

APPENDIX DATED 15 APRIL 2020

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

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

Capitalised terms appearing on the cover of this Appendix have the same meanings as defined herein.

This appendix ("**Appendix**") is circulated to the shareholders of Singapore O&G Ltd. (the "**Company**"), together with the Company's annual report for the financial year ended 31 December 2019 ("**Annual Report**"). The Notice of AGM (as hereinafter defined) and the accompanying proxy form are enclosed with the Annual Report.

If you have sold or transferred all your ordinary shares in the share capital of the Company represented by physical share certificate(s), you should immediately forward this Appendix, the notice of the Annual General Meeting and the accompanying proxy form to the purchaser or the transferee or to the bank, stockbroker or agent through whom the sale or the transfer was effected, for onward transmission to the purchaser or the transferee.

This Appendix has been prepared by the Company and its contents have been reviewed by the Sponsor in accordance with Rules 226(2)(b) and 753(2) of the SGX-ST Listing Manual Section B: Rules of Catalist.

This Appendix has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this Appendix including the correctness of any of the statements or opinions made or reports contained in this Appendix.

The contact person for the Sponsor is Ms. Jennifer Tan, Associate Director, Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).



SINGAPORE O&G LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 201100687M)

APPENDIX TO SHAREHOLDERS IN RELATION TO THE PROPOSED ADOPTION OF THE SHARE BUY-BACK MANDATE

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DEFINITIONS

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

“ACRA”	:	Accounting and Corporate Regulatory Authority
“AGM”	:	The annual general meeting of the Company to be held at Sheraton Towers Singapore, Topaz Ballroom, 39 Scotts Road, Singapore 228230 on Friday, 22 May 2020 at 10.00 a.m.
“Annual Report”	:	The annual report of the Company for FY 2019
“Appendix”	:	This appendix to the Annual Report dated 15 April 2020
“Associate”	:	(a) in relation to any Director, Chief Executive Officer, Substantial Shareholder or Controlling Shareholder (being an individual) means: <ul style="list-style-type: none">(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 Controlling Shareholder (being a company) means any company which is its subsidiary or holding company or is a subsidiary of any 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
“Average Closing Price”	:	Has the meaning ascribed to it in Section 2.3.4 of this Appendix
“Board”	:	The Board Of Directors of the Company as at the Latest Practicable Date
“Catalist”	:	The Catalist board of the SGX-ST
“Catalist Rules”	:	The Listing Manual Section B: Rules of Catalist of the SGX-ST, as may be amended, modified or supplemented from time to time
“Companies Act”	:	The Companies Act (Chapter 50) of Singapore, as amended, modified or supplemented from time to time
“Company” or “SOG”	:	Singapore O&G Ltd.
“Constitution”	:	The constitution of the Company, as amended, modified or supplemented from time to time

DEFINITIONS

“Controlling Shareholder”	:	A person who: <ul style="list-style-type: none">(a) holds directly or indirectly 15% or more of all voting Shares; or(b) in fact exercises control over the Company
“Director”	:	A director of the Company as at the Latest Practicable Date
“EPS”	:	Earnings per Share
“FY 2019”	:	The financial year ended 31 December 2019
“Group”	:	The Company and its subsidiaries
“Latest Practicable Date”	:	2 April 2020, being the latest practicable date prior to the printing of this Appendix
“Market Day”	:	A day on which SGX-ST is open for securities trading
“Market Purchase”	:	Has the meaning ascribed to it in Section 2.3.3 of this Appendix
“Maximum Price”	:	Has the meaning ascribed to it in Section 2.3.4 of this Appendix
“Notice of AGM”	:	The notice of the AGM as enclosed with the Annual Report
“NTA”	:	Net tangible assets
“Off-Market Purchase”	:	Has the meaning ascribed to it in Section 2.3.3 of this Appendix
“Relevant Period”	:	The period commencing from the date of the AGM (being the date of the general meeting at which the adoption of the Share Buy-Back Mandate is approved), up to the earlier of: <ul style="list-style-type: none">(a) the date on which the next annual general meeting is held or is required by law or the Constitution to be held;(b) the date on which the Share buy-backs are carried out to the full extent mandated; or(c) the date on which the authority conferred in the Share Buy-Back Mandate is varied or revoked by an ordinary resolution of the Shareholders in a general meeting
“SFA”	:	The Securities and Futures Act, Chapter 289 of Singapore, as amended, modified or supplemented from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Buy-Back Mandate”	:	The general and unconditional mandate given by Shareholders to authorise the Directors to exercise all the powers of the Company to purchase or otherwise acquire issued Shares within the Relevant Period, in accordance with the terms set out in this Appendix, as well as the rules and regulations set forth in the Companies Act and the Catalist Rules

DEFINITIONS

“Shareholders”	:	The registered holders of the Shares in the register of members of the Company, except where the registered holder is the Central Depository (Pte) Limited, the term “Shareholders” shall, in relation to such Shares and where the context so admits, mean the Depositors whose securities accounts are credited with such Shares
“Share(s)”	:	Ordinary share(s) in the share capital of the Company
“SIC”	:	The Securities Industry Council
“Substantial Shareholder”	:	A person (including a corporation) who holds, directly or indirectly, 5% or more of the total issued share capital of the Company
SOG Employee Share Option Scheme	:	The share option scheme approved by Shareholders on 6 May 2015
SOG Performance Share Plan	:	The share scheme approved by Shareholders on 6 May 2015
“Takeover Code”	:	The Singapore Code on Take-overs and Mergers, and all practice notes, rules and guidelines thereunder, as may from time to time be issued or amended

Currencies and others

“S\$” and “cents”	:	Singapore dollars and cents, respectively
“%”	:	Per centum or percentage

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

The terms “**treasury shares**” and “**subsidiary**” shall have the same meanings ascribed to them respectively in the Companies Act. The term “**subsidiary holdings**” shall have the meaning ascribed to it in the Catalist Rules, and is defined in the Catalist Rules to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act.

