

APPENDIX DATED 31 OCTOBER 2018

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY AND CONSIDER IT IN ITS ENTIRETY.

This Appendix is issued by Datapulse Technology Limited (the “**Company**”). If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of the Company, you should immediately forward this Appendix to the purchaser or the transferee, or to the bank, stockbroker or agent through whom the sale or the transfer was effected for transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited (“**SGX-ST**”) assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Appendix.



DATAPULSE
TECHNOLOGY

DATAPULSE TECHNOLOGY LIMITED

(Incorporated in the Republic of Singapore)
Company Registration No. 198002677D

APPENDIX TO NOTICE OF ANNUAL GENERAL MEETING

IN RELATION TO

THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

DATAPULSE TECHNOLOGY LIMITED

(Incorporated in the Republic of Singapore)
Company Registration No. 198002677D

Directors:

Aw Cheek Huat, *Non-Independent Non-Executive Chairman*
Low Beng Tin, *Independent Non-Executive Director*
Ng Der Sian, *Independent Non-Executive Director*
Rainer Teo Jia Kai, *Independent Non-Executive Director*
Sin Boon Ann, *Independent Non-Executive Director*
Loo Cheng Guan, *Independent Non-Executive Director*

Registered Office:

150 Beach Road
#35-00 Gateway West
Singapore 189720

31 October 2018

To: The Shareholders of Datapulse Technology Limited

Dear Sir/Mdm,

1. INTRODUCTION

The purpose of this Appendix is to provide shareholders of the Company (“**Shareholders**”) with the relevant information and to seek Shareholders’ approval for the proposed renewal of the general mandate to authorise the Directors to exercise all the powers of the Company to purchase or otherwise acquire its issued ordinary shares (“**Shares**”) upon and subject to the terms of such mandate (the “**Share Purchase Mandate**”), at the annual general meeting (“**AGM**”) to be held on 16 November 2018.

The SGX-ST assumes no responsibility for the accuracy of any statements made, reports contained, or opinions expressed in this Appendix.

2. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

2.1 BACKGROUND

At the AGM of the Company held on 9 November 2017 (the “**2017 AGM**”), the Shareholders had approved the renewal of the Share Purchase Mandate (the “**2017 Mandate**”) to enable the Company to purchase or otherwise acquire issued Shares. The rationale for, the authority and limitations on, and the financial effects of, the 2017 Mandate were set out in the appendix to Notice of 2017 AGM dated 24 October 2017.

The 2017 Mandate was expressed to take effect on the date of the passing of the ordinary resolution relating thereto at the 2017 AGM and expire on the date of the forthcoming AGM, the date on which purchases of Shares pursuant to the 2017 Mandate have been carried out to the full extent or until it is varied or revoked by an ordinary resolution of the Shareholders in general meeting (if so varied or revoked prior to the forthcoming AGM of the Company).

2.2 MANDATE

Any purchase or acquisition of Shares by the Company would have to be made in accordance with and in the manner prescribed by the Companies Act (Singapore, Chapter 50) (the “**Companies Act**”) and the listing manual of the SGX-ST (the “**Listing Manual**”) and such other laws and regulations as may, for the time being, be applicable.

If approved by Shareholders at the AGM, the authority conferred by the Share Purchase Mandate will continue to be in force until the next AGM of the Company (whereupon it will lapse, unless renewed at such meeting), until the date on which the purchase of Shares pursuant to the Share Purchase Mandate (“**Share Purchases**”) is carried out to the full extent mandated or until it is varied or revoked by the Company in general meeting (if so varied or revoked prior to the next AGM of the Company), whichever is earlier (the “**Relevant Period**”).

2.3 RATIONALE FOR THE SHARE PURCHASE MANDATE

The proposed Share Purchase Mandate will give the Directors the flexibility to purchase or acquire the Shares at any time, subject to market conditions, during the period when the Share Purchase Mandate is in force. Share Purchases provide the Company with a mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements, in an expedient and cost-efficient manner. Share Purchases will also allow the Directors greater flexibility over the Company’s share capital structure with a view to enhance the net tangible assets and/or earnings per Share.

