares of the Company shall be taken to be the number of the issued ordinary shares of the Company as altered (excluding any Shares held as treasury shares), at a price of up to but not exceeding the Maximum Price (as defined in Section 2.1 below), in accordance with the “Guidelines on Share Purchases” as set out in Appendix A hereto (the “**Guidelines on Share Purchases**”). Details pertaining to the Share Purchase Mandate are set out in Section 2 below.
- 1.3 The proposed Resolution 9 in the Notice of the Twenty-Second AGM relates to the renewal of the general mandate (the “**IPT Mandate**”) to authorise the Company and its Subsidiaries or any of them to enter into any of the transactions falling within the categories of interested person transactions described within this Addendum, provided that such transactions are made on normal commercial terms in accordance with the guidelines and procedures for review and administration of the interested persons transactions as described in this Addendum. Details pertaining to the IPT Mandate are set out in Section 3 below.
- 1.4 The purpose of this Addendum is to provide information relating to and to explain the rationale for the proposed renewal of the Share Purchase Mandate and the proposed renewal of the IPT Mandate.
- 1.5 The Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Addendum. If a Shareholder is in any doubt as to the action he should take, he should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

2. PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

2.1 Authority and Limits of the Share Purchase Mandate

The Share Purchase Mandate, when granted, will authorise the Directors, from time to time, to purchase Shares either through market purchases (the “**Market Purchases**”) or off-market purchases on an equal access scheme as defined in Section 76C of the Companies Act (the “**Off-Market Purchases**”) of up to a maximum of ten (10) per cent. of the total number of issued Shares (excluding any Shares held as treasury shares) as at the date of the last annual general meeting or the date on which the resolution authorising the same is passed, whichever is the higher, unless the Company has effected a reduction of the share capital of the Company in which event the number of issued ordinary shares of the Company shall be taken to be the number of the issued ordinary shares of the Company as altered (excluding any Shares held as treasury shares), and at a price up to but not exceeding the Maximum Price as defined below.

The purchase price (excluding ancillary expenses such as related brokerage, goods and services tax, stamp duties and clearance fees) to be paid for the Shares shall be determined by the Directors, provided that such price must not exceed the maximum price (the “**Maximum Price**”) of five (5) per cent. above the average of the closing market prices of the Shares over the last five (5) market days on which transactions in the Shares were recorded, before the day on which the Market Purchase was made by the Company or the day on which the Company makes an announcement of an offer under the Off-Market Purchase scheme (as the case may be), and deemed to be adjusted for any corporate action that occurs after the relevant period of five (5) market days.

The Share Purchase Mandate will expire at the earliest of:

- (a) the date on which the next annual general meeting of the Company is or is required by law to be held, whichever is the earlier;
- (b) the date on which the purchases or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent authorised under the Share Purchase Mandate; or
- (c) the effective date on which the authority conferred in the Share Purchase Mandate is varied (as to the duration of the Share Purchase Mandate) or revoked by the Shareholders in general meeting.

2.2 Rationale for the Share Purchase Mandate

The Share Purchase Mandate will give the Directors the flexibility to purchase Shares when circumstances permit, with the objective of enhancing the earnings per share and/or net asset value per share of the Company and its subsidiaries (collectively, the “**Group**”). Such flexibility will also allow the Directors to better manage the Company’s capital structure, dividend payout and cash reserves, and to return surplus cash over and above its capital requirements in an expedient and cost-effective manner.

The Share Purchase Mandate will thus provide the Company with an efficient mechanism to enhance returns to Shareholders when circumstances permit. Share purchases will only be effected when the Directors are of the view that such Share purchases will benefit the Company and its Shareholders.

2.3 Source of Funds

The Company may only apply funds for the purchase of Shares as provided in the Constitution of the Company (the “**Constitution**”), the Guidelines on Share Purchases and in accordance with the applicable laws in Singapore. The Company may not purchase its Shares for a consideration other than cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with SGX-ST’s trading rules. The Company intends to use its internal sources of funds to finance its purchase or acquisition of Shares. The Company does not intend to obtain or incur any borrowings to finance the purchase of its Shares.

The Company may purchase or acquire its Shares out of the Company's capital or distributable profits so long as the Company is solvent. This means that there must be no ground on which the Company could be found to be unable to pay its debts and the Company must be able to pay its debts as they fall due in the normal course of business during the period of 12 months immediately after purchasing its Shares. In addition, the value of the Company's assets must not be less than the value of its liabilities (including contingent liabilities) before and after it purchases or acquires its Shares.

2.4 Financial Impact of the Share Purchase Mandate

The impact of the Share Purchase Mandate on the Company's financial position is set out below:

The total number of issued Shares in the Company as at 31 March 2016, being the latest practicable date prior to the printing of this Addendum (the "**Latest Practicable Date**"), is 86,460,602 Shares and the exercise in full of the Share Purchase Mandate would result in the purchase of up to 8,646,060 Shares.

All Shares which are purchased or acquired by the Company shall be held by the Company as treasury shares which may be used for the purpose stated in the Companies Act, unless the Company elects that such Shares shall be cancelled immediately on the purchase or acquisition.

Treasury shares are ordinary shares or stocks purchased or otherwise acquired by a company in accordance with Sections 76B to 76G of the Companies Act and which have been held by the Company continuously since the treasury shares were so purchased, and the Company shall be entered in the Register of Members as the member holding those Shares. The number of Shares held as treasury shares cannot at any time exceed ten (10) per cent. of the total number of issued ordinary shares in the capital of the Company.

The treasury shares shall be treated as having no voting rights and shall not be entitled to any dividend or other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up). However, an allotment of shares as fully paid bonus shares in respect of the treasury shares is allowed. Also, a subdivision or consolidation of any treasury share into treasury shares of a smaller amount is also allowed if the total value of the treasury shares after the subdivision or consolidation is the same as before the subdivision or consolidation, as the case may be.

Treasury shares may be held by the Company or may be sold, transferred or cancelled in accordance with Section 76K of the Companies Act. Under Section 76K of the Companies Act, where the purchased or acquired Shares are held as treasury shares, the Company may at any time:

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

In addition, under Rule 704(28) of the Listing Manual of the SGX-ST (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 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.

