



TEE

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 Chian Kin	(Group Chief Executive and Managing Director)
Mr. Phua Boon Kin	(Deputy Group Managing Director)
Mdm. Saw Chin Choo	(Executive Director)
Mr. Tan Boen Eng	(Independent Director)
Mr. Lee Ah Fong	(Independent Director)
Mr. Gn Hiang Meng	(Independent Director)
Mr. Aric Loh Siang Khee	(Independent Director)

Registered Office:

25 Bukit Batok
Street 22
Singapore 659591

14 September 2015

To: The shareholders of TEE International Limited (the "Shareholders")

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 original Share Buy-Back Mandate was granted by the Shareholders at the Extraordinary General Meeting held on 27 September 2012. The existing Share Buy-Back Mandate (the "**2014 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 again at the forthcoming AGM scheduled to be held on 29 September 2015 (the "**2015 AGM**"), to take effect until the conclusion of the next AGM to be held in 2016.
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 2014 Mandate renewed at the last AGM held on 30 September 2014 until as at the Latest Practical Date, 31 August 2015, the Company did not purchase any of its shares.

(C) Renewal Of The Share Buy-Back Mandate

The ordinary resolution 10, as set out in the Notice of 2015 AGM, if passed at the 2015 AGM, will renew the Share Buy-Back Mandate from the date of the 2015 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.

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 that may be held by the Company from time to time) of the Company as at the date of the 2015 AGM at which the Share Buy-Back Mandate is approved. For illustrative purposes, the existing number of issued and fully paid shares of the Company as at the Latest Practicable Date is **503,222,297** shares, and assuming that no further shares are issued on or prior to the forthcoming AGM, not more than **50,322,229** shares (representing ten per cent. (10%) of the total number of issued ordinary shares (excluding treasury shares) of the Company as at that date) may be purchased or acquired by the Company pursuant to the Share Buy-Back Mandate.

(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 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 a 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 the Latest Practicable Date, 31 August 2015, there are 171,324,614 shares in the hands of the public (as defined above), representing approximately 34.05% of a total of **503,222,297** shares issued by the Company. The Company is of the view that there is sufficient number of shares in issue held by public Shareholders which would permit the Company to undertake Share Purchases of up to ten per cent. (10%) of its total issued ordinary shares without affecting the listing status of the shares on the SGX-ST. The Company will ensure that the Share Purchases will not cause market illiquidity or affect orderly trade.

(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 Memorandum and Articles of Association of the Company (the “M&A”), the applicable laws in Singapore and the Listing Manual of 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 M&A and 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 (excluding 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. However, where the consideration paid by the Company for the Share Purchases is made out of capital, the amount of profits available for the distribution of cash dividends by the Company will not be reduced.

The Company intends to use internal resources and/or external borrowings 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 2015 (“FY2015”), are prepared on the assumptions set out below:-

- (a) the Share Purchases comprised **50,322,229** shares (representing 10% of the **503,222,297** issued ordinary shares as at the Latest Practicable Date and assuming no further shares are issued and no shares are held by the Company as treasury shares on or prior to the AGM);
- (b) in the case of On-Market Share Purchases, the maximum price was S\$0.237 (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 effecting such On-Market Share Purchases (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses), would amount to S\$11,926,000;
- (c) in the case of Off-Market Share Purchases, the maximum price was S\$0.271 (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 effecting such Off-Market Share Purchases (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses), would amount to approximately S\$13,637,000;
- (d) the Share Purchases took place on 1 June 2014; and
- (e) the Share Purchases were made entirely out of the Company’s capital and financed entirely by external borrowings of the Company.

