



## TEE INTERNATIONAL LIMITED

(Incorporated in Singapore with limited liability)  
(Company registration number: 200007107D)

### Directors:

Mr. Bertie Cheng Shao Shiong (Chairman and Independent Director)  
Mr. Phua Boon Kin (Interim Group Chief Executive and  
Managing Director)  
Ms. Saw Chin Choo (Executive Director)  
Mr. Phua Chian Kin (Director)  
Mr. Gn Hiang Meng (Independent Director)  
Mr. Aric Loh Siang Khee (Independent Director)  
Mr. Lai Hock Meng (Independent Director) (Appointed on 6 November 2019)  
Mr. Wu Geng (Independent Director) (Appointed on 6 November 2019)

### Registered Office:

25 Bukit Batok Street 22  
TEE Building  
Singapore 659591

**13 November 2019**

**To: The shareholders of TEE International Limited (the “Shareholders”)**

Dear Sir/Madam

### PROPOSED RENEWAL OF SHARE BUY-BACK MANDATE

#### (A) Introduction

1. The Directors of the Company propose to table for Shareholders’ consideration and approval, the renewal of the general mandate to be given for the purchase or acquisition by the Company of its issued ordinary shares (the **“Share Buy-Back Mandate”**).
2. The purpose of this letter to Shareholders (the **“Letter”**) is to explain the rationale and provide information to Shareholders for the proposed renewal of the Share Buy-Back Mandate.
3. The Share Buy-Back Mandate was first granted at the Company’s Extraordinary General Meeting held on 27 September 2012. The existing Share Buy-Back Mandate (the **“2018 Mandate”**) will expire at the conclusion of the Company’s forthcoming Annual General Meeting (**“AGM”**). Accordingly, the Directors propose the Share Buy-Back Mandate to be renewed at the forthcoming AGM scheduled to be held on 29 November 2019 (the **“2019 AGM”**), to take effect until the conclusion of the next AGM to be held in 2020 or such date as the next AGM is required by law to be held, whichever is earlier.
4. Details of the Share Buy-Back Mandate were set out in the Circular to Shareholders dated 12 September 2012 which contained the terms of the mandate for the purchase by the Company of its issued ordinary shares. The terms of the mandate in respect of which the Share Buy-Back Mandate is sought to be renewed are set out in this Letter for the easy reference of the Shareholders.

**(B) Shares Purchased In The Previous Twelve Months**

Pursuant to the 2018 Mandate renewed at the last AGM held on 26 September 2018 until as at the Latest Practicable Date prior to the printing of this Letter, 31 October 2019, the Company has not made any purchases or acquisitions of any of its issued shares.

**(C) Renewal Of The Share Buy-Back Mandate**

1. The ordinary resolution 9, as set out in the Notice of 2019 AGM, if passed at the 2019 AGM, will renew the Share Buy-Back Mandate from the date of the 2019 AGM until the date that the next AGM of the Company is held or is required by law to be held, whichever is the earlier.
2. The number of shares which can be purchased or acquired by the Company pursuant to the Share Buy-Back Mandate is such number of shares which represents up to a maximum of ten per cent. (10%) of the total number of issued ordinary shares (excluding any treasury shares and subsidiary holdings that may be held by the Company from time to time) of the Company as at the date of the 2019 AGM at which the proposed renewal of the Share Buy-Back Mandate is approved. As at the Latest Practicable Date, the Company had 1,270,400 treasury shares and no subsidiary holdings.
3. For illustrative purposes, the existing number of issued and fully paid shares of the Company as at the Latest Practicable Date is **646,882,476** shares (excluding **1,270,400** treasury shares and there being no subsidiary holdings as at that date), and assuming that (i) no further shares are issued or repurchased on or prior to the 2019 AGM and (ii) no shares are held as subsidiary holdings:
  - (i) not more than **64,688,247** shares (representing ten per cent. (10%) of the total number of issued ordinary shares (excluding treasury shares and subsidiary holdings) of the Company as at that date) may be purchased or acquired by the Company pursuant to the Share Buy-Back Mandate; and
  - (ii) pursuant to the basis of paragraph 8(a) of the Appendix (Guidelines on Share Buy-Back) to this Letter, the number of shares held as treasury shares cannot at any time exceed 10% of the total number of issued shares of the Company. Based on the above assumptions (being ten per cent. (10%) of the total number of issued shares of **648,152,876** shares of the Company at that time), the maximum number of treasury shares the Company is allowed to hold is **64,815,287** shares. As the Company holds 1,270,400 shares as treasury shares as at the Latest Practicable Date, the Company may only retain a further **63,544,887** shares as treasury shares.

