

HANWELL HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 197400888M)

Board of Directors (the “Directors”):

Dr Allan Yap
Dr Tang Cheuk Chee
Dr John Chen Seow Phun
Mr Chee Teck Kwong Patrick
Mr Tao Yeoh Chi
Mr Lien Kait Long
Mr Chan Sek Nin Jackey
Mr Goi Kok Ming (Wei Guoming)
Mr Lee Po On Mark

Registered Office:

348 Jalan Boon Lay
Singapore 619529

9 April 2015

To: The shareholders (the “Shareholders”) of Hanwell Holdings Limited

Dear Sir/Madam,

RENEWAL OF SHARE BUYBACK MANDATE

1. BACKGROUND

1.1 We refer to (a) the draft notice of the Forty-First Annual General Meeting (the “**AGM**”) of the Shareholders of Hanwell Holdings Limited (the “**Company**”) dated 9 April 2015 (the “**Notice of AGM**”), accompanying the Annual Report 2014 of the Company, convening the Forty-First AGM to be held on 24 April 2015; and (b) Ordinary Resolution No. 9 under the heading “Special Business” set out in the Notice of AGM.

1.2 At the Extraordinary General Meeting (the “**EGM**”) of the Company held on 30 May 2003, Shareholders had approved the grant of a mandate (the “**Share Buyback Mandate**”) to enable the Company to purchase or otherwise acquire the issued ordinary shares in the capital of the Company (“**Shares**”).

The rationale for, the authority and limitations on, and the financial effects of, the Share Buyback Mandate were set out in the Company’s circular to Shareholders dated 8 May 2003 (the “**Share Buyback Circular**”).

1.3 The Share Buyback Mandate was subsequently renewed at the respective AGMs of the Company held on 28 April 2004, 28 April 2005, 26 April 2006, 25 April 2007, 25 April 2008, 24 April 2009, 23 April 2010, 29 April 2011, 27 April 2012, 26 April 2013 and the last AGM of the Company held on 25 April 2014. The said mandate will expire on the date of the forthcoming AGM, being 24 April 2015. The Directors propose that the Share Buyback Mandate be renewed at the forthcoming AGM.

2. THE RENEWAL OF THE SHARE BUYBACK MANDATE

2.1 Rationale

The rationale for the Company to undertake the purchase or acquisition of its issued Shares (the “**Share Buyback**”), as previously stated in section 3.2 on page 5 of the Share Buyback Circular, is as follows:

- (a) The Directors and management constantly seek to increase Shareholders’ value and to improve, inter alia, the return on equity of the Company and its subsidiaries (the “**Group**”). A share buyback at the appropriate price level is one of the ways through which the return on equity of the Group may be enhanced.

- (b) Share buybacks 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. It will also 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.
- (c) The Directors further believe that share buybacks by the Company will help mitigate short-term market volatility, offset the effect of short-term speculation and bolster shareholder confidence.

2.2 Authority and Limits on the Share Buyback Mandate

The authority and limitations placed on purchases or acquisitions of Shares under the Share Buyback Mandate, if renewed at the AGM, are substantially the same as previously approved by Shareholders and are as follows:

(a) Maximum Number of Shares

The number of Shares which can be repurchased pursuant to the Share Buyback Mandate is such number of Shares which represents up to a maximum of eight per cent (8%) of the issued ordinary share capital of the Company (excluding any ordinary shares held as treasury shares by the Company from time to time) as at the date of the AGM at which the renewal of the Share Buyback Mandate is approved or such reduced issued share capital of the Company pursuant to a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, Cap. 50 of Singapore (the "**Companies Act**") at any time during the duration of authority described in section 2.2(b) below.

(b) Duration of Authority

Purchases of Shares by the Company may be made, at any time and from time to time, on and from the date of the AGM at which the renewal of the Share Buyback Mandate is approved up to the earlier of:

- (i) the date on which the purchases or acquisitions of Shares pursuant to the Share Buyback Mandate are carried out to the full extent mandated;
- (ii) the date on which the next AGM of the Company is held or required by law to be held; or
- (iii) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied by an ordinary resolution of the Shareholders of the Company in a general meeting.