The purchase or acquisition of Shares will only be undertaken if the Directors believe that such purchase or acquisition would benefit the Company and the Shareholders. No purchase or acquisition of Shares will be made in circumstances which the Directors believe would have or may have a material adverse effect on the financial condition, liquidity, orderly trading of the Shares, and/or the working capital requirements of the Company and the Group (comprising the Company and its subsidiaries).

2.4 AUTHORITY AND LIMITS OF THE SHARE PURCHASE MANDATE

The authority and limitations placed on purchases or acquisition of Shares by the Company under the Share Purchase Mandate, if renewed at the AGM, are as follows:

(a) *Maximum Number of Shares*

Only Shares that are issued and fully paid-up may be purchased or acquired by the Company pursuant to the Share Purchase Mandate. The total number of Shares that may be purchased is limited to that number of Shares representing not more than ten percent (10%) of the issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the resolution passed by Shareholders approving the renewal of the Share Purchase Mandate (“**Approval Date**”), unless the Company has, at any time during the Relevant Period, effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, 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.

For illustrative purposes only, based on the existing issued and paid-up share capital of the Company as at 17 October 2018, being the latest practicable date prior to the despatch of this Appendix (the “**Latest Practicable Date**”), of S\$32,991,936 comprising 219,074,844 Shares (excluding treasury shares and subsidiary holdings), and assuming that no further Shares are issued and no Shares are purchased or acquired by the Company on or prior to the AGM, not more than 21,907,484 Shares (representing ten percent (10%) of the issued and paid-up share capital of the Company (excluding treasury shares and subsidiary holdings) as at that date) may be purchased or acquired by the Company pursuant to the Share Purchase Mandate.

(b) *Duration of Authority*

Under the Share Purchase Mandate, Share Purchases may be made, at any time and from time to time, from the Approval Date up to the earliest of:

- (i) the conclusion of the next AGM or the date by which such AGM is required to be held;
- (ii) the date on which Share Purchases have been carried out to the full extent of the Share Purchase Mandate; or
- (iii) the date on which the authority contained in the Share Purchase Mandate is varied or revoked by an ordinary resolution of the Shareholders in a general meeting.

(c) *Manner of Share Purchase*

Share Purchases may be made by way of:

- (i) on-market purchase(s) transacted through the SGX-ST's trading system or on another stock exchange on which Company's equity securities are listed ("**Market Purchases**"); or
- (ii) off-market purchase(s) in accordance with an equal access scheme as defined in Section 76C of the Companies Act ("**Off-Market Purchases**").

The Directors may impose such terms and conditions, which are not inconsistent with the Share Purchase Mandate, the Companies Act, the Listing Manual and the Constitution of the Company as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme(s). An Off-Market Purchase must however, satisfy all of the following conditions:

- (i) 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;
- (ii) all of those persons shall be given a reasonable opportunity to accept the offers made; and
- (iii) the terms of all the offers are the same, except that there shall be disregarded:
 - (aa) differences in consideration attributable to the fact that offers relate to Shares with different accrued dividend entitlements;
 - (bb) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid; and
 - (cc) 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:

- (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 Singapore Code on Take-overs and Mergers (the “**Take-over Code**”) or other applicable take-over rules;
- (v) whether the Share Purchase, if made, could affect the listing of the Shares on the Official List of the SGX-ST;
- (vi) details of any Share Purchases 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 such Share Purchases, where relevant, and the total consideration paid for such Share Purchases; and
- (vii) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

If and when circumstances permit, the Directors will decide whether to effect the Share Purchases via Market Purchases or Off-Market Purchases, after taking into account the amount of surplus cash available, the then prevailing market conditions and the most cost effective and efficient approach.