**(D) Rationale For The Share Buy-Back Mandate**

1. The Directors constantly seek to increase Shareholders' value and to improve, *inter alia*, the return on equity of the Company and its subsidiaries (the "**Group**"). A share buy-back or purchase (the "**Share Purchase**") made pursuant to the Share Buy-Back Mandate at an appropriate price level is one of the ways through which the return on equity of the Group may be enhanced.
2. Share Buy-Back Mandate provides the Company with a mechanism to facilitate the return of surplus cash over and above the Group's working capital requirements in an expedient and cost-efficient manner. It also allows the Directors to exercise control over the Company's share structure and, depending on market conditions, may lead to an enhancement of the earnings per share ("**EPS**") and/or net tangible assets ("**NTA**") per share. The Directors further believe that Share Purchases by the Company will help to mitigate short-term market volatility and offset the effects of share price speculation.
3. If and when circumstances permit, the Directors will decide whether to effect the Share Purchases via On-Market Share Purchases or Off-Market Share Purchases, after taking into account the amount of surplus cash available, the prevailing market conditions and the most cost-effective and efficient approach.

4. The Share Purchases will only be undertaken as and when the Directors consider it to be in the best interests of the Company and/or Shareholders. No Share Purchases will be made in circumstances which the Directors believe will have or may have a material adverse effect on the liquidity and the orderly trading of the shares and the working capital requirements and gearing level of the Company and the Group.
5. Accordingly, the Company is of the view that there is sufficient number of the shares in issue held by public Shareholders which would permit the Company to undertake Share Purchase up to the full 10% limit pursuant to the Share Buy-Back Mandate without affecting the listing status of the shares on the Singapore Exchange Securities Trading Limited (“**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 affect orderly trading. The Directors will ensure that any Share Purchase, if undertaken by the Company pursuant to the Share Buy-Back Mandate, will not affect orderly trading of the Company’s shares and its listing status.
6. As at Latest Practicable Date, there are 329,568,748 shares in the hands of the public (as defined above), representing approximately 50.95% of a total of 646,882,476 shares (excluding treasury shares and subsidiary holdings) issued by the Company.

**(E) Financial Impact Of The Proposed Share Purchases**

1. Source of funds

In undertaking Share Purchases, the Company may only apply funds legally available for such purchase in accordance with the Constitution of the Company (the “**Constitution**”), the applicable laws in Singapore and the Listing Manual of the SGX-ST. The Company may not purchase its shares for a consideration other than cash or, in the case of an On-Market Share Purchase, for settlement other than in accordance with the trading rules of the SGX-ST.

Pursuant to the Companies Act, any payment made by the Company in consideration for Share Purchases may only be made out of the Company’s capital or profit so long as the Company is solvent. Where the consideration paid by the Company for the Share Purchases is made out of profits, such consideration (including related brokerage, goods and services tax, stamp duties and clearance fees) will correspondingly reduce the amount of profits available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the Share Purchases is made out of capital, the amount available for the distribution of dividends by the Company will not be reduced.

The Company intends to use internal resources and/or external borrowings and/or a combination of both to finance its Share Purchases.

2. Financial effects and other impact

The financial effects on the Group and the Company arising from its purchase or acquisition of shares which may be made pursuant to the Share Buy-Back Mandate will depend on, *inter alia*, whether the shares purchased or acquired is an On-Market Share Purchase or an Off-Market Share Purchase, whether the shares are purchased or acquired out of capital and/or profits of the Company, the number of shares purchased or acquired and the consideration paid for such shares.

For illustrative purposes only, the financial effects on the Company and the Group arising from the Share Purchases, based on the audited financial statements of the Company and the Group for the financial year ended 31 May 2019 (“FY2019”), are prepared on the assumptions set out below:-

- (a) the Share Purchases:
  - (i) comprised 64,688,247 shares (being the maximum number of share which the Company may purchase or acquire pursuant to the 2019 Mandate and in accordance with paragraph (C)3(i) of this Letter, representing 10% of the 646,882,476 issued ordinary shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date and assuming no further shares are issued, repurchased or held by the Company as treasury shares on or prior to the 2019 AGM);
  - (ii) comprised 63,544,887 shares (being the maximum number of shares which the Company may purchase or acquire and hold as treasury shares in compliance with Section 76I of the Companies Act and in accordance with paragraph (C)3(ii) of this Letter, as at the Latest Practicable Date and assuming no further shares are issued, repurchased or held by the Company as treasury shares on or prior to the 2019 AGM);
- (b) in the case of On-Market Share Purchases, the maximum price was S\$0.053 (being 5% above the average of the closing market prices of the shares for the last 5 Market Days on which the shares were traded on the SGX-ST immediately preceding the Latest Practicable Date) and accordingly the maximum amount of funds required for the purchase or acquisition of 64,688,247 shares and 63,544,887 shares (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses), would amount to approximately S\$3,428,477 and S\$3,367,879 respectively;
- (c) in the case of Off-Market Share Purchases, the maximum price was S\$0.060 (being 20% above the average of the closing market price of the shares for the last 5 Market Days on which the shares were traded on the SGX-ST immediately preceding the Latest Practicable Date) and accordingly the maximum amount of funds required for the purchase or acquisition of 64,688,247 shares and 63,544,887 shares (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses), would amount to approximately S\$3,881,295 and S\$3,812,693 respectively;
- (d) On the basis of the assumptions set out above and based on the audited financial statements of the Company and the Group for FY2019, and assuming that:
  - (i) an aggregate of 64,688,247 shares are purchased by the Company by way of (a) On-Market Share Purchases and (b) Off-Market Share Purchases and are cancelled, and
  - (ii) an aggregate of 63,544,887 shares are purchased by the Company by way of (a) On-Market Share Purchases and (b) Off-Market Share Purchases and are held as treasury shares;
- (e) the Share Purchases took place on 1 June 2019; and
- (f) the Share Purchases were made entirely out of the Company’s capital and financed entirely by external borrowings of the Company.

**Assuming 64,688,247 shares were purchased and cancelled**

	Group			Company		
	After Share Purchases Before Share Purchases	On-Market Share Purchase	Off-Market Share Purchase	After Share Purchases Before Share Purchases	On-Market Share Purchase	Off-Market Share Purchase
<b><u>As at 31 May 2019</u></b>	<b><u>S\$'000</u></b>	<b><u>S\$'000</u></b>	<b><u>S\$'000</u></b>	<b><u>S\$'000</u></b>	<b><u>S\$'000</u></b>	<b><u>S\$'000</u></b>
Share capital	73,194	69,766	69,313	73,194	69,766	69,313
Treasury shares	(269)	(269)	(269)	(269)	(269)	(269)
Shareholders' fund	80,871	77,443	76,990	57,650	54,222	53,769
Net Tangible Assets ("NTA")	130,284	126,856	126,403	57,650	54,222	53,769
Current assets	530,479	530,479	530,479	11,163	11,163	11,163
Current liabilities	344,653	348,081	348,534	58,197	61,625	62,078
Cash and bank balances	64,165	64,165	64,165	759	759	759
Total borrowings	308,717	312,145	312,598	40,397	43,825	44,278
Net borrowings <sup>(1)</sup>	244,552	247,980	248,433	39,638	43,066	43,519
Loss attributable to owners of the Company for FY2019	(18,173)	(18,173)	(18,173)	(8,998)	(8,998)	(8,998)
Number of Shares (excluding treasury shares) as at 31 May 2019 ('000) <sup>(2)</sup>	646,882	582,194	582,194	646,882	582,194	582,194
Weighted average number of Shares (excluding treasury shares) as at 31 May 2019 ('000)	554,077	489,389	489,389	554,077	489,389	489,389
<b><u>Financial Ratios</u></b>						
NTA per Share (cents) <sup>(3)</sup>	20.14	21.79	21.71	8.91	9.31	9.24
Gross gearing (times) <sup>(4)</sup>	2.37	2.46	2.47	0.70	0.81	0.82
Net gearing (times) <sup>(5)</sup>	1.88	1.95	1.97	0.69	0.79	0.81
Current ratio (times) <sup>(6)</sup>	1.54	1.52	1.52	0.19	0.18	0.18
Loss per Share (cents) <sup>(7)</sup>	(3.28)	(3.71)	(3.71)	(1.62)	(1.84)	(1.84)

**Notes:**

<sup>(1)</sup> Net borrowings represent total borrowings less cash and bank balances.

<sup>(2)</sup> The figures are rounded off to the nearest whole number.

<sup>(3)</sup> NTA per Share represents NTA divided by the number of Shares as at 31 May 2019.

<sup>(4)</sup> Gross gearing represents total borrowings divided by NTA.

<sup>(5)</sup> Net gearing represents net borrowings divided by NTA.

<sup>(6)</sup> Current ratio represents current assets divided by current liabilities.

<sup>(7)</sup> Loss per Share represents loss attributable to owners of the Company for FY2019 divided by the weighted average number of Shares as at 31 May 2019.