If the purchased Shares will be cancelled, the issued share capital of the Company will be reduced by the corresponding purchase price of the purchased Shares. Accordingly, the net tangible assets of the Company and the Group will be reduced by the dollar value of the Shares purchased.

The financial impact on the Group arising from purchases or acquisition of Shares which may be made pursuant to the Share Purchase Mandate will depend on, *inter alia*, the aggregate number of Shares purchased or acquired and the consideration paid at the relevant time.

Based on the issued and paid-up share capital of the Company as at the Latest Practicable Date, assuming that the Company purchases 8,646,060 Shares at the Maximum Price of \$0.42 per Share (being the price equivalent of five (5) per cent. above the average of the closing market prices of the Shares for the five (5) consecutive market days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 8,646,060 Shares (excluding ancillary expenses such as related brokerage, goods and services tax, stamp duties and clearance fees) is approximately \$3,631,345.

For illustrative purposes only and on the basis of the assumption 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 Company for the financial year ended 31 December 2015 is set out below and assuming the following:

- (a) the purchase or acquisition of 8,646,060 Shares by the Company pursuant to the Share Purchase Mandate by way of Market Purchases made entirely out of profits and/or capital and held in treasury; and
- (b) the purchase or acquisition of 8,646,060 Shares by the Company pursuant to the Share Purchase Mandate by way of Market Purchases made entirely out of profits and/or capital and cancelled.

Scenario (a)

Market purchases of up to a maximum of 10% out of profits and/or capital and held in treasury.

Treasury	Group		Company	
	Before share purchase	After share purchase	Before share purchase	After share purchase
Issued capital and reserves (\$'000)	50,251	50,251	42,509	42,509
Treasury Shares (\$'000)	–	(3,631)	–	(3,631)
Net Tangible Assets(\$'000)	50,251	46,620	42,509	38,878
Current Assets(\$'000)	60,548	56,917	31,518	27,887
Current Liabilities(\$'000)	23,910	23,910	8,814	8,814
Net Borrowings/(Cash)(\$'000)	(34,540)	(30,909)	(31,058)	(27,427)
Number of Shares (as at the Latest Practicable Date)	86,460,602	77,814,542	86,460,602	77,814,542
NTA/Share (cents)	58.12	59.56	49.17	49.96
Profit/(loss) per share (cents)	4.14	4.60	(0.03)	(0.03)
Gearing ratio (times)	–	–	–	–
Current ratio (times)	2.53	2.38	3.58	3.16

Scenario (b)

Market purchases of up to a maximum of 10% out of profits and/or capital and cancelled.

Cancelled	Group		Company	
	Before share purchase	After share purchase	Before share purchase	After share purchase
Issued capital and reserves (\$'000)	50,251	46,620	42,509	38,878
Net Tangible Assets(\$'000)	50,251	46,620	42,509	38,878
Current Assets(\$'000)	60,548	56,917	31,518	27,887
Current Liabilities(\$'000)	23,910	23,910	8,814	8,814
Net Borrowings/(Cash) (\$'000)	(34,540)	(30,909)	(31,058)	(27,427)
Number of Shares (as at the Latest Practicable Date)	86,460,602	77,814,542	86,460,602	77,814,542

Notes:

1. Net Tangible Assets equals Total assets less goodwill, intangible assets and net assets attributable to non-controlling interest
2. Net Borrowings equal loan from financial institution and convertible bonds less cash
3. Net Gearing Ratio equals Net Borrowings divided by Shareholders' Fund
4. Current Ratio equals Current Assets divided by Current Liabilities
5. Profit Per Share equals profit from continuing operation net of tax attributable to the Company's shareholders divided by Number of shares

Shareholders should note that the financial effects set out above, based on the respective aforesaid assumptions, are for illustration purposes only. In particular, it is important to note that the above analysis is based on historical audited numbers for the financial year ended 31 December 2015, and are not necessarily representative of future financial performance.

The Directors emphasise that they do not propose to exercise the Share Purchase Mandate to the extent that it will have a material adverse impact on the gearing of the Group and the Company. The Share Purchase Mandate will be exercised in accordance with the Guidelines on Share Purchases and the Directors will be prudent in exercising the Share Purchase Mandate and only to such extent which the Directors believe will be beneficial to the Group and the Shareholders from time to time giving consideration to the prevailing market conditions, the financial position of the Group and other relevant factors.

2.5 Take-over Code Implications Arising from Share Purchases

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

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal) co-operate, 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 following persons will be presumed to be acting in concert, namely (a) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts) and (b) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies, and companies of which such companies are associated companies, all with one

another. For this purpose, ownership or control of at least twenty (20) per cent., but not more than fifty (50) per cent., of the voting rights of a company will be regarded as the test of associated company status.

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

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Directors and their concert parties would increase to thirty (30) per cent. or more, or if the voting rights of such Directors and their concert parties fall between thirty (30) per cent. and fifty (50) per cent. of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than one (1) per cent., in any period of six (6) months. Where the concert party group holds over fifty (50) per cent. of the Company's voting rights, no obligation to make a take-over offer under Rule 14 normally arises from acquisitions by any member of the concert party group.

Based on the Register of Directors of the Company, as at the Latest Practicable Date, the shareholdings of the Directors of the Company before and (assuming (a) the Company purchases the maximum amount of ten (10) per cent. of the total number of issued Shares (excluding any Shares held as treasury shares), and (b) there is no change in the number of Shares held or deemed to be held by the Directors) after the purchase by the Company of ten (10) per cent. of the total number of issued Shares (excluding any Shares held as treasury shares) pursuant to the Share Purchase Mandate were/will be as follows:

Name of Director	Before Share Purchase			After Share Purchase		
	Direct Interest	Deemed Interest	Total Interest	Direct Interest	Deemed Interest	Total Interest
	%	%	%	%	%	%
Lew Syn Pau	0.12	0.05	0.17	0.13	0.06	0.19
Tay Teng Guan Arthur	–	54.80	54.80	–	60.89	60.89
Ng Teck Sim Colin	–	–	–	–	–	–
Tay Teng Hock	–	–	–	–	–	–
Chan Kum Tao	–	–	–	–	–	–

Based on the above information and at the Latest Practicable Date, as Tay Teng Guan Arthur (together with persons acting in concert with him) has aggregate voting rights of the Company of more than fifty (50) per cent., the increase in his shareholdings and voting rights in the event the Company purchases the maximum amount of ten (10) per cent. of the total number of issued Shares (excluding Shares held as treasury shares) of the Company under the Share Purchase Mandate, will not result in him and persons acting in concert with him being obligated to make a mandatory offer under Rule 14 of the Takeover Code. None of the Directors (together with persons acting in concert with them) will become obliged to make a take-over offer under Rule 14 and Appendix 2 of the Take-over Code in the event that the Company purchases the maximum amount of ten (10) per cent. of the total number of issued Shares (excluding Shares held as treasury shares) of the Company under the Share Purchase Mandate.

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 in the Company would increase to thirty (30) per cent. or more, or, if such Shareholder holds between thirty (30) per cent. and fifty (50) per cent. of the Company's voting rights, the voting rights of such Shareholder would increase by more than one (1) per cent. in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Company to purchase or acquire its Shares, unless so required under the Companies Act.

Under Appendix 2 of the Take-over Code, in general, Shareholders will be subject to the provisions of Rule 14 if they acquire voting shares after the Company's share buy-back.

Based on the Register of Substantial Shareholders of the Company, as at the Latest Practicable Date, the shareholdings of the substantial shareholders of the Company before and (assuming (a) the Company purchases the maximum amount of ten (10) per cent. of the total number of issued shares (excluding Shares held as treasury shares) of the Company, and (b) there is no change in the number of Shares held or deemed to be held by the substantial shareholders) after the purchase by the Company of ten (10) per cent. of the total number of issued Shares (excluding Shares held as treasury shares) of the Company pursuant to the Share Purchase Mandate were/will be as follows:

Name of substantial shareholder	Before Share Purchase			After Share Purchase		
	Direct Interest	Deemed Interest	Total Interest	Direct Interest	Deemed Interest	Total Interest
	%	%	%	%	%	%
SUTL Global Pte. Ltd.	54.80	–	54.80	60.89	–	60.89
Tay Teng Guan Arthur ^(a)	–	54.80	54.80	–	60.89	60.89

Note:-

- (a) The deemed interest of Mr Arthur Tay of 54.80% of the issued shares of the Company arises out of the shares in which SUTL Global Pte. Ltd. has an interest in.

Based on the above information and at the Latest Practicable Date, as SUTL Global Pte. Ltd. (together with persons acting in concert with it, including Tay Teng Guan Arthur) has aggregate voting rights of the Company of more than fifty (50) per cent., the increase in their shareholdings and voting rights in the event the Company purchases the maximum amount of ten (10) per cent. of the total number of issued Shares (excluding Shares held as treasury shares) of the Company under the Share Purchase Mandate, will not result in them and persons acting in concert with them being obligated to make a mandatory offer under Rule 14 of the Takeover Code. None of the substantial shareholders of the Company would become obliged to make a take-over offer for the Company under Rule 14 and Appendix 2 of the Take-over Code in the event the Company purchases the maximum amount of ten (10) per cent. of the total number of issued Shares (excluding Shares held as treasury shares) of the Company under the Share Purchase Mandate.

The Directors are also not aware of any Shareholder or group of Shareholders acting in concert who may become obliged to make a mandatory offer in the event that the Directors exercise the Share Purchase Mandate.

Shareholders are advised to consult their professional advisers and/or the Securities Industry Council and/or the relevant authorities at the earliest opportunity as to whether they would incur any obligation to make a take-over offer as a result of any purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate.

2.6 Disclosure Requirements For Substantial Shareholders

The disclosure of interests requirements in listed entities by a substantial shareholder are set out in Part VII of the Securities and Futures Act.

Under the Securities and Futures Act, a substantial shareholder in a company is defined as a person who has an interest or interests in one or more voting shares (excluding treasury shares) in the company and the total votes attached to that share, or those shares, is not less than five (5) per cent. of the total votes attached to all the voting shares (excluding treasury shares) in the company.

Shareholders should note that a purchase of Shares by the Company may inadvertently cause the percentage shareholding of Shareholders, particularly Shareholders whose current holding of Shares is close to five (5) per cent. to become a substantial shareholder in the Company for the purposes of the Securities and Futures Act.

2.7 Listing Status on SGX-ST

The Directors will use their best efforts to ensure that the Company does not effect a purchase of Shares if the purchase of Shares would result in the number of Shares remaining in the hands of the public falling to such a level as to cause market illiquidity or adversely affect the listing status of the Company.

Under Rule 723 of the Listing Manual, a company should ensure that at least ten (10) per cent. of a class of its listed securities is at all times held by the public (as defined in the Listing Manual).

As at the Latest Practicable Date, 45.20 per cent. of the issued share capital of the Company is held by the public. The Company is as such of the view that there is currently a sufficient number of Shares in issue held by public Shareholders which would permit the Company to effect a purchase of up to ten (10) per cent. of the total number of issued Shares (excluding Shares held as treasury shares) of the Company pursuant to the Share Purchase Mandate without affecting the listing status of the Shares on the SGX-ST. Before deciding to effect a purchase of Shares, the Directors will also ensure that, notwithstanding such purchase, a sufficient float in the hands of the public will be maintained to provide for an orderly market for trading in the Shares.

2.8 Shares Purchased in the Previous 12 Months

The Company did not purchase any Shares in the twelve (12) months preceding the Latest Practicable Date.

3. THE PROPOSED RENEWAL OF THE IPT MANDATE FOR RECURRING INTERESTED PERSON TRANSACTIONS

3.1 Background

At the extraordinary general meeting of the Company held on 29 April 2011, approval of the shareholders of the Company (the “**Original IPT Mandate**”) was obtained for, *inter alia*, authorising the ListCo EAR Group (as defined in Section 3.6 of this Addendum) to enter into certain interested person transactions with the SUTL Group (as defined in Section 3.4 of this Addendum), as more particularly set out in Sections 3.5 and 3.9 of this Addendum. At the annual general meeting of the Company held on 30 April 2015 (the “**Previous AGM**”), the Original IPT Mandate was last renewed (the “**Previous IPT Mandate**”).

The Previous IPT Mandate was expressed to take effect until the conclusion of the next annual general meeting of the Company, and was to apply in respect of the interested person transactions entered or to be entered into from the date of the Previous AGM until the next annual general meeting of the Company, unless revoked or varied by the Company in general meeting. Therefore, the Directors are seeking approval from Shareholders for the proposed renewal of the IPT Mandate at the Twenty-Second AGM of the Company.

SUTL Global Pte. Ltd. became a controlling shareholder (as defined in the Listing Manual, see Section 3.3 of this Addendum) of the Company on 9 December 2009. As at the Latest Practicable Date, SUTL Global Pte. Ltd. is directly interested in an aggregate of 47,377,642 Shares, representing approximately 54.80 per cent. of the issued share capital of the Company. Accordingly, transactions entered into between the ListCo EAR Group and SUTL Group (as defined in Section 3.4 of this Addendum), are considered to be interested person transactions within the meaning of Chapter 9 of the Listing Manual.

The rationale and benefits for, the scope, the review procedures and the classes of interested persons in respect of the IPT Mandate are set out below. The proposed IPT Mandate, if adopted, will be subject to the validity period as set out in Section 3.7.

3.2 Overview of the Group and SUTL Global Pte. Ltd.

(a) Overview of the Group

The Company was incorporated in Singapore on 3 November 1993 and was listed on the main board of the SGX-ST in June 2000. The core business of the Group previously included the marketing and distribution of IT Peripherals, including internal & external hard disk drives, memory chips and PC motherboard. Following the completion of the acquisition of the entire issued and paid-up share capital of SUTL Marina Development Pte. Ltd. and ONE15 Luxury Yachting Pte. Ltd. by the Company on 10 June 2015, and the completion of the disposal of all of the shares of Achieva Technology Pte Ltd held by the Company to SCE Enterprise Pte. Ltd. on 27 January 2016, the current core business of the Group includes the operation of the ONE^o15 Marina Club located at Sentosa Cove and the operation of third party yachts chartering services at the ONE^o15 Marina Club.

(b) Overview of SUTL Group (as defined in Section 3.4 of this Addendum)

SUTL Global Pte. Ltd. was incorporated in Singapore on 2 October 2002. The SUTL Global Pte. Ltd.'s principal activities are those relating to investment holding while the core business of the SUTL Group comprises 2 distinct segments: (i) consumer goods and travel retail supply; and (ii) leisure and lifestyle products and services. SUTL Group's business traverses across Asia, including Cambodia, China, Hong Kong, Indian Sub-Continent, Myanmar, Vietnam, Mongolia and Singapore.

3.3 General information on Chapter 9 of the Listing Manual

Under Chapter 9 of the Listing Manual, where a listed company or any of its subsidiary or associated companies is an "entity at risk" (as defined below) and proposes to enter into a transaction (as defined below) with the listed company's "interested persons" (as defined below), an immediate announcement, or an immediate announcement and shareholders' approval, will be required in respect of the transaction if the value of the transaction is equal to or exceeds the thresholds set out in Chapter 9 of the Listing Manual.

In particular, an immediate announcement is required where:

- (a) the transaction is of a value equal to, or more than, three (3) per cent. of the latest audited consolidated net tangible assets ("**NTA**") of the listed company and its subsidiary companies; or
- (b) the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to three (3) per cent. or more of the latest audited consolidated NTA of the listed company and its subsidiary companies. An announcement will also have to be made immediately of the latest transaction and all future transactions entered into with the same interested person during the financial year; and

Shareholders' approval (in addition to an immediate announcement) is required where:

- (a) the transaction is of a value equal to, or more than, five (5) per cent. of the latest audited consolidated NTA of the listed company and its subsidiary companies; 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, five (5) per cent. of the latest audited consolidated NTA of the listed company and its subsidiary companies. The aggregation will exclude any transaction that has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders.

For the purposes of aggregation, any interested person transaction which is below \$100,000 is to be excluded.

For illustration purposes, based on the audited consolidated accounts of the Group for FY2015, the audited consolidated NTA of the Group as at 31 December 2015 was about \$52.88 million. Accordingly, in relation to the Group, for the purposes of Chapter 9 of the Listing Manual in the current financial year, Shareholders' approval will be required where:

- (a) the transaction is of a value equal to, or more than, \$2.64 million, being five (5) per cent. of the latest audited consolidated NTA of the Group; 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, \$2.64 million, being five (5) per cent. of the latest audited consolidated NTA of the Group.

Chapter 9 of the Listing Manual also provides that a listed company may 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 which may be carried out with the listed company's interested persons, but not in respect of the purchase or sale of assets, undertakings or businesses.

For the purposes of Chapter 9 of the Listing Manual:

- (a) an "**approved exchange**" means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Listing Manual;
- (b) an "**associate**" means:
 - (i) in relation to any director, chief executive officer or controlling shareholder (being an individual):
 - (1) his immediate family member (that is, the person's spouse, child, adopted child, step-child, sibling and parent);
 - (2) 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
 - (3) any company in which he and his immediate family together (directly or indirectly) have an interest of thirty (30) per cent. or more;
 - (ii) in relation to a controlling shareholder (being a company), its subsidiary or holding company or a subsidiary company of such holding company or a company in which it and/or they taken together (directly or indirectly) have an interest of thirty (30) per cent. or more;

- (c) “**control**” means the capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company;
- (d) a “**controlling shareholder**” in relation to a listed company means a person who:
 - (i) holds directly or indirectly fifteen (15) per cent. or more of the total number of issued shares excluding treasury shares in the company (unless the SGX-ST has determined such a person not to be a controlling shareholder of the company); or
 - (ii) in fact exercises control over the company,
 or such other definition as the SGX-ST may from time to time determine;
- (e) an “**entity at risk**” means:
 - (i) the listed company;
 - (ii) a subsidiary company 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 group, or the listed group and its interested person(s), has control over the associated company;
- (f) an “**interested person**” means:
 - (i) a director, chief executive officer or controlling shareholder of the listed company; or
 - (ii) an associate of such director, chief executive officer or controlling shareholder;
- (g) an “**interested person transaction**” means a transaction between an entity at risk and an interested person; and
- (h) a “**transaction**” includes the provision or receipt of financial assistance, the acquisition, disposal or leasing of assets, the provision or receipt of services, the issuance or subscription of securities, the granting of or being granted options, and the establishment of joint ventures or joint investments, whether or not in the ordinary course of business, and whether or not entered into directly or indirectly.