(c) Mode of Repurchase

Purchase or acquisition of Shares may be made on the Singapore Exchange Securities Trading Limited ("**SGX-ST**") (the "**Market Purchases**") and/or otherwise than on the SGX-ST, in accordance with an equal access scheme (the "**Off-Market Purchases**").

The Market Purchases refer to the purchases of Shares by the Company through the trading system of the SGX-ST, which may be transacted through one or more duly licensed dealers appointed by the Company for this purpose.

The Off-Market Purchases refer to purchases of Shares by the Company made under an equal access scheme or schemes for the purchase of Shares from Shareholders. Under section 76C of the Companies Act, an equal access scheme must satisfy all of the following conditions:

- (i) offers made 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 to them; 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 the offers may relate to Shares with different accrued dividend entitlements;
 - (bb) (if applicable) 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 Shareholder is left with a whole number of Shares.

In addition, pursuant to the Listing Rules of the SGX-ST (the “**Listing Rules**”) as set out in the Listing Manual of the SGX-ST (as may be amended, varied or supplemented from time to time), 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 Buyback;
- (iv) the consequences, if any, of Share Buybacks by the Company that will arise under the Takeover Code then in force or other applicable takeover rules;
- (v) whether the Share Buybacks, if made, could affect the listing of the Shares on the SGX-ST;
- (vi) details of any Share Buybacks made by the Company in the previous twelve (12) months (whether market acquisitions or off-market acquisitions in accordance with an equal access scheme), giving the total number of Shares purchased, the purchase price per Share or the highest and the lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (vii) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

(d) **Maximum Purchase Price**

The purchase price to be paid for purchases of the Shares for both Market Purchases and Off-Market Purchases shall be at the price of up to but not exceeding the sum constituting five per cent (5%) above the Average Closing Market Price of the Shares (the “**Maximum Purchase Price**”).

“**Average Closing Market Price**” means the average of the last dealt prices of the Shares for the five (5) consecutive trading days on which the Shares are transacted on the SGX-ST (hereinafter referred to as “**Trading Days**” and each a “**Trading Day**”) immediately preceding the date of the Market Purchase by the Company, or as the case

may be, the date of the making of an offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the Listing Rules, for any corporate action that occurs after the relevant five (5) days period.

(e) **Status of Purchased Shares**

All repurchased Shares on the SGX-ST will be automatically delisted from the SGX-ST and the relative certificates for these Shares shall be cancelled and destroyed.

The Company's repurchased Shares may be cancelled or held by the Company as treasury shares. Where the Shares are cancelled, the issued share capital of the Company shall be reduced by the total amount of the purchase price paid by the Company for these cancelled Shares accordingly. Where the Shares are held as treasury shares, the Company shall be entered in the register as a member holding those shares.

(f) **Source of Funds**

Under the Companies Act, any purchase of Shares may be made out of the Company's capital or profits or a combination of profits and capital at the discretion of the Directors, so long as the Company is solvent at the time of the Share purchases.

The Company will use internal sources of funds (comprising cash and fixed deposits) for the Share purchases. The Company has not obtained or incurred nor does it intend to obtain or incur any borrowings to finance the Share purchases.

(g) **Treasury Shares**

Under the Companies Act, as amended by the Companies Amendment Act 2005 of Singapore (the "**Companies Amendment Act 2005**"), 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 2005, are summarised below:

(i) **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 from time to time.

(ii) **Voting and Other Rights**

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

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

(iii) **Disposal and Cancellation**

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

- (a) sell the treasury shares for cash;
- (b) transfer the treasury shares for the purposes of or pursuant to an employees' share scheme;

- (c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the treasury shares; or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

2.3 Financial Effects

The financial effect of purchases or acquisitions of Shares that may be made pursuant to the Share Buyback Mandate on the Company would depend on, inter alia, the aggregate number of Shares purchased or acquired, whether the purchase or acquisition is made out of capital or profits, the purchase prices paid for such Shares and the amount (if any) borrowed by the Company to fund the purchases or acquisitions of Shares and whether the Shares purchased or acquired are cancelled or held as treasury shares.

