

APPENDIX I
(as referred to in Resolution 14)

THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

1. Introduction

- 1.1 MediaRing Ltd (the "Company") proposes to seek the approval of Shareholders of the Company ("Shareholders") at the Annual General Meeting of the Company to be held at Singapore Post Centre, 10 Eunos Road 8, #05-30 The Pavilion (Theatrette), Singapore 408600 on Tuesday, 17 April 2007 at 4.00 p.m. ("2007 AGM") for the proposed renewal of the share buyback mandate to authorise the directors from time to time to purchase shares in the capital of the Company (whether by market purchases and/or off-market purchases on an equal access system) up to ten per centum (10%) of the issued ordinary share capital of the Company as at the date on which this Resolution is passed, at the price of up to but not exceeding the Maximum Price (as defined below), subject to the Memorandum and Articles of Association of the Company and in accordance with the "Guidelines on Share Purchases by the Company" as set out in Annexure A to this Appendix I and the Singapore Exchange Securities Trading Limited ("SGX-ST") rules (the "Share Buyback Mandate").
- 1.2 The Shareholders had approved the Share Buyback Mandate at the Extraordinary General Meeting ("EGM") of the Company held on 26 April 2006. The mandate will expire on the date of the forthcoming 2007 AGM. If the proposed resolution for the renewal of the Share Buyback Mandate is approved at the 2007 AGM, the mandate shall, unless revoked or varied by the Company in General Meeting, continue in force until the next Annual General Meeting of the Company is held or is required by law to be held, whichever is the earlier.
- 1.3 The purpose of this Appendix is to provide information relating to and explain the rationale for the proposed renewal of the Share Buyback Mandate.

2. Rationale for the Share Buyback Mandate

The Directors and management are constantly seeking to increase Shareholders' value and to improve, *inter alia*, the return on equity of 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. Share purchases or acquisitions provide the Company with an easy mechanism to facilitate the return of surplus cash over and above the ordinary capital requirements, in an expedient and cost efficient manner. Share purchases or acquisitions also allow the Directors to exercise control over the Company's share structure and may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the Earnings Per Share ("EPS") and/or Net Tangible Assets ("NTA") per share of the Company.

The proposed Share Buyback Mandate will give the Directors the flexibility to purchase or acquire shares when and if the circumstances permit. The Share Buyback Mandate will also give the Company the opportunity to purchase or acquire shares when such shares are under-valued, to help mitigate short-term market volatility and to offset the effects of short term speculation.

While the proposed Share Buyback Mandate would authorise a purchase or acquisition of shares of up to ten per centum (10%) of the issued share capital of the Company as at the date of the 2007 AGM at which the Share Buyback Mandate is approved, Shareholders should note that purchases and acquisitions of shares pursuant to the Share Buyback Mandate may not be carried out to the full ten per centum (10%) limit as authorised and no purchases or acquisitions of shares would be made in circumstances which would have or may have a material adverse effect on the financial position of the Company or the Group.

3. Mandate

Approval is being sought from Shareholders at the 2007 AGM for the adoption of a general and unconditional Share Buyback Mandate for the purchase by the Company of its issued shares. If approved, the Share Buyback Mandate will take effect from the date of the 2007 AGM and continue in force until the date of the next annual general meeting of the Company or such date as the next annual general meeting is required by law to be held, unless prior thereto, share buybacks are carried out to the full extent mandated or the Share Buyback Mandate is revoked or varied by the Company in general meeting. The Share Buyback Mandate will be put to Shareholders for renewal at each subsequent annual general meeting of the Company.

The authority and limitations placed on purchases of shares by the Company under the Share Buyback Mandate are summarised below:

3.1 *Maximum number of Shares*

Only shares which are issued and fully paid-up may be purchased by the Company. The total number of shares that may be purchased is limited to that number of shares representing not more than ten per centum (10%) of the issued ordinary share capital of the Company as at the date of the general meeting at which the Share Buyback Mandate or the renewal of the Share Buyback Mandate is approved.

