

## Annual General Meeting::Voluntary

## Issuer &amp; Securities

<b>Issuer/ Manager</b>	AMARA HOLDINGS LIMITED
<b>Security</b>	AMARA HOLDINGS LTD - SG1F08854688 - A34

## Announcement Details

<b>Announcement Title</b>	Annual General Meeting
<b>Date &amp; Time of Broadcast</b>	12-Apr-2017 17:07:11
<b>Status</b>	New
<b>Announcement Reference</b>	SG170412MEETI5V9
<b>Submitted By (Co./ Ind. Name)</b>	Ms Susan Teo Geok Tin / Ms Foo Soon Soo
<b>Designation</b>	Company Secretaries
<b>Financial Year End</b>	31/12/2016

## Event Narrative

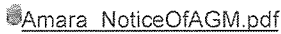

<b>Narrative Type</b>	<b>Narrative Text</b>
Additional Text	Please see attachments

## Event Dates

<b>Meeting Date and Time</b>	28/04/2017 10:30:00
<b>Response Deadline Date</b>	27/04/2017 10:30:00

## Event Venue(s)

<b>Place</b>	
<b>Venue(s)</b>	<b>Venue details</b>
Meeting Venue	Amara Ballroom 2, Level 3, Amara Singapore, 165 Tanjong Pagar Road, Singapore 088539

<b>Attachments</b>	  Total size =292K
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## NOTICE OF ANNUAL GENERAL MEETING

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**NOTICE IS HEREBY GIVEN** that the Annual General Meeting (“AGM”) of the Company will be held at Amara Ballroom 2, Level 3, Amara Singapore, 165 Tanjong Pagar Road, Singapore 088539 on Friday, 28 April 2017 at 10.30 a.m. to transact the following business:-

### As Ordinary Business

1. To receive and adopt the Audited Financial Statements for the year ended 31 December 2016 together with the Directors’ Statement and Independent Auditor’s Report thereon. **(Resolution 1)**
2. To declare a final tax exempt dividend of 1 cent per ordinary share and a special tax exempt dividend of 2 cents per ordinary share for the year ended 31 December 2016. **(Resolution 2)**
3. To re-elect Mr Lawrence Mok Kwok Wah as a Director retiring under Article 87 of the Constitution of the Company. **(Resolution 3)**

Mr Lawrence Mok Kwok Wah will, upon re-election as Director of the Company, remain as a member of the Audit Committee and will be considered non-independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”). He will also remain as a member of the Remuneration Committee.

4. To re-elect Mr Foo Ko Hing as a Director retiring under Article 87 of the Constitution of the Company. **(Resolution 4)**

On 31 March 2017 (subsequent to the printing of the Notice of Annual General Meeting in the Annual Report), the Company announced the reconstitution of the Board Committees effective from 1 April 2017. Following the reconstitution of the Board Committees, Mr Foo Ko Hing will, upon re-election as Director of the Company, remain as the Chairman of the Audit Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the SGX-ST. He will also remain as a member of both the Nominating Committee and Remuneration Committee.

5. To approve payment of Directors’ Fees of \$189,200 for the year ended 31 December 2016 (2015: \$161,700). **(Resolution 5)**
6. To appoint Messrs Deloitte & Touche LLP as Auditor of the Company in place of the retiring Auditor, Messrs Baker Tilly TFW LLP, and to authorise the Directors to fix its remuneration. **(Resolution 6)**  
(See Explanatory Note 1)

### As Special Business

To consider, and if thought fit, to pass the following Ordinary Resolutions (with or without amendments):

7. Authority to allot and issue shares
  - (a) That, pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (“Act”), and the listing rules of the SGX-ST, authority be and is hereby given to the Directors of the Company at any time upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit, to:
    - (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise;

- (ii) make or grant offers, agreements or options that might or would require shares to be issued or other transferable rights to subscribe for or purchase shares (collectively, "Instruments") including but not limited to the creation and issue of warrants, debentures or other instruments convertible into shares; and
  - (iii) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues; and
- (b) notwithstanding the authority conferred by the shareholders may have ceased to be in force, issue shares in pursuance of any Instruments made or granted by the Directors while the authority was in force,

provided always that

- (i) the aggregate number of shares to be issued pursuant to this resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) does not exceed 50% of the Company's total number of issued shares excluding treasury shares, of which the aggregate number of shares (including shares to be issued in pursuance of Instruments made or granted pursuant to this resolution) to be issued other than on a pro rata basis to shareholders of the Company does not exceed 20% of the total number of issued shares excluding treasury shares of the Company, and for the purpose of this resolution, the total number of issued shares excluding treasury shares shall be the Company's total number of issued shares excluding treasury shares at the time this resolution is passed, after adjusting for:
  - (aa) new shares arising from the conversion or exercise of convertible securities;
  - (bb) new shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this resolution is passed provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and
  - (cc) any subsequent bonus issue, consolidation or subdivision of the Company's shares, and
- (ii) such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next AGM or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier. **(Resolution 7)**  
(See Explanatory Note 2)

#### 8. Authority to allot and issue shares under the Amara Performance Share Plan

That authority be and is hereby given to the Directors of the Company to grant awards in accordance with the provisions of the Amara Performance Share Plan (the "Plan"), and, pursuant to Section 161 of the Act, to allot and issue from time to time such number of shares in the capital of the Company as may be required to be allotted and/or issued pursuant to the vesting of awards under the Plan provided that the aggregate number of shares available under the Plan and any other share based schemes which the Company may implement from time to time, shall not exceed 15% of the total number of issued shares of the Company (excluding treasury shares) from time to time and that such authority shall, unless revoked or varied by the Company at a general meeting, continue in force until the conclusion of the next AGM or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier.

**(Resolution 8)**  
(See Explanatory Note 3)

#### 9. Renewal of Share Purchase Mandate

That:

- (a) For the purposes of Sections 76C and 76E of the Act, the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company ("Shares") not exceeding in aggregate the Prescribed Limit (as defined below), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as defined below), whether by way of:

- (i) off-market purchases (each an “Off-Market Share Purchase”) effected in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Act; and/or
- (ii) on-market purchases (each an “On-Market Share Purchase”) on the SGX-ST, and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable,

be and is hereby authorised and approved generally and unconditionally (“Share Purchase Mandate”).

- (b) Unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Ordinary Resolution, and expiring on the earlier of:
  - (i) the date on which the next AGM of the Company is held or required by law or the Constitution of the Company to be held; or
  - (ii) the date on which the purchase of Shares by the Company pursuant to the Share Purchase Mandate is carried out to the full extent mandated.

- (c) In this Ordinary Resolution:

“Prescribed Limit” means 10% of the total number of issued Shares as at the date of the passing of this Ordinary Resolution (excluding treasury shares); and

“Maximum Price” in relation to a Share to be purchased, means an amount (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) not exceeding:

- (i) in the case of an On-Market Share Purchase, 105% of the Average Closing Price; and
- (ii) in the case of an Off-Market Share Purchase, 120% of the Average Closing Price,

where:

“Average Closing Price” means the average of the closing market prices of a Share over the last 5 Market Days (“Market Day” being a day on which the SGX-ST is open for securities trading), on which transactions in the Shares were recorded, immediately preceding the date of making the On-Market Share Purchase or, as the case may be, the date of the making of the offer pursuant to the Off-Market Share Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant 5 Market Days; and

“date of the making of the offer” means the date on which the Company announces its intention to make an offer for an Off-Market Share Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Share Purchase) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Share Purchase.

- (d) The Directors and/or each and any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution. **(Resolution 9)**  
(See Explanatory Note 4)

#### As Other Business

- 10. To transact any other business that may be transacted at an AGM.

**NOTICE IS ALSO HEREBY GIVEN** that subject to the approval of the shareholders at the AGM, a final tax exempt dividend of 1 cent per ordinary share and a special tax exempt dividend of 2 cents per ordinary share, in respect of the year ended 31 December 2016 will be paid on 22 June 2017 to shareholders whose names appear in the Register of Members on 8 June 2017.

Accordingly, the Transfer Books and the Register of Members of the Company will be closed from 8 June 2017 after 5.00 p.m. to 9 June 2017, for the purpose of determining shareholders' entitlements to the proposed final dividend and the proposed special dividend.

Registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 50 Raffles Place, Singapore Land Tower #32-01, Singapore 048623, up to 5.00 p.m., on 8 June 2017 will be registered before entitlements to the final and special dividends are determined.

By Order of the Board

Susan Teo Geok Tin/Foo Soon Soo  
Company Secretaries

Singapore  
13 April 2017

#### **Explanatory Note 1:**

The Ordinary Resolution in item 6 is to appoint Messrs Deloitte & Touche LLP as Auditor of the Company in place of the retiring Auditor, Messrs Baker Tilly TFW LLP, and to authorise the Directors to fix its remuneration. Information on Deloitte & Touche LLP, the rationale of the proposed change of Auditor, the confirmations pursuant to Rule 1203(5) of the Listing Manual of the SGX-ST and the Directors' recommendation are set out in the Appendix to the Notice of AGM dated 13 April 2017 in relation to the proposed change of Auditor and the proposed renewal of the Share Purchase Mandate.

#### **Explanatory Note 2:**

The Ordinary Resolution in item 7 is to authorise the Directors of the Company from the date of the above Meeting until the next AGM to issue shares and convertible securities in the Company up to an amount not exceeding in aggregate 50% of the total number of issued shares excluding treasury shares of the Company of which the total number of shares and convertible securities issued other than on a pro rata basis to existing shareholders shall not exceed 20% of the total number of issued shares excluding treasury shares of the Company at the time the resolution is passed, for such purposes as they consider would be in the interests of the Company. For determining the aggregate number of shares that may be issued, the percentage of issued shares will be calculated based on the total number of issued shares excluding treasury shares in the capital of the Company at the time this resolution is passed (after adjusting for new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this resolution is passed and any subsequent bonus issue, consolidation or subdivision of the Company's shares). This authority will, unless revoked or varied at a general meeting, expire at the next AGM of the Company.

#### **Explanatory Note 3:**

The Ordinary Resolution in item 8 is to authorise the Directors of the Company from the date of the above Meeting until the next AGM to grant awards in accordance with the provisions of the Plan and to allot and issue from time to time such number of shares in the capital of the Company as may be required to be allotted and/or issued pursuant to the vesting of the awards under the Plan provided that the aggregate number of shares available under the Plan and any other share based schemes which the Company may implement from time to time, shall not exceed 15% of the total number of issued shares of the Company (excluding treasury shares) from time to time.

#### **Explanatory Note 4:**

In respect of the Ordinary Resolution in item 9, the Company intends to use internal sources of funds, external borrowings or a combination of internal sources of funds and external borrowings to finance purchases or acquisitions of the Shares. The amount of financing required for the Company to purchase or acquire its Shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as these will depend on, among other things, whether the Shares are purchased or acquired out of capital and/or profits of the Company, the aggregate number of Shares purchased or acquired, and the consideration paid at the relevant time. Purely for illustration purposes, the financial effects of Share Purchases on the audited financial statements of Amara Group and the Company for the financial year ended 31 December 2016, based on certain assumptions, are set out in the Appendix to the Notice of AGM dated 13 April 2017 in relation to the proposed change of Auditor and the proposed renewal of the Share Purchase Mandate.

**Notes:**

1. A member of the Company (other than a member who is a relevant intermediary as defined in Section 181 of the Act) entitled to attend and vote at the above Meeting is entitled to appoint not more than two proxies to attend and vote on his behalf. Where such member appoints more than one proxy, the proportion of his shareholding to be represented by each proxy shall be specified in the proxy form.
2. A member of the Company who is a relevant intermediary as defined in Section 181 of the Act is entitled to appoint more than two proxies to attend, speak and vote at the above Meeting.
3. A proxy or representative need not be a member of the Company.
4. The instrument appointing a proxy together with the power of attorney (if any) under which it is signed or notarially certified or office copy thereof must be lodged at the registered office of the Company at 100 Tras Street #06-01, 100 AM, Singapore 079027, not less than 24 hours before the time appointed for the above Meeting.

**PERSONAL DATA PRIVACY:**

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), and (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes.





APPENDIX DATED 13 APRIL 2017



**AMARA HOLDINGS LIMITED**

(Incorporated in the Republic of Singapore)

(Company Registration No. 197000732N)

APPENDIX TO THE NOTICE OF  
ANNUAL GENERAL MEETING  
IN RELATION TO  
THE PROPOSED CHANGE OF AUDITOR  
FROM BAKER TILLY TFW LLP  
TO DELOITTE & TOUCHE LLP  
AND  
THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

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## DEFINITIONS

Except where the context otherwise requires, the following definitions apply throughout this Appendix:

"ACRA"	: Accounting and Corporate Regulatory Authority of Singapore
"Act"	: Companies Act, Chapter 50 of Singapore, as may be modified from time to time
"AGM"	: Annual General Meeting of the Company convened to be held on 28 April 2017 at 10.30 a.m. at Amara Ballroom 2, Level 3, Amara Singapore, 165 Tanjong Pagar Road, Singapore 088539
"Amara Group"	: The Company and its subsidiaries
"Annual Report 2016"	: The annual report of the Company for FY2016
"Appendix"	: This appendix to the notice of AGM dated 13 April 2017 in relation to the proposed change of Auditor and the proposed renewal of the Share Purchase Mandate
"Board"	: The Board of Directors of the Company
"Code"	: The Singapore Code on Take-overs and Mergers, as may be amended or modified from time to time
"Company"	: Amara Holdings Limited
"Constitution"	: The Constitution of the Company, as may be modified from time to time
"Controlling Shareholder"	: A person who: (a) holds directly or indirectly 15% or more of the total number of issued Shares excluding treasury shares (unless the SGX-ST determines that such a person is not a Controlling Shareholder of the Company); or (b) in fact exercises control over the Company
"Directors"	: The directors of the Company as at the Latest Practicable Date
"EPS"	: Earnings per Share
"FY2016"	: Financial year ended 31 December 2016
"Latest Practicable Date"	: 22 March 2017, being the latest practicable date prior to the printing of this Appendix for the purpose of obtaining relevant information for inclusion herein
"Listing Manual"	: The listing manual of the SGX-ST, as may be amended or modified from time to time
"Market Day"	: A day on which the SGX-ST is open for securities trading
"NTA"	: Net tangible assets

## DEFINITIONS

- "Off-Market Share Purchase" : A Share Purchase by the Company effected otherwise than on the SGX-ST pursuant to an equal access scheme, which is in accordance with Section 76C of the Act, for the purchase of Shares from the Shareholders
- "On-Market Share Purchase" : A Share Purchase by the Company effected on the SGX-ST through one or more duly licensed stock brokers appointed by the Company for such purpose
- "SGX-ST" : Singapore Exchange Securities Trading Limited
- "Shareholders" : Persons (other than The Central Depository (Pte) Limited) who are for the time being registered as holders of Shares in the Register of Members maintained by the Company and Depositors who have Shares entered against their names in the Depository Register
- "Share Purchase" : Purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate
- "Share Purchase Mandate" : General mandate from the Shareholders to authorise the Directors to exercise all the powers of the Company to purchase or otherwise acquire Shares in accordance with the terms set out in the resolution authorising the same
- "Shares" : Ordinary shares in the share capital of the Company
- "Substantial Shareholder" : A person (including a corporation) who has an interest in not less than 5% of all issued voting Shares of the Company
- "S\$" and "cents" : Singapore dollars and cents respectively
- "%" : Per centum or percentage

The terms "Depositor" and "Depository Register" shall have the meanings ascribed to them respectively in Section 130A of the Act.

The term "treasury shares" shall have the meaning ascribed to it in Section 4 of the Act.

The term "subsidiary" shall have the meaning ascribed to it in Section 5 of the Act.

The terms "associate" and "associated company" shall have the meanings ascribed to them respectively, in the Listing Manual, unless otherwise indicated or the context otherwise requires.

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall include corporations.

## DEFINITIONS

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted.

Any word defined under the Act, the Listing Manual or any statutory modification thereof and used in this Appendix shall, where applicable, have the meaning assigned to it under the Act or the Listing Manual or any modification thereof, as the case may be, unless otherwise provided.

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

Any reference to a time of day in this Appendix shall be a reference to Singapore time unless otherwise stated.

# LETTER TO SHAREHOLDERS

## Amara Holdings Limited

(Incorporated in the Republic of Singapore)  
(Company Registration No. 197000732N)

### Directors:

#### Executive Directors:

Albert Teo Hock Chuan (CEO) (Non-Independent)  
Susan Teo Geok Tin (Non-Independent)

#### Non-Executive Directors:

Lawrence Mok Kwok Wah (Non-Independent)  
Chang Meng Teng (Independent)  
Richard Khoo Boo Yeong (Independent)  
Foo Ko Hing (Independent)  
Chia Kwok Ping (Independent)

### Registered Office:

100 Tras Street  
#06-01, 100 AM  
Singapore 079027

To: The Shareholders of Amara Holdings Limited

13 April 2017

Dear Sir/Madam

### 1. INTRODUCTION

This Appendix is circulated to Shareholders of the Company together with the Company's Annual Report 2016. Its purpose is to provide Shareholders with relevant information relating to, and seek Shareholders' approval of, the following proposals to be tabled at the Annual General Meeting to be held on 28 April 2017 at 10.30 a.m. at Amara Ballroom 2, Level 3, Amara Singapore, 165 Tanjong Pagar Road, Singapore 088539:

- (a) to change the Auditor of the Company from Baker Tilly TFW LLP to Deloitte & Touche LLP; and
- (b) to renew the Share Purchase Mandate.

The Notice of Annual General Meeting and a Proxy Form are enclosed with the Annual Report 2016.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Appendix.

## LETTER TO SHAREHOLDERS

### 2. THE PROPOSED CHANGE OF AUDITOR

2.1 The proposed change of Auditor is set out in Ordinary Resolution 6 in the Notice of the AGM accompanying the Annual Report 2016. It is proposed to appoint Deloitte & Touche LLP as the Auditor of the Company in place of the retiring Auditor, Baker Tilly TFW LLP, and to authorise the Directors to fix their remuneration.

2.2 The Company has been audited by Baker Tilly TFW LLP since financial year 2005. As part of the Company's ongoing efforts to enhance its corporate governance, the Directors are of the view that it would be timely to effect a change of external Auditor with effect from the financial year ending 31 December 2017. Baker Tilly TFW LLP, the retiring Auditor, will accordingly not be seeking re-appointment at the AGM. The Directors wish to express their appreciation for the past services rendered by Baker Tilly TFW LLP. The Company invited various audit firms to submit proposals, following which the Audit Committee of the Company reviewed and deliberated on the proposals received from each of the audit firms, taking into consideration factors such as the adequacy of the resources and experience of the audit firm to be selected, and the audit engagement partner to be assigned to the audit, as well as the size and complexity of the Amara Group. After evaluation, the Audit Committee recommended that Deloitte & Touche LLP be selected for the proposed appointment. The scope of audit services to be provided by Deloitte & Touche LLP will be comparable to the services currently provided by Baker Tilly TFW LLP. The Directors have taken into account the Audit Committee's recommendation, including the factors considered in their evaluation, and are satisfied that Deloitte & Touche LLP best meets the audit requirements of the Amara Group.

The Audit Committee has not used the Audit Quality Indicators Disclosure Framework (the "AQI Framework") issued by ACRA in selecting the new appointment of Auditor but subject to the Shareholders' approval of the proposed change of Auditor, the Audit Committee intends to voluntarily adopt the AQI Framework when evaluating Deloitte & Touche LLP's performance in its ongoing audit as well as in its re-appointment in the following financial year ending 31 December 2018.

2.3 Deloitte provides audit, consulting, financial advisory, risk management, tax and related services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 150 countries and territories, Deloitte brings world-class capabilities and high-quality service to clients, delivering the insights they need to address their most complex business challenges. Deloitte's more than 245,000 professionals are committed to make an impact that matters.

Mr Lee Boon Teck, with over 20 years of audit experience, will be the lead engagement Partner for the audit of the company. Mr Lee's clients include public companies, multi-national corporations, statutory boards and privately-owned companies. Mr Lee has been involved in audits of groups of companies in the hospitality and leisure, real estate, investment holding, and food and beverage industry. Mr Lee is a practicing member with the Institute of Singapore Chartered Accountants and a public accountant registered with the Accounting and Corporate Regulatory Authority of Singapore.

## LETTER TO SHAREHOLDERS

Mr Lee had passed the Practice Monitoring Programme conducted by ACRA in 2015.

For more information on Deloitte, please visit [www2.deloitte.com/sg](http://www2.deloitte.com/sg).

- 2.4 In accordance with the requirements of Rule 1203(5) of the Listing Manual:
- (a) the outgoing Auditor, Baker Tilly TFW LLP, has confirmed that it is not aware of any professional reasons why the new Auditor, Deloitte & Touche LLP, should not accept appointment as Auditor of the Company;
  - (b) the Company confirms that there were no disagreements with the outgoing Auditor, Baker Tilly TFW LLP, on accounting treatments within the last 12 months;
  - (c) the Company confirms that it is not aware of any circumstances connected with the proposed change of Auditor that should be brought to the attention of the Shareholders, which has not been disclosed in this Appendix;
  - (d) the specific reasons for the proposed change of Auditor are disclosed in Section 2.2 above; and
  - (e) the Company confirms that it is in compliance with Rule 712 and Rule 715 of the Listing Manual in relation to the appointment of Deloitte & Touche LLP as the Auditor of the Company.
- 2.5 Pursuant to Section 205 of the Act a copy of the notice of nomination of the proposed new Auditor dated 15 February 2017 from a Shareholder is attached in Annex A to this Appendix.

### **3. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE**

#### **3.1 BACKGROUND**

- 3.1.1 At the Annual General Meeting of the Company held on 27 April 2016 ("2016 AGM"), the Shareholders approved the Share Purchase Mandate to enable the Company to purchase or otherwise acquire its issued Shares as permitted under and in accordance with the provisions of the Act. The rationale for the authority and limitations on, and the financial effects of, the Share Purchase Mandate were set out in the Appendix to the Notice of Annual General Meeting in relation to the proposed renewal of the Share Purchase Mandate dated 12 April 2016.
- 3.1.2 The Share Purchase Mandate approved at the 2016 AGM was expressed, among other things, to continue in force until (a) the date on which the next annual general meeting of the Company is held or required by law or the Constitution to be held; (b) the date on which the purchase of Shares by the Company pursuant to the Share Purchase Mandate is carried out to the full extent mandated; or (c) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by the Shareholders in general meeting, whichever is the earliest.



## LETTER TO SHAREHOLDERS

3.1.3 As the Share Purchase Mandate would be expiring on 28 April 2017, being the date of the AGM, the Directors are seeking Shareholders' approval for the proposed renewal of the Share Purchase Mandate at the AGM. The renewal of the Share Purchase Mandate is set out in Ordinary Resolution 9 under the heading "As Special Business" in the Notice of the AGM accompanying the Annual Report 2016.

3.1.4 The purpose of this Appendix is to provide Shareholders with information relating to the proposed renewal of the Share Purchase Mandate.

### **3.2 RATIONALE FOR THE SHARE PURCHASE MANDATE**

3.2.1 The rationale for the Company to undertake the Share Purchases pursuant to the Share Purchase Mandate is to enable the Directors to return the Amara Group's surplus funds over and above its ordinary capital requirements, which are in excess of the foreseeable financial and investment needs of the Amara Group, to Shareholders expediently and cost-efficiently.

3.2.2 The Share Purchase Mandate will give the Directors the flexibility to purchase or acquire the Shares if and when circumstances permit. The Share Purchase Mandate will also allow the Company greater flexibility over its share capital structure and dividend policy and may lead to an enhancement of EPS and/or NTA per Share of the Company and the Amara Group, depending on market conditions and funding arrangements at the time. As the Share Purchases will give the Directors the opportunity to purchase Shares when the Shares are under-valued, the Directors are of the opinion that the Share Purchases could help to buffer short-term share price volatility and offset the effects of share price speculation.

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

3.2.4 Although the Share Purchase Mandate authorises Share Purchases up to a maximum of 10% of the total number of issued Shares during the duration referred to in Section 3.3.2 of this Appendix, the Share Purchases would be made only as and when the Directors consider it to be in the best interests of the Company and in circumstances which they believe will not result in any material adverse effect to the financial position of the Company or the Amara Group, or result in the Company being delisted from the SGX-ST. The Directors will use their best efforts to ensure that after a Share Purchase, the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect the orderly trading and listing status of the Shares on the SGX-ST.

## LETTER TO SHAREHOLDERS

### 3.3 AUTHORITY AND LIMITS ON THE SHARE PURCHASE MANDATE

The authority and limitations placed on the Share Purchases by the Company under the Share Purchase Mandate, if renewed at the AGM, are set out below:

#### 3.3.1 Maximum Number of Shares

The Company may only purchase or acquire Shares which are issued and fully paid-up. The total number of Shares which may be purchased or acquired by the Company pursuant to the Share Purchase Mandate is, subject to the provisions of the Act, limited to that number of Shares representing not more than 10% of the total number of issued Shares (excluding treasury shares, if any) as at the date of the AGM at which the Share Purchase Mandate is proposed to be renewed. Any Shares which are held as treasury shares will be disregarded for the purposes of computing the 10% limit.

For illustrative purposes only, on the basis of 576,936,000 issued Shares (out of which 1,967,800 Shares were held in treasury) as at the Latest Practicable Date, and assuming that no further Shares are issued or purchased on or prior to the AGM, not more than 57,496,820 issued Shares (representing 10% of the total number of issued Shares (excluding the 1,967,800 Shares held in treasury)) may be purchased by the Company pursuant to the Share Purchase Mandate for the duration referred to in Section 3.3.2.

#### 3.3.2 Duration of Authority

- (a) Share Purchases may be made, at any time and from time to time, on and from the renewal date, up to:
- (i) the date on which the next annual general meeting of the Company is held or required by law or the Constitution to be held;
  - (ii) the date on which the Share Purchases are carried out to the full extent mandated; or
  - (iii) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by the Shareholders in a general meeting,

whichever is the earliest.

- (b) The authority conferred on the Directors by the Share Purchase Mandate to purchase Shares may be renewed. When seeking the approval of the Shareholders for the renewal of the Share Purchase Mandate, the Company is required to disclose details pertaining to Share Purchases made during the previous 12 months, including 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.

## LETTER TO SHAREHOLDERS

### 3.3.3 Manner of Share Purchases

- (a) Share Purchases may be made by way of:
  - (i) an On-Market Share Purchase; and/or
  - (ii) an Off-Market Share Purchase.
- (b) In the case of an Off-Market Share Purchase, the Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Listing Manual and the Act, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme. However, an Off-Market Share Purchase effected in accordance with an equal access scheme must satisfy all the following conditions:
  - (i) offers for the Share Purchase shall be made to every person who holds Shares to purchase or acquire the same percentage of their 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 shall be the same, except that there shall be disregarded:
    - (aa) differences in consideration attributable to the fact that 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 person is left with a whole number of Shares.
- (c) In addition, the Listing Manual provides that, in making an Off-Market Share 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 acceptance;
  - (iii) the reasons for the proposed Share Purchase;
  - (iv) the consequences, if any, of Share Purchases that will arise under the Code or other applicable take-over rules;

## LETTER TO SHAREHOLDERS

- (v) whether the Share Purchase, if made, could affect the listing of the Shares on the SGX-ST;
- (vi) details of any Share Purchases in the previous 12 months (whether On-Market Share Purchases or Off-Market Share Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the Share Purchases, where relevant, and the total consideration paid for the Share Purchases; and
- (vii) whether the shares purchased by the issuer will be cancelled or kept as treasury shares.

### 3.3.4 Maximum Purchase Price

- (a) The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) to be paid for a Share purchased or acquired pursuant to the Share Purchase Mandate will be determined by the Directors.
  - (b) However, the purchase price to be paid for the Shares pursuant to Share Purchases must not exceed:
    - (i) in the case of an On-Market Share Purchase, 105% of the Average Closing Price (as defined below) of the Shares; and
    - (ii) in the case of an Off-Market Share Purchase, 120% of the Average Closing Price of the Shares
- ("Maximum Price") in either case, excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses.
- (c) For the above purposes:

"Average Closing Price" means the average of the closing market prices of a Share over the last 5 Market Days, on which transactions in the Shares were recorded, immediately preceding the date of making the On-Market Share Purchase or, as the case may be, the date of the making of the offer pursuant to the Off-Market Share Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant 5 Market Days; and

"date of the making of the offer" means the date on which the Company announces its intention to make an offer for an Off-Market Share Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Share Purchase) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Share Purchase.

## LETTER TO SHAREHOLDERS

### 3.4. STATUS OF PURCHASED SHARES

#### 3.4.1 General

- (a) Under Section 76B of the Act, any Share which is purchased, unless held as a treasury share pursuant to Section 76H of the Act, is deemed to be cancelled immediately on purchase or acquisition, and all rights and privileges attached to that Share will expire on cancellation. All Shares purchased by the Company, unless held as treasury shares, will be automatically delisted by the SGX-ST, and (where applicable) all certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following the settlement of any such purchase. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired which are cancelled and not held as treasury shares.
- (b) The Shares purchased by the Company under the Share Purchase Mandate will either be cancelled or kept as treasury shares at the discretion of the Board.

#### 3.4.2 Treasury Shares

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

##### (a) Maximum holdings

The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares (including the treasury shares), and the Company shall be entered as the member holding those Shares.

##### (b) Voting and other rights

The Company shall not exercise any right in respect of the treasury shares and any purported exercise of such a right is void. In particular, the Company cannot exercise any right to attend or vote at meetings, and for the purposes of the 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 the treasury shares. However, the allotment of shares as fully paid bonus shares in respect of the treasury shares, and the subdivision or consolidation of any treasury shares (so long as the total value of the treasury shares after the subdivision or consolidation is the same as before the subdivision or consolidation) is permitted.