3.4 Details of interested persons

The IPT Mandate will apply to the interested person transactions which are carried out with the following classes of interested persons:-

- (a) SUTL Global Pte. Ltd.; and
- (b) SUTL Global Pte. Ltd.’s associates (as defined in the Listing Manual, see Section 3.3 of this Addendum),

(together, the “**SUTL Group**”).

SUTL Global Pte. Ltd. is (i) a controlling shareholder of the Company; and (ii) an associate of Mr Tay Teng Guan Arthur and Mr Tay Teng Hock (who are the Directors of the Company).

3.5 Rationale for, and benefits of, the proposed IPT Mandate

It is anticipated that the ListCo EAR Group would, in the ordinary course of its business, enter into certain transactions with its interested persons. It is likely that such transactions will occur with some degree of frequency and could arise at any time. Such transactions are described in Section 3.8 below.

Owing to the time-sensitive nature of commercial transactions, the obtaining of the IPT Mandate pursuant to Chapter 9 of the Listing Manual will enable the ListCo EAR Group or any entities within the ListCo EAR Group, in the ordinary course of their businesses, to enter into the categories of interested person transactions set out in Section 3.8 below with the specified classes of interested persons set out in Section 3.4 above, provided such transactions are made at arm's length and on the ListCo EAR Group's normal commercial terms.

The IPT Mandate will give the ListCo EAR Group the flexibility to conduct such recurrent interested person transactions, thereby enhancing the Group's ability to pursue business opportunities which are time-sensitive in nature.

The obtaining of the IPT Mandate, if approved by the Shareholders, will eliminate the need for the Company to announce and convene separate general meetings on each occasion to seek Shareholders' approval for each separate interested person transactions to be entered into between the ListCo EAR Group and the interested persons of a revenue or trading nature or those necessary for its day-to-day operations. This will substantially reduce the expenses associated with the convening of general meetings (including the engagement of external advisers and preparation of documents), improve administrative efficacy and allow manpower resources and time to be channelled towards attaining other business objectives.

The IPT Mandate is intended to facilitate transactions in the normal course of business of the ListCo EAR Group which are transacted from time to time with the interested persons, provided that they are made on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

3.6 Scope of the IPT Mandate

The IPT Mandate will cover a wide range of transactions arising in the ordinary course of business operations between members of the ListCo EAR Group and the interested persons.

The obtaining of the IPT Mandate pursuant to Chapter 9 will enable:-

- (a) the Company;
- (b) subsidiaries of the Company (excluding subsidiaries listed on the SGX-ST or an approved exchange);
- (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 Group or the Group and its interested person(s) has or have control;

(together the "**ListCo Entities at Risk Group**" or the "**ListCo EAR Group**"), or any of them, in the ordinary course of their businesses, to enter into the categories of interested person transactions set out in Section 3.8 with the interested persons set out in Section 3.4.

The IPT Mandate will not apply to any interested person transaction which has a value below \$100,000, as the threshold and aggregation requirements of Chapter 9 do not apply to such transactions.

Interested person transactions which do not come within the ambit of the IPT Mandate (including any renewal thereof) will be subject to applicable provisions of Chapter 9 and/or other applicable provisions of the Listing Manual.

3.7 Validity period of the IPT Mandate

If approved by Shareholders at the Twenty-Second AGM, the IPT Mandate will take effect from the date of receipt of Shareholders' approval at the Twenty-Second AGM until the next annual general meeting of the Company, and shall apply in respect of interested person transactions entered or to be entered into from the date of the Twenty-Second AGM until the next annual general meeting of the Company, unless revoked or varied by the Company in general meeting. Thereafter, approval from Shareholders for the renewal of the IPT Mandate will continue to be sought at each subsequent annual general meeting of the Company, subject to the satisfactory review by the Audit Committee.

3.8 Categories of interested person transactions

The following interested person transactions with the interested persons (as described in Section 3.4 above) which will be covered by the IPT Mandate are those recurrent transactions arising in the ordinary course of business of revenue or trading nature or necessary for day-to-day operations:-

- (a) sale or purchase (including the appointment of distributor and commission agents) of IT peripheral products, components and software and related products (such as data storage devices such as hard disk drives, modems, graphics/sound cards and flat displays) and lifestyle consumer products and related products;
- (b) provision or obtaining of after-sale repair and customer services for IT peripheral products, components and software and related products;
- (c) provision or obtaining of technical and information technology services, computer maintenance services and systems, development, licensing and acquisition of computer software programmes, and other information technology-related equipment, goods and services;
- (d) provision or obtaining of central purchasing and logistics services;
- (e) provision or obtaining of transportation, despatching and conveyance services (including air, sea and land) and freight services;
- (f) leasing or rental of vehicles, equipment, parts, components, repair and maintenance services;
- (g) leasing or licensing of storage facilities and office premises;
- (h) obtaining of property management, property security, building maintenance services and consultancy services;
- (i) provision of utilities including communication, water, electricity supplies and related service;
- (j) provision or obtaining of licence for the use of trade names, trademarks, and/or logos; and
- (k) provision or obtaining of advertising, publicity, marketing, consultancy, management, administrative, financial, auditing or accounting services.

At the time the Original IPT Mandate was obtained, it was contemplated that the SUTL Group may engage in the sale and/or distribution of IT peripheral products, components and software and related products and may procure such products from the ListCo EAR Group. In connection thereto, it was also contemplated that the SUTL Group may also obtain services as set out in Section 3.8(b) and (c) from the ListCo EAR Group and may obtain the licences from the ListCo EAR Group as set out in Section 3.8(j). Conversely, in the event that SUTL Global Pte. Ltd. becomes a distributor of certain IT peripheral products, components and software and related products, which the ListCo EAR Group would like to sub-distribute or resell, it was contemplated

that the ListCo EAR Group may also procure such products and the services set out in Sections 3.8(b) and (c) from the SUTL Group. As described at Section 3.2(a) above, the core business of the Group includes the operation of the ONE⁰15 Marina Club located at Sentosa Cove and the operation of third party yachts chartering services at the ONE⁰15 Marina Club.