Under the Companies Act, as amended by the Companies Amendment Act 2005, purchases or acquisitions of Shares by the Company may be made out of the Company's capital or profits so long as the Company is solvent. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

For illustrative purposes only, based on the Group's audited financial statements for FY 2014 and on the assumptions set out below:

- (a) based on 553,415,746 Shares in issue (excluding treasury shares) as at 23 March 2015 (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, not more than 44,273,259 Shares (representing eight per cent (8%) of the total number of issued Shares of the Company as at that date) may be purchased by the Company pursuant to the proposed Share Buyback Mandate;
- (b) in the case of Market Purchases and/or Off-Market Purchases by the Company and assuming that the Company purchases or acquires the 44,273,259 Shares at the Maximum Price of S\$0.260 for one (1) Share (being the price equivalent to five (5) per cent, above the Average Closing Market Price of the Shares for the five (5) Trading Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date, the maximum amount of funds required for the purchase of the 44,273,259 Shares (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) is approximately S\$11,511,047;
- (c) the purchase of Shares is financed solely by internal sources of funds;
- (d) the Share Buyback Mandate had been effective on 1 January 2014; and
- (e) the Company had purchased the 44,273,259 Shares (representing eight per cent (8%), of the total number of issued Shares of the Company as at the Latest Practicable Date) on 1 January 2014,

the financial effects of the purchase of the 44,273,259 Shares by the Company pursuant to the Share Buyback Mandate (whether pursuant to a Market Purchase and/or an Off-Market Purchase):

- (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;

on the Company's and the Group's audited financial statements for FY 2014 are set out below:

(1) Purchases made entirely out of capital and held as treasury shares

	Group		Company	
	Before Share Buyback S\$'000	After Share Buyback S\$'000	Before Share Buyback S\$'000	After Share Buyback S\$'000
Shareholders' Funds	260,219	248,708	196,579	185,068
Net Tangible Assets ("NTA") ⁽¹⁾	259,057	247,546	196,579	185,068
Current Assets	362,594	351,083	163,501	151,990
Current Liabilities	136,414	136,414	20,498	20,498
Working Capital	226,180	214,669	143,003	131,492
Total Borrowings	32,952	32,952	0	0
Number of Shares	553,415,746 ⁽⁶⁾	553,415,746 ⁽⁷⁾	553,415,746 ⁽⁶⁾	553,415,746 ⁽⁷⁾
Financial Ratios				
NTA/Share ⁽²⁾ (cents)	46.81	48.62	35.52	36.35
Earnings per Share ⁽²⁾ (cents) ⁽³⁾	0.44	0.48	-0.52	-0.57
Gearing Ratio ⁽⁴⁾	12.66%	13.25%	0	0
Current Ratio ⁽⁵⁾ (times)	2.66	2.57	7.98	7.41

Notes:

- (1) NTA equals shareholders' funds less intangible assets.
- (2) NTA/Share is based on the number of Shares as at 31 December 2014 of 553,415,746 Shares held as treasury shares are excluded in this computation since treasury shares do not attract dividends or distributions (Section 76J(4) of the Companies Act) and inclusion of treasury shares in this computation will not be meaningful.
- (3) Earnings per Share is based on profit/(loss) after tax and minority interests and the number of Shares is based on the weighted average number of ordinary Shares at 31 December 2014 before share buyback of 553,388,349.
- (4) Gearing ratio equals total borrowings divided by Shareholders' funds.
- (5) Current ratio equals current assets divided by current liabilities.
- (6) Number of shares is based on 553,415,746 Shares as at 31 December 2014.
- (7) Includes 44,273,259 Shares that are held as treasury shares and is computed based on 553,415,746 Shares in issue as at the Latest Practicable Date since the Company is entered in the register of members as the member holding the treasury shares (Section 76(H)(2) of the Companies Act).