Purely for illustrative purposes, on the basis of 1,150,669,502 shares in issue as at 21 March 2007 (the "Latest Practicable Date"), and assuming that no further shares are issued on or prior to the 2007 AGM, not more than 115,066,950 shares [representing 10 per centum (10%) of the shares in issue as at that date] may be purchased or acquired by the Company pursuant to the Share Buyback Mandate.

3.2 *Duration of Authority*

Purchases of shares may be made, at any time and from time to time, from the Approval Date up to the earliest of the date on which:

- (a) the next annual general meeting of the Company is held or required by law to be held;
- (b) the share buybacks have been carried out to the full extent mandated; or
- (c) the authority contained in the Share Buyback Mandate is varied or revoked.

3.3 *Manner of Purchase*

Purchases of shares may be made on the SGX-ST ("Market Purchases") and/or otherwise than on the SGX-ST, in accordance with an equal access scheme ("Off-Market Purchases").

Market Purchases refer to purchases of shares by the Company transacted through the SGX-ST's Central Limit Order Book (CLOB) trading system through one or more duly licensed stockbrokers appointed by the Company for the purpose.

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. The Directors may impose such terms and conditions, which are

consistent with the Share Buyback Mandate, the SGX-ST's listing rules ("Listing Rules") and the Companies Act, Chapter 50 ("Companies Act") as they consider fit in the interests of the Company in connection with or in relation to an equal access scheme or schemes. Under the Companies Act, an equal access scheme must satisfy all 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:
 - (a) differences in consideration attributable to the fact that offers may relate to shares with different accrued dividend entitlements;
 - (b) (if applicable) differences in consideration attributable to the fact that offers relate to shares with different amounts remaining unpaid; and
 - (c) differences in the offers introduced solely to ensure that each person is left with a whole number of shares.

In addition, pursuant to the Listing Rules, 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 Singapore Code on Takeovers and Merger ("Take-over Code") or other applicable take-over rules;
- (v) whether the share buybacks, if made, would have any effect on the listing of the shares on the SGX-ST; and
- (vi) details of any share buybacks 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.

3.4 Maximum Purchase Price

The purchase price (excluding brokerage, stamp duties, 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 must not exceed:

- (i) in the case of a Market Purchase, one hundred and five per centum (105%) of the Average Closing Price (as defined hereinafter); and
- (ii) in the case of an Off-Market Purchase, one hundred and ten per centum (110%) of the Average Closing Price,

in either case, excluding related expenses of the purchase or acquisition (the "**Maximum Price**").

For the above purposes:

"**Average Closing Price**" means (1) the average of the closing market prices of a share over the last five (5) Market Days, on which transactions in the shares were recorded, preceding the day of the Market Purchase; and (2) deemed to be adjusted for any corporate action that occurs after the relevant 5-day period; 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 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 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 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.

Treasury Shares. Under the Companies Act, as amended by the Companies Amendment Act, shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the key provisions on treasury shares under the Companies Act, as amended by the Companies Amendment Act, are as follows:

- **Maximum Holdings** - The number of shares held as treasury shares cannot at any time exceed ten per centum (10%) of the total number of issued shares.
- **Voting and Other Rights** - The Company will not have the right to attend or vote at meetings and or to receive any dividends in respect of the treasury shares. However, the allotment of treasury shares as fully paid bonus 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.
- **Disposal and Cancellation** - The Company may dispose of treasury shares at any time in the following ways:
 - (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.

5. **Source of Funds and Financial Effects**

Previously, any purchase of shares could only be made out of the Company's distributable profits that are available for payment as dividends. However, the Companies Act, as amended by the Companies Amendment Act, now permits the

Company to also purchase its own shares out of capital, as well as from its distributable profits, provided that:

- (a) The Company is able to pay its debts in full at the time it purchases the shares and will be able to pay its debts as they fall due in the normal course of business in the 12 months immediately following the purchase; and
- (b) the value of the Company's assets is not less than the value of its liabilities (including contingent liabilities) and will not after the purchase of shares become less than the value of its liabilities (including contingent liabilities).