Assuming shares were purchased and cancelled

	← Group →			← Company →		
	Before Share Purchases	After Share Purchases		Before Share Purchases	After Share Purchases	
	S\$'000	On-Market Share Purchase S\$'000	Off-Market Share Purchase S\$'000	S\$'000	On-Market Share Purchase S\$'000	Off-Market Share Purchase S\$'000
<u>As at 31 May 2015</u>						
Share capital	58,701	46,775	45,064	58,701	46,775	45,064
Shareholders' fund	95,565	83,639	81,928	61,467	49,541	47,830
Net Tangible Assets ("NTA")	95,565	83,639	81,928	61,467	49,541	47,830
Current assets	366,635	366,635	366,635	27,237	27,237	27,237
Current liabilities	233,767	245,693	247,404	61,193	73,119	74,830
Cash and bank balances	26,416	26,416	26,416	2,037	2,037	2,037
Total borrowings	256,677	268,603	270,314	43,364	55,290	57,001
Net borrowings ⁽¹⁾	230,261	242,187	243,898	41,327	53,253	54,964
Profit attributable to owners of the Company for FY2015	11,133	11,133	11,133	12,227	12,227	12,227
Number of Shares as at 31 May 2015 ('000) ⁽²⁾	503,222	452,900	452,900	503,222	452,900	452,900
Weighted average number of Shares as at 31 May 2015 ('000)	498,096	447,774	447,774	498,096	447,774	447,774
<u>Financial Ratios</u>						
NTA per Share (cents) ⁽³⁾	18.99	18.47	18.09	12.21	10.94	10.56
Gross gearing (times) ⁽⁴⁾	2.69	3.21	3.30	0.71	1.12	1.19
Net gearing (times) ⁽⁵⁾	2.41	2.90	2.98	0.67	1.07	1.15
Current ratio (times) ⁽⁶⁾	1.57	1.49	1.48	0.45	0.37	0.36
Earnings per Share (cents) ⁽⁷⁾	2.24	2.49	2.49	2.45	2.73	2.73

Notes:

(1) "Net borrowings" represents total borrowings less cash and bank balances.

(2) The figures are rounded off to the nearest whole number.

(3) "NTA per Share" represents NTA divided by the number of Shares as at 31 May 2015.

(4) "Gross gearing" represents total borrowings divided by NTA.

(5) "Net gearing" represents net borrowings divided by NTA.

(6) "Current ratio" represents current assets divided by current liabilities.

(7) Earnings per Share represents profit attributable to owners of the company for FY2015 divided by the weighted average number of Shares for FY2015.

Assuming shares were purchased and held as treasury shares

	← Group →			← Company →		
	Before Share Purchases	After Share Purchases		Before Share Purchases	After Share Purchases	
	S\$'000	On-Market Share Purchase S\$'000	Off-Market Share Purchase S\$'000	S\$'000	On-Market Share Purchase S\$'000	Off-Market Share Purchase S\$'000
<u>As at 31 May 2015</u>						
Share capital	58,701	58,701	58,701	58,701	58,701	58,701
Shares held as Treasury shares	–	(11,926)	(13,637)	–	(11,926)	(13,637)
Shareholders' fund	95,565	83,639	81,928	61,467	49,541	47,830
NTA	95,565	83,639	81,928	61,467	49,541	47,830
Current assets	366,635	366,635	366,635	27,237	27,237	27,237
Current liabilities	233,767	245,693	247,404	61,193	73,119	74,830
Cash and bank balances	26,416	26,416	26,416	2,037	2,037	2,037
Total borrowings	256,677	268,603	270,314	43,364	55,290	57,001
Net borrowings ⁽¹⁾	230,261	242,187	243,898	41,327	53,253	54,964
Profit attributable to owners of the Company for FY2015	11,133	11,133	11,133	12,227	12,227	12,227
Number of Shares as at 31 May 2015 ('000) ⁽²⁾	503,222	452,900	452,900	503,222	452,900	452,900
Weighted average number of Shares as at 31 May 2015 ('000)	498,096	447,774	447,774	498,096	447,774	447,774
<u>Financial Ratios</u>						
NTA per Share (cents) ⁽³⁾	18.99	18.47	18.09	12.21	10.94	10.56
Gross gearing (times) ⁽⁴⁾	2.69	3.21	3.30	0.71	1.12	1.19
Net gearing (times) ⁽⁵⁾	2.41	2.90	2.98	0.67	1.07	1.15
Current ratio (times) ⁽⁶⁾	1.57	1.49	1.48	0.45	0.37	0.36
Earnings per Share (cents) ⁽⁷⁾	2.24	2.49	2.49	2.45	2.73	2.73

Notes:

(1) "Net borrowings" represents total borrowings less cash and bank balances.

(2) The figures are rounded off to the nearest whole number.

(3) "NTA per Share" represents NTA divided by the number of Shares as at 31 May 2015.

(4) "Gross gearing" represents total borrowings divided by NTA.

(5) "Net gearing" represents net borrowings divided by NTA.

(6) "Current ratio" represents current assets divided by current liabilities.

(7) Earnings per Share represents profit attributable to owners of the company for FY2015 divided by the weighted average number of Shares for FY2015.