(d) *Maximum Purchase Price*

The purchase price (excluding brokerage, commission, stamp duties, applicable goods and services tax and other related expenses) to be paid by the Company for the Shares will be determined by the Directors and must not exceed:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price (as defined hereinafter) of the Shares; and
- (ii) in the case of an Off-Market Purchase, 120% of the Highest Last Dealt Price (as defined hereinafter) of the Shares,

(the “**Maximum Price**”) in either case, excluding related expenses of the Share Purchase.

For the above purposes:

“**Average Closing Price**” means the average of the closing market prices of a Share over the last five (5) Market Days (being days on which the SGX-ST is open for trading in securities) on which transactions in Shares were recorded, preceding the day of the Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5) day period;

“**Highest Last Dealt Price**” means the highest price transacted for a Share as recorded on the Market Day on which there were trades in Shares immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase; and

“**day of the making of the offer**” means the day on which the Company announces its intention to make an offer for the purchase of Shares from the Shareholders stating the purchase price (which shall not be more than the Maximum Price calculated on the

foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.5 STATUS OF PURCHASED SHARES

Any Share which is purchased by the Company is deemed cancelled immediately on purchase (and all rights and privileges attached to that Share will expire on cancellation) unless such Share is held by the Company as treasury shares to the extent permitted under the Companies Act. 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.

Treasury Shares

Pursuant to the Companies Act, the number of Shares held as treasury shares cannot at any time exceed ten percent (10%) of the total number of issued Shares.

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 treasury shares as fully paid bonus shares is allowed. A subdivision or consolidation of any treasury share into treasury shares of a smaller or greater amount is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

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

2.6 SOURCE OF FUNDS

The Company will use internal sources of funds, or a combination of internal resources and external borrowings, to finance Share Purchases.

2.7 FINANCIAL EFFECTS OF THE SHARE PURCHASE MANDATE

It is not possible for the Company to realistically calculate or quantify the impact of purchases that may be made pursuant to the proposed Share Purchase Mandate on the net tangible asset value and earnings per Share as the resultant effect would depend on factors such as the aggregate numbers of Shares purchased, the purchase prices paid at the relevant times, whether the Shares purchased or acquired are held in treasury or immediately cancelled on purchase or acquisition, how the Shares held in treasury are subsequently dealt with by the Company in accordance with Section 76K of the Companies Act, and the amounts (if any) borrowed by the Company to fund the purchases.

The Companies Act permits the Company to purchase its Shares out of the Company's capital or profits so long as the Company is solvent.

Where the purchase of Shares is made out of distributable profits, such purchase (including costs incidental to the purchase) will correspondingly reduce the amount available for distribution of cash dividends by the Company.

Where the purchase of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

Where the purchase of Shares is financed through internal resources, it will reduce the cash reserves of the Group and the Company, and thus the current assets and Shareholders' funds of the Group and the Company. This will result in an increase in the gearing ratios of the Group and the Company and a decline in the current ratios of the Group and 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 Group and the Company, and a decline in the current ratios and Shareholders' funds of the Group and 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.

For illustrative purposes only and on the basis of the following assumptions:

- (a) that the purchase or acquisition by the Company of up to 21,907,484 Shares, representing ten percent (10%) of its total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date, was made on 1 August 2017;
- (b) that, in the case of Market Purchases, the Company purchased or acquired Shares at the Maximum Price of S\$0.27 for each Share (being 105% of the Average Closing Price as at the Latest Practicable Date), and, in the case of Off-Market Purchases, the Company purchased or acquired Shares at the Maximum Price of S\$0.32 for each Share (being 120% of the Highest Last Dealt Price as at the Latest Practicable Date);
- (c) that the purchase or acquisition of Shares by the Company, which required funds amounting to, in the case of Market Purchases, S\$5,915,021, and in the case Off-Market Purchases, S\$7,010,395, was financed entirely using its internal sources of funds;
- (d) where Shares purchased are held as treasury shares, the maximum number of Shares permitted under the Companies Act to be held in treasury are held in treasury, and the balance is cancelled against capital; and
- (e) that the Singapore corporate tax rate applied was 17%,

the various financial effects of Share Purchases by the Company pursuant to the Share Purchase Mandate on the audited consolidated financial statements of the Group for financial year ended 31 July 2018, are set out below:

Scenario	Type	Held as Treasury Shares/Cancelled
1(A)	Market Purchase	Held as treasury shares
1(B)	Market Purchase	Cancelled against capital
1(C)	Market Purchase	Cancelled against profits
2(A)	Off-Market Purchase	Held as treasury shares
2(B)	Off-Market Purchase	Cancelled against capital
2(C)	Off-Market Purchase	Cancelled against profits

Market Purchases

Pro-forma financial effects on the Group for scenarios of Share Purchases by the Company via Market Purchases

	Per consolidated financial statements as at 31 July 2018 S\$'000	Pro-forma financial effects as at 31 July 2018 for scenario 1(A), 1(B) and 1(C)		
		1(A) S\$'000	1(B) S\$'000	1(C) S\$'000
Share capital	32,992	32,790	27,077	32,992
Revenue reserves (distributable)	48,309	48,309	48,309	42,394
Other reserves	51	51	51	51
Treasury shares	(187)	(5,900)	(187)	(187)
Shareholders' funds	81,165	75,250	75,250	75,250
Net tangible assets ⁽¹⁾	81,165	75,250	75,250	75,250
Current assets	82,502	76,587	76,587	76,587
Current liabilities	3,668	3,668	3,668	3,668
Working capital	78,834	72,919	72,919	72,919
Total liabilities	3,907	3,907	3,907	3,907
Cash and bank balances	81,184	75,269	75,269	75,269
Interest bearing borrowings	123	123	123	123
Number of Shares	219,075	197,167	197,167	197,167
Financial Ratios				
Net tangible assets per Share ⁽¹⁾ (cents)	37.05	38.17	38.17	38.17
Earnings per Share (cents)	15.74	17.47	17.47	17.47
Gearing ratio ⁽²⁾ (times)	–	–	–	–
Current ratio ⁽³⁾ (times)	22.49	20.88	20.88	20.88

Notes:

(1) Net tangible assets equal Shareholders' funds excluding intangible assets and liabilities.

(2) Gearing ratio equals interest bearing borrowings divided by Shareholders' funds.

(3) Current ratio equals current assets divided by current liabilities

Off-Market Purchases

Pro-forma financial effects on the Group for scenarios of Share Purchases by the Company via Off-Market Purchases

	Per consolidated financial statements as at 31 July 2018 S\$'000	Pro-forma financial effects as at 31 July 2018 for scenario 2(A), 2(B) and 2(C)		
		2(A) S\$'000	2(B) S\$'000	2(C) S\$'000
Share capital	32,992	32,753	25,982	32,992
Revenue reserves (distributable)	48,309	48,309	48,309	41,299
Other reserves	51	51	51	51
Treasury shares	(187)	(6,958)	(187)	(187)
Shareholders' funds	81,165	74,155	74,155	74,155
Net tangible assets ⁽¹⁾	81,165	74,155	74,155	74,155
Current assets	82,502	75,492	75,492	75,492
Current liabilities	3,668	3,668	3,668	3,668
Working capital	78,834	71,824	71,824	71,824
Total liabilities	3,907	3,907	3,907	3,907
Cash and bank balances	81,184	74,174	74,174	74,174
Interest bearing borrowings	123	123	123	123
Number of Shares	219,075	197,167	197,167	197,167

Financial Ratios

Net tangible assets per Share ⁽¹⁾ (cents)	37.05	37.61	37.61	37.61
Earnings per Share (cents)	15.74	17.47	17.47	17.47
Gearing ratio ⁽²⁾ (times)	–	–	–	–
Current ratio ⁽³⁾ (times)	22.49	20.58	20.58	20.58

Notes:

(1) Net tangible assets equal Shareholders' funds excluding intangible assets and liabilities.

(2) Gearing ratio equals interest bearing borrowings divided by Shareholders' funds.

(3) Current ratio equals current assets divided by current liabilities

Shareholders should note that the financial effects set out in this Section 2.7 are purely for illustrative purposes only. In particular, it is important to note that the above analyses are based on the audited financial statements for the financial year ended 31 July 2018 and are in no way indicative of the Group's real financial position or a forecast of the Group's financial figures.

Although the Share Purchase Mandate would authorise the Company to purchase up to ten percent (10%) of the Company's issued Shares (excluding treasury shares and subsidiary holdings) as at the Approval Date, the Company may not necessarily purchase or be able to purchase ten percent (10%) of the issued Shares (excluding treasury shares and subsidiary holdings) in full. In addition, the Company may cancel all or part of the Share Purchases or hold all or part of the Share Purchases as treasury shares.

The Directors do not propose to exercise the Share Purchase Mandate to such an extent that it would have a material adverse effect on the working capital requirements of the Company and the Group. 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).

2.8 LISTING RULES

(a) *Dealings in securities*

While the listing rules of the SGX-ST do not expressly prohibit any purchase of Shares by a listed company during any particular time or times, because the listed company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its issued Shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the proposed Share Purchase Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced. In particular, in observing the best practices on dealings in securities recommended in Rule 1207(19)(c) of the Listing Manual, the Company will not purchase or acquire any Shares through Share Purchases during the period commencing two (2) weeks before the announcement of the Group's financial results for each of the first three (3) quarters of its financial year and one (1) month before the announcement of the Group's full-year financial statements.

(b) *Listing Status*

Rule 723 of the Listing Manual requires the Company to ensure that at least ten percent (10%) of its issued Shares (excluding treasury shares, preference shares, convertible equity securities) in a class that is listed is at all times held by the public. The Directors shall safeguard the interests of the "public" Shareholders (as defined in the Listing Manual), before undertaking any Share Purchases. Before exercising the Share Purchase Mandate, the Directors shall at all times take due cognisance of (a) the then shareholding spread of the Company in respect of the number of Shares held by substantial shareholders and by non-substantial shareholders; and (b) the volume of trading on the SGX-ST in respect of the Shares immediately before the exercise of any Share Purchase.

As at the Latest Practicable Date, 118,788,149 Shares, representing 54.2% of the issued share capital of the Company (excluding treasury shares and subsidiary holdings) are held by the public.

For illustrative purposes only, assuming that the Company purchases its Shares through Market Purchases up to the full ten percent (10%) limit pursuant to the Share Purchase Mandate, the number of Shares in the hands of the public would be reduced to 96,880,665 Shares, representing 49.1% of the issued share capital of the Company (excluding treasury shares and subsidiary holdings).

In view of the foregoing, the Company is of the view that there is, at present, a sufficient number of Shares in public hands that would permit the Company to potentially undertake purchases of its Shares through Share Purchases up to the full ten percent (10%) limit pursuant to the Share Purchase Mandate without:

- (i) affecting adversely the listing status of the Shares on the SGX-ST;
- (ii) causing market illiquidity; or
- (iii) affecting adversely the orderly trading of Shares.

2.9 OBLIGATION TO MAKE A TAKE-OVER OFFER

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.

If, as a result of Share Purchases, a Shareholder's proportionate interest in the voting capital of the Company increases, such an increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. If such an increase results in the 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 take-over offer for the Company under Rule 14 of the Take-over Code.

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.

(a) Effect of Rule 14 and Appendix 2 of the Take-over Code

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 in the Company would increase to thirty percent (30%) or more, or, if such Shareholder holds between thirty percent (30%) and fifty percent (50%) of the Company's voting rights, the voting rights of such Shareholder would increase by more than one percent (1%) in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the proposed renewal of the Share Purchase Mandate.

With regard to Directors and persons acting in concert with them, unless exempted pursuant to Rule 14 and Appendix 2 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 thirty percent (30%) or more, or if the voting rights of such Directors and their concert parties fall between thirty percent (30%) and fifty percent (50%) of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than one percent (1%) in any period

of six (6) months, such Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code.

Shareholders (including Directors) and their concert parties who hold more than fifty percent (50%) of the Company's voting rights are under no obligation to make a take-over offer if the voting rights of such Shareholders and their concert parties were to increase as a result of the Company purchasing or acquiring Shares.

