

APPENDIX DATED 11 APRIL 2017

This appendix (“**Appendix**”) is circulated to the shareholders (the “**Shareholders**”) of JEP Holdings Ltd. (the “**Company**”) together with the Company’s Annual Report (the “**Annual Report**”).

The purpose of this Appendix is to provide Shareholders with information relating to, and to seek their approval for, the proposed renewal of the Share Buy-Back Mandate to be tabled at the forthcoming Annual General Meeting (“**AGM**”) of the Company to be held on 27 April 2017 at 10.00 a.m. at 44 Changi South Street 1, Singapore 486762.

The Notice of AGM and Proxy Form are enclosed with the Annual Report.

This Appendix has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, Stamford Corporate Services Pte Ltd (the “**Sponsor**”), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). The Sponsor has not independently verified the contents of this Appendix.

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

The contact person for the Sponsor is Mr. Ng Joo Khin, Tel: 6389 3000 or Email: jookhin.ng@morganlewis.com



JEP HOLDINGS LTD.
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199401749E)

APPENDIX TO SHAREHOLDERS

IN RELATION TO

THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

DEFINITIONS

For the purposes of this Appendix, the following definitions apply throughout unless the context requires otherwise or unless otherwise stated:

“ACRA”	: Accounting and Corporate Regulatory Authority of Singapore
“AGM”	: The annual general meeting of the Company
“CDP”	: The Central Depository (Pte) Limited
“Company”	: JEP Holdings Ltd.
“Companies Act”	: The Companies Act (Chapter 50) of Singapore, as may be amended or modified from time to time
“Directors” or “Board”	: The board of directors of the Company as at the date of this Appendix
“EPS”	: Earnings per Share
“FY”	: The financial year ended or ending 31 December
“Group”	: The Company and its subsidiaries
“Latest Practicable Date”	: 15 March 2017, being the latest practicable date before the printing of this Appendix
“Listing Manual”	: The Listing Manual (Section B: Rules of Catalist) of the SGX-ST, as amended, modified or supplemented from time to time
“NTA”	: Net tangible assets
“Market Day”	: A day on which the SGX-ST is open for trading of securities
“Securities Account”	: A securities account maintained by a Depositor with CDP, but does not include a securities sub-account maintained with a Depository Agent
“Securities and Futures Act”	: The Securities and Futures Act (Chapter 289) of Singapore, as may be amended or modified from time to time
“SGX Catalist” or “Catalist”	: The sponsor-supervised listing platform of the SGX-ST, which replaces the former SGX-SESDAQ
“Shares”	: Ordinary shares in the share capital of the Company
“Share Buy-Back Mandate”	: The general mandate to be approved by Shareholders to authorise the Directors to purchase, on behalf of the Company, Shares in accordance with the terms set out in this Appendix
“Shareholders”	: Registered holders of Shares except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares, mean the Depositors whose Securities Accounts are credited with the Shares
“Substantial Shareholder”	: A Shareholder who holds directly or indirectly five per cent. (5%) or more of the total issued and voting share capital of the Company
“Take-over Code”	: The Singapore Code on Take-overs and Mergers, as amended or modified from time to time

“S\$” and “cents” : Singapore dollars and cents respectively
“%” or “per cent.” : Percentage or per centum

The terms “**Depositor**”, “**Depository Register**” and “**Depository Agent**” shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act, Chapter 289.

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. References to persons shall include corporations.

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

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Securities and Futures Act, or the Listing Manual or any modification thereof and not otherwise defined in this Appendix shall, where applicable, have the same meaning ascribed to it under the Companies Act, the Securities and Futures Act or the Listing Manual or such modification thereof, as the case may be.