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 FY2015 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.
2. As at the Latest Practicable Date, the Directors' and substantial Shareholders' shareholding interests in the Company are as follows:

Directors	Direct Interest	Number of shares		
		% ⁽¹⁾	Deemed Interest	% ⁽¹⁾
Mr. Bertie Cheng Shao Shiong	7,500,000	1.49	3,900,000	0.78
Mr. Phua Chian Kin ⁽²⁾	273,593,156	54.37	16,526,264	3.28
Mr. Tan Boen Eng	207,521	0.04	—	—
Mr. Lee Ah Fong	—	—	—	—
Mr. Gn Hiang Meng	—	—	—	—
Mr. Aric Loh Siang Khee	—	—	—	—
Mdm. Saw Chin Choo	1,350,000	0.27	3,312	N/M ⁽⁴⁾
Mr. Phua Boon Kin	105,172	0.02	—	—

Substantial Shareholders

Mr. Phua Chian Kin ⁽²⁾	273,593,156	54.37	16,526,264	3.28
Lincoln Capital Pte. Ltd. ⁽³⁾	25,967,321	5.16	—	—

Notes:

- (1) Based on the total number of issued shares of 503,222,297 ordinary shares as at the Latest Practicable Date.
- (2) Mr. Phua Chian Kin is deemed to have an interest in the 16,526,264 ordinary shares held by his spouse, Mdm. Tay Kuek Lee and 4 P Investments Pte. Ltd., where he is a shareholder. A total of 212,973,138 ordinary shares held by Mr. Phua Chian Kin are registered in the name of Hong Leong Finance Nominees Pte Ltd, CIMB Securities (Singapore) Pte Ltd, SBS Nominees Pte Ltd, Phillip Securities Pte Ltd, Maybank Nominees (S) Pte Ltd, OCBC Securities Private Limited and RHB Securities Singapore Pte Ltd.
- (3) Mr. Tan Soon Hoe through his 100% shareholding in Lincoln Capital Pte. Ltd. is deemed to have an interest in the shares held by Lincoln Capital Pte.Ltd..
- (4) Not meaningful.

3. The interests of the Directors and substantial warrant holders in the warrants of the Company as at the Latest Practicable Date, as recorded in the Warrant Register, were as follows:

Directors	Number of warrants 2017			
	Direct Interest	% ⁽¹⁾	Deemed Interest	% ⁽¹⁾
Mr. Bertie Cheng Shao Shiong	4,420,000	2.37	–	–
Mr. Phua Chian Kin ⁽²⁾	96,109,262	51.56	6,400,505	3.43
Mr. Tan Boen Eng	83,008	0.04	–	–
Mr. Lee Ah Fong	–	–	–	–
Mr. Gn Hiang Meng	–	–	–	–
Mr. Aric Loh Siang Khee	–	–	–	–
Mdm. Saw Chin Choo	451,365	0.24	1,324	N/M ⁽⁴⁾
Mr. Phua Boon Kin	68	N/M ⁽⁴⁾	–	–

Substantial Warrant holders

Mr. Phua Chian Kin ⁽²⁾	96,109,262	51.56	6,400,505	3.43
Lincoln Capital Pte. Ltd. ⁽³⁾	10,386,928	5.57	–	–

Notes:

- (1) Based on the total number of issued warrants of 186,386,020 warrants as at the Latest Practicable Date.
- (2) Mr. Phua Chian Kin is deemed to have an interest in the 6,400,505 warrants held by his spouse, Mdm. Tay Kuek Lee and 4 P Investments Pte Ltd where he is a shareholder. A total of 45,214,810 warrants held by Mr. Phua Chian Kin are registered in the name of CIMB Securities (Singapore) Pte Ltd, SBS Nominees Pte Ltd, Phillip Securities Pte Ltd, Maybank Nominees (S) Pte Ltd, OCBC Securities Private Limited and RHB Securities Singapore Pte Ltd.
- (3) 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..
- (4) 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.

For details of the Take-Over Code implications arising from Share Purchases, please refer to pages 15 to 16 of the Circular dated 12 September 2012.

(G) Details Of Previous Share Purchase

In the last 12 months, the Company did not purchase any ordinary shares in the capital of the Company.

(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 a 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 10 relating to the said renewal to be proposed at the 2015 AGM as set out in the Notice of 2015 AGM despatched to Shareholders together with the Company's Annual Report for FY2015.

(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, Singapore 659591 during normal business hours up to and including the date of the 2015 AGM:

- (a) the M&A;
- (b) the Circular to Shareholders dated 12 September 2012 on the Share Buy-Back Mandate; and
- (c) the Company's Annual Report for the FY2015.

Yours faithfully
For and on behalf of the Board of Directors

Mr. Phua Chian Kin
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) 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 Memorandum and Articles of Association, 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 as at the date of the 2015 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.

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 SGX-ST and must include 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 of 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 of 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.