It is contemplated that the ListCo EAR Group may, in the future, engage in the sale and/or distribution of lifestyle consumer products and related products and may procure such products from SUTL Group. In connection thereto, the ListCo EAR Group may obtain the licences from the SUTL Group as set out in Section 3.8(j).

As the SUTL Group is in the business of distributing products, it is contemplated that the SUTL Group may share and/or provide the services as set out in Section 3.8(d), (e) and (k) to the ListCo EAR Group.

At the time the Original IPT Mandate was obtained, the Company had leased premises from the SUTL Group. It is contemplated that the SUTL Group may provide the services as set out in Section 3.8(f), (g), (h) and (i).

3.9 Procedures and review of the IPT Mandate

To ensure that interested person transactions are conducted at arm's length and on normal commercial terms consistent with the Group's usual business practices and on terms which are generally not more favourable than those extended to unrelated third parties, and will not be prejudicial to the interests of the Company and its minority Shareholders, the Group has adopted the following procedures for the review and approval of interested person transactions in respect of the IPT Mandate.

(a) Review procedures

(i) Provision of Services or the Sale of Products

- (A) 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. In particular, prior to such sales to an interested person, the terms of at least 2 other contemporaneous sale transactions to the ListCo EAR Group's unrelated third party customers for similar products and/or services will be used as comparison, where possible and practicable, to determine whether the price and terms offered to the interested person are fair and reasonable and comparable to those offered to other unrelated third parties for the same or substantially similar type of products and/or services. In determining whether the price and terms offered to the interested person are fair and reasonable, where applicable, factors such as (but not limited to) delivery schedules, strategic purposes of the transaction, creditworthiness, payment terms and where applicable, preferential rates, rebates or discounts accorded for bulk purchases will be taken into account; and
- (B) 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 or other reasons, the ListCo EAR Group's pricing for such services to be provided or products to be sold to interested persons is determined in accordance with the ListCo EAR Group's usual business practices and pricing policies, consistent with the usual margin to be obtained by the ListCo EAR Group for the same or substantially similar type of contract or transaction with unrelated third parties taking into consideration factors such as, but not limited to, quantity, volume, consumption, customer requirements, specifications, duration of contract and strategic purposes of the transaction.

(ii) Obtaining of Services or the Purchasing of Products

All purchases made by the ListCo EAR Group, including purchases from interested persons are governed by internal control procedures which detail matters such as the constitution of internal approving authorities, their monetary jurisdictions, the number of vendors from whom bids are to be obtained and the review procedures. The guiding principle is to objectively obtain the best goods and/or services on the best terms.

- (A) 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 persons 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
- (B) 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 ListCo EAR Group (with no interest, direct or indirect in the transaction), will (a) determine whether the price and terms offered by the interested persons are fair and reasonable by using their business experience and taking into account (including but not limited to), where possible and applicable, factors such as, the prices of the closest possible substitute products or services after considering the additional specification or features if any, quality and nature of the products or services, the profit margins that may be generated from the sale or provision of such products or services and the prevailing market conditions; (b) ensure that the terms of supply will, where applicable, be in accordance with, or not more adverse to the ListCo EAR Group than industry norms; and (c) consider whether the terms are in their opinion in the commercial interest of the ListCo EAR Group and not prejudicial to the minority Shareholders.

(iii) Rental of office premises and storage facilities

When renting office premises and storage facilities from or to an interested person, the Audit Committee shall take appropriate steps to ensure that such rent commensurates with the prevailing market rates, including adopting measures such as making relevant enquiries with landlords of similar properties (in terms of area and location) and obtaining necessary reports or reviews published by property agents (including an independent valuation report by a property valuer, where considered appropriate). When it is not possible to obtain or establish the prevailing market rates through the methods described above, the matter will be referred to the Board of Directors and the Board of Directors will determine whether the rental fees to be paid or received are fair and reasonable and consistent with the Group's usual business practices. In the event that a director of the Company is interested in any such transaction, that director will abstain from approving that particular transaction.

(iv) Shared services

For shared services, a fee shall be charged to the interested person based on the time cost charges of the employees involved and an agreed mark up, in accordance with the terms of the agreement. Where the time spent exceeds that set out in the agreement, additional charges would be applicable, based on the actual excess time spent.

(b) Threshold limits and approvals

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:-

(i) Category 1 transaction

A Category 1 transaction is one where the interested person transaction is equal to or exceeding \$2.0 million in value. Such transaction must be reviewed and approved by the Audit Committee prior to being contracted.

(ii) Category 2 transaction

A Category 2 transaction is one where the interested person transaction is equal to or exceeding \$100,000 but less than \$2.0 million. Such transaction does not require the prior approval of the Audit Committee but shall be reviewed on a quarterly basis by the Audit Committee.

The threshold limits 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 Company's day-to-day operations, administration and businesses. The threshold limits are arrived at as a result of the balancing exercise after considering the operational efficiency for the day-to-day business operations of the ListCo EAR Group and the internal control for interested person transactions. The threshold limits act as an additional safeguard to supplement the review procedures which will be implemented by the Company for interested person transactions.

All interested person transactions entered into pursuant to the IPT Mandate shall be tabled to the Audit Committee for information on a quarterly basis. Individual transactions of a value less than \$100,000 do not require review and approval and will not be taken into account in the aggregation. If any person has an interest in a transaction falling within a category of transactions to be reviewed or approved by him, he will abstain from any decision making in respect of that transaction.