If the Company decides to cease the Share Purchases before it has purchased in full such number of Shares authorised by its Shareholders at the latest AGM, the Company will promptly inform its Shareholders of such cessation. This will assist Shareholders to determine if they can buy any more Shares without incurring an obligation under Rule 14 of the Take-over Code.

(b) *Application of the Take-over Code*

The shareholdings of persons who have an interest or interests in voting Shares in the Company representing not less than five percent (5%) of all the voting Shares ("**Substantial Shareholders**") as at the Latest Practicable Date and after the purchase by the Company (other than from the Substantial Shareholders) of the maximum of ten percent (10%) of the issued share capital of the Company pursuant to the Share Purchase Mandate as the case may be, are as follows:

	Before Share Purchases			After Share Purchases		
	Number of Shares			Number of Shares		
	Direct Interest	Deemed Interest	Total % ⁽¹⁾	Direct Interest	Deemed Interest	Total % ⁽²⁾
Substantial Shareholders						
Ng Siew Hong	41,631,705	–	19.003	41,631,705	–	21.115
Aw Cheek Huat	–	21,900,000	9.997	–	21,900,000	11.107
Uniseraya Holdings Pte Ltd ⁽³⁾	33,733,333	–	15.398	33,733,333	–	17.109
Ng Khim Guan ⁽⁴⁾	166,666	33,733,333	15.474	166,666	33,733,333	17.194
Kwek Li Chien ⁽⁴⁾	–	33,733,333	15.398	–	33,733,333	17.109
Ng Han Meng ⁽⁵⁾	1,261,332	33,733,333	15.974	1,261,332	33,733,333	17.749
Ng Bie Tjin @ Djuniarti Intan ⁽⁴⁾	1,314,800	33,733,333	15.998	1,314,800	33,733,333	17.776

Notes:

- (1) Based on the total issued share capital of the Company (excluding treasury shares and subsidiary holdings) of 219,074,844 Shares as at the Latest Practicable Date.
- (2) Based on the total issued share capital of the Company (excluding treasury shares and subsidiary holdings) of 197,167,360 Shares after purchase by the Company (other than from the Substantial Shareholders) of the maximum of ten percent (10%) of the issued share capital of the Company (excluding treasury shares and subsidiary holdings) pursuant to the Share Purchase Mandate.
- (3) Uniseraya Holdings Pte Ltd's direct interest includes 10,000,000 Shares held in the name of nominee account.
- (4) Mr. Ng Khim Guan, Ms. Kwek Li Chien and Ms. Ng Bie Tjin @ Djuniarti Intan's deemed interests arise from the 33,733,333 Shares in which Uniseraya Holdings Pte Ltd has an interest.
- (5) Mr. Ng Han Meng's direct interest includes 1,177,999 Shares held in the names of nominee accounts, and his deemed interest arises from the 33,733,333 Shares in which Uniseraya Holdings Pte Ltd has an interest.

Based on the above shareholdings of Substantial Shareholders of the Company as recorded in the Register of Substantial Shareholders as at the Latest Practicable Date, in the event the Company undertakes Share Purchases of up to ten percent (10%) of the issued Shares (excluding treasury shares and subsidiary holdings) of the Company as permitted under the Share Purchase Mandate, the shareholdings and voting rights of the substantial shareholders will remain below thirty percent (30%) of the issued share capital (excluding treasury shares and subsidiary holdings) of the Company. Accordingly, none of the Substantial Shareholders of the Company would become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code.

Shareholders who are in any doubt as to whether they would incur any obligations to make a take-over offer as a result of any Share Purchases pursuant to the Share Purchase Mandate are advised to consult their professional advisers and/or the Securities Industry Council of Singapore and/or the relevant authorities at the earliest opportunity before they acquire any Shares during the period when the Share Purchase Mandate is in force.

2.10 TAX IMPLICATIONS

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 Singapore should consult their own professional advisers.