**Assuming 63,544,887 shares were purchased and held as treasury shares**

	Group			Company		
	After Share Purchases Before Share Purchases	On-Market Share Purchase	Off-Market Share Purchase	After Share Purchases Before Share Purchases	On-Market Share Purchase	Off-Market Share Purchase
<b><u>As at 31 May 2019</u></b>	<b><u>S\$'000</u></b>	<b><u>S\$'000</u></b>	<b><u>S\$'000</u></b>	<b><u>S\$'000</u></b>	<b><u>S\$'000</u></b>	<b><u>S\$'000</u></b>
Share capital	73,194	73,194	73,194	73,194	73,194	73,194
Treasury shares	(269)	(3,637)	(4,082)	(269)	(3,637)	(4,082)
Shareholders' fund	80,871	77,503	77,058	57,650	54,282	53,837
NTA	130,284	126,916	126,471	57,650	54,282	53,837
Current assets	530,479	530,479	530,479	11,163	11,163	11,163
Current liabilities	344,653	348,021	348,466	58,197	61,565	62,010
Cash and bank balances	64,165	64,165	64,165	759	759	759
Total borrowings	308,717	312,085	312,530	40,397	43,765	44,210
Net borrowings <sup>(1)</sup>	244,552	247,920	248,365	39,638	43,006	43,451
Loss attributable to owners of the Company for FY2019	(18,173)	(18,173)	(18,173)	(8,998)	(8,998)	(8,998)
Number of Shares (excluding treasury shares) as at 31 May 2019 ('000) <sup>(2)</sup>	646,882	583,337	583,337	646,882	583,337	583,337
Weighted average number of Shares (excluding treasury shares) as at 31 May 2019 ('000)	554,077	490,532	490,532	554,077	490,532	490,532
<b><u>Financial Ratios</u></b>						
NTA per Share (cents) <sup>(3)</sup>	20.14	21.76	21.68	8.91	9.31	9.23
Gross gearing (times) <sup>(4)</sup>	2.37	2.46	2.47	0.70	0.81	0.82
Net gearing (times) <sup>(5)</sup>	1.88	1.95	1.96	0.69	0.79	0.81
Current ratio (times) <sup>(6)</sup>	1.54	1.52	1.52	0.19	0.18	0.18
Loss per Share (cents) <sup>(7)</sup>	(3.28)	(3.70)	(3.70)	(1.62)	(1.83)	(1.83)

**Notes:**

<sup>(1)</sup> Net borrowings represent total borrowings less cash and bank balances.

<sup>(2)</sup> The figures are rounded off to the nearest whole number.

<sup>(3)</sup> NTA per Share represents NTA divided by the number of Shares as at 31 May 2019.

<sup>(4)</sup> Gross gearing represents total borrowings divided by NTA.

<sup>(5)</sup> Net gearing represents net borrowings divided by NTA.

<sup>(6)</sup> Current ratio represents current assets divided by current liabilities.

<sup>(7)</sup> Loss per Share represents loss attributable to owners of the Company for FY2019 divided by the weighted average number of Shares as at 31 May 2019.

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 of the Company and the Group. The Share Purchases will only be effected after taking into consideration both financial factors (such as cash surplus, debt position and working capital requirements of the Group) and non-financial factors (such as market conditions and performance of the shares).

**Shareholders should note that the financial effects set out above, based on the respective aforementioned assumptions, are for illustration purposes only. In particular, it is important to note that the above analysis is based on the audited financial statements of the Company and the Group for FY2019 and is not necessarily representative of the future financial performance of the Company and the Group. Although the Share Buy-Back Mandate would authorise the Company to purchase up to 10% of the Company's issued ordinary shares as at the date the Share Buy-Back Mandate is obtained, the Company may not necessarily buy-back or be able to buy-back 10% of the issued ordinary shares in full.**

**(F) Consequences Of Shares Purchases Under The Singapore Code On Take-overs and Mergers**

1. In accordance with The Singapore Code on Take-overs and Mergers (the "Take-over Code"), a person will be required to make a general offer for a public company if:
  - (a) he acquires 30 per cent. (30%) or more of the voting rights of the company; or
  - (b) he already holds between 30 per cent. (30%) and 50 per cent. (50%) of the voting rights of the company, and he increases his voting rights in the company by more than one per cent. (1%) in any six-month period.

If, as a result of any Share Purchase, a Shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of the Take-over Code. If such increase results in a change of effective control, or, as result of such increase, a Shareholder or a group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholders or group of Shareholders acting in concert could 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 Take-over Code presumes, *inter alia*, the following individuals and companies to be persons acting in concert with each other:

- (a) The following companies:
  - (i) A company;
  - (ii) The parent company of (i);
  - (iii) The subsidiaries of (i);
  - (iv) The fellow subsidiaries of (i);
  - (v) The associated companies of any of (i), (ii), (iii) or (iv);
  - (vi) Companies whose associated companies include any of (i), (ii), (iii), (iv) or (v); and
  - (vii) Any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights; and
- (b) A company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts).

- (c) A company with any of its pension funds and employee share schemes;
- (d) A person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (e) A financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and persons controlling, controlled by or under the same control as the adviser;
- (f) Directors of a company (together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent;
- (g) Partners; and
- (h) The following persons and entities: -
  - (i) An individual;
  - (ii) The close relative of (i);
  - (iii) The related trusts of (i);
  - (iv) Any person who is accustomed to act in accordance with the instructions of (i);
  - (v) Companies controlled by any of (i), (ii), (iii) or (iv); and
  - (vi) Any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.

The circumstances under which Shareholders (including Directors) and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a Share Purchase by the Company are set out in 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, the Directors and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring its shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or if the voting rights of such Directors and their concert parties fall between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six months.

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 of the Take-over Code if, as a result of the Company purchasing or acquiring its shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six months. Such Shareholder need not abstain from voting in respect of the Ordinary Resolution authorising the proposed renewal of the Share Buy-Back Mandate.

2. As at the Latest Practicable Date, the Directors' and Substantial Shareholders' shareholding interests in the Company are as follows:

Directors	Number of shares			
	Direct Interest	% <sup>(1)</sup>	Deemed Interest	% <sup>(1)</sup>
Mr. Bertie Cheng Shao Shiong <sup>(2)</sup>	–	–	16,000,000	2.47
Mr. Phua Chian Kin <sup>(3)</sup>	253,822,746	39.24	41,237,501	6.37
Mr. Phua Boon Kin	145,132	0.02	–	–
Mdm. Saw Chin Choo	1,925,100	0.3	3,312	N/M <sup>(4)</sup>
Mr. Gn Hiang Meng	–	–	–	–
Mr. Aric Loh Siang Khee	–	–	–	–
<b>Substantial Shareholder</b>				
Mr. Phua Chian Kin <sup>(3)</sup>	253,822,746	39.24	41,237,501	6.37
Wayfoong Global Pte. Ltd. <sup>(5)</sup>	–	–	150,000,000	23.19

**Notes:**

- (1) Based on the total number of issued shares of 646,882,476 ordinary shares (excluding 1,270,400 treasury shares) as at the Latest Practicable Date.
- (2) Mr. Bertie Cheng is deemed to have an interest in the 16,000,000 ordinary shares held by his nominee, Hong Leong Finance Nominees Pte Ltd.
- (3) Mr. Phua Chian Kin is deemed to have an interest in the 1,237,501 ordinary shares held by his spouse, Mdm. Tay Kuek Lee and 40,000,000 ordinary shares held by OCBC Securities Private Ltd. A total of 246,817,779 ordinary shares held by Mr. Phua are registered in the name of Hong Leong Finance Nominees Pte Ltd, CGS-CIMB Securities (Singapore) Pte Ltd, Phillip Securities Pte Ltd and RHB Securities Singapore Pte Ltd.
- (4) Not meaningful.
- (5) Right to acquire 150,000,000 shares ("Sale Shares") in TEE International Limited arising from the execution of a binding term sheet dated 16 September 2019 between Wayfoong Global Pte. Ltd. ("Wayfoong") and Mr. Phua Chian Kin. Completion under the binding term sheet has not taken place. Pursuant to section 4(7) of the Securities and Futures Act, Cap.289 of Singapore, Wayfoong is deemed to have an interest in the Sale Shares. Mr. Low Ee Chin, through his 100% shareholding in Wayfoong is deemed to have an interest in the shares held by Wayfoong.

3. As at the Latest Practicable Date, the Directors' and Substantial Warrantheolders' warrantholding interests in the Company as recorded in the Register of Warrantheolders are as follows:

Directors	Number of Warrants W201030 <sup>(1)</sup>			
	Direct Interest	% <sup>(2)</sup>	Deemed Interest	% <sup>(2)</sup>
Mr. Bertie Cheng Shao Shiong <sup>(3)</sup>	854,587	1.49	444,385	0.78
Mr. Phua Chian Kin <sup>(4)</sup>	33,113,965	57.89	1,985,261	3.47
Mr. Phua Boon Kin	11,983	0.02	–	–
Mdm. Saw Chin Choo	158,953	0.28	377	N/M <sup>(6)</sup>
Mr. Gn Hiang Meng	–	–	–	–
Mr. Aric Loh Siang Khee	–	–	–	–
<b>Substantial Warrantheolders</b>				
Mr. Phua Chian Kin <sup>(4)</sup>	33,113,965	57.89	1,985,261	3.47
Lincoln Capital Pte. Ltd. <sup>(5)</sup>	2,958,845	5.17	–	–

**Notes:**

- (1) The bonus warrants in registered form issued by the Company on 30 April 2018 pursuant to the bonus warrant issue (which subject to the terms and conditions set out in the Deed Poll dated 16 April 2018), which will expire on 30 October 2020. Each warrant carrying the right to subscribe for one (1) new ordinary share at an adjusted exercise price of S\$0.189 for each warrant ("Warrants W201030").