(c) General review procedures

In addition to the review procedures and threshold limits set out in Sections 3.9(a) and 3.9(b) above, the following procedures will also be implemented:

(i) the Company will maintain a register of interested person transactions carried out pursuant to the IPT Mandate (recording the basis, including quotations and/or offers obtained, if any, where applicable to support such basis, on which they are entered into);

(ii) the annual internal audit plan shall incorporate a review of all interested person transactions entered into pursuant to the IPT Mandate including a report to be submitted to the Audit Committee for its review;

(iii) the Audit Committee may, as it deems fit, request for additional information pertaining to the interested person transaction under review from independent sources or advisers;

- (iv) further to the above, where any Director has an interest (direct or indirect) in any interested person transaction, such Director (or, his alternate, where appropriate) and his associates shall abstain from voting on the matter. Where any member of the Audit Committee has an interest in any interested person transaction, that member shall abstain from participating in the review and approval process in relation to that transaction;
- (v) the Audit Committee will carry out periodic reviews (not fewer than twice a year) to ascertain that the established review procedures as set out above in respect of the IPT Mandate have been complied with, and whether the review procedures remain appropriate and continue to be able to ensure that the transactions will be carried out on normal commercial terms, and are not prejudicial to the interests of the Company and its minority Shareholders;
- (vi) the Company will report all interested person transactions to the Audit Committee. The Audit Committee will review and ratify all interested person transactions on a quarterly basis. In the event of ambiguity as to whether a transaction or transactions would fall within the IPT Mandate, the Company will consult the Audit Committee prior to entering into such transactions; and
- (vii) 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 making any recommendation and any decision-making in respect of that transaction and the review and approval of that transaction will be undertaken by the remaining members of the Audit Committee.

3.10 Disclosure in the annual report

If the IPT Mandate is approved by the Shareholders at the Twenty-Second AGM, in accordance with Chapter 9 of the Listing Manual, the Company will disclose the IPT Mandate and the aggregate value of the interested person transactions conducted with the SUTL Group, in the annual report of the Company for the current financial year, and in the annual reports for subsequent financial years during which the IPT Mandate is in force.

In addition, the Company will announce the aggregate value of the interested person transactions conducted pursuant to the IPT Mandate for each relevant financial period which it is required to report on pursuant to the Listing Manual within the time required for the announcement of such report. These disclosures will be made in the form required under Chapter 9 of the Listing Manual.

3.11 Statement from the Audit Committee

The Audit Committee having considered, *inter alia*, the review procedures for the interested person transactions and the reviews to be made periodically by the Audit Committee in relation thereto, has confirmed that the methods or review procedures set out in Section 3.9 above for determining transaction prices in respect of the interested person transactions have not changed since the Previous AGM. It is of the view that the current methods or review procedure 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.

If the Audit Committee is of the view that the established guidelines, method, procedures and/or review procedures in Section 3.9 become inappropriate or insufficient to ensure that the interested person transactions are carried out on normal commercial terms and may be prejudicial to the Company and its minority Shareholders, the Company will obtain a fresh mandate from Shareholders based on new methods or procedures for interested person transactions. In the meantime, all interested person transactions are to be approved by the Audit Committee.

As such, an independent financial adviser's opinion is not required for the renewal of the IPT Mandate under Rule 920(1)(c) of the Listing Manual.

4. APPROVALS AND RESOLUTIONS

Shareholders' approval for the proposed renewal of the Share Purchase Mandate and the IPT Mandate is sought at the Twenty-Second AGM. The Resolutions relating to the proposed renewal of the Share Purchase Mandate and the IPT Mandate are contained in the Notice of the Twenty-Second AGM as Resolutions 8 and 9.

5. DIRECTORS' RECOMMENDATION

5.1 Save as provided below, having considered the rationale for and benefits of the proposed renewal of the Share Purchase Mandate and IPT Mandate, the Directors are of the opinion that the renewals are in the best interests of the Company. Accordingly, save as provided below, the Directors recommend that Shareholders vote in favour of the Resolutions 8 and 9 in the Notice of the Twenty-Second AGM.

5.2 Mr Tay Teng Guan Arthur and Mr Tay Teng Hock are directors and shareholders of SUTL Global Pte. Ltd. and are directors of SUTL Corporation Pte. Ltd. (which is a wholly-owned subsidiary of SUTL Global Pte. Ltd.), and are therefore interested in the IPT Mandate. Mr Tay Teng Guan Arthur and Mr Tay Teng Hock have accordingly abstained from making any recommendations on Resolution 9 relating to the IPT Mandate. Each Director and any of his associates shall not vote on Resolution 9, nor accept appointments as proxies for any Shareholder to vote in respect of each of the said Resolution 9, unless specific instructions as to voting are given.

6. DIRECTORS' RESPONSIBILITY STATEMENT

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

7. DOCUMENTS FOR INSPECTION

The Constitution of the Company may be inspected at the registered office at #05-00 SUTL House, 100J Pasir Panjang Road, Singapore 118525 during normal business hours from the date of this Addendum to the date of the Twenty-Second AGM.

Yours faithfully,
for and on behalf of the Board of Directors of
SUTL ENTERPRISE LIMITED

Tay Teng Guan Arthur
Executive Director

APPENDIX A

GUIDELINES ON SHARE PURCHASES

1. SHAREHOLDERS' APPROVAL

- 1.1 Purchases of Shares by the Company must be approved in advance by the Shareholders in a general meeting of the Company, by way of a general mandate.
- 1.2 The Share Purchase Mandate authorising the purchase of Shares by the Company will expire on the earlier of:
 - (a) the conclusion of the next annual general meeting (the “**AGM**”) of the Company;
 - (b) the expiration of the period within which the next AGM of the Company is required by law to be held; or
 - (c) the time when such mandate is revoked or varied by an ordinary resolution of the Shareholders of the Company in general meeting.
- 1.3 The authority conferred on the Directors by the Share Purchase Mandate to purchase Shares may be renewed at each AGM or other general meeting of the Company. The Directors may delegate all or part of such authority (including the determination of the purchase price to be paid per Share) upon such terms and conditions as they may at their absolute discretion think fit, but at all times in accordance with the Constitution of the Company.
- 1.4 The number of Shares which can be purchased pursuant to the proposed Share Purchase Mandate is such number of Shares which represents up to a maximum of ten (10) per cent. of the total number of issued Shares (excluding any Shares held as treasury shares) as at the date of the last AGM of the Company or at the date on which the resolution authorising the same is passed, whichever is the higher, unless the Company has effected a reduction of the share capital of the Company in which event the number of issued ordinary shares of the Company shall be taken to be the number of the issued ordinary shares of the Company as altered (excluding any Shares held as treasury shares).
- 1.5 Purchases of Shares can be effected by the Company only in either one of the following two ways or both:-
 - (a) by way of Market Purchases. Market Purchases means purchase of Shares transacted through the SGX-ST Central Limit Order Book trading system; or
 - (b) by way of Off-Market Purchases. The Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Listing Manual, the Constitution of the Company and the Companies Act, as they consider fit in the interests of the Company in connection with or in relation to an Off-Market Purchase scheme or schemes. The Off-Market Purchase scheme must, however, satisfy the following conditions:
 - (i) the offers for the purchase or acquisition of Shares under the scheme 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 offer made to them; and