(2) Purchases made entirely out of capital and cancelled

	Group		Company	
	Before Share Buyback S\$'000	After Share Buyback S\$'000	Before Share Buyback S\$'000	After Share Buyback S\$'000
Shareholders' Funds	260,219	248,708	196,579	185,068
NTA ⁽¹⁾	259,057	247,546	196,579	185,068
Current Assets	362,594	351,083	163,501	151,990
Current Liabilities	136,414	136,414	20,498	20,498
Working Capital	226,180	214,669	143,003	131,492
Total Borrowings	32,952	32,952	0	0
Number of Shares	553,415,746 ⁽⁶⁾	509,142,487 ⁽⁷⁾	553,415,746 ⁽⁶⁾	509,142,487 ⁽⁷⁾
Financial Ratios				
NTA/Share ⁽²⁾ (cents)	46.81	48.62	35.52	36.35
Earnings per Share ⁽²⁾ (cents) ⁽³⁾	0.44	0.48	-0.52	-0.57
Gearing Ratio ⁽⁴⁾	12.66%	13.25%	0	0
Current Ratio ⁽⁵⁾ (times)	2.66	2.57	7.98	7.41

Notes:

- (1) NTA equals shareholders' funds less intangible assets.
- (2) NTA/Share is based on the number of Shares as at 31 December 2014 of 553,415,746 Shares cancelled are excluded in this computation.
- (3) Earnings per Share is based on profit/(loss) after tax and minority interests and the number of Shares is based on the weighted average number of ordinary Shares at 31 December 2014 before share buyback of 553,388,349.
- (4) Gearing ratio equals total borrowings divided by Shareholders' funds.
- (5) Current ratio equals current assets divided by current liabilities.
- (6) Number of shares is based on 553,415,746 Shares as at 31 December 2014.
- (7) Excludes 44,273,259 Shares cancelled and is computed, based on 553,415,746 Shares in issue as at the Latest Practicable Date.

SHAREHOLDERS SHOULD NOTE THAT THE FINANCIAL EFFECTS SET OUT ABOVE ARE FOR ILLUSTRATION PURPOSES ONLY (BASED ON THE AFOREMENTIONED ASSUMPTIONS).

Although the proposed Share Buyback Mandate would authorise the Company to purchase or acquire up to eight per cent (8%) of the Company's issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire eight per cent (8%) of the issued Shares in full. In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares as treasury shares.

2.4 Listing Rules of the SGX-ST

Under the Listing Rules, a listed company may purchase its shares by way of Market Purchases at a price per share which is not more than five per cent (5%) above the Average Closing Market Price. The Maximum Price for a Share in relation to Market Purchase by the Company, referred to in paragraph 2.2(d) above, conforms to this restriction.

The Listing Rules specify that a listed company will notify the SGX-ST of any share buybacks effected by Market Purchases not later than 9.00 a.m. on the Trading Day following the day on which the share buybacks by way of Market Purchases were made, and in the case of Off-Market Purchases under an equal access scheme, not later than 9.00 a.m. on the second Trading Day after the close of acceptances of the offer. The notification of such share buybacks to the SGX-ST shall be in such form and shall include such details as the SGX-ST may prescribe.

While the Listing Rules do not expressly prohibit purchase of shares by a listed company during any particular time or times, because the listed company would be considered an “insider” in relation to any buy back of its shares, the Company will not buy any Shares after a price sensitive development has occurred or has been the subject of a decision until such time as the price sensitive information has been publicly announced, in particular, in line with its internal guidelines and policies on dealings in securities of the Company, the Company will not purchase or acquire any Shares through Market Purchases during the period of fourteen (14) days immediately preceding the announcement of the Company’s financial results for each of the first quarter, half year and third quarter of its financial year or one (1) month immediately preceding the announcement of the Company’s full year financial results, as the case may be. As the Company’s market capitalization as at 31 March 2003 exceeded S\$75 million, the Company must announce its quarterly results in compliance with Rule 705 and Appendix 7.2 of the Listing Rules or as may be prescribed by the rules of the SGX-ST.

Rule 723 of the Listing Rules requires a listed company to ensure that at least ten per cent (10%) of any class of its securities must be held by the public shareholders. The “public”, as defined in the Listing Rules, are persons other than the Directors, chief executive officer and substantial Shareholders or controlling Shareholders of the Company or its subsidiaries, as well as the associates (as defined in the Listing Rules) of such persons. Based on the issued Share capital as at the Latest Practicable Date, there are 236,233,761 Shares (excluding treasury shares) in the hands of the public (as defined in the Listing Rules) representing approximately 42.69% of the issued share capital of the Company. Assuming that the Company purchases its Shares through Market Purchases up to the full eight per cent (8%) limit pursuant to the Share Buyback Mandate from the public (as defined in the Listing Rules), the number of Shares in the hands of the public would be reduced to 191,960,502 Shares, representing 34.68% of the issued share capital of the Company (excluding treasury shares).

In undertaking any purchase of its Shares through Market Purchases, the Directors will use their best efforts to ensure that a sufficient number of Shares remain in public hands so that the share buybacks will not adversely affect the listing status of the Shares on the SGX-ST, cause market illiquidity or adversely affect the orderly trading of the Shares.

2.5 Take-over implications arising from Share Buybacks

Obligation to make a Take-over Offer

If, as a result of any purchase or acquisition by the Company of Shares, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of The Singapore Code on Take-overs and Mergers (the “**Take-over Code**”). If such increase results in a change of effective control, or, as result of such increase, a Shareholder and 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.

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 Take-over Code presumes, inter alia, the following individuals and companies to be persons acting in concert with each other:

- (a) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the above companies, any company whose associated companies include any of the above companies and any person who has provided financial assistance (other than a bank in its ordinary course of business) to any of the above companies for the purchase of voting rights;
- (b) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trusts;
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund in respect of the investment account which such person manages on a discretionary basis;
- (e) a financial or other professional adviser, with its client 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 shareholdings 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 or 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, companies controlled by any of the above persons and any person who has provided financial assistance (other than a bank in its ordinary course of business) to any of the above for the purchase of voting rights.

For this purpose, ownership or control of at least twenty per cent (20%) but not more than fifty per cent (50%) of the shares of a company will be regarded as the test of associated company status.

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 purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Takeover Code ("**Appendix 2**").

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

In general terms, the effect of Rule 14 and Appendix 2 is that, unless exempted, Directors of the Company 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 its Shares, the voting rights of such Directors and their concert parties would

increase to thirty per cent (30%) or more, or 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, and the voting rights of such Directors and their concert parties increased by more than one per cent (1%) in any period of six (6) months.

Under Appendix 2, a Shareholder not acting in concert with the Directors of the Company will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its own 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 (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buyback Mandate.

As at the Latest Practicable Date, based on the interest of the Substantial Shareholders recorded in the Register of Substantial Shareholders and the interests of the Directors recorded in the Register of Directors' Shareholdings, the Directors are not aware of any Shareholder and persons acting in concert with him who may become obligated to make a mandatory takeover offer for all the Shares in the event that the Directors exercise the power to repurchase Shares pursuant to the Share Buyback Mandate.

Shareholders are reminded that if they 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 share buybacks by the Company they should consult the Securities Industry Council and/or their professional advisers and/or other relevant authorities at the earliest opportunity.

2.6 Details of Share Buybacks in the last twelve (12) months

The Company had not made any Share Buybacks in the last twelve (12) months immediately preceding the Latest Practicable Date.