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

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

Any reference to a time of day in this Appendix shall be a reference to Singapore time, unless otherwise stated. Any discrepancies in this Appendix between the amounts listed and the total thereof are due to rounding. Accordingly, figures shown as totals in this Appendix may not be an arithmetic aggregation of the figures which precede them.

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

LETTER TO SHAREHOLDERS

SINGAPORE O&G LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 201100687M)

Directors:

Dr. Beh Suan Tiong	Executive Chairman
Dr. Heng Tung Lan	Executive Director
Dr. Lee Keen Whye	Executive Director
Mr. Ng Boon Yew	Lead Independent Director
Mr. Chan Heng Toong	Independent Director
Mr. Chooi Yee-Choong	Independent Director
Ms. See Tho Soat Ching	Independent Director

Registered Office:

229 Mountbatten Road
#02-02 Mountbatten Square
Singapore 398007

15 April 2020

To: The Shareholders of Singapore O&G Ltd.

Dear Shareholder,

THE PROPOSED ADOPTION OF THE SHARE BUY-BACK MANDATE

1 INTRODUCTION

The Board is seeking Shareholders' approval at the forthcoming AGM to be held on 22 May 2020 for the proposed adoption of the Share Buy-Back Mandate.

The purpose of this Appendix is to provide Shareholders with information relating to, and to seek Shareholders' approval for, the proposed adoption of the Share Buy-Back Mandate to be tabled at the forthcoming AGM. The Notice of AGM is set out on pages 172 to 177 of the Annual Report.

2 THE PROPOSED ADOPTION OF THE SHARE BUY-BACK MANDATE

2.1 Background

Any purchase or acquisition of Shares by the Company would have to be made in accordance with the Constitution, the Catalist Rules, the Companies Act, and such other laws and regulations as may for the time being be applicable. The Constitution expressly permits the Company to purchase or otherwise acquire its issued Shares.

As set out in the Companies Act and the Catalist Rules, a company that wishes to purchase or acquire its own shares must obtain prior approval of its shareholders at a general meeting. Accordingly, the Company is seeking approval from the Shareholders for the adoption of the Share Buy-Back Mandate at the AGM.

2.2 Rationale for the Adoption of the Share Buy-Back Mandate

The Share Buy-Back Mandate will give the Company the flexibility to purchase or otherwise acquire its Shares if and when circumstances permit. The Directors believe that Share buy-backs would allow the Company and its Directors to better manage the Company's share capital structure, dividend payout and cash reserves. Share buy-backs also provide the Directors a mechanism to facilitate the return of surplus cash over and above the Company's ordinary capital requirements in an expedient and cost-efficient manner, and the opportunity to exercise control over the Company's share capital structure with a view to enhance the EPS and/or NAV per Share.

The Directors further believe that Share buy-backs by the Company will help mitigate short-term market volatility, offset the effects of short-term speculation and bolster Shareholders' confidence.

LETTER TO SHAREHOLDERS

In addition, the Company has at present, share-based incentive plans for its employees, namely the SOG Employee Share Option Scheme and the SOG Performance Share Plan (collectively, the “**Share Plans**”). Share buy-backs by the Company will enable the Directors to utilise the Shares which are purchased or acquired and held as treasury shares to satisfy the Company’s obligation to furnish Shares to participants under the Share Plans, thus giving the Company greater flexibility to select the method of providing Shares to its employees which would be most beneficial to the Company and its Shareholders.

If and when circumstances permit, the Directors will decide whether to effect the Share buy-backs via market purchases or off-market purchases, after taking into account the amount of surplus cash available, the prevailing market conditions and the most cost-effective and efficient approach. The Directors do not propose to carry out Share buy-backs to an extent that would, or in circumstances that might, result in a material adverse effect on the liquidity and/or the orderly trading of the Shares and/or the financial position of the Company or the Group.

2.3 Terms of the Share Buy-Back Mandate

2.3.1 Maximum Number of Shares to be Purchased

Pursuant to the Share Buy-Back Mandate, the Company may only purchase or acquire Shares that are issued and fully paid-up.

The total number of Shares that may be purchased or acquired by the Company is limited to not more than 10% of its total issued Shares, excluding treasury shares and subsidiary holdings, as at the date of the AGM.

If the Company has effected a reduction of share capital at any time during the Relevant Period, the total number of Shares shall be taken to be the total number of Shares as altered by the reduction of share capital. Shares which are held by the Company as treasury shares and subsidiary holdings will be disregarded for the purposes of calculating this 10% limit.

For illustrative purposes only, based on the existing issued and paid-up share capital of the Company as at the Latest Practicable Date of 476,803,002 Shares, excluding treasury shares and subsidiary holdings, and assuming that no further Shares are issued on or prior to the AGM, not more than 47,680,300 Shares may be purchased or acquired by the Company pursuant to the Share Buy-Back Mandate.

As at Latest Practicable Date, the Company does not hold any treasury shares and there are no subsidiary holdings. The Shares, being the ordinary shares in the capital of the Company, are the only class of shares issued by the Company.

2.3.2 Duration of the Share Buy-Back Mandate

Purchases of Shares may be made, at any time and from time to time, during the Relevant Period, which is on and from the date of the AGM (being the date of the general meeting at which the adoption of the Share Buy-Back Mandate is approved), up to the earlier of:

- (a) the date on which the next annual general meeting is held or is required by law or the Constitution to be held;
- (b) the date on which the Share buy-backs are carried out to the full extent mandated; or
- (c) the date on which the authority conferred in the Share Buy-Back Mandate is varied or revoked by an ordinary resolution of the Shareholders in a general meeting.

The authority conferred by the Share Buy-Back Mandate to purchase or acquire Shares may be put to Shareholders for renewal at each subsequent annual general meeting or any other general meeting of the Company.

LETTER TO SHAREHOLDERS

2.3.3 Manner of Shares Purchase

The Company may purchase Shares via the following methods:

- (a) on-market purchases (“**Market Purchase**”) which are transacted on the SGX-ST or, as the case may be, any other securities exchange on which the Shares may for the time being be listed and quoted, and which may be transacted through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (b) off-market purchases (“**Off-Market Purchase**”), which are purchases of Shares effected otherwise than on an approved exchange in Singapore or any securities exchange outside Singapore, in accordance with any equal access scheme(s) as defined in Section 76C of the Companies Act and which will satisfy all the conditions prescribed by the Constitution and the Catalist Rules.

Based on the Companies Act, an Off-Market Purchase must satisfy all the following conditions:

- (a) offers must be made to every Shareholder to purchase the same percentage of their Shares;
- (b) Shareholders must be given a reasonable opportunity to accept the offers made to them; and
- (c) the terms of offers made to all Shareholders must be the same, except that there shall be disregarded:
 - (i) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;
 - (ii) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid; and
 - (iii) differences in the offers introduced solely to ensure that each Shareholder is left with a whole number of Shares.

In addition, the Directors may impose such terms and conditions in relation to any equal access scheme(s) as they consider to be in the best interests of the Company, provided that such terms and conditions are consistent with the Share Buy-Back Mandate, the Catalist Rules, the Constitution and the Companies Act.

Rule 870 of the Catalist Rules provides that, in making an Off-Market Purchase in accordance with any equal access scheme(s), the Company must issue an offer document to all Shareholders, which must 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 buy-back;
- (d) the consequences, if any, of the Share buy-backs by the Company that will arise under the Takeover Code or other applicable take-over rules;
- (e) whether the Share buy-backs, if made, would have any effect on the listing of the Shares on the SGX-ST;

LETTER TO SHAREHOLDERS

- (f) details of any Share buy-backs made by the Company in the previous 12 months (whether by way of Market Purchases or Off-Market Purchases in accordance with an equal access scheme), setting out the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (g) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

2.3.4 Maximum Purchase Price

The purchase price (excluding any related expenses such as brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors.

However, the purchase price to be paid for the Shares must not exceed:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price (as defined hereinafter); and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price (as defined hereinafter).

(the “**Maximum Price**”).

For the above purposes:

“**Average Closing Price**” means 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, preceding the day of the Market Purchase by the Company or, as the case may be, preceding the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five (5)-day period and the day on which the purchases are made.

“**day of the making of the offer**” means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.4 **Status of Shares Purchased under the Share Buy-Back Mandate**

At the time of each purchase or acquisition of Shares by the Company, the Directors will decide whether the Shares purchased or acquired will be cancelled or kept as treasury shares, or partly cancelled and partly kept as treasury shares, depending on the needs of the Company at that time.

2.4.1 Cancellation of Shares Purchased

Shares that are purchased or acquired by the Company shall, unless held as treasury shares, be deemed to be cancelled immediately on purchase. On the cancellation of a Share, the rights and privileges attached to that Share shall expire.

All Shares purchased or acquired and cancelled by the Company will be automatically delisted by the SGX-ST, and (where applicable) all certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following the settlement of any such purchase or acquisition. Accordingly, the total number of issued Shares will be diminished by the number of Shares which are purchased or acquired and cancelled by the Company.

LETTER TO SHAREHOLDERS

2.4.2 Shares Purchased Retained as Treasury Shares

(a) Maximum holdings

The aggregate number of Shares held as treasury shares shall not at any time exceed 10% of the total number of Shares at that time. The Company shall dispose of or cancel such number of its treasury shares in excess of the aforementioned limit within 6 months from the day on which its treasury shares exceeded the aforementioned limit, or such further period as may be allowed by ACRA.

(b) Voting and Other Rights

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of treasury shares. However, the allotment of Shares as fully paid bonus shares in respect of treasury shares is allowed. A subdivision of any treasury shares into treasury shares of a larger amount, or consolidation of any treasury shares into treasury shares of a smaller amount, is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

(c) Disposal and Cancellation

Where Shares are held as treasury shares, the Company may at any time:

- (i) sell the treasury shares (or any of them) for cash;
- (ii) transfer the treasury shares (or any of them) for the purposes of, or pursuant to, any share schemes of the Company (including the SOG Employee Share Option Scheme and/or the SOG Performance Share Plan), whether for employees, directors or other persons;
- (iii) transfer the treasury shares (or any of them) as consideration for the acquisition of Shares in, or assets of, another company or assets of a person;
- (iv) cancel the treasury shares (or any of them); or
- (v) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance of Singapore.

Upon undertaking any sale, transfer, cancellation and/or use of treasury shares, the Company should comply with Rule 704(31) of the Catalist Rules, which provides that an issuer must make an immediate announcement stating the following:

- (i) date of the sale, transfer, cancellation and/or use;
- (ii) purpose of such sale, transfer, cancellation and/or use;
- (iii) number of treasury shares sold, transferred, cancelled and/or used;
- (iv) number of treasury shares before and after such sale, transfer, cancellation and/or use;
- (v) percentage of the number of treasury shares against the total number of shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use; and
- (vi) value of the treasury shares if they are used for a sale or transfer, or cancelled.

LETTER TO SHAREHOLDERS

2.5 Source of Funds for Share Buy-Backs

The Company may only apply funds to the Share Buy-Back Mandate in accordance with the Companies Act, the Constitution and other applicable laws in Singapore. The Company may not buy Shares for a consideration other than cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the trading rules of the SGX-ST.

The Share buy-backs may be made out of the Company's distributable profits that are available for payment as dividends or its capital so long as the Company is solvent.

Pursuant to Section 76F(4) of the Companies Act, a company is solvent if:

- (a) there is no ground on which the Company could be found to be unable to pay its debts;
- (b) if:
 - (i) it is intended to commence winding up of the Company within the period of 12 months immediately after the date of the payment, the Company will be able to pay its debts in full within the period of 12 months after the date of commencement of the winding up; or
 - (ii) it is not intended so to commence winding up, the Company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of the payment; and
- (c) the value of the Company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the purchase of Shares, become less than the value of its liabilities (including contingent liabilities).

In determining whether the Company is solvent, the Directors must have regard to the most recently audited financial statements, other relevant circumstances, and may rely on valuations or estimates of assets or liabilities that are reasonable in the circumstances. In determining the value of contingent liabilities, the Directors may take into account the likelihood of the contingency occurring, as well as any claims the Company is entitled to make and can reasonably expect to be met to reduce or extinguish the contingent liability.

The Company may use internal resources and/or external borrowings and/or a combination of both to finance purchases of its Shares pursuant to the Share Buy-Back Mandate.

The Directors do not propose to exercise the Share Buy-Back Mandate in a manner and to such extent that the liquidity and capital adequacy position of the Company and the Group would be materially adversely affected.

2.6 Financial Impact of the Share Buy-Back Mandate

2.6.1 Assumptions

It is not possible for the Company to realistically calculate or quantify the financial effects of Share buy-backs that may be made pursuant to the Share Buy-Back Mandate as it would depend on factors such as the aggregate number of Shares purchased or acquired, the purchase prices paid at the relevant time, the loans obtained by the Company (if any) to fund the purchases or acquisitions, whether the purchase or acquisition is made out of profits or capital, and whether the Shares purchased or acquired are held in treasury or cancelled.

Where the Company chooses not to hold the purchased or acquired Shares as treasury shares, such Shares shall be cancelled. The Company shall:-

- (i) reduce the amount of its share capital where the Shares were purchased or acquired out of the capital of the Company;

LETTER TO SHAREHOLDERS

- (ii) reduce the amount of its profits where the Shares were purchased or acquired out of the profits of the Company; or
- (iii) reduce the amount of its share capital and profits proportionately where the Shares were purchased or acquired out of both the capital and the profits of the Company,

by the total amount of the purchase price paid by the Company for the Shares cancelled.

Where the Company chooses to hold the purchased or acquired Shares as treasury shares, the total number of issued Shares of the Company will remain unchanged.

Where the consideration (excluding related brokerage, goods and services tax, stamp duties and clearance fees) paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced but the issued share capital of the Company will be reduced by the value of the Shares purchased or acquired.

Where the consideration (excluding related brokerage, goods and services tax, stamp duties and clearance fees) paid by the Company for the purchase or acquisition of the Shares is made out of profits, such consideration will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

The financial effects presented in this section of this Appendix are based on the assumptions set out below:

- (a) Information as at the Latest Practicable Date

The Company has a total of 476,803,002 Shares in issue as at the Latest Practicable Date. As at Latest Practicable Date, the Company does not hold any treasury shares and there are no subsidiary holdings. No Shares are reserved for issue by the Company as at the Latest Practicable Date.

- (b) Illustrative Financial Effects

For illustrative purposes only, based on the existing issued and paid-up share capital of the Company as at the Latest Practicable Date of 476,803,002 Shares, excluding treasury shares and subsidiary holdings, and assuming that no further Shares are issued on or prior to the AGM, the purchase or acquisition by the Company of 10% of its issued Shares will result in the purchase or acquisition of 47,680,300 Shares.

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 47,680,300 Shares at the Maximum Price of S\$0.1667 for each Share (being the price equivalent to 105% of the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 47,680,300 Shares is approximately S\$7.95 million.

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 47,680,300 Shares at the Maximum Price of S\$0.1906 for each Share (being the price equivalent to 120% of the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 47,680,300 Shares is approximately S\$9.09 million;

LETTER TO SHAREHOLDERS

- (c) the purchase or acquisition of Shares pursuant to the Share Buy-Back Mandate will be funded by the Company from its internal funds;
- (d) cash of up to S\$650,000 had been disbursed from the Company's wholly-owned subsidiaries to the Company prior to the purchase or acquisition of Shares by the Company;
- (e) the purchase or acquisition of Shares pursuant to the Share Buy-Back Mandate had taken place on 1 January 2019 for the purpose of computing the financial effects on the EPS of the Group;
- (f) the purchase or acquisition of Shares pursuant to the Share Buy-Back Mandate had taken place on 31 December 2019 for the purpose of computing the financial effects on Shareholders' equity, NTA per Share and gearing of the Company and the Group; and
- (g) transaction costs incurred for the purchase or acquisition of Shares pursuant to the Share Buy-Back Mandate are insignificant and are ignored for the purpose of computing the financial effects.

2.6.2 Pro Forma Financial Effects

For illustrative purposes only and on the basis of the assumptions set out above, the financial effects of:

- (a) the purchase or acquisition of 10% of the issued Shares, excluding treasury shares and subsidiary holdings, comprising 47,680,300 Shares as at the Latest Practicable Date by the Company in a Market Purchase or Off-Market Purchase pursuant to the Share Buy-Back Mandate by way of purchases or acquisitions made entirely out of capital and held as treasury shares ("**Scenario A**"); and
- (b) the purchase or acquisition of 10% of the issued Shares, excluding treasury shares and subsidiary holdings, comprising 47,680,300 Shares as at the Latest Practicable Date, by the Company in a Market Purchase or Off-Market Purchase pursuant to the Share Buy-Back Mandate by way of purchases or acquisitions made entirely out of capital and cancelled ("**Scenario B**"),

on the audited financial statements of the Group and the Company for FY 2019 are set out below.

The financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Buy-Back Mandate by way of purchases or acquisitions made out of profits are similar to that of purchases or acquisitions made out of capital. Therefore, only the financial effects of the purchase or acquisition of the Shares pursuant to the Share Buy-back Mandate by way of purchases or acquisitions made out of capital are set out in this Appendix.

LETTER TO SHAREHOLDERS

Scenario A (As at 31 December 2019)

(S\$'000)	Group			Company		
	Before Share Buy-Back	After Market Purchase	After Off-Market Purchase	Before Share Buy-Back	After Market Purchase	After Off-Market Purchase
Share capital	29,646	29,646	29,646	29,646	29,646	29,646
Capital reserve	1,771	1,771	1,771	1,771	1,771	1,771
Merger reserve	(1,695)	(1,695)	(1,695)	–	–	–
Retained earnings	6,488	6,488	6,488	3,929	3,929	3,929
Treasury shares	–	(7,950)	(9,086)	–	(7,950)	(9,086)
Total shareholders' equity	36,210	28,260	27,124	35,346	27,396	26,260
NTA	23,980	16,030	14,894	35,346	27,396	26,260
Current assets	31,532	23,582	22,446	16,139	8,189	7,053
Current liabilities	10,333	10,333	10,333	4,546	4,546	4,546
Working capital	21,199	13,249	12,113	11,593	3,643	2,507
Total borrowings	–	–	–	–	–	–
Cash and cash equivalents	25,985	18,035	16,899	9,718	1,768	632
Number of issued shares ('000) ⁽¹⁾	476,803	476,803	476,803	476,803	476,803	476,803
Number of treasury shares ('000)	–	47,680	47,680	–	47,680	47,680
Weighted average number of shares ('000)	476,803	429,123	429,123	476,803	429,123	429,123
Loss for the period attributable to shareholders	(1,133)	(1,133)	(1,133)	(3,071)	(3,071)	(3,071)
Financial Ratios						
NTA per share ⁽²⁾ (cents)	5.03	3.74	3.47	7.41	6.38	6.12
Gearing ⁽³⁾ (times)	–	–	–	–	–	–
Current ratio (times)	3.05	2.28	2.17	3.55	1.80	1.55
Basic EPS ⁽⁴⁾ (cents)	(0.24)	(0.26)	(0.26)	(0.64)	(0.72)	(0.72)

Notes:

- (1) Based on the issued share capital of 476,803,002 Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date.
- (2) NTA per Share equals to equity attributable to owners of the Company less intangible assets divided by the number of Shares outstanding (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date.
- (3) Gearing equals to total borrowings divided by total equity.
- (4) EPS equals to profit attributable to owners of the Company divided by the weighted average number of Shares outstanding during FY 2019.

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Scenario B (As at 31 December 2019)

(S\$'000)	Group			Company		
	Before Share Buy-Back	After Market Purchase	After Off-Market Purchase	Before Share Buy-Back	After Market Purchase	After Off-Market Purchase
Share capital	29,646	21,696	20,560	29,646	21,696	20,560
Capital reserve	1,771	1,771	1,771	1,771	1,771	1,771
Merger reserve	(1,695)	(1,695)	(1,695)	–	–	–
Retained earnings	6,488	6,488	6,488	3,929	3,929	3,929
Treasury shares	–	–	–	–	–	–
Total shareholders' equity	36,210	28,260	27,124	35,346	27,396	26,260
NTA	23,980	16,030	14,894	35,346	27,396	26,260
Current assets	31,532	23,582	22,446	16,139	8,189	7,035
Current liabilities	10,333	10,333	10,333	4,546	4,546	4,546
Working capital	21,199	13,249	12,113	11,593	3,643	2,507
Total borrowings	–	–	–	–	–	–
Cash and cash equivalents	25,985	18,035	16,899	9,718	1,768	632
Number of issued shares ('000) ⁽¹⁾	476,803	429,123	429,123	476,803	429,123	429,123
Number of treasury shares ('000)	–	–	–	–	–	–
Weighted average number of shares ('000)	476,803	429,123	429,123	476,803	429,123	429,123
Loss for the period attributable to shareholders	(1,133)	(1,133)	(1,133)	(3,071)	(3,071)	(3,071)
Financial Ratios						
NTA per share ⁽²⁾ (cents)	5.03	3.74	3.47	7.41	6.38	6.12
Gearing ⁽³⁾ (times)	–	–	–	–	–	–
Current ratio (times)	3.05	2.28	2.17	3.55	1.80	1.55
Basic EPS ⁽⁴⁾ (cents)	(0.24)	(0.26)	(0.26)	(0.64)	(0.72)	(0.72)

Notes:

- (1) Based on the issued share capital of 476,803,002 Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date.
- (2) NTA per Share equals to equity attributable to owners of the Company less intangible assets divided by the number of Shares outstanding (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date.
- (3) Gearing equals to total borrowings divided by total equity.
- (4) EPS equals to profit attributable to owners of the Company divided by the weighted average number of Shares outstanding during FY 2019.

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The actual impact will depend on the number of Shares purchased or acquired and the purchase price. As stated, the Directors do not propose to exercise the Share Buy-Back Mandate to such an extent that it would have a material adverse effect on the working capital requirements, financial position and/or gearing of the Group. The Share buy-backs will only be effected after considering relevant factors such as the working capital requirement, availability of financial resources, the expansion and investment plans of the Group, and the prevailing market conditions.

Shareholders should note that the financial effects illustrated above, based on the respective aforesaid assumptions, are for illustrative purposes only. It is important to note that the above analysis is based on the audited financial statements of the Company and the Group for FY 2019, and is not necessarily representative of the future financial performance of the Company and the Group.

It should be noted that although the Share Buy-Back Mandate would authorise the Company to purchase or acquire up to 10% of the issued Shares (excluding any Shares held by the Company as treasury shares or which comprise subsidiary holdings), the Company may not necessarily purchase or acquire, or be able to purchase or acquire, the entire 10% of the issued Shares (excluding any Shares held by the Company as treasury shares or which comprise subsidiary holdings). In addition, the Company may cancel, or hold as treasury shares, all or part of the Shares purchased or acquired. The Company will take into account both financial and non-financial factors (for example, stock market conditions and the performance of the Shares) in assessing the relative impact of a Share buy-back before execution.

2.7 Implications under the Takeover Code

Appendix 2 of the Takeover Code contains the Share Buy-Back Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

2.7.1 Obligation to make a take-over offer

Under Appendix 2 of the Take-over Code, an increase of a Shareholder's proportionate interest in the voting rights of the Company resulting from a Share buy-back by the Company will be treated as an acquisition for the purpose of Rule 14 of the Takeover Code ("**Rule 14**"). Consequently, a Shareholder or group of Shareholders acting in concert with a Director could obtain or consolidate effective control of the Company, and become obligated to make a take-over offer for the Company under Rule 14.

Pursuant to Rule 14, a Shareholder and persons acting in concert with the Shareholder will incur an obligation to make a mandatory take-over offer if, *inter alia*, he and persons acting in concert with him increase their voting rights in the Company to 30% or more or, if they, together holding between 30% and 50% of the Company's voting rights, increase their voting rights in the Company by more than 1% in any period of 6 months.

In calculating the percentages of voting rights of such person and their concert parties, treasury shares and subsidiary holdings shall be excluded.

2.7.2 Persons acting in concert

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, *inter alia*, be presumed to be acting in concert:

- (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);

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- (b) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the foregoing companies, and any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the aforementioned companies for the purchase of voting rights. For this purpose, a company is an associated company of another company if the second company owns or controls at least 20% but not more than 50% of the voting rights of the first-mentioned company; and
- (c) an individual, his close relatives, his related trusts, and any person who is accustomed to act according to the individual's instructions, and companies controlled by any of the aforementioned persons and entities, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purposes of voting rights.

The circumstances under which Shareholders of the Company (including Directors of the Company) 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 Appendix 2 of the Takeover Code.

2.7.3 Effect of Rule 14 and Appendix 2 of the Takeover Code

In general terms, the effect of Rule 14 and Appendix 2 of the Takeover Code is that, unless exempted, Shareholders and persons acting in concert with them will incur an obligation to make a mandatory take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares:

- (a) the voting rights of such Shareholders and persons acting in concert with them would increase to 30% or more; or
- (b) in the event that such Shareholders and persons acting in concert with them hold between 30% and 50% of the Company's voting rights, if the voting rights of such Shareholders and persons acting in concert with them would increase by more than 1% in any period of six (6) months.

Under Appendix 2 of the Takeover 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:

- (i) the voting rights of such Shareholder would increase to 30% or more; or
- (ii) if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six (6) months.

Such Shareholder need not abstain from voting in respect of the ordinary resolution authorising the adoption of the Share Buy-Back Mandate.

Shareholders will be subject to the provisions of Rule 14 if they acquire any Shares after Share Buy-backs by the Company.

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

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2.7.4 Application of the Takeover Code

As at the Latest Practicable Date, Dr. Heng, an Executive Director, holds 140,453,614 Shares in the Company representing 29.46% of the total issued Shares of the Company, excluding treasury shares and subsidiary holdings. The Company has obtained written confirmation from Dr. Heng that there are no parties acting in concert with her as at the Latest Practicable Date.

Assuming that there is no change in the number of Shares held or deemed to be held by Dr. Heng, the purchase or acquisition by the Company of the maximum limit of 10% of the issued Shares (excluding treasury shares and any subsidiary holdings) will result in her shareholdings increasing to more than 30%. Accordingly, Dr. Heng will be required to make a mandatory take-over offer under Rule 14 of the Takeover Code.

Further details of the interests of the Directors and Substantial Shareholders of the Company in the Shares of the Company as at the Latest Practicable Date are set out in Section 3 of this Appendix.

2.7.5 Conditions for exemption from having to make a mandatory take-over offer under Rule 14 of the Takeover Code

Pursuant to Section 3(a) of Appendix 2 of the Takeover Code, Dr. Heng will be exempted from the requirement to make a mandatory take-over offer under Rule 14 of the Takeover Code as a result of any Share buy-back carried out by the Company pursuant to the Share Buy-Back Mandate, subject to the following conditions:

- (a) the circular to Shareholders seeking their approval for the Share Buy-Back Mandate contains:
 - (i) advice to the effect that by voting in favour of the resolution to approve the adoption of the Share Buy-Back Mandate, Shareholders are waiving their rights to a mandatory take-over offer at the required price from Dr. Heng; and
 - (ii) the voting rights of Dr. Heng as at the date of the AGM (being the date on which the resolution on the adoption of the Share Buy-Back Mandate is tabled for Shareholders' approval) and after the Company exercises the power under the Share Buy-Back Mandate in full and purchases 10% of the issued Shares (excluding treasury shares and any subsidiary holdings);
- (b) the resolution to authorise the Share Buy-Back Mandate is approved by a majority of Shareholders who are present and voting at the AGM on a poll who could not become obliged to make an offer as a result of the Share buy-back by the Company pursuant to the Share Buy-Back Mandate;
- (c) Dr. Heng will abstain from voting for and/or recommending Shareholders to vote in favour of the resolution to approve the adoption of the Share Buy-Back Mandate;
- (d) within seven (7) days after the passing of the resolution to approve the adoption of the Share Buy-Back Mandate, Dr. Heng submits to the SIC a duly signed Form 2 as prescribed by the SIC;
- (e) Dr. Heng has not acquired and will not acquire any Shares between the date on which they know that the announcement of the proposed adoption of the Share Buy-Back Mandate is imminent and the earlier of:
 - (i) the date on which the authority of the Share Buy-Back Mandate expires; and
 - (ii) the date on which the Company announces it has bought back such number of Shares as authorised by the Share Buy-Back Mandate or it has decided to cease buying back its Shares, as the case may be,

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if any such acquisitions, taken together with the Shares purchased or acquired under the Share Buy-Back Mandate, would cause their aggregate voting rights to increase to 30% or more.

It follows that, if the aggregate voting rights held by Dr. Heng increase to 30% or more solely as a result of the Company's purchase or acquisition of Shares under the Share Buy-Back Mandate, and Dr. Heng has not acquired any Shares during the relevant period as set out in item (e) above, then Dr. Heng would be eligible for SIC's exemption from the requirement to make a mandatory take-over offer under Rule 14 of the Takeover Code, or where such exemption had been granted, would continue to enjoy the exemption.

If the Company ceases to purchase or acquire Shares pursuant to the Share Buy-Back Mandate and the aggregate voting rights held by Dr. Heng has not increased to 30% or more, Dr. Heng may acquire further voting rights in the Company. However, any increase in Dr. Heng's percentage voting rights as a result of the purchase or acquisition of Shares by the Company pursuant to the Share Buy-Back Mandate will be taken into account together with any voting rights acquired by Dr. Heng by whatever means in determining whether she has increased her aggregate voting rights to 30% or more.