The Company will use internal resources and/or external borrowings to finance purchases of its shares. It is not possible for the Company to realistically calculate or quantify the impact of purchases that may be made pursuant to the Share Buyback Mandate on the NTA and EPS as the resultant effect would depend on factors such as the aggregate number of shares purchased, the purchase prices paid at the relevant time, and the amount (if any) borrowed by the Company to fund the purchases.

Where the purchase of shares is made out of distributable profits, such purchase (excluding related brokerage, goods and services tax, stamp duties and clearance fees) will correspondingly reduce the amount available for the 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 of 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 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.

However, the Directors do not propose to exercise the Share Buyback Mandate to such an extent as would have a material adverse effect on the working capital requirements of the Company or the gearing levels which, in the opinion of the Directors, are from time to time appropriate for the Company.

Based on the audited accounts of the Company and Group for the financial year ended 31 December 2006 ("FY2006"), the Company has no distributable reserves to effect any buyback of its shares from the market. However, for illustrative purposes only, assuming that:

- (i) the Company purchases 115,044,750 shares representing ten per centum (10%) of its issued share capital as at 12 March 2007; and
- (ii) the aforesaid 115,044,750 shares are purchased at US\$0.2646** per share, being a price representing one hundred and five per centum (105%) of the Average Closing Price as at 12 March 2007,

****closing price of S\$0.385@1.527 (exchange rate per Business Time of 13 March 2007).**

the impact of the purchase of shares by the Company pursuant to the Share Buyback Mandate on the Group's and the Company's audited financial statements for FY2006 would be as set out below.

For purposes of this illustration, it is assumed that the Company is using only internal sources to finance purchases of its shares.

	Group		Company	
	Before Share Purchase US\$'000	After Share Purchase US\$'000	Before Share Purchase US\$'000	After Share Purchase US\$'000
<u>As at 31 December 2006</u>				
Shareholders' Funds	80,092	49,651	83,343	52,902
Net Tangible Assets	69,829	39,388	83,088	52,647
Current Assets	46,251	15,810	40,732	10,291
Current Liabilities	20,239	20,239	17,213	17,213
Working Capital	26,012	(4,429)	23,519	(6,922)
Long Term Liabilities	1,228	1,228	-	-
Profit For The Year	8,290	8,290	12,111	12,111
<u>Number of Shares</u>	1,145,847,866	1,030,803,116	1,145,847,866	1,030,803,116
<u>Financial Ratios</u>				
Net Tangible assets per Share (US cents)	6.09	3.82	7.25	5.11
Gearing Ratio	NIL	NIL	NIL	NIL
Current Ratio (times)	2.29	0.78	2.37	0.60
Earnings Per Share (US Cents)	0.7235	0.8042	1.0569	1.1749

Notes:

- (1) The NTA per share and basic EPS was calculated based on the number of shares in issue of 1,145,847,866 at the end of FY2006, before adjusting for the share buyback.
- (2) The NTA per share and basic EPS was calculated based on the number of shares in issue of 1,030,803,116 at the end of FY2006, after adjusting for the share buyback.

As at 31 December 2006, the Group and the Company had cash and cash equivalent balances of US\$32,568,000 and US\$25,543,000 respectively. As illustrated above, the purchase of shares will have the effect of reducing the working capital and the NTA of the Group and the Company.

Assuming that the purchase of shares had taken place on 31 December 2006, the consolidated basic EPS of the Group for FY2006 would be increased from 0.7235 US cents per share to 0.8042 US cents per share while the basic EPS of the Company for FY 2006 would be increased from 1.0569 US cents per share to 1.1749 US cents per share as a result of the reduction in the number of issued shares.

Shareholders should note that the financial effects set out in this Clause 5 are purely for illustrative purposes only and are in no way indicative of the Company's real financial position or a forecast of the Company's financial figures.

6. Tax Implications

6.1 *Where the Company uses its Distributable Profits for the Share Buyback*

Under Section 10J of the Income Tax Act, a company which buys back its own shares using its distributable profits is regarded as having paid a dividend to the Shareholders from whom the shares are acquired. As the Company has already moved into the one-tier corporate tax system, the provisions under Section 44 of the Income Tax Act do not apply to the Company.

That is, the Company does not need to provide for the franking of the share buyback in the same way as if paying a taxed dividend under the Section 44 imputation system. As such, there will not be any tax implications to the Company. The tax treatment of the receipt from a share buyback in the hands of the Shareholders will depend on whether the disposal arises from a Market Purchase or an Off-Market Purchase.

In relation to a Market Purchase, as the Company is listed on the SGX-ST, the Company may apply to the SGX-ST for a special trading counter for the purposes of effecting the Market Purchase, subject to approval being obtained from Shareholders for the Share Buyback Mandate at the 2007 AGM.

Proceeds received by Shareholders who sell their shares to the Company in Market Purchases through the special trading counter set up on the SGX-ST will, subject to the fulfilment of certain conditions by the Shareholders, be treated for income tax purposes as the receipt of a dividend.

Proceeds received by Shareholders who sell their shares to the Company in Market Purchases through the normal ready counters will be treated for income tax purposes like any other disposal of shares and not as a dividend. Whether or not such proceeds are taxable in the hands of such shareholders will depend on whether such proceeds are receipt of an income or capital nature.

Proceeds received by shareholders who sell their shares to the Company in an Off-Market Purchase, where the share buyback is made otherwise than on the SGX-ST, made pursuant to an equal access scheme will be treated for income tax purposes as the receipt of a dividend.

6.2 *Where the Company uses its Contributed Capital for the Share Buyback*

There will be no tax implications to the Company when it uses its contributed capital to buy back its shares.

For its shareholders, the tax implications will depend on the tax payer's position as owners of the shares and whether the shares are sold in a Market Purchase, or an Off-Market Purchase.

Shareholders should note that the foregoing is not to be regarded as advice on the tax position of any Shareholder. Shareholders who are in doubt as to their respective tax positions or the tax implications of share purchases by the Company, or, who may be subject to tax whether in or outside Singapore, should consult their own professional advisers.

7. Listing Rules

Under the Listing Rules, a listed company may purchase shares by way of Market Purchases at a price per share which is not more than five per centum (5%) above the average of the closing market prices of the shares over the last five (5) Market Days, on which transactions in the shares were recorded, before the day on which the purchases were made (the "average closing market price").

The Maximum Price for a share in relation to Market Purchases by the Company, referred to in paragraph 3.4 above, conforms to this restriction.

Additionally, the Listing Rules also specify 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 of any of its shares and (b) in the case of an Off-Market Purchase under an equal access scheme, by 9.00 a.m. on the second Market Day after the close of acceptances of the offer. Such announcement shall include details of the total number of shares authorised for purchase, the date of purchase, the total number of shares purchased, prices paid for the total number of shares purchased, the purchase price per share, the highest and lowest prices per share for the shares purchased to date and the number of issued shares after purchase, in the form prescribed under the Listing Rules.

While the Listing Rules do not expressly prohibit any purchase of shares by a listed company during any particular time(s), 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 of shares pursuant to the Share Buyback Mandate at any time after any matter or development of a price-sensitive nature has occurred or has been the subject of consideration and/or a decision of the Board until such price-sensitive information has been publicly announced. In particular, in line with the best practices guide on securities dealings issued by the SGX-ST, the Company will not purchase or acquire any shares through Market Purchases during the period of one month immediately preceding the announcement of the Company's interim results and the annual (full-year) results respectively.

8. Listing Status

The Company is required under Clause 723 of the Listing Rules to ensure that at least ten per centum (10%) of its shares are in the hands of the public. The "public", as defined under the Listing Rules, are persons other than the Directors, chief executive officer, substantial Shareholders or controlling Shareholders of the Company and its subsidiaries, as well as the associates (as defined in the Listing Rules) of such persons.