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of Directors and the Substantial Shareholders in the share capital of the Company as recorded in the Register of Directors' Shareholdings and the Register of Substantial Shareholders respectively as at the Latest Practicable Date are set out below:

3.1 Directors

	Direct		Deemed	
	Number of Shares	% of total issued Shares ⁽¹⁾	Number of Shares	% of total issued Shares ⁽¹⁾
Directors				
Allan Yap ⁽²⁾	1,000,000	0.18	97,947,500	17.70
Tang Cheuk Chee ⁽³⁾	49,449,500	8.94	49,498,000	8.94
Lien Kait Long	5,530	0.001	–	–

Note:

- (1) As a percentage of the issued share capital of the Company, comprising 553,415,746 Shares (excluding treasury shares) as at Latest Practicable Date.

- (2) Allan Yap is deemed to be interested in 97,947,500 Shares held by his spouse, Tang Cheuk Chee in the capital of the Company.
- (3) Tang Cheuk Chee is deemed to be interested in 48,498,000 shares collectively held by Sino Diamond International Co., Ltd and Widelead International Limited by virtue of Section 7(4) of the Companies Act. Cap. 50 and 1,000,000 Shares held by her spouse, Allan Yap in the capital of the Company.

The particulars of the Share options granted to the Directors pursuant to the Hanwell Executives' Share Option Scheme of the Company and outstanding as at the Latest Practicable Date are as follows:

Options

Directors	Number of Options	Exercise Price (\$)	Exercise Period
Allan Yap	10,000,000	0.16	22 January 2010 to 21 January 2019

3.2 Substantial Shareholders

	Direct		Deemed	
	Number of Shares	% of total issued Shares ⁽¹⁾	Number of Shares	% of total issued Shares ⁽¹⁾
Substantial Shareholders				
Violet Profit Holdings Limited	134,112,551	24.23	–	–
Ku Yu-Sen ⁽²⁾	–	–	134,112,551	24.23
Goi Seng Hui	83,713,404	15.13	–	–
Tang Cheuk Chee ⁽³⁾	49,449,500	8.94	49,498,000	8.94
Allan Yap ⁽⁴⁾	1,000,000	0.18	97,947,500	17.70

Notes:

- (1) As a percentage of the issued share capital of the Company, comprising 553,415,746 Shares (excluding treasury shares) as at Latest Practicable Date.
- (2) Ku Yun-Sen is deemed to be interested in the 134,112,551 Shares held by Violet Profit Holdings Limited.
- (3) Tang Cheuk Chee is deemed to be interested in 48,498,000 Shares collectively held by Sino Diamond International Co., Ltd. and Widelead International Limited by virtue of Section 7(4) of the Companies Act. Cap. 50 and 1,000,000 Shares held by her spouse, Allan Yap in the capital of the Company.
- (4) Allan Yap is deemed to be interested in 97,947,500 Shares held by his spouse, Tang Cheuk Chee in the capital of the Company.

Save as disclosed above, none of the Directors and Substantial Shareholders has an interest in the Share capital of the Company as at the Latest Practicable Date.

4. DIRECTORS' RECOMMENDATION

The Directors are of the opinion that the proposed renewal of the Share Buyback Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Resolution 9, being the Ordinary Resolution relating to the proposed renewal of the Share Buyback Mandate to be proposed at the Annual General Meeting.

5. 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 respects about the proposed share buyback 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.

6. SGX-ST'S DISCLAIMER

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

7. 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 in the Annual Report 2014 in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the registered office of the Company at 348 Jalan Boon Lay, Singapore 619529 no later than 10.00 a.m. on 22 April 2015. Completion and return of the Proxy Form by a Shareholder will not prevent him from attending and voting at the AGM if he so wishes.

8. DOCUMENT AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 348 Jalan Boon Lay, Singapore 619529 during normal business hours from the date of this Letter up to and including the date of the AGM:

- (a) the Memorandum and Articles of the Company; and
- (b) the annual report of the Company for FY2014.

Yours faithfully

Dr Allan Yap
Executive Chairman
Hanwell Holdings Limited