- (iii) the terms of all the offers are the same (except that there shall be disregarded differences in consideration attributable to the fact that the offers may relate to Shares with different accrued dividend entitlements and different amounts remaining unpaid and differences in the offers introduced solely to ensure that each person is left with a whole number of Shares).

2. FUNDING OF SHARE PURCHASES

- 2.1 In purchasing Shares, the Company may only apply funds legally available for such purchase in accordance with its Constitution, and the applicable laws in Singapore.
- 2.2 The Company may not purchase its Shares for a consideration other than cash or, in the case of Market Purchases, for settlement otherwise than in accordance with the trading rules of the SGX-ST.
- 2.3 The Company may purchase or acquire its Shares out of the Company's capital or distributable profits so long as the Company is solvent. This means that there must be no ground on which the Company could be found to be unable to pay its debts and the Company must be able to pay its debts as they fall due in the normal course of business during the period of twelve (12) months immediately after purchasing its Shares. In addition, the value of the Company's assets must not be less than the value of its liabilities (including contingent liabilities) at the time of the purchase of Shares and will not after the proposed purchase of Shares become less than the value of its liabilities (including contingent liabilities).
- 2.4 The Directors shall not exercise the Share Purchase Mandate to such an extent as would have a material adverse effect on the working capital requirements of the Group or the gearing levels which are from time to time, in the opinion of the Directors, appropriate for the Group.

3. TRADING RESTRICTIONS

- 3.1 The Company will not effect a Share purchase such that the continuing shareholding spread requirement prescribed by the Listing Manual of the SGX-ST which are in force at the time of the intended Share purchase cannot be maintained after the purchase.
- 3.2 The Directors will use their best efforts to ensure that any Share purchases will not affect the listing of the Shares on the SGX-ST.

4. OFF-MARKET PURCHASE SCHEME

For purchases of Shares to be made by way of an Off-Market Purchase scheme, the Company shall issue an offer document to all Shareholders. The offer document shall contain at least the following information:

- (a) the terms and conditions of the offer;
- (b) the period and procedures for acceptances;
- (c) the reasons for the proposed Share purchase;
- (d) the consequences, if any, of the Share purchase by the Company that will arise under the Singapore Code on Take-overs and Mergers or any other applicable take-over rules;
- (e) whether the Share purchase, if made, will have any effect on the listing of the Shares on the SGX-ST;

- (f) details of any Share purchases made by the Company in the previous twelve (12) months whether through Market Purchases or Off-Market Purchase schemes, including the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such purchases of Shares, where relevant, and the total consideration paid for such purchases; and
- (g) whether the shares purchased by the Company will be cancelled or kept as treasury shares.

5. PRICE RESTRICTIONS

The purchase price (excluding ancillary expenses such as related brokerage, goods and services tax, stamp duties and clearance fees) to be paid for a Share will be determined by the Directors. The purchase price to be paid for the Shares as determined by the Directors must not exceed the Maximum Price.

6. STATUS OF PURCHASED SHARES

- 6.1 All Shares which are purchased or acquired by the Company shall be held by the Company as treasury shares which may be used for the purpose stated in the Companies Act, unless the Company elects that such Shares shall be cancelled immediately on the purchase or acquisition.
- 6.2 Any Shares purchased or acquired by the Company and cancelled will be automatically delisted by the SGX-ST.
- 6.3 Certificates in respect of purchased or acquired Shares that are cancelled by the Company will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any purchase or acquisition of such Shares.

7. REPORTING REQUIREMENTS

- 7.1 Within thirty (30) days of the passing of a Shareholders' resolution to approve purchases of Shares by the Company, the Company shall lodge a copy of such resolution with the Accounting and Corporate Regulatory Authority.
- 7.2 The Company shall notify the Accounting and Corporate Regulatory Authority within thirty (30) days of a purchase of Shares. Such notification shall include 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 Company's issued share capital before the purchase of Shares, the Company's issued share capital after the purchase of Shares, the amount of consideration paid by the Company for the purchase of Shares, whether the Shares were purchased out of profits or the capital of the Company and such other particulars as may be required in the prescribed form.
- 7.3 The Company shall notify the SGX-ST of Market Purchases of Shares not later than 9.00 a.m. on the market day following the day on which the Market Purchases were effected, and shall notify the SGX-ST of Off-Market Purchases not later than 9.00 a.m. on the second market day after the close of acceptances of the offer for Off-Market Purchases. The notification of such purchases of Shares to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe.
- 7.4 The Company shall make arrangements with its stockbrokers to ensure that they provide to the Company in a timely fashion the necessary information which will enable the Company to make the aforesaid notifications to the SGX-ST.
- 7.5 When seeking the approval of Shareholders for the renewal of the Share Purchase Mandate, the Company is required to disclose details pertaining to purchases of Shares made by the Company during the previous twelve (12) months, including the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such purchases of Shares, where relevant, and the total consideration paid for such purchases.

8. SUSPENSION OF PURCHASES

- 8.1 Share purchases are prohibited after a price sensitive development has occurred or has been the subject of a decision until such time as the price sensitive information has been publicly announced.
- 8.2 In particular, the Company may not purchase its Shares on the SGX-ST during the period commencing two (2) weeks before the announcement of the Company's quarterly results for each of the first three quarters of its financial year and one (1) month before the announcement of the Company's full year results, as the case may be, and ending on the date of announcement of the relevant results.