As at the Latest Practicable Date, there are 808,708,978 shares in the hands of the public (as defined above), representing 70.28% of the issued share capital of the Company. Assuming that the Company purchases its shares through Market Purchases up to the full ten per centum (10%) limit pursuant to the Share Buyback Mandate, the number of shares in the hands of the public would be reduced to 693,642,028 shares, representing 66.98% of the reduced issued share capital of the Company.

In undertaking any purchases 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 buyback(s) will not:

- (a) adversely affect the listing status of the shares on the SGX-ST;
- (b) cause market illiquidity; or
- (c) adversely affect the orderly trading of shares.

9. Obligation to make a Take-Over Offer

9.1 Requirement to make General Offer

Under the Take-over Code, a person will be required to make a general offer for a public company if:

- (i) he acquires thirty per centum (30%) or more of the voting rights of the company; or
- (ii) he holds between thirty per centum (30%) and fifty per centum (50%) of the voting rights of the company and he increases his voting rights in the company by more than one per centum (1%) in any six-month period.

If, as a result of any purchase or acquisition by the Company of its shares, a Shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of the Take-over Code. If such increase results in a change of effective control, or, as 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.

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 (*inter alia*) will be presumed to be acting in concert:

- (i) 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); and
- (ii) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies, and companies of which such companies are associated companies, all with each other.

For this purpose, ownership or control of at least twenty per centum (20%) but not more than fifty per centum (50%) of the equity share capital 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 after a purchase or acquisition of shares by the Company are set out in Appendix 2 of the Take-over Code.

Under Appendix 2 of the Take-over Code, 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 its shares, the voting rights in the Company of such Directors and their concert parties:

- (i) increase to thirty per centum (30%) or more; or
- (ii) if the voting rights of such Directors and their concert parties fall between thirty per centum (30%) and fifty per centum (50%) of the Company's voting rights, the voting rights of such Directors and their concert parties increase by more than one per centum (1%) in any period of six months.

A Shareholder not acting in concert with the Directors will not 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 Shareholder in the Company increase to 30 per centum (30%) or more, or if the voting rights of such Shareholder fall between thirty per centum (30%) and fifty per centum (50%) of the Company's voting rights, the voting rights of such Shareholder increase by more than one per centum (1%) in any period of six months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buyback Mandate.

9.2 **Hypothetical Shareholdings resulting from Share Buyback**

Purely for illustrative purposes, on the basis of 1,150,669,502 shares in issue as at the Latest Practicable Date, and assuming that no further shares are issued on or prior to the 2007 AGM, not more than 115,066,950 shares (representing 10 per centum (10%) of the shares in issue as at that date) may be purchased or acquired by the Company pursuant to the Share Buyback Mandate, if so approved by Shareholders at the 2007 AGM.

Further assuming that such granted Share Buyback Mandate is validly and fully exercised prior to the next Annual General Meeting of the Company for it to re-purchase the maximum allowed number of shares being 115,066,950 shares (on the basis that there would have been no change to the number of shares in issue at the time of such exercise) and that such re-purchased shares are not acquired from the substantial Shareholders and are deemed cancelled immediately upon purchase, the shareholdings of the substantial Shareholders would be changed as follows:

<u>Substantial Shareholders</u>	<u>Before Share Buyback</u>		<u>After Share Buyback</u>	
	<u>No. of Shares</u>	<u>%</u>	<u>No. of Shares</u>	<u>%</u>
Venture One Finance Limited	187,912,767	16.33	187,912,767	18.15
Paramount Assets Investments Pte Ltd	128,500,000	11.17	128,500,000	12.41

Note:

As illustrated above, there are currently no potential Shareholders who may have to make a general offer to other Shareholders under the Take-over Code due to the Share Buyback Mandate.

10. **No Share Buybacks in the Previous 12 Months**

The Company has not made any share buybacks in the 12 months preceding the Latest Practicable Date.