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

JEP HOLDINGS LTD.
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199401749E)

Directors

Mr. Joe Lau	(Executive Chairman and Chief Executive Officer)
Mr. Zee Hoong Huay	(Executive Director)
Mr. Soh Chee Siong	(Executive Director)
Mr. Wong Gang	(Lead Independent Director)
Mr. Quek Hiong How	(Independent Director)
Mr. Scully Kevin Norbert	(Independent Director)
Mr. Chan Wai Leong	(Non-Executive and Non-Independent Director)

Registered Office

44 Changi South, Street 1
Singapore 486762

11 April 2017

Dear Sir/Madam,

PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

1. INTRODUCTION

The Directors of the Company propose to table the proposed renewal of the Share Buy-Back Mandate at the forthcoming AGM of the Company to be held on 27 April 2017 at 10.00 a.m. at its registered office.

The purpose of this Appendix, which is circulated together with the Company's Annual Report, is to provide Shareholders with information relating to, and to seek their approval for, the proposed renewal of the Share Buy-Back Mandate.

The Share Buy-Back Mandate was originally approved by Shareholders at an extraordinary general meeting of the Company held on 28 April 2011. It was renewed at the Company's subsequent AGMs held on 18 April 2012 (the "**2012 AGM**"), 22 April 2013 (the "**2013 AGM**"), 22 April 2014 (the "**2014 AGM**"), 22 April 2015 (the "**2015 AGM**") and 26 April 2017 (the "**2016 AGM**"), and will expire on the date of the forthcoming AGM of the Company.

2. RATIONALE

The approval of the proposed renewal of the Share Buy-Back Mandate will give the Company the flexibility to undertake purchases or acquisitions of its Shares up to the ten per cent (10%) limit described below at any time, subject to the terms set out herein, market conditions and funding arrangements, during the period when the proposed Share Buy-Back Mandate is in force.

The rationale for the Company to undertake the purchase or acquisition of its issued Shares is as follows:

- (a) in managing the business of the Group, the management team strives to increase Shareholders' value by improving, *inter alia*, the return on equity of the Group, and Share purchase is one of the ways in which the return on equity of the Group may be enhanced;
- (b) provide the Directors with greater flexibility over the Company's share capital structure with a view to enhancing the earnings and/or net asset value per Share; and
- (c) mitigate short-term market volatility, offset the effects of short-term speculation and bolster Shareholders' confidence.

If and when circumstances permit, the Directors will decide whether to effect the share buybacks via market purchases or off-market purchases and whether the Shares purchased should be held as treasury shares or cancelled, after taking into account the amount of surplus cash available, the prevailing market conditions and the most cost-effective and efficient approach.

The purchases or acquisitions of Shares pursuant to the Share Buy-Back Mandate will be made only as and when the Directors consider it to be in the best interests of the Company and/or Shareholders and in circumstances which they believe will not result in any material adverse effect on the financial position of the Company or the Group, or result in the Company being delisted from the SGX-ST.

The Directors also do not propose to carry out share buybacks 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 Group.

3. TERMS OF THE MANDATE

The authority and limitations placed on purchases or acquisition of Shares by the Company under the Share Buy-Back Mandate are summarised below.

3.1 Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company.

The total number of Shares that may be purchased or acquired by the Company pursuant to the Share Buy-Back Mandate is limited to that number of Shares representing not more than ten per cent. (10%) of the total number of issued ordinary share capital of the Company as at the date of the AGM at which the Share Buy-back Mandate is approved (the “**Approval Date**”) (unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act at any time during the relevant period, in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered) excluding any treasury shares that may be held by the Company from time to time.

Purely for illustrative purposes, on the basis of 1,453,757,871 Shares in issue as at the Latest Practicable Date and assuming that no further Shares are issued and no Shares are held by the Company as treasury shares on or prior to the Approval Date, not more than 145,375,787 Shares (representing ten per cent. (10%) of the Shares in issue as at that date) may be purchased or acquired by the Company pursuant to the Share Buy-Back Mandate.

3.2 Duration of Authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the Approval Date, up to the earlier of:

- (a) the date on which the next AGM of the Company is held or is required by law to be held;
- (b) the date on which the share buybacks by the Company pursuant to the Share Buy-Back Mandate are carried out to the full extent mandated; or
- (c) the date on which the authority contained in the Share Buy-Back Mandate is varied or revoked by the Company in general meeting.