## LETTER TO SHAREHOLDERS

(c) Disposal and cancellation

Where Shares purchased or acquired by the Company are held as treasury shares, the Company may at any time:

- (i) sell the treasury shares for cash;
- (ii) transfer the treasury shares for the purposes of or pursuant to an employees' share scheme;
- (iii) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (iv) cancel the treasury shares; or
- (v) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

The Company will immediately announce the sale, transfer, cancellation and/or use of the treasury shares set out above, citing the following details:

- (aa) date of the sale, transfer, cancellation and/or use;
- (bb) purpose of such sale, transfer, cancellation and/or use;
- (cc) number of treasury shares sold, transferred, cancelled and/or used;
- (dd) number of treasury shares before and after such sale, transfer, cancellation and/or use;
- (ee) percentage of the number of treasury shares against the total number of issued shares of the same class as the treasury shares which are listed before and after such sale, transfer, cancellation and/or use; and
- (ff) value of the treasury shares if they are used for a sale or transfer, or cancelled.

## LETTER TO SHAREHOLDERS

### 3.5 SOURCE OF FUNDS

- 3.5.1 In purchasing or otherwise acquiring Shares pursuant to the Share Purchase Mandate, the Company may only apply funds legally available for such purchase or acquisition in accordance with the Constitution and applicable laws.
- 3.5.2 Under the Act, any payment made by the Company in consideration of the purchase or acquisition of its Shares may be made out of the Company's capital and/or profits so long as the Company is solvent. The Company is solvent if:
- (a) the Company is able to pay its debts in full at the time of the payment of the consideration for, among other things, acquisition of any right with respect to the Share Purchase and will be able to pay its debts as they fall due in the normal course of business during the period of 12 months immediately following the date of the payment; and
  - (b) the value of the Company's assets is not less than the value of its liabilities (including contingent liabilities), having regard to the most recent financial statements of the Company and all other circumstances that the directors or managers know or ought to know affect or may affect such values, and will not after, among other things, the Share Purchase, become less than the value of its liabilities (including contingent liabilities).
- 3.5.3 The Company intends to use internal sources of funds, external borrowings or a combination of internal sources of funds and external borrowings to finance the Share Purchases.

### 3.6 FINANCIAL EFFECTS

- 3.6.1 If Shares purchased by the Company are cancelled pursuant to Section 76B(5) of the Act, the purchase price paid by the Company for the Shares (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) will correspondingly:
- (a) reduce the amount of its share capital where the Shares were purchased or acquired out of the capital of the Company; and
  - (b) reduce the amount of its share capital and distributable reserves proportionately where the Shares were purchased or acquired out of both the capital and the profits of the Company.

## LETTER TO SHAREHOLDERS

3.6.2 The amount of funding required for the Company to purchase or acquire its Shares and the financial impact on the Company and the Amara Group arising from Share Purchases which may be made pursuant to the Share Purchase Mandate will depend on, among other things, the aggregate number of Shares purchased or acquired, the consideration paid at the relevant time and the source of funds applied by the Company.

3.6.3 Based on 576,936,000 Shares in issue as at the Latest Practicable Date and assuming that no further Shares are issued and disregarding the 1,967,800 Shares that are held by the Company as treasury shares on or prior to the AGM, the purchase or acquisition by the Company of up to the maximum limit of 10% of its issued Shares will result in the purchase or acquisition by the Company of up to 57,496,820 Shares.

The financial effects of the purchase or acquisition of Shares by the Company set out in this section are on the basis of the purchase or acquisition of 57,496,820 Shares made entirely out of the capital of the Company.

3.6.4 Assuming that the Company purchases or acquires 57,496,820 Shares at the Maximum Price, the maximum amount of funds required (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) is:

(a) in the case of On-Market Share Purchase, approximately S\$30,473,315 based on the Maximum Price of S\$0.53 per Share (being the price equivalent to 105% of the Average Closing Price (as defined in Section 3.3.4(c)) of the Shares; and

(b) in the case of Off-Market Share Purchase, approximately S\$34,498,092 based on the Maximum Price of S\$0.60 per Share (being the price equivalent to 120% of the Average Closing Price (as defined in Section 3.3.4(c)) of the Shares.

3.6.5 On the basis of the assumptions set out above and assuming that (i) such Share Purchase is financed by internal sources; (ii) the Share Purchase Mandate had been effective on 1 January 2016; and (iii) the Company had purchased 57,496,820 Shares (representing 10% of its total number of issued Shares (excluding the Shares held in treasury) as at the Latest Practicable Date), the financial impact of the Share Purchase of 57,496,820 Shares made by the Company pursuant to the Share Purchase Mandate on the audited financial statements of the Amara Group and the Company for FY2016 is set out below:



## LETTER TO SHAREHOLDERS

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

(i) On-Market Share Purchase

	Amara Group		Company	
	Before Share Purchase	After Share Purchase	Before Share Purchase	After Share Purchase
As at 31 December 2016	S\$'000	S\$'000	S\$'000	S\$'000
Profit after Taxation and Non-controlling Interests	35,467	35,467	17,109	17,109
Share Capital	125,646	125,646	125,646	125,646
Treasury Shares	(913)	(31,386)	(913)	(31,386)
Reserves	248,003	248,003	(29,770)	(29,770)
Non-controlling Interests	(411)	(411)	–	–
Total Equity	372,325	341,852	94,963	64,490
NTA <sup>(1)</sup>	371,095	340,622	94,963	64,490
Current Assets	103,813	73,340	53,215	22,742
Current Liabilities	91,883	91,883	365	365
Working Capital	11,930	(18,543)	52,850	22,377
Net Borrowings <sup>(2)</sup>	295,378	325,851	–	–
Number of Shares <sup>(3)</sup> ('000)	575,136	517,639	575,136	517,639
Number of Treasury Shares ('000)	1,968 <sup>(4)</sup>	59,465	1,968 <sup>(4)</sup>	59,465
<b>Financial Ratios</b>				
Earnings per Share <sup>(5)</sup> (cents)	6.17	6.85	2.97	3.31
NTA per Share (S\$)	0.65	0.66	0.17	0.12
Gearing Ratio <sup>(6)</sup> (times)	0.44	0.49	n/m <sup>(8)</sup>	n/m <sup>(8)</sup>
Current Ratio <sup>(7)</sup> (times)	1.13	0.80	n/m <sup>(8)</sup>	n/m <sup>(8)</sup>

### Notes

- (1) NTA is the Total Equity, less any intangible assets and goodwill.
- (2) Net Borrowings is the sum of current and non-current external borrowings less cash and bank balances.
- (3) Number of Shares is the number of issued Shares (excluding treasury shares) as at the Latest Practicable Date.
- (4) Treasury shares held as at the Latest Practicable Date.
- (5) For the Earnings per Share computation, treasury shares and shares cancelled are excluded from the weighted average number of shares in issue.
- (6) Gearing Ratio is equal to Net Borrowings divided by the sum of Total Equity and Net Borrowings.
- (7) Current Ratio is equal to Current Assets divided by Current Liabilities.
- (8) Not meaningful

## LETTER TO SHAREHOLDERS

### (ii) Off-Market Share Purchase

	Amara Group		Company	
	Before Share Purchase	After Share Purchase	Before Share Purchase	After Share Purchase
As at 31 December 2016	S\$'000	S\$'000	S\$'000	S\$'000
Profit after Taxation and Non-controlling Interests	35,467	35,467	17,109	17,109
Share Capital	125,646	125,646	125,646	125,646
Treasury Shares	(913)	(35,411)	(913)	(35,411)
Reserves	248,003	248,003	(29,770)	(29,770)
Non-controlling Interests	(411)	(411)	–	–
Total Equity	372,325	337,827	94,963	60,465
NTA <sup>(1)</sup>	371,095	336,597	94,963	60,465
Current Assets	103,813	69,315	53,215	18,717
Current Liabilities	91,883	91,883	365	365
Working Capital	11,930	(22,568)	52,850	18,352
Net Borrowings <sup>(2)</sup>	295,378	329,876	–	–
Number of Shares <sup>(3)</sup> ('000)	575,136	517,639	575,136	517,639
Number of Treasury Shares ('000)	1,968 <sup>(4)</sup>	59,465	1,968 <sup>(4)</sup>	59,465
<b>Financial Ratios</b>				
Earnings per Share <sup>(5)</sup> (cents)	6.17	6.85	2.97	3.31
NTA per Share (S\$)	0.65	0.65	0.17	0.12
Gearing Ratio <sup>(6)</sup> (times)	0.44	0.49	n/m <sup>(8)</sup>	n/m <sup>(8)</sup>
Current Ratio <sup>(7)</sup> (times)	1.13	0.75	n/m <sup>(8)</sup>	n/m <sup>(8)</sup>

#### Notes

- (1) NTA is the Total Equity, less any intangible assets and goodwill.
- (2) Net Borrowings is the sum of current and non-current external borrowings less cash and bank balances.
- (3) Number of Shares is the number of issued Shares (excluding treasury shares) as at the Latest Practicable Date.
- (4) Treasury shares held as at the Latest Practicable Date.
- (5) For the Earnings per Share computation, treasury shares and shares cancelled are excluded from the weighted average number of shares in issue.
- (6) Gearing Ratio is equal to Net Borrowings divided by the sum of Total Equity and Net Borrowings.
- (7) Current Ratio is equal to Current Assets divided by Current Liabilities.
- (8) Not meaningful.

## LETTER TO SHAREHOLDERS

(b) Purchases made entirely out of capital and cancelled

(i) On-Market Share Purchase

	Amara Group		Company	
	Before Share Purchase	After Share Purchase	Before Share Purchase	After Share Purchase
As at 31 December 2016	S\$'000	S\$'000	S\$'000	S\$'000
Profit after Taxation and				
Non-controlling Interests	35,467	35,467	17,109	17,109
Share Capital	125,646	95,173	125,646	95,173
Treasury Shares	(913)	–	(913)	–
Reserves	248,003	248,003	(29,770)	(29,770)
Non-controlling Interests	(411)	(411)	–	–
Total Equity	372,325	342,765	94,963	65,403
NTA <sup>(1)</sup>	371,095	340,622	94,963	64,490
Current Assets	103,813	73,340	53,215	22,742
Current Liabilities	91,883	91,883	365	365
Working Capital	11,930	(18,543)	52,850	22,377
Net Borrowings <sup>(2)</sup>	295,378	325,851	–	–
Number of Shares <sup>(3)</sup> ('000)	575,136	517,639	575,136	517,639
Number of Treasury Shares ('000)	1,968 <sup>(4)</sup>	–	1,968 <sup>(4)</sup>	–
<b>Financial Ratios</b>				
Earnings per Share <sup>(5)</sup> (cents)	6.17	6.85	2.97	3.31
NTA per Share (S\$)	0.65	0.66	0.17	0.12
Gearing Ratio <sup>(6)</sup> (times)	0.44	0.49	n/m <sup>(8)</sup>	n/m <sup>(8)</sup>
Current Ratio <sup>(7)</sup> (times)	1.13	0.80	n/m <sup>(8)</sup>	n/m <sup>(8)</sup>

### Notes

- (1) NTA is the Total Equity, less any intangible assets and goodwill.
- (2) Net Borrowings is the sum of current and non-current external borrowings less cash and bank balances.
- (3) Number of Shares is the number of issued Shares (excluding treasury shares) as at the Latest Practicable Date.
- (4) Treasury shares held as at the Latest Practicable Date.
- (5) For the Earnings per Share computation, treasury shares and shares cancelled are excluded from the weighted average number of shares in issue.
- (6) Gearing Ratio is equal to Net Borrowings divided by the sum of Total Equity and Net Borrowings.
- (7) Current Ratio is equal to Current Assets divided by Current Liabilities.
- (8) Not meaningful.

## LETTER TO SHAREHOLDERS

### (ii) Off-Market Share Purchase

	Amara Group		Company	
	Before Share Purchase	After Share Purchase	Before Share Purchase	After Share Purchase
As at 31 December 2016	S\$'000	S\$'000	S\$'000	S\$'000
Profit after Taxation and Non-controlling Interests	35,467	35,467	17,109	17,109
Share Capital	125,646	91,148	125,646	91,148
Treasury Shares	(913)	–	(913)	–
Reserves	248,003	248,003	(29,770)	(29,770)
Non-controlling Interests	(411)	(411)	–	–
Total Equity	372,325	338,740	94,963	61,378
NTA <sup>(1)</sup>	371,095	336,597	94,963	60,465
Current Assets	103,813	69,315	53,215	18,717
Current Liabilities	91,883	91,883	365	365
Working Capital	11,930	(22,568)	52,850	18,352
Net Borrowings <sup>(2)</sup>	295,378	329,876	–	–
Number of Shares <sup>(3)</sup> ('000)	575,136	517,639	575,136	517,639
Number of Treasury Shares ('000)	1,968 <sup>(4)</sup>	–	1,968 <sup>(4)</sup>	–
<b>Financial Ratios</b>				
Earnings per Share <sup>(5)</sup> (cents)	6.17	6.85	2.97	3.31
NTA per Share (S\$)	0.65	0.65	0.17	0.12
Gearing Ratio <sup>(6)</sup> (times)	0.44	0.49	n/m <sup>(8)</sup>	n/m <sup>(8)</sup>
Current Ratio <sup>(7)</sup> (times)	1.13	0.75	n/m <sup>(8)</sup>	n/m <sup>(8)</sup>

#### Notes

- (1) NTA is the Total Equity, less any intangible assets and goodwill.
- (2) Net Borrowings is the sum of current and non-current external borrowings less cash and bank balances.
- (3) Number of Shares is the number of issued Shares (excluding treasury shares) as at the Latest Practicable Date.
- (4) Treasury shares held as at the Latest Practicable Date.
- (5) For the Earnings per Share computation, treasury shares and shares cancelled are excluded from the weighted average number of shares in issue.
- (6) Gearing Ratio is equal to Net Borrowings divided by the sum of Total Equity and Net Borrowings.
- (7) Current Ratio is equal to Current Assets divided by Current Liabilities.
- (8) Not meaningful.

## LETTER TO SHAREHOLDERS

- 3.6.6 As illustrated above, On-Market Share Purchase and Off-Market Share Purchase of a maximum of 57,496,820 Shares will result in an increase in the EPS at the Amara Group level and the Company level. The NTA per Share increase in On-Market Share Purchase and remain the same in Off-Market Share Purchase at the Amara Group level and decrease in On-Market Share Purchase and Off-Market Share Purchase at the Company level.
- 3.6.7 The Directors emphasise that they do not propose to exercise the Share Purchase Mandate to the extent that the liquidity and capital adequacy position of the Amara Group would be materially and adversely affected. The Directors will be prudent in exercising the Share Purchase Mandate only to such extent where the Directors believe will enhance shareholders' value giving consideration to the prevailing market conditions, the financial position of the Amara Group and other relevant factors.
- 3.6.8 Shareholders should be aware that the financial effects set out above are based on the assumptions set out above and are only for illustrative purposes. The above analysis is based on historical figures for FY2016 and is not necessarily representative of the Company's or the Amara Group's future financial performance. Although the proposed Share Purchase Mandate would authorise the Company to buy back up to 10% of the total number of issued Shares as at the date the Share Purchase Mandate is obtained, the Company may not necessarily buy back or be able to buy back 10% of the total number of issued Shares in full.

### 3.7 TAX IMPLICATIONS ARISING FROM SHARE PURCHASES

**Shareholders who are in doubt as to their respective tax positions or tax implications of Share Purchases, or who may be subject to tax whether in or outside Singapore, should consult their own professional advisers.**

### 3.8 REPORTING REQUIREMENTS

#### 3.8.1 Notification to ACRA

Within 30 days of the Approval Date, the Company shall lodge a copy of the resolution approving the renewal of the Share Purchase Mandate with ACRA.

The Company shall lodge with ACRA a notice of a Share Purchase within 30 days of the Share Purchase. Such notification shall include the date of the Share Purchase, the total number of Shares purchased or otherwise acquired by the Company, the number of Shares cancelled, the number of treasury shares held, the Company's issued share capital before and after the Share Purchase, the amount of consideration paid by the Company for the Share Purchase, whether the Shares were purchased or acquired out of profits or capital of the Company and such other particulars as may be required in the prescribed form.

## LETTER TO SHAREHOLDERS

### 3.8.2 Notification to SGX-ST

The Listing Manual requires a listed company to notify the SGX-ST of all purchases or acquisitions of its Shares not later than 9.00 a.m.:

- (a) in the case of an On-Market Share Purchase, on the Market Day following the day on which the On-Market Share Purchase was made, and
- (b) in the case of an Off-Market Share Purchase under an equal access scheme, on the second Market Day after the close of acceptance of the offer for the Off-Market Share Purchase.

The notification of such purchase or acquisition of Shares to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe.

### 3.9 LISTING MANUAL

- 3.9.1 While the Listing Manual does not expressly prohibit any purchase or acquisition 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 Share Purchase 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, the Company will not undertake any Share Purchase during the period commencing 2 weeks before the announcement of the Company's results for each of the first, second and third quarters of its financial year, or 1 month before the announcement of the Company's annual results, as the case may be, and ending on the date of announcement of the relevant results.
- 3.9.2 The Listing Manual requires a listed company to ensure that at least 10% of the total number of its issued shares excluding treasury shares (excluding preference shares and convertible equity securities) in a class that is listed is at all times held by the public. The term "public" is defined in the Listing Manual to mean persons other than the directors, chief executive officer, Substantial Shareholders or Controlling Shareholders of the company and its subsidiaries, as well as the associates of such persons. As at the Latest Practicable Date, there are 156,696,910 Shares in the hands of public Shareholders, representing approximately 27% of the total number of issued Shares (excluding Shares held in treasury). Assuming the Company exercises the Share Purchase Mandate in full and purchases or acquires 10% of the total number of issued Shares (excluding Shares held in treasury) from the public, the number of Shares in the hands of the public would be reduced to 99,200,090 Shares, representing approximately 19% of the total number of issued Shares (excluding Shares held in treasury).

## LETTER TO SHAREHOLDERS

Accordingly, the Company is of the view that there is a sufficient number of Shares in issue held by public Shareholders which would permit the Company to undertake the Share Purchases up to the full 10% limit pursuant to the Share Purchase Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to affect orderly trading.

### 3.10 CODE IMPLICATIONS ARISING FROM SHARE PURCHASES

3.10.1 If, as a result of any Share Purchase, the proportionate interest in the voting capital of the Company of a Shareholder or persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Code. Consequently, depending on the number of Shares purchased or acquired by the Company and the Company's issued share capital at that time, a Shareholder or group of Shareholders acting in concert with each other could obtain or consolidate effective control of the Company and could become obliged to make an offer under Rule 14.

3.10.2 Under the Code, persons acting in concert or concert parties 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 the company. Unless the contrary is established, the Code presumes, among others, the following individuals and companies to be persons acting in concert with each other:

(a) the following companies:

- (i) a company;
- (ii) the parent company of (i);
- (iii) the subsidiaries of (i);
- (iv) the fellow subsidiaries of (i);
- (v) the associated companies of any of (i), (ii), (iii) or (iv);
- (vi) companies whose associated companies include any of (i), (ii), (iii), (iv) or (v); and
- (vii) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights; and

## LETTER TO SHAREHOLDERS

- (b) 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).

For this purpose, a company is an associated company of another company if the second company owns or controls at least 20% but not more than 50% of the voting rights of the first-mentioned company.

- 3.10.3 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 Code.
- 3.10.4 In general terms, the effect of Rule 14 and Appendix 2 is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or, in the event that such Directors and their concert parties hold between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1% in any period of 6 months.
- 3.10.5 Under Appendix 2 of the Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.
- 3.10.6 The interests of the Directors and Substantial Shareholders of the Company in the Shares are disclosed in Section 4 below.



## LETTER TO SHAREHOLDERS

- 3.10.7 As at the Latest Practicable Date, our Chief Executive Officer, Albert Teo Hock Chuan, together with our Directors, Susan Teo Geok Tin (who is the sister of Albert Teo Hock Chuan) and Lawrence Mok Kwok Wah (who is the brother-in-law of Albert Teo Hock Chuan and Susan Teo Geok Tin) together with Corinne Teo Siew Bee and Teo Kwee Chuan ("Teo Family") hold, as at the Latest Practicable Date, in aggregate, more than 50% of the total number of issued Shares.

Since the Teo Family already collectively hold more than 50% of the total number of issued Shares, Share Purchases pursuant to the Share Purchase Mandate will not result in any of the Teo Family incurring an obligation to make a mandatory take-over offer under Rule 14 read with Appendix 2 of the Code.

- 3.10.8 Taking into account the foregoing and so far as the Company is aware, as at the Latest Practicable Date, assuming (a) the Company purchases the maximum limit of 10% of the total number of issued Shares, and (b) there is no change in the number of Shares held or deemed to be held by the Directors and Substantial Shareholders prior to and after the exercise of the Share Purchase Mandate, none of the Directors and Substantial Shareholders will become obligated to make a mandatory take-over offer under Rule 14 in the event that the Company purchases or acquires the maximum number of 57,496,820 Shares under the Share Purchase Mandate.

**Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Code as a result of any Share Purchase by the Company should consult the Securities Industry Council and/or their professional advisers at the earliest opportunity.**

### 3.11 SHARES PURCHASED DURING THE PREVIOUS 12 MONTHS

As at the Latest Practicable Date, the Company had purchased an aggregate of 167,400 Shares by way of On-Market Share Purchase pursuant to the Share Purchase Mandate approved by the Shareholders at the 2016 AGM. The highest and lowest price paid were S\$0.50 and S\$0.49 per Share respectively and the total consideration (excluding Goods and Services Tax) paid for all purchases was S\$83,029.35.

As at the Latest Practicable Date, 1,967,800 Shares were held as treasury shares.