- (2) Based on the total adjusted number of issued Warrants W201030 of 57,193,798 warrants as at the Latest Practicable Date.
- (3) Mr. Bertie Cheng is deemed to have an interest in the 444,385 warrants held by his nominee, Hong Leong Finance Nominees Pte Ltd.
- (4) Mr. Phua Chian Kin is deemed to have an interest in the 1,985,261 warrants held by his spouse, Mdm. Tay Kuek Lee and 4 P Investments Pte. Ltd., where he is a shareholder. A total of 19,884,114 warrants held by Mr. Phua are registered in the name of Hong Leong Finance Nominees Pte Ltd, CGS-CIMB Securities (Singapore) Pte Ltd, Phillip Securities Pte Ltd and RHB Securities Singapore Pte Ltd.
- (5) Mr. Tan Soon Hoe through his 100% shareholding in Lincoln Capital Pte. Ltd. is deemed to have an interest in the warrants held by Lincoln Capital Pte. Ltd.
- (6) Not meaningful.

In the event the Company undertakes Share Purchase of up to ten per cent. (10%) of the total issued ordinary shares of the Company as permitted by the Share Buy-Back Mandate, the shareholdings and voting rights of the above Directors, Substantial Shareholders and their concert parties (as defined in the Take-over Code) will remain above fifty per cent. (50%). Accordingly, no general offer is required to be made pursuant to the Take-Over Code.

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

#### **(G) Details Of Previous Share Purchase**

The Company has not made any purchases or acquisitions of its issued shares in the twelve (12) months preceding the Latest Practicable Date.

#### **(H) Miscellaneous**

1. Any Share Purchases undertaken by the Company shall be at a price of up to but not exceeding the Maximum Price. The Maximum Price is a sum which shall not exceed the sum constituting 5% above the Average Closing Price of the shares over the period of the last 5 market days on which transactions in the shares were recorded before the day on which the Share Purchases are made and deemed to be adjusted for any corporate action that occurs after the relevant 5-day period, in the case of an On-Market Share Purchase. In the case of an Off-Market Share Purchase, the Maximum Price is a sum which shall not exceed the sum constituting 20% above the Average Closing Price of the shares over the period of the last 5 market days on which transactions in the shares were recorded, immediately preceding the date of offer by the Company.

“Average Closing Price” means the average of the closing market prices of a share over the last 5 market days, on which the shares are transacted on the SGX-ST:

- (i) in the case of On-Market Share Purchases, preceding the day of the On-Market Share Purchase; or
- (ii) in the case of Off-Market Purchases, before the day of the making of the offer (as hereinafter defined) pursuant to the Off-Market Share Purchase.

and deemed to be adjusted for any corporate action that occurs after the relevant 5-day period.

2. In making Share Purchases, the Company will comply with the requirements of the Listing Manual of SGX-ST, in particular, Rule 886 with respect to notification to the SGX-ST of any Shares Purchases. Rule 886 is reproduced below:
  - “(1) An issuer must notify the Exchange of any Share Buy-Back as follows:
    - (a) In the case of a market acquisition, by 9.00 am on the market day following the day on which it purchased shares,
    - (b) In the case of an off-market acquisition under an equal access scheme, by 9.00 am on the second market day after the close of acceptances of the offer.
  - (2) Notification must be in the form of Appendix 8.3.1 (or 8.3.2 for an issuer with a dual listing on another stock exchange).”
3. Share Purchase will be made in accordance with the “Share Buy-Back Mandate” as set out in the Company’s Circular to Shareholders dated 12 September 2012, information is provided in the annexed Appendix. All information required under the Companies Act relating to the Share Buy-Back Mandate is contained in the said Guidelines.
4. The Listing Manual of SGX-ST does not expressly prohibit any buy-back of shares by a listed company of its own shares during any particular time or times. However, as a listed company would be considered an “insider” in relation to any proposed purchase of its issued shares, the Company will undertake not to buy-back shares pursuant to the proposed Share Buy-Back Mandate at any time after a price sensitive development has occurred or has been the subject of a consideration and/or decision until the price sensitive information has been publicly announced. In particular, in line with Rule 1207(19)(c) of the Listing Manual of SGX-ST, the Company will not purchase or acquire any shares through On-Market Share Purchases during the period commencing one month immediately preceding the announcement of the Company’s full-year and the period of two weeks immediately preceding the announcement of its quarterly results.
5. The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Letter.

**(I) Directors’ Responsibility Statement**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Letter and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Letter constitutes full and true disclosure of all material facts about the proposed renewal of 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 Letter misleading. Where information in the Letter has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Letter in its proper form and context.

**(J) Directors’ Recommendation**

The Directors, having carefully considered, *inter alia*, the terms and rationale of the proposed renewal of Share Buy-Back Mandate, are of the view that the proposed renewal of Share Buy-Back Mandate is in the best interests of the Company and accordingly, recommend that Shareholders vote in favour of the ordinary resolution 9 relating to the said renewal to be proposed at the 2019 AGM as set out in the Notice of 2019 AGM despatched to Shareholders together with the Company’s Annual Report for FY2019.

**(K) Taxation**

Shareholders who are in doubt as to their respective tax positions or the tax implications of the Share Purchases by the Company or who may be subject to tax whether in or outside in Singapore should consult their own professional advisers.