2.11 SHARE PURCHASES TO DATE

The Company had acquired the following Shares pursuant to the 2017 Mandate:

Date of acquisition	Number of shares acquired	Highest price paid (\$)	Lowest price paid (\$)	Total consideration (including stamp duties, cleaning charges, etc) paid (\$)
15 December 2017	50,000	0.295	0.295	14,835.23

Except as disclosed in this section, the Company had not acquired any other Shares pursuant to the 2017 Mandate.

2.12 LIMITS ON SHAREHOLDINGS

The Company does not have any limits on the shareholdings of the Shareholders.

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors in the share capital of the Company as at the Latest Practicable Date are as follows:

	Direct		Deemed	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Non-Executive Directors				
Aw Cheek Huat	–	–	21,900,000	9.997
Low Beng Tin	278,859	0.127	–	–
Ng Der Sian	–	–	–	–
Rainer Teo Jia Kai	–	–	–	–
Sin Boon Ann	–	–	–	–
Loo Cheng Guan	–	–	–	–
Substantial shareholders				
Ng Siew Hong	41,631,705	19.003	–	–
Uniseraya Holdings Pte Ltd ⁽²⁾	33,733,333	15.398	–	–
Ng Khim Guan ⁽³⁾	166,666	0.076	33,733,333	15.398
Kwek Li Chien ⁽³⁾	–	–	33,733,333	15.398
Ng Han Meng ⁽⁴⁾	1,261,332	0.576	33,733,333	15.398
Ng Bie Tjin @ Djuniarti Intan ⁽³⁾	1,314,800	0.600	33,733,333	15.398

Notes:

- (1) Based on the total issued share capital of the Company (excluding treasury shares and subsidiary holdings) of 219,074,844 Shares as at the Latest Practicable Date.
- (2) Uniseraya Holdings Pte Ltd's direct interest includes 10,000,000 Shares held in the name of nominee account.
- (3) Mr. Ng Khim Guan, Ms. Kwek Li Chien and Ms. Ng Bie Tjin @ Djuniarti Intan's deemed interests arise from the 33,733,333 Shares in which Uniseraya Holdings Pte Ltd has an interest.
- (4) Mr. Ng Han Meng's direct interest includes 1,177,999 Shares held in the names of nominee accounts, and his deemed interest arises from the 33,733,333 Shares in which Uniseraya Holdings Pte Ltd has an interest.

4. DIRECTORS' RECOMMENDATIONS

The Directors are of the opinion that the proposed renewal of the Share Purchase Mandate is in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the resolution relating to the proposed renewal of the Share Purchase Mandate to be proposed at the AGM.

5. ANNUAL GENERAL MEETING

The AGM, notice of which has been announced on 31 October 2018, is being convened to be held at Metropolitan YMCA Singapore, The Vine Ballroom Level 2, 60 Stevens Road, Singapore 257854, on 16 November 2018 at 2.30 p.m. (for the purpose of considering and, if thought fit, passing, *inter alia*, the ordinary resolutions relating to the proposed renewal of the Share Purchase Mandate).

6. ACTION TO BE TAKEN BY SHAREHOLDERS

If a Shareholder is unable to attend the AGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the proxy form attached to the Notice of AGM in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the Company's Share Registrar Office, M & C Services Private Limited, at 112 Robinson Road #05-01, Singapore 068902, by not later than 2.30 p.m. on Wednesday, 14 November 2018. The completion and return of the proxy form by a Shareholder will not prevent him from attending and voting at the AGM in person if he so wishes.

7. 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 Purchase 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 the Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Appendix in its proper form and context.

8. INSPECTION OF DOCUMENTS

The following documents may be inspected at the registered office of the Company at 150 Beach Road, #35-00 Gateway West, Singapore 189720 during normal business hours from the date hereof up to and including the date of the AGM:

- (a) the annual report of the Company for the financial year ended 31 July 2018; and
- (b) the Constitution of the Company.

By Order of the Board

Lee Kam Seng

Interim Chief Executive Officer

31 October 2018