11. **Directors' Recommendation**

The Directors are of the opinion that the proposed renewal of the Share Buyback Mandate are in the best interests of the Company and recommend that Shareholders vote in favour of the Ordinary Resolution 12 set out in the Notice of 2007 AGM.

12. **Directors' Responsibility Statement**

The Directors collectively and individually accept responsibility for the accuracy of the information given in this Appendix and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, the facts stated and the opinions expressed in this Appendix are fair and accurate in all material respects as at the date hereof and that there are no other material facts the omission of which would make any statement in this Appendix misleading.

GUIDELINES ON SHARE BUYBACKS BY THE COMPANY

1. Shareholders' Approval

- (a) Purchase of shares by the Company must be approved in advance by the Shareholders at a general meeting of the Company, by way of a general mandate.
- (b) A general mandate authorising the purchase of shares by the Company will expire on the earlier of:-
 - (i) the conclusion of the next annual general meeting of the Company; or
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held; or
 - (iii) the time when such mandate is revoked or varied by an ordinary resolution of the Shareholders of the Company in general meeting.
- (c) The authority conferred on the Directors by the Share Buyback Mandate to purchase shares shall, unless varied or revoked by the Company in general meeting, continue in force until the next Annual General Meeting of the Company is held or is required by law to be held (i.e. not later than 30 April 2008), whichever is the earlier.
- (d) The maximum number of shares which can be purchased pursuant to the Share Buyback Mandate shall be shares representing ten per centum (10%) of the issued ordinary share capital of the Company as at the date of the AGM at which the Share Buyback Mandate is approved.
- (e) Purchases of shares can only be effected by the Company in either one of the following two ways or both:-
 - (i) by way of on-market purchases on the SGX-ST ("Market Purchases"). Market Purchases means a purchase of shares transacted through the SGX-ST's trading system.
 - (ii) by way of an "off-market acquisition on an equal access scheme" as defined in section 76C of the Companies Act ("Off-Market Purchase Scheme").

2. Funding of Share Purchases

- (a) In purchasing shares, the Company may only apply funds legally available for such purchase in accordance with its Memorandum and Articles of Association, and the applicable laws in Singapore.
- (b) The Company may not purchase its shares on the SGX-ST for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the SGX-ST.
- (c) Any purchase by the Company may be made out of profits that are available for distribution as dividends and/or from capital.
- (d) The Directors do not propose to exercise the proposed Share Buyback Mandate to such an extent as would materially affect the working capital requirements of the Company and the Group.

3. Trading Restrictions

- (a) The Company may not purchase any shares if, as a result of such purchase, the issued share capital of the Company will be reduced below the minimum capital specified in its Memorandum of Association.
- (b) The Company will not effect a share purchase if immediately following the share purchase, the continuing shareholding spread requirement prescribed by the SGX-ST rules which are in force at the time of the intended share purchase cannot be maintained.
- (c) The Directors will ensure that any share purchases will not have an effect on the listing of the Company's shares on the SGX-ST.

4. Off-Market Purchase Scheme

For purchases of shares to be made by way of an Off-Market Purchase Scheme, the Company will issue an offer document to all Shareholders. The offer document shall 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 share purchases by the Company that will arise under the Singapore Code on Take-overs and Mergers or any other applicable take-over rules;
- (e) whether the share purchases, if made, would have any effect on the listing of the Company's securities on the SGX-ST; and
- (f) details of any share purchases made by the Company in the previous 12 months whether through Market Purchases or the Off-Market Purchase Scheme, including the total number of shares purchased, the purchase price per share or the highest and lowest prices paid for such purchases of shares, where relevant, and the total consideration paid for such purchases.

5. Price Restrictions

The purchases of shares by the Company shall be at the price of up to but not exceeding the Maximum Price. In the case of Market Purchases by the Company, the Maximum Price is five per centum (5%) above the average closing market prices of the shares over the last five (5) market days, on which transactions in the shares were recorded before the day on which the market purchases are made by the Company. In the case of Off-Market Purchases by the Company on an equal access scheme, the Maximum Price is 10% above the average closing market prices of the shares over the last five (5) market days when transactions in the shares were recorded up to and including the closing date of the offer to purchase shares by way of an Off-Market Purchase Scheme.

6. Status of Purchased Shares

The listing of all purchased shares (whether on the SGX-ST or otherwise) will be automatically cancelled and the related certificates for those shares must be cancelled and destroyed. Under Singapore law, the Company's purchased shares can be held in treasury or will be treated as cancelled and the issued share capital of the Company will be diminished by the value of those shares accordingly.

If the shares are held in treasury, the maximum holding of treasury shares of any class of shares shall not exceed ten per centum (10%) of the total number of shares of that class.

Any excess is required to be disposed within 6 months from the date of the contravention.

The holder of the treasury shares does not have rights to voting, dividend or other distribution. The treasury shares can be subsequently be sold for cash, transferred pursuant to employees' share scheme or cancelled. In addition, any gains on treasury shares will not be distributable to Shareholders unless the purchase of the treasury shares is originally funded out of profits. The treasury shares are also excluded from determination the percentage of shareholdings in the Company's shares.

The Company has no intention, at this point in time, to hold the purchased shares as treasury shares. However, if the Company decides to do so in the future, the Company would take the necessary steps including obtaining the Shareholders' approval to amend the Articles of Association of the Company accordingly to allow the purchased shares to be held in treasury.

7. Reporting Requirements

(a) Accounting and Corporate Regulatory Authority ("ACRA")

Within thirty (30) days of the passing of a Shareholders' resolution to approve purchases of shares, the Company must lodge a copy of such resolution with the ACRA.

The Company must notify the ACRA within thirty (30) days of a purchase of shares on the SGX-ST or otherwise. Such notification shall include details of the date of the purchases, the total number and value of shares purchased by the Company, the Company's issued share capital as at the date of the Shareholders' resolution approving the share purchases and after the purchase of shares and the amount of consideration paid by the Company for the purchases.

(b) SGX-ST

The Company will notify the SGX-ST of Market Purchases of shares not later than 9.00 a.m. on the market day following the day on which the Market Purchases were effected, and of Off-Market Purchases not later than 9.00 a.m. on the second market day after the close of acceptances of the offer for Off-Market Purchases. The notification of such purchases of shares to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe.

(c) CDP

The Company will notify the CDP on the date and quantity of the Share Purchase on the market day following the date on which the purchase was made, or the dates and quantities of the Share Purchases on a weekly basis if the share buyback is an on-going process.

(d) The Company shall make arrangements with its stockbrokers to ensure that they provide to the Company in a timely fashion the necessary information which will enable the Company to make the aforesaid notifications to the SGX-ST and the CDP.

(e) When seeking the approval of Shareholders for the renewal of the Share Buyback Mandate, the Company is required to disclose details pertaining to purchases of shares made during previous 12 months, including the total number of shares purchased, the purchase price per share or the highest and lowest prices paid for such purchases of shares, where relevant, and the total consideration paid for such purchases.

8. Interested Persons

In a Market Purchase, the Company is prohibited from knowingly purchasing shares on the SGX-ST from an interested person, that is, a Director, the Chief Executive Officer of the Company or Substantial Shareholder of the Company or any of their associates (as defined in the SGX-ST Listing Manual) and an interested person is prohibited from knowingly selling his shares to the Company.

9. Suspension of Purchases

The Company may not purchase 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, the Company may not purchase its shares on the SGX-ST during the period commencing one month before the announcement of the Company's annual or half-year results, as the case may be, and ending on the date of announcement of the relevant results.

10. SGX-ST Rules

These guidelines are supplemental to the SGX-ST rules. In the event of any inconsistency between these guidelines and the SGX-ST Rules, the SGX-ST rules will prevail.

No amendments, deletions or additions which may be inconsistent with the SGX-ST rules shall be made to these guidelines.