## LETTER TO SHAREHOLDERS

### 4. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at the Latest Practicable Date, the interests of Directors and Substantial Shareholders of the Company in the Shares, based on the Company's register of interest of Directors and register of interest of Substantial Shareholders respectively, are as follows:

#### 4.1 Directors' Interests in Shares

	Direct Interest		Indirect/Deemed Interest <sup>(1)</sup>		Total Interest	
	Number of Shares	% <sup>(2)</sup>	Number of Shares	% <sup>(2)</sup>	Number of Shares	% <sup>(2)</sup>
Albert Teo Hock Chuan <sup>(4)</sup>	14,949,619	2.60	234,468,917	40.78	249,418,536	43.38
Chang Meng Teng	10,000	n/m <sup>(7)</sup>	-	-	10,000	n/m <sup>(7)</sup>
Susan Teo Geok Tin <sup>(5)</sup>	14,820,447	2.58	234,458,917	40.78	249,279,364	43.36
Lawrence Mok Kwok Wah <sup>(6)</sup>	710,030	0.12	249,558,336	43.40	250,268,366	43.53
Richard Khoo Boo Yeong	-	-	-	-	-	-
Foo Ko Hing	-	-	-	-	-	-
Chia Kwok Ping	-	-	-	-	-	-

#### Notes

- (1) Deemed interest refers to interests in shares as defined under Section 7 of the Act.
- (2) As a percentage of the total number of issued Shares as at the Latest Practicable Date, comprising 574,968,200 Shares (excluding treasury shares which have no voting rights).
- (3) As a percentage of the total number of issued Shares, comprising 517,471,380 Shares (assuming that the Company purchases the maximum number of 57,496,820 Shares under the Share Purchase Mandate and excluding treasury shares which have no voting rights).
- (4) Albert Teo Hock Chuan's deemed interest arises from his spouse's direct interest in the Company and his and his associates' controlling interest in Firstrust Equity Pte Ltd (In Members' Voluntary Liquidation).
- (5) Susan Teo Geok Tin's deemed interest arises from her and her associates' controlling interest in Firstrust Equity Pte Ltd (In Members' Voluntary Liquidation).
- (6) Lawrence Mok Kwok Wah's deemed interest arises from his spouse's and her associates' controlling interest in Firstrust Equity Pte Ltd (In Members' Voluntary Liquidation). Additionally, his spouse is directly interested in 15,099,419 Shares.
- (7) Not meaningful.

## LETTER TO SHAREHOLDERS

### 4.2 Substantial Shareholders' Interests in Shares

Substantial Shareholders	Direct Interest		Indirect/Deemed Interest <sup>(1)</sup>		Total Interest		
	Number of Shares	% <sup>(7)</sup>	Number of Shares	% <sup>(7)</sup>	Number of Shares	Before Share Purchase (%) <sup>(7)</sup>	After Share Purchase (%) <sup>(8)</sup>
Albert Teo Hock Chuan <sup>(2)</sup>	14,949,619	2.60	234,458,917	40.78	249,408,536	43.38	48.20
Susan Teo Geok Tin <sup>(3)</sup>	14,820,447	2.58	234,458,917	40.78	249,279,364	43.36	48.17
Corinne Teo Siew Bee <sup>(4)</sup>	15,099,419	2.63	234,458,917	40.78	249,558,336	43.40	48.23
Teo Kwee Chuan <sup>(5)</sup>	14,757,449	2.57	234,458,917	40.78	249,216,366	43.34	48.16
Teo Chew Chuan <sup>(6)</sup>	42,578,500	7.41	3,153,493	0.55	45,731,993	7.95	8.84
Teo Peng Chuan	36,744,419	6.39	-	-	36,744,419	6.39	7.10
Teo Hin Chuan	32,580,997	5.67	-	-	32,580,997	5.67	6.30
Firsttrust Equity Pte Ltd (In Members' Voluntary Liquidation)	234,458,917	40.78	-	-	234,458,917	40.78	45.31
First Security Pte Ltd <sup>(9)</sup>	-	-	234,458,917	40.78	234,458,917	40.78	45.31

#### Notes

- (1) Deemed interest refers to interests in shares as defined under Section 7 of the Act.
- (2) Albert Teo Hock Chuan's deemed interest arises from his and his associates' controlling interest in Firsttrust Equity Pte Ltd (In Members' Voluntary Liquidation).
- (3) Susan Teo Geok Tin's deemed interest arises from her and her associates' controlling interest in Firsttrust Equity Pte Ltd (In Members' Voluntary Liquidation).
- (4) Corinne Teo Siew Bee's deemed interest arises from her and her associates' controlling interest in Firsttrust Equity Pte Ltd (In Members' Voluntary Liquidation).
- (5) Teo Kwee Chuan's deemed interest arises from his and his associates' controlling interest in Firsttrust Equity Pte Ltd (In Members' Voluntary Liquidation).
- (6) Teo Chew Chuan's deemed interest arises from the 3,153,493 Shares held by his spouse.
- (7) As a percentage of the total number of issued Shares as at the Latest Practicable Date, comprising 574,968,200 Shares (excluding treasury shares which have no voting rights).
- (8) As a percentage of the total number of issued Shares, comprising 517,471,380 Shares (assuming that the Company purchases the maximum number of 57,496,820 Shares under the Share Purchase Mandate and excluding treasury shares which have no voting rights).
- (9) First Security Pte Ltd's deemed interest arises from its controlling interest in Firsttrust Equity Pte Ltd (In Members' Voluntary Liquidation).

### 4.3 No Other Interest, Whether Direct or Indirect in the Shares

Save as disclosed in this Appendix, the Directors and the Substantial Shareholders of the Company do not have any interest, whether direct or indirect in the Shares.

## LETTER TO SHAREHOLDERS

### 5. DIRECTORS' RECOMMENDATIONS

#### 5.1 Directors' Recommendations for the Proposed Change of Auditor from Baker Tilly TFW LLP to Deloitte & Touche LLP

The Directors unanimously consider that the proposed change of Auditor from Baker Tilly TFW LLP to Deloitte & Touche LLP is in the best interests of the Company and recommend that Shareholders vote in favour of Ordinary Resolution 6 for the proposed change of Auditor as set out in the Notice of the AGM accompanying the Annual Report 2016.

#### 5.2 Directors' Recommendations for the Proposed Renewal of the Share Purchase Mandate

The Directors unanimously consider that the proposed renewal of the Share Purchase Mandate is in the best interests of the Company and recommend that Shareholders vote in favour of Ordinary Resolution 9 for the proposed renewal of the Share Purchase Mandate as set out in the Notice of the AGM accompanying the Annual Report 2016.

### 6. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed change of Auditor and 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.

### 7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company during normal business hours on any weekday (public holidays excepted) up to and including the date of the AGM:

- (a) the Constitution of the Company; and
- (b) the Annual Report 2016.

Yours faithfully

For and on behalf of the Board of Directors  
**Amara Holdings Limited**

**Albert Teo Hock Chuan**  
Chief Executive Officer

## ANNEX A NOTICE OF NOMINATION

15 February 2017

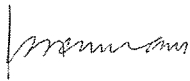
The Board of Directors  
Amara Holdings Limited  
100 Tras Street  
#06-01 100 AM  
Singapore 079027

Dear Sirs

### NOTICE OF NOMINATION

Pursuant to the provisions of Section 205 of the Companies Act, Chapter 50 of Singapore, I, Albert Teo Hock Chuan of 13 Maryland Drive, Singapore 277534, in my capacity as a member of Amara Holdings Limited (the "Company"), hereby give notice of my nomination of Deloitte & Touche LLP of 6 Shenton Way, OUE Downtown 2, #33-00, Singapore 068809 for appointment as the Auditor of the Company in place of the retiring Auditor, Baker Tilly TFW LLP, at the forthcoming Annual General Meeting of the Company.

Yours faithfully



Albert Teo Hock Chuan  
Member,  
Amara Holdings Limited