3.3 Manner of Purchase of Shares

Purchases of Shares may be made by the Company by way of:

- (a) on-market purchases (“**Market Purchases**”), transacted on the SGX-ST through the SGX-ST’s trading system 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 purchase; and/or

- (b) off-market purchases (“**Off-Market Purchases**”) (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the Listing Manual.

Under the Companies Act, an Off-Market Purchase must satisfy all of the following conditions:

- (a) offers for the purchase or acquisition of issued Shares shall be made to every person who holds issued Shares to purchase or acquire the same percentage of their issued Shares;
- (b) all of those persons shall be given a reasonable opportunity to accept the offers made to them; and
- (c) the terms of all the offers are 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 person is left with a whole number of Shares.

In addition, the Listing Manual provides that in making an Off-Market Purchase, 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 buyback;
- (d) the consequences, if any, of the proposed share buyback that will arise under the Take-over Code or other applicable take-over rules;
- (e) whether the share buyback, if made, would have any effect on the listing of the Shares on the SGX-ST;
- (f) details of any share buyback made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases), giving 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.

3.4 Maximum Price

The purchase price (excluding 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 a Share as determined by the Directors must not exceed:

- (a) in the case of a Market Purchase, one hundred and five per cent. (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, one hundred and twenty per cent. (120%) of the Average Closing Price (as defined hereinafter),
- (the “**Maximum Price**”) in either case, excluding related expenses of the purchase or acquisition.

For the above purposes:

“**Average Closing Price**” means the average of the closing market prices of a Share over the last five Market Days, on which Shares are transacted on the SGX-Catalist, or, as the case may be, such securities exchange on which the Shares are listed and quoted, immediately preceding the day of the Market Purchase, or as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five-day period; and

“**date of the making of the offer**” means the day on which the Company makes an offer for the purchase or acquisition 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.

4. **STATUS OF THE PURCHASED OR ACQUIRED SHARES UNDER THE SHARE BUY-BACK MANDATE**

Under the Companies Act, any Share purchased or acquired by the Company shall be deemed to be cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation), unless such Share is held by the Company in accordance with the Companies Act as a treasury share.

Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.

Some of the key provisions on treasury shares under the Companies Act are summarised below:

(a) Maximum Holdings

The number of Shares held as treasury shares cannot at any time exceed ten per cent. (10%) of the total number of issued Shares.

(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 the 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.

(c) Disposal and Cancellation

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

- (i) sell the treasury shares for cash;
- (ii) transfer the treasury shares for the purposes of or pursuant to an employees’ share scheme;
- (iii) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;

- (iv) cancel the treasury shares; or
- (v) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

Under the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares. Such announcement must include details such as the date of the sale, transfer, cancellation and/or use of such treasury shares, the purpose of such sale, transfer, cancellation and/or use of such treasury shares, the number of treasury shares which have been sold, transferred, cancelled and/or used, the number of shares before and after such sale, transfer, cancellation and/or use, the percentage of the number of treasury shares against the total number of issued shares (of the same class as the treasury shares) which are listed on the SGX-ST before and after such sale, transfer, cancellation and/or use, and the value of the treasury shares if they are used for a sale or transfer, or cancelled.

5. SOURCE OF FUNDS

In purchasing or acquiring the Shares, the Company may only apply funds legally available in accordance with its Constitution and the applicable laws in Singapore.

The Companies Act currently provides that any payment made by the Company in consideration for the purchase or acquisition of its own Shares may be made out of the Company's capital or profits and only if the Company is solvent.

The Company may use internal sources of funds, external borrowings, or a combination of both to finance the Company's purchase or acquisition of the Shares.

Where the purchase or acquisition of Shares is financed through internal resources, it will reduce the cash reserves of the Company, and thus the current assets and shareholders' funds of the Company. This will result in an increase in the gearing ratios of the Company and a decline in the current ratios of the Company. The actual impact on the gearing and current ratios will depend on the number of Shares purchased or acquired and the prices at which the Shares are purchased or acquired.

Where the purchase or acquisition of Shares is financed through external borrowings or financing, there would be an increase in the gearing ratios of the Company and a decline in the current ratios of the Company, with the actual impact dependent on the number of Shares purchased or acquired and the prices at which the Shares are purchased or acquired.

The Directors will only make purchases or acquisitions of Shares pursuant to the Share Buy-Back Mandate in circumstances which they believe will not result in any material adverse effect on the liquidity and/or the orderly trading of the Shares and/or the financial position of the Group.

6. FINANCIAL EFFECTS OF THE SHARE BUY BACK MANDATE

The financial effects on the Company and the Group arising from the purchases or acquisitions of Shares pursuant to the Share Buy-Back Mandate, are prepared on the following assumptions:

- (a) based on the issued and paid-up ordinary share capital of the Company of 1,453,757,871 Shares as at the Latest Practicable Date and assuming that no further Shares are issued, the purchase by the Company of up to the maximum limit of ten per cent. (10%) of its issued Shares will result in the purchase or acquisition of 145,375,787 Shares ("**Maximum Number of Shares**");

- (b) in the case of Market Purchases by the Company and assuming that the Company purchases or acquires the Maximum Number of Shares at the Maximum Price of S\$0.02457 per Share (being the price equivalent to five per cent. (5%) above the Average Closing Price of the Shares for the five consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the Maximum Number of Shares (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) would amount to approximately S\$3.572 million; and
- (c) in the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires the Maximum Number of Shares at the Maximum Price of S\$0.02808 per Share (being the price equivalent to twenty per cent. (20%) above the Average Closing Price of the Shares for the five consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the Maximum Number of Shares (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) would amount to approximately S\$4.082 million.

Shareholders should note that the financial effects set out below are for illustrative purposes only. It is not possible for the Company to realistically calculate or quantify the impact of purchases or acquisition of Shares that may be made pursuant to the Share Buy-Back Mandate on its NTA or EPS as the resultant effect would depend on, *inter alia*, the aggregate number of Shares purchased or acquired, whether the purchase is made out of capital or profits, the purchase prices paid for such Shares, the amount (if any) borrowed by the Company to fund the purchases or acquisitions and whether the Shares purchased or acquired are cancelled or held as treasury shares.

Although the Share Buy-Back Mandate would authorise the Company to purchase or acquire up to ten per cent. (10%) of the total number of issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire ten per cent. (10%) of the total number of issued Shares. In addition, the Company may cancel all or part of the Shares purchased or hold all or part of the Shares repurchased in treasury.

Shareholders who are in doubt as to their respective tax positions or any tax implications arising from the Share Buy-Back Mandate or who may be subject to tax in a jurisdiction (whether in Singapore or otherwise) should consult their own professional advisers.

For illustrative purposes only and on the basis of the assumptions set out above, the financial effects on the audited financial statements of the Company for FY2015 pursuant to the Share Buy-Back Mandate:

- (1) by way of purchases made entirely out of capital and held as treasury shares; and
- (2) by way of purchases made entirely out of capital and cancelled,

are as follows:

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(1) PURCHASES MADE OUT OF CAPITAL AND HELD AS TREASURY SHARES

Market Purchases

	Group		Company	
	Before Share Buyback (\$'000)	After Share Buyback (\$'000)	Before Share Buyback (\$'000)	After Share Buyback (\$'000)
As at 31 December 2016				
Share capital	45,186	45,186	45,186	45,186
Treasury shares	–	(3,572)	–	(3,572)
Reserves	676	676	870	870
Shareholders' funds	46,824	43,252	54,631	51,059
Net tangible assets ⁽¹⁾	28,071	24,499	54,631	51,059
Current assets	43,187	39,615	4,676	1,104
Current liabilities	36,226	36,226	3,298	3,298
Working capital	6,961	3,389	1,378	(2,194)
Total borrowings	37,796	37,796	901	901
Cash and cash equivalents	7,990	4,418	3,001	(571)
Profit after tax and non-controlling interest	154	154	922	922
Number of weighted average issued Shares	1,057,845,257	1,028,371,810	1,057,845,257	1,028,371,810
Financial Ratios				
EPS (cents)	0.01	0.01	0.09	0.09
NTA per Share (cents)	1.93	1.87	3.76	3.90
Gearing ratio ⁽²⁾	0.81	0.87	0.02	0.02
Current ratio ⁽³⁾ (times)	1.19	1.09	1.42	0.33

Notes:

- (1) NTA equals Shareholders' funds less intangible assets.
- (2) Gearing ratio equals total borrowings divided by Shareholders' funds.
- (3) Current ratio equals current assets divided by current liabilities.

Off-Market Purchases

	Group		Company	
	Before Share Buyback (S\$'000)	After Share Buyback (S\$'000)	Before Share Buyback (S\$'000)	After Share Buyback (S\$'000)
As at 31 December 2016				
Share capital	45,186	45,186	45,186	45,186
Treasury shares	–	(4,082)	–	(4,082)
Reserves	676	676	870	870
Shareholders' funds	46,824	42,742	54,631	50,549
Net tangible assets ⁽¹⁾	28,071	23,989	54,631	50,549
Current assets	43,187	39,105	4,676	594
Current liabilities	36,226	36,226	3,298	3,298
Working capital	6,961	2,879	1,378	(2,704)
Total borrowings	37,796	37,796	901	901
Cash and cash equivalents	7,990	3,908	3,001	(1,081)
Profit after tax and non-controlling interest	154	154	922	922
Number of weighted average issued Shares	1,057,824,257	1,028,371,810	1,057,824,257	1,028,371,810
Financial Ratios				
EPS (cents)	0.01	0.01	0.09	0.09
NTA per Share (cents)	1.93	1.83	3.76	3.86
Gearing ratio ⁽²⁾	0.81	0.88	0.02	0.02
Current ratio ⁽³⁾ (times)	1.19	1.08	1.42	0.18

Notes:

- (1) NTA equals Shareholders' funds less intangible assets.
- (2) Gearing ratio equals total borrowings divided by Shareholders' funds.
- (3) Current ratio equals current assets divided by current liabilities.

(2) PURCHASES MADE OUT OF CAPITAL AND CANCELLED

Market Purchases

	Group		Company	
	Before Share Buyback (S\$'000)	After Share Buyback (S\$'000)	Before Share Buyback (S\$'000)	After Share Buyback (S\$'000)
As at 31 December 2016				
Share capital	48,758	45,186	48,758	45,186
Treasury shares	–	–	–	–
Reserves	676	676	870	870
Shareholders' funds	46,824	43,252	54,631	51,059
Net tangible assets ⁽¹⁾	28,071	24,499	54,631	51,059
Current assets	43,187	39,615	4,676	1,104
Current liabilities	36,226	36,226	3,298	3,298
Working capital	6,961	3,389	1,378	(2,194)
Total borrowings	37,796	37,796	901	901
Cash and cash equivalents	7,990	4,418	3,001	(571)
Profit after tax and non-controlling interest	154	154	922	922
Number of weighted average issued Shares	1,057,824,257	1,028,371,810	1,057,824,257	1,028,371,810
Financial Ratios				
EPS (cents)	0.01	0.01	0.09	0.09
NTA per Share (cents)	1.93	1.87	3.76	3.90
Gearing ratio ⁽²⁾	0.81	0.87	0.02	0.02
Current ratio ⁽³⁾ (times)	1.19	1.09	1.42	0.33

Notes:

- (1) NTA equals Shareholders' funds less intangible assets.
- (2) Gearing ratio equals total borrowings divided by Shareholders' funds.
- (3) Current ratio equals current assets divided by current liabilities.