**(L) Documents For Inspection**

Copies of the following documents may be inspected at the registered office of the Company at 25 Bukit Batok Street 22, TEE Building, Singapore 659591 during normal business hours up to and including the date of the 2019 AGM:

- (a) the Constitution of the Company;
- (b) the Circular to Shareholders dated 12 September 2012 on the Share Buy-Back Mandate;  
and
- (c) the Company's Annual Report for FY2019.

Yours faithfully  
For and on behalf of the Board of Directors

**Mr. Phua Boon Kin**  
**Interim Group Chief Executive and Managing Director**

## GUIDELINES ON SHARE BUY-BACK

### 1. Shareholders' Approval

- (a) Purchases of shares by the Company must be approved in advance by the Shareholders at a general meeting of the Company, by way of a general mandate.
- (b) A general mandate authorising the purchase of shares by the Company representing up to ten per cent. (10%) of the Company's total number of issued ordinary shares (excluding any shares held as treasury shares and subsidiary holdings) is valid for the period commencing from the date of the annual general meeting ("**AGM**") at which the Renewal of the Share Buy-Back Mandate is approved, up to the earlier of:
  - (i) the date on which the next AGM is held or required by law to be held; or
  - (ii) the date on which the Share Purchase is carried out to the full extent mandated; or
  - (iii) the date on which the authority contained in the Share Buy-Back Mandate is varied or revoked by the Shareholders in general meeting; or
  - (iv) the conclusion of the next AGM, if not renewed.
- (c) The authority conferred on the Directors by the Share Buy-Back Mandate to purchase shares shall be renewed at the next AGM of the Company.
- (d) When seeking Shareholders' approval for the renewal of the Share Buy-Back Mandate, the Company shall disclose details pertaining to the purchases of shares made during the previous twelve (12) months, including the total number of shares purchased, the purchase price per share or the highest and lowest price for such purchases of shares, where relevant, and the total consideration paid for such purchases.

### 2. Mode Of Purchase

Share Purchase may be made by way of, *inter alia*:

- (a) on-market purchases through the SGX-ST's ready market or, as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose ("**On-Market Share Purchase**"); and/or
- (b) off-market purchases (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as defined in Section 76C of the Companies Act as may be determined or formulated by the Directors as they may consider fit and in the best interests of the Company, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the Listing Manual of SGX-ST ("**Off-Market Share Purchase**").

### 3. Funding Of Shares Buy-Back

- (a) In purchasing the shares, the Company may only apply funds legally available for such purchase in accordance with the Company's Constitution, and the relevant laws and regulations enacted or prescribed by the relevant competent authorities in Singapore.
- (b) Any purchase by the Company may only be funded out of the capital paid up on the shares to be purchased, or out of the funds of the Company which would otherwise be available for dividend or distribution, or out of the proceeds of a fresh issue of shares made for the purpose of the purchase, and the premium payable on the purchase (i.e. the amount paid in

excess of the nominal value of the shares to be purchased) must be provided for out of the funds of the Company which would otherwise be available for dividend or distribution before the shares are purchased.

- (c) The Company may not purchase its shares on the Official List of SGX-ST for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the SGX-ST.

#### **4. Trading Restrictions**

The number of shares which can be purchased pursuant to the Share Buy-Back Mandate is such number of shares which represents up to a maximum of ten per cent. (10%) of the total number of issued ordinary shares of the Company (excluding treasury shares and subsidiary holdings) as at the date of the 2019 AGM at which the Renewal of Share Buy-Back Mandate is approved.

#### **5. Price Restrictions**

Any Share Purchase undertaken by the Company shall be at a price of up to but not exceeding the Maximum Price. The Maximum Price is a sum which shall not exceed the sum constituting 5% above the Average Closing Price of the shares over the period of the last 5 market days on which transactions in the shares were recorded before the day on which the Share Purchases are made and deemed to be adjusted for any corporate action that occurs after the relevant 5-day period, in the case of an On-Market Purchase. In the case of an Off-Market Purchase, the Maximum Price is a sum which shall not exceed the sum constituting 20% above the Average Closing Price of the shares over the period of the last 5 market days on which transactions in the shares were recorded, immediately preceding the date of offer by the Company.