2.7.6 Form 2 submission to the SIC

Form 2 is the prescribed form to be submitted to the SIC by Dr. Heng pursuant to the conditions for exemption as set out in Section 2.7.5 above from the requirement to make a mandatory take-over under Rule 14 of the Takeover Code as a result of the purchase or acquisition of shares by the Company under its Share Buy-Back Mandate.

As at the Latest Practicable Date, Dr. Heng has informed the Company that she will be submitting Form 2 to the SIC within seven (7) days after the passing of the resolution relating to the adoption of the Share Buy-Back Mandate.

2.7.7 Advice to Shareholders

Shareholders should note that by voting for the adoption of the Share Buy-Back Mandate, they are waiving their rights to a takeover offer at the required price from Dr. Heng in the circumstances set out above. Such a takeover offer, if required to be made and had not been exempted by the SIC, would have to be made in cash or be accompanied by a cash alternative at the required price.

Save as disclosed, the Directors are not aware of any facts or factors which suggest or imply that any particular person(s) and/or Shareholder(s) are, or may be regarded as, parties acting in concert such that their respective interests in voting shares in the capital of the Company should or ought to be consolidated, and consequences under the Takeover Code would ensue as a result of a purchase or acquisition of Shares by the Company pursuant to the Share Buy-Back Mandate.

Appendix 2 of the Takeover Code requires that the resolution to authorise the Share Buy-Back Mandate is to be approved by a majority of those Shareholders present and voting at the meeting on a poll who could not become obliged to make an offer under the Takeover Code as a result of the Share buy-back. Accordingly, the said resolution is proposed to be taken on a poll and Dr. Heng shall abstain from voting on such resolution.

2.8 **Share Buy-Backs by the Company in the Previous 12 Months**

No Shares have been purchased or acquired by the Company in the 12 months preceding the Latest Practicable Date.

2.9 **Limits on shareholdings**

The Company does not have any limits on the shareholding of any Shareholder.

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2.10 Tax Implications

Shareholders who are in doubt as to their respective tax positions or any tax implications arising from the purchases of Shares by the Company pursuant to the Share Buy-Back Mandate, or who may be subject to tax whether in or outside Singapore, should consult their own professional advisers.

2.11 Interested Persons

The Company is prohibited from knowingly buying Shares on Catalist from interested persons, that is, the Directors, the Chief Executive Officer of the Company (or other executive officer of equivalent rank) or Controlling Shareholder of the Company or any of their Associates, and interested persons are prohibited from knowingly selling his/her Shares to the Company.

2.12 Reporting Requirements under the Companies Act

Within 30 days of the passing of the Shareholders' resolution to approve the adoption of the Share Buy-Back Mandate, the Company shall lodge a copy of the resolution with ACRA.

Within 30 days of a purchase or acquisition of Shares on Catalist or otherwise, the Company shall lodge with ACRA a notice of the purchase or acquisition in the prescribed form, such notification including, *inter alia*, the date of the purchase or acquisition, the number of Shares purchased or acquired by the Company, the number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued ordinary share capital before and after the purchase or acquisition of Shares, the amount of consideration paid by the Company for the purchase or acquisition, and whether the Shares were purchased or acquired out of the profits or the capital of the Company.

2.13 Catalist Rules

2.13.1 Public float

The Company is required under Rule 723 of the Catalist Rules to ensure that at least 10% of its total number of Shares (excluding any preference shares, convertible equity securities and treasury shares) are in the hands of the public. The "public", as defined under the Catalist Rules, are persons other than the Directors, Chief Executive Officer, Substantial Shareholders or Controlling Shareholders of the Company or its subsidiaries, as well as the Associates of such persons.

As at the Latest Practicable Date, approximately 121,394,044 Shares or 25.46% of the issued Shares are held in the hands of the public. Assuming that the Company purchased or acquired the maximum of 10% of its issued Shares as at the Latest Practicable Date from members of the public by way of a Market Purchase, the number of Shares in the hands of the public would be reduced by approximately 47,680,300 Shares, and the resultant number of Shares held by public Shareholders would be reduced to 73,713,744, representing approximately 17.18% of the remaining issued Shares of the Company.

Accordingly, the Company is of the view that there is a sufficient number of issued Shares held in the hands of the public which would permit the Company to undertake purchases or acquisitions of its issued Shares up to the full 10% limit pursuant to the Share Buy-Back Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to adversely affect the orderly trading of Shares.

The Directors will use their best efforts to ensure that the Company does not effect purchases or acquisitions of Shares if such purchases or acquisitions 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 or adversely affect the orderly trading of the Shares.

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2.13.2 Disclosure Requirements

Additionally, the Catalist Rules also specifies that a listed company must announce any purchase or acquisitions of Shares not later than 9.00 a.m.:

- (a) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its Shares; and
- (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer.

Such announcement shall include, *inter alia*, details of the total number of Shares authorised for purchase or acquisition, the date of purchase or acquisition, the total number of Shares purchased or acquired, cancelled and retained as treasury shares, the purchase price per Share or (in the case of Market Purchases) the purchase price per Share or the highest price and lowest price per Share, the total consideration paid for the Shares and the number of issued Shares after purchase or acquisition, in the form prescribed under the Catalist Rules.

2.13.3 Dealing in Securities

While the Catalist Rules does not expressly prohibit any purchase or acquisition of Shares by a listed company during any particular time, because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued Shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Buy-Back Mandate at any time after a price-sensitive development has occurred or has been the subject of a decision until such price-sensitive information has been publicly announced.

Further, in conformity with the best practices guide on securities dealings issued by the SGX-ST, the Company will not purchase or acquire any Shares through Market Purchases or Off-Market Purchases during the period commencing two (2) weeks before the announcement of the Company’s financial statements for each of the first three quarters of its financial year and one (1) month before the announcement of the Company’s full year financial statements, and ending on the date of announcement of the relevant results.

3 INTERESTS OF THE DIRECTORS AND/OR SUBSTANTIAL SHAREHOLDERS

	Before Share Buy-Back				After Share Buy-Back			
	Direct interest		Deemed interest		Direct interest		Deemed interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽²⁾	No. of Shares	% ⁽²⁾
Directors								
Dr. Beh Suan Tiong	24,008,452	5.04	24,472,000 ⁽³⁾	5.13	24,008,452	5.59	24,472,000 ⁽³⁾	5.70
Dr. Heng Tung Lan	140,453,614	29.46	–	–	140,453,614	32.73	–	–
Dr. Lee Keen Whye	25,600,356	5.37	56,104,524 ⁽⁴⁾	11.76	25,600,356	5.97	56,104,524 ⁽⁴⁾	13.07
Mr. Ng Boon Yew	–	–	–	–	–	–	–	–
Mr. Chan Heng Toong	–	–	–	–	–	–	–	–
Mr. Chooi Yee-Choong	–	–	–	–	–	–	–	–
Ms. See Tho Soat Ching	–	–	–	–	–	–	–	–
Substantial Shareholders (other than Directors)								
Joyce Lim Teng Ee	130,000	0.03	40,923,002 ⁽⁵⁾	8.58	130,000	0.03	40,923,002 ⁽⁵⁾	9.54
Choo Wan Ling	34,899,278	7.32	–	–	34,899,278	8.13	–	–

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Notes:

- (1) The percentage is calculated based on 476,803,002 Shares as at the Latest Practicable Date.
- (2) Assuming the Company purchases or acquires the maximum number of Shares pursuant to the Share Buy-Back Mandate, the percentage after the Share buy-back is calculated based on 429,122,702 Shares.
- (3) Dr. Beh Suan Tiong has a deemed interest in the shareholdings of 472,000 Shares held by his wife, Ms. Heng Siok Hong Veronica and 24,000,000 Shares held in his name under DBS Nominees Pte. Ltd. account.
- (4) Dr. Lee Keen Whye has a deemed interest in the shareholdings of 6,104,524 Shares held by his wife, Dr. Wong Chui Fong, Anna and the shareholdings of each 22,000,000 shares, 18,000,000 shares and 10,000,000 shares are held in his name under the accounts of OCBC Securities Private Ltd, Citibank Nominees Singapore Pte Ltd and Maybank Nominees (Singapore) Pte. Ltd. account respectively.
- (5) Dr. Joyce Lim Teng Ee has a deemed interest in the shareholding of 40,923,002 Shares held under her name under Citibank Nominees Singapore Pte. Ltd. account.

In the event that the Company undertakes purchases or acquisitions of Shares of up to 10% of the issued Shares of the Company as permitted under the Share Buy-Back Mandate, the shareholdings and voting rights of Dr. Heng will increase to more than 30%. Accordingly, Dr. Heng may be required to make a mandatory take-over offer under Rule 14 of the Takeover Code. Further details on conditions for exemption from having to make a mandatory take-over offer under Rule 14 of the Takeover Code are set out in Sections 2.7.5 and 2.7.6 of this Appendix.

Save for the above, the Directors are not aware of any Shareholder or group of Shareholders acting in concert who may become obligated to make a mandatory take-over offer under the Takeover Code in the event that the Company purchases or acquires the maximum number of Shares under the Share Buy-Back Mandate.

None of the Directors (other than in his capacity as a Director or Shareholder of the Company), as well as their respective Associates, has any interest, direct or indirect, in the Share Buy-Back Mandate.

4 DIRECTORS' RECOMMENDATION

The Directors, save for Dr. Heng, who has abstained from making any recommendation to Shareholders pursuant to the conditions for exemption under Appendix 2 of the Takeover Code (as set out in Section 2.7.5 in this Appendix), having carefully considered the terms and rationale of the proposed adoption of the Share Buy-Back Mandate, are of the opinion that the Share Buy-Back Mandate is in the best interests of the Company and they recommend that Shareholders vote in favour of the resolution relating to the proposed adoption of the Share Buy-Back Mandate.

5 ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the AGM and wish to appoint a proxy to attend and vote at the AGM on their behalf must complete, sign and return the proxy form attached to the Notice of AGM in accordance with the instructions printed thereon as soon as possible, and, in any event, so as to arrive at the registered office of the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road, #02-00, Singapore 068898, not less than forty-eight (48) hours before the time fixed for the AGM. The completion and return of a proxy form by a Shareholder does not preclude him/her from attending and voting in person at the AGM should he/she subsequently decide to do so, although the appointment of the proxy shall be deemed to be revoked by such attendance.

A Depositor shall not be regarded as a Shareholder of the Company and is not entitled to attend the AGM and to speak and vote thereat unless his name appears on the Depository Register and/or the Register of Members at least seventy-two (72) hours before the AGM.

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6 DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including those who may have delegated detailed supervision of this Appendix) collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed adoption of the Share Buy-Back Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Appendix in its proper form and context.

7 ABSTENTION FROM VOTING

Dr. Heng will abstain from voting at the AGM in respect of the resolution relating to the proposed adoption of the Share Buy-Back Mandate pursuant to the conditions under Appendix 2 of the Takeover Code as set out in Section 2.7.5 of this Appendix. Furthermore, Dr. Heng shall not act as proxy in relation to such resolution unless specific voting instructions have been given. Any votes cast by Dr. Heng on the resolution to adopt the Share Buy-Back Mandate, unless carried out in connection to her being appointed as proxy and in accordance with voting instructions given, will be disregarded by the Company.

8 INSPECTION OF DOCUMENTS

The following documents are available for inspection at the registered office of the Company at 229 Mountbatten Road #02-02 Mountbatten Square Singapore 398007, during normal business hours from the date of this Appendix up to the date of the AGM:

- (a) the Constitution of the Company; and
- (b) the Annual Report of the Company for FY 2019.

Yours faithfully
For and on behalf of the Board of Directors
SINGAPORE O&G LTD.

Dr. Beh Suan Tiong
Executive Chairman