Off-Market Purchases

	Group		Company	
	Before Share Buyback (S\$'000)	After Share Buyback (S\$'000)	Before Share Buyback (S\$'000)	After Share Buyback (S\$'000)
As at 31 December 2016				
Share capital	49,268	45,186	49,268	45,186
Treasury shares	–	–	–	–
Reserves	676	676	870	870
Shareholders' funds	46,824	42,742	54,631	50,549
Net tangible assets ⁽¹⁾	28,071	23,989	54,631	50,549
Current assets	43,187	39,105	4,676	594
Current liabilities	36,226	36,226	3,298	3,298
Working capital	6,961	2,879	1,378	(2,704)
Total borrowings	37,796	37,796	901	901
Cash and cash equivalents	7,990	3,908	3,001	(1,081)
Profit after tax and non-controlling interest	154	154	922	922
Number of weighted average issued Shares	1,057,824,257	1,028,371,810	1,057,824,257	1,028,371,810
Financial Ratios				
EPS (cents)	0.01	0.01	0.09	0.09
NTA per Share (cents)	1.93	1.83	3.76	3.86
Gearing ratio ⁽²⁾	0.81	0.88	0.02	0.02
Current ratio ⁽³⁾ (times)	1.19	1.08	1.42	0.18

Notes:

- (1) NTA equals Shareholders' funds less intangible assets.
- (2) Gearing ratio equals total borrowings divided by Shareholders' funds.
- (3) Current ratio equals current assets divided by current liabilities.

7. LISTING RULES

7.1 Maximum Price

Under the Listing Manual, if a Market Purchase is effected, a listed company may only purchase shares at a price which is not more than five per cent. (5%) above the Average Closing Price. The Maximum Price in relation to Market Purchases by the Company, as discussed in this Appendix, conforms to this restriction.

7.2 No purchases during price-sensitive developments

Although the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time or times, as the Company would be regarded as an “insider” in relation to any share buybacks, the Company will not undertake any share buybacks pursuant to the Share Buy-Back Mandate at any time after any matter of development of a price-sensitive nature has occurred or has been the subject of a consideration and/or decision of the Board until the price-sensitive information has been publicly announced.

In particular, in line with the best practices guide on securities dealings as set out in the Listing Manual, the Company would not purchase or acquire any Shares through Market Purchases during the period of one month immediately preceding the announcement of the Company’s half-year or full-year financial results and ending on the date of announcement of the relevant results.

7.3 Listing status of the Shares

Under the Listing Manual, a listed company shall ensure that at least ten per cent. (10%) of any class of its listed securities (excluding treasury shares, preference shares and convertible equity securities) is at all times held by public Shareholders.

As at the Latest Practicable Date, an aggregate of 783,542,988 Shares, representing 53.90% of the total number of issued Shares of the Company are held in the hands of public Shareholders.

Based on the proportion of the issued Shares of the Company held by public Shareholders as at the Latest Practicable Date as stated above, assuming that the Company makes share buybacks up to the full ten per cent. (10%) limit pursuant to the Share Buy-Back Mandate, the number of Shares held by public Shareholders would be reduced to 638,167,201 Shares, representing approximately 43.90% of the issued Shares of the Company after such share buybacks.

Accordingly, the Company is of the view that there is a sufficient number of Shares in issue held by public Shareholders which would permit the Company to undertake the Share Buy-Back up to the full ten per cent. (10%) limit pursuant to the Share Buy-Back Mandate, without adversely affecting the listing status of the Shares, 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.

7.4 Reporting Requirements

The Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST 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 currently requires the inclusion of details on the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such Shares, the total consideration paid for the Shares and the number of issued Shares after purchase. The Company shall make arrangements with its stockbrokers to ensure that they provide the Company in a timely fashion the necessary information which will enable the Company to make the notifications to the SGX-ST.

8. COMPANIES ACT

8.1 Reporting Requirements

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.

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

9. TAKE-OVER OBLIGATIONS

Appendix 2 of the Take-over 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.

9.1 Obligations to make a Take-over Offer

If, as a result of any purchase or acquisition by the Company of its Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. If such increase results in a change of effective control, or, as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a mandatory take-over offer for the Company under Rule 14 of the Take-over Code.

9.2 Persons Acting in Concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal) co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

Unless the contrary is established, the following persons will, *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);
- (b) A company with its parent company, its subsidiaries, its fellow subsidiaries, any associated companies of the above companies, and any company whose associated companies include any of the above companies. For this purpose, a company is an associated company of another company if the second company owns or controls at least twenty per cent. (20%) but not more than fifty per cent. (50%) of the voting rights of the first-mentioned company;
- (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 in respect of the investment account which such person manages on a discretionary basis;
- (e) A financial or other professional adviser, with its clients in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholding of the adviser and any of those funds in the client total ten per cent. (10%) or more of the client's equity share capital;

- (f) Directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer where they have reason to believe a *bona fide* offer for their company may be imminent;
- (g) Partners; and
- (h) An individual, his close relatives, his related trusts, and any person who is accustomed to act according to his instructions and companies controlled by any of the above.

The above list is not exhaustive and Shareholders are strongly advised to refer to the Take-over Code for further details.

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 Take-over Code.

9.3 Effect of Rule 14 and Appendix 2 of the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Directors and their concert parties would increase to thirty per cent. (30%) or more, or if the voting rights of such Directors and their concert parties fall between thirty per cent. (30%) and fifty per cent. (50%) of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than one per cent. (1%) in any period of six months.

Under Appendix 2, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder in the Company would increase to thirty per cent. (30%) or more, or, if such Shareholder holds between thirty per cent. (30%) and fifty per cent. (50%) of the Company's voting rights, the voting rights of such Shareholder would increase by more than one per cent. (1%) in any period of six months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buy-Back Mandate.

The Directors are not aware of any fact(s) or factor(s) 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 should or ought to be consolidated, and consequences under the Take-over Code would ensue as a result of a purchase of Shares by the Company pursuant to the Share Buy-Back Mandate.

The Directors are also not aware of any Shareholder who may become obligated to make a mandatory offer in the event that the Company purchases or acquires the Maximum Number of Shares under the Share Buy-Back Mandate.

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 any purchase or acquisition of Shares by the Company should consult the Securities Industry Council and/or their professional advisers at the earliest opportunity.

10. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors and the Substantial Shareholders of the Company as at the Latest Practicable Date, as recorded in the Company's Register of Directors' Shareholdings and the Register of Substantial Shareholders respectively, are as follows:

Director	Number of Shares			
	Direct Interest	%	Deemed Interest	%
Zee Hoong Huay	213,384,650	14.68	78,604,000	5.41
Joe Lau	157,861,425	10.86	45,000,000	3.10
Soh Chee Siong	7,000,000	0.48	1,600,000	0.11
Wong Gang	–	–	–	–
Quek Hiong How	–	–	–	–
Scully Kevin Norbert	–	–	300,000	0.02
Chan Wai Leong	–	–	–	–
Substantial Shareholder	Direct Interest	%	Deemed Interest	%
Zee Hoong Huay	213,384,650	14.68	78,604,000	5.41
Joe Lau	157,861,425	10.86	45,000,000	3.10
Ellipsiz Ltd	175,364,808	12.06	–	–

11. SHARES PURCHASED BY THE COMPANY

The Company has not, in the last 12-month period preceding the Latest Practicable Date, made any share buybacks.

12. DIRECTORS' RECOMMENDATION

After having considered, *inter alia*, the terms and rationale, the Directors are of the opinion that the proposed renewal of the Share Buy-Back Mandate is in the interest of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the ordinary resolution relating to the renewal of the Share Buy-Back Mandate at the forthcoming AGM of the Company.

13. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors 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 renewal 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 this Appendix in its proper form and context.

Yours faithfully
for and on behalf of
the Board of Directors

Joe Lau
Executive Chairman & Chief Executive Officer

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