#### **6. Off-Market Share Purchases**

- (a) For purchases of shares made by way of an Off-Market Share Purchase, the Company shall issue an offer document to all Shareholders. The offer document shall contain, inter alia, the following information:
  - (i) the terms and conditions of the offer;
  - (ii) the period and procedures for acceptances;
  - (iii) the reasons for the proposed Share Purchase;
  - (iv) the consequences, if any, of Share Purchases by the Company that will arise under the Take-over Code or any other applicable take-over rules;
  - (v) whether the Share Purchase, if made, would have any effect on the listing of the Company's shares on the Official List of SGX-ST; and
  - (vi) details of any Share Purchase made by the Company in the previous twelve (12) months whether through On-Market Share Purchases or Off-Market Share Purchases in accordance with an equal access scheme, including the total number of shares purchased, the purchase price per share or the highest and lowest prices paid for such purchases, where relevant, and the total consideration paid for such Share Purchases.
  - (vii) whether the shares purchased by the Company will be cancelled or kept as treasury shares.
- (b) All offeree Shareholders shall be given a reasonable opportunity to accept any offer made by the Company to purchase their shares under the Share Buy-Back Mandate.

- (c) The Company may offer to purchase shares from time to time under the Share Buy-Back Mandate subject to the requirement that the terms of any offer to purchase shares by the Company shall be *pari passu* in respect of all offeree Shareholders save under the following circumstances:
  - (i) where there are differences in consideration attributable to the fact that an offer relates to shares with different accrued dividend entitlements;
  - (ii) (if applicable) differences in consideration attributable to the fact that an offer relates to shares with different amounts remaining unpaid; and
  - (iii) where there are differences in an offer introduced solely to ensure that every shareholder is left with a whole number of shares.

## **7. Status Of Purchased Shares**

Any share which is purchased by the Company shall, unless held as treasury shares to the extent permitted under the Companies Act (as set out below), be deemed cancelled immediately on purchase, and all rights and privileges attached to that share expire on cancellation. All shares purchased by the Company (other than treasury shares held by the Company to the extent permitted by the Companies Act) will be automatically delisted by the SGX-ST, and certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase.

In respect of shares that are purchased pursuant to the Share Buy-Back Mandate, the Directors intend for such repurchased shares to be held as treasury shares for the time being.

## **8. Treasury Shares**

Pursuant to the Companies Act, shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act, as amended by the Companies Amendment Act, are summarized below:

### **(a) Maximum Holdings**

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

In the event that the Company holds more than 10% of the total number of its issued shares as treasury shares, the Company shall cancel or dispose of the excess treasury shares in the manner set out under section 8(b) below within 6 months beginning with the day on which that contravention occurs, or such further period as the Accounting and Corporate Regulatory Authority may allow.

### **(b) Disposal and Cancellation**

Treasury shares may be, inter alia, (a) sold for cash; (b) transferred for the purposes of or pursuant to an employee share option scheme; (c) transferred as consideration for the acquisition of shares in or assets of another company or assets of another person; (d) cancelled; or (e) sold, transferred or otherwise used for such other purposes as may be prescribed by the Minister of Finance.

### **(c) Voting and Other Rights**

The treasury shares will not confer upon the Company any right to attend or vote at meetings, nor any right to receive dividends and/or other distributions (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up).

However, the allotment of shares as fully-paid bonus shares in respect of treasury shares is allowed. A subdivision or consolidation of any treasury share into treasury shares of a smaller amount is also allowed as long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

#### **9. Notification To The SGX-ST**

The Company must notify the SGX-ST of any Share Purchase as follows:

- (a) in the case of an On-Market Share Purchase, by 9.00 am on the market day following the day of purchase or acquisition of any of its shares; or
- (b) in the case of an Off-Market Share Purchase under an equal access scheme, by 9.00 am on the second market day after the close of acceptances of the offer.

Such announcement should be made in compliance with Appendix 8.3.1 of the Listing Manual of the SGX-ST and must include, *inter alia*, details of the total number of shares purchased and the purchase price per share or the highest and lowest prices paid for such shares, as applicable.

#### **10. Notification To The Accounting and Corporate Regulatory Authority (“ACRA”)**

- (a) Within 30 days after the passing of a shareholders’ resolution to approve or renew the Share Buy-Back Mandate, the Company shall lodge a copy of such resolution with ACRA.
- (b) The Company shall notify ACRA within 30 days after a purchase of shares on the SGX-ST or otherwise. Such notification shall include, *inter alia*, the date of the Share Purchases, 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 share capital before and after the purchase of shares, the amount of consideration paid by the Company for the Share Purchases and whether the shares were purchased out of profits or capital of the Company and such other particulars that might be prescribed.

#### **11. Suspension Of Purchase**

- (a) The Company will not undertake any buy-back of shares pursuant to the Share Buy-Back Mandate at any time after any matter or development of a price-sensitive nature has occurred or has been the subject of consideration and/or a decision of the board until such price-sensitive information has been publicly announced or disseminated in accordance with the requirements of the Listing Manual of SGX-ST.
- (b) In line with Rule 1207(19)(c) of the Listing Manual of SGX-ST, the Company will not purchase or acquire any shares through On-Market Share Purchases during the period of one month immediately preceding the announcement of the Company’s full-year results and two weeks immediately preceding the announcement of the Company’s first quarter, second quarter and third quarter results.