

APPENDIX DATED 11 APRIL 2018

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

This Appendix is circulated to the Shareholders of TeleChoice International Limited (the “**Company**”) together with the Company’s annual report for the financial year ended 31 December 2017 (the “**Annual Report**”). Its purpose is to explain to the Shareholders the rationale and provide information to the Shareholders for: (a) the proposed extension of the duration of the TeleChoice Restricted Share Plan and TeleChoice Performance Share Plan; (b) the proposed amendments to the TeleChoice Restricted Share Plan and the TeleChoice Performance Share Plan; (c) the proposed ratification of certain Awards (as defined in this Appendix) granted under the TeleChoice Restricted Share Plan and TeleChoice Performance Share Plan; (d) the proposed ratification of certain Awards granted under the TeleChoice Restricted Share Plan to Mr Lim Chai Hock Clive, an associate of a controlling shareholder; (e) the proposed renewal of the Shareholders’ Mandate (as defined in this Appendix); and (f) the proposed renewal of the Share Purchase Mandate (as defined in this Appendix) to be tabled at the Twentieth Annual General Meeting of the Company to be held at Sunflower Room 1 & 2 @ The Chevrons 48 Boon Lay Way 1st Storey Singapore 609961 on 26 April 2018 at 10.30 a.m.

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

If you are in any doubt as to the action that you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold all your shares in the capital of the Company, please forward this Appendix, the Annual Report and the Proxy Form immediately to the purchaser or to the agent through whom the sale was effected for onward transmission to the purchaser.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the accuracy of any statements or opinions made in this Appendix.



TELECHOICE INTERNATIONAL LIMITED

(Registration No. 199802072R)
(Incorporated in the Republic of Singapore)

APPENDIX

in relation to:

- (1) the proposed extension of the duration of the TeleChoice Restricted Share Plan and TeleChoice Performance Share Plan;
- (2) the proposed amendments to the TeleChoice Restricted Share Plan and the TeleChoice Performance Share Plan;
- (3) the proposed ratification of certain Awards granted under the TeleChoice Restricted Share Plan and the TeleChoice Performance Share Plan;
- (4) the proposed ratification of certain Awards granted under the TeleChoice Restricted Share Plan to Mr Lim Chai Hock Clive, an associate of a controlling shareholder;
- (5) the proposed renewal of the Shareholders’ Mandate for Interested Person Transactions; and
- (6) the proposed renewal of the Share Purchase Mandate.

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DEFINITIONS

In this Appendix, the following definitions apply throughout unless otherwise stated:

- “2007 Circular”** : The circular issued by the Company to Shareholders dated 11 April 2007 providing information on the Plans and convening an extraordinary general meeting to seek the approval of Shareholders for (among other things) the Plans.
- “2017 AGM”** : The annual general meeting of the Company held on 27 April 2017.
- “2017 Appendix”** : The Company’s Appendix to Annual Report dated 5 April 2017, issued in connection with the 2017 AGM.
- “AGM”** : The annual general meeting of the Company.
- “Associate”** : (a) In relation to any director, chief executive officer or Controlling Shareholder (being an individual) would mean his immediate family, the trustees of any trust of which he or his immediate family is a beneficiary, or, in the case of a discretionary trust, is a discretionary object, or any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and
- (b) in relation to a Controlling Shareholder (being a company) would mean any company which is:
- (i) its subsidiary;
 - (ii) its holding company;
 - (iii) a subsidiary of its holding company; or
 - (iv) a company in the equity of which the Controlling Shareholder and/or one or more of the entities listed in sub-paragraphs (i) to (iii) above taken together (directly or indirectly) have an interest of 30% or more.
- “Associated Company”** : A company in which at least 20% but not more than 50% of its shares are held by the Company and/or its subsidiaries, or a subsidiary of such company, and over whose management the Company has control.
- “Associated Company Employees”** : Any employee of an Associated Company (including any Associated Company Executive Director) selected by the Committee to participate in the Plans in accordance with the provisions thereof.

DEFINITIONS

“Associated Company Executive Director”	:	A director of an Associated Company who performs an executive function.
“Award”	:	A contingent award of Shares granted under the Plans.
“Board”	:	The Board of Directors of the Company.
“CDP”	:	The Central Depository (Pte) Limited.
“Committee”	:	A committee comprising Directors and not more than one other person (if any) as may be nominated by the Parent Company, duly authorised and appointed by the Board to administer the Plans. The Remuneration Committee of the Company currently performs this role.
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore.
“Company” or “TeleChoice”	:	TeleChoice International Limited.
“Controlling Shareholder”	:	A person who: (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company; or (b) in fact exercises control over the Company.
“CPF”	:	The Central Provident Fund.
“Directors”	:	The directors of the Company for the time being.
“FY”	:	Financial year ended or ending 31 December.
“Group”	:	The Company and its subsidiaries.
“Group Employee”	:	Any employee of the Group (including any Group Executive Director and any Parent Group Executive or Parent Group Non-Executive Director who meets the relevant age and rank criteria and whose services have been seconded to a company within the Group and who shall be regarded as a Group Employee for the purposes of the Plan) selected by the Committee to participate in the Plans, in accordance with the provisions thereof.
“Group Executive Director”	:	A director of the Company and/or any of its subsidiaries, as the case may be, who performs an executive function.
“Latest Practicable Date”	:	The latest practicable date prior to the printing of this Appendix, being 12 March 2018.

DEFINITIONS

“Leap International”	:	Leap International Pte Ltd.
“Lim Chai Hock Clive”	:	Lim Chai Hock Clive, a Director and an Associate of a Controlling Shareholder.
“Listing Manual”	:	The Listing Manual of the SGX-ST, including all amendments made thereto up to the date of this Appendix.
“Listing Rules”	:	The listing rules of the SGX-ST as set out in the Listing Manual.
“Market Day”	:	A day on which the SGX-ST is open for trading in securities.
“month”	:	Calendar month.
“New Shares”	:	The new Shares which may be allotted and issued from time to time pursuant to the vesting of Awards granted under the Plans.
“Non-Executive Director”	:	A director of: (a) the Company and/or its subsidiaries, other than a Group Executive Director; or (b) an Associated Company, other than an Associated Company Executive Director.
“NTA”	:	Net tangible assets.
“Parent Company”	:	STTC, being the holding company of the Company designated by the Committee for the purposes of the Plans, or the single largest corporate shareholder for the time being of the Company designated by the Committee for the purposes of the Plans and approved by the SGX-ST from time to time.
“Parent Group”	:	The Parent Company and such of the Parent Company’s subsidiaries as are designated by the Committee for the purposes of the Plans (but, where applicable, excluding the Group).
“Parent Group Executive”	:	Any employee of the Parent Group (including any Parent Group Executive Director).
“Parent Group Executive Director”	:	A director of the Parent Company and/or any of its designated subsidiaries (but, where applicable, excluding the Group), as the case may be, who performs an executive function.

DEFINITIONS

“Parent Group Non-Executive Director”	:	A director of the Parent Company and/or any of its designated subsidiaries (but, where applicable, excluding the Group), other than a Parent Group Executive Director.
“Participant”	:	A person who has been granted an Award.
“Plans”	:	The TeleChoice PSP and the TeleChoice RSP.
“Pre-IPO Scheme”	:	The TeleChoice Pre-IPO Share Option Scheme, which was adopted at an extraordinary general meeting of the Company on 7 May 2004, and which has expired on 17 May 2014.
“Post-IPO Scheme”	:	The TeleChoice Post-IPO Employee Share Option Scheme, which was adopted at an extraordinary general meeting of the Company on 7 May 2004, and which has expired on 6 May 2014.
“Rules”	:	The rules of the TeleChoice RSP or the TeleChoice PSP, as the case may be.
“Securities Account”	:	Securities accounts maintained by Depositors with CDP, but not including securities accounts maintained with a Depository Agent.
“SFA”	:	The Securities and Futures Act, Chapter 289 of Singapore.
“SGX-ST”	:	Singapore Exchange Securities Trading Limited.
“Share Purchase Mandate”	:	The mandate to enable the Company to purchase or otherwise acquire its issued Shares.
“Shareholders”	:	Registered holders of Shares, except that where the registered holder is CDP, the term “Shareholders” shall, where the context admits, mean the Depositors whose Securities Accounts are credited with Shares.
“Shares”	:	Ordinary shares in the capital of the Company.
“STTC”	:	STT Communications Ltd.
“ST Telemedia”	:	Singapore Technologies Telemedia Pte Ltd.
“subsidiary holdings”	:	Shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act.
“Take-over Code”	:	The Singapore Code on Take-overs and Mergers, including all amendments made thereto up to the date of this Appendix.

DEFINITIONS

“ TeleChoice PSP ”	:	The TeleChoice International Limited Performance Share Plan, adopted at an extraordinary general meeting of the Company on 27 April 2007, as modified or altered from time to time.
“ TeleChoice RSP ”	:	The TeleChoice International Limited Restricted Share Plan, adopted at an extraordinary general meeting of the Company on 27 April 2007, as modified or altered from time to time.
“ Temasek ”	:	Temasek Holdings (Private) Limited.
“ treasury shares ”	:	Treasury shares as defined under the Companies Act.
“ S\$ ”, “ \$ ” and “ cents ”	:	Singapore dollars and cents, respectively.
“ % ” or “ per cent ”	:	Per centum or percentage.

The term “**subsidiary**” shall have the meaning ascribed to it in Section 5 of the Companies Act.

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

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

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

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

All timing referred to in this Appendix is made by reference to Singapore time.

Any discrepancies in the tables in this Appendix between the listed amounts and the totals thereof are due to rounding.

LETTER TO SHAREHOLDERS

TELECHOICE INTERNATIONAL LIMITED

(Registration No. 199802072R)
(Incorporated in the Republic of Singapore)

Directors:

Bertie Cheng, Chairman and Independent Director
Yap Boh Pin, Independent Director
Tang Yew Kay Jackson, Independent Director
Ronald Seah Lim Siang, Independent Director
Stephen Geoffrey Miller, Non-Executive Director
Ho Koon Lian Irene, Non-Executive Director
Lim Chai Hock Clive, Non-Executive Director

Registered Office:

1 Temasek Avenue
#33-01 Millenia Tower
Singapore 039192

11 April 2018

To: The Shareholders of TeleChoice International Limited

Dear Sir/Madam

1. INTRODUCTION

1.1 **AGM.** The Directors of TeleChoice are convening an AGM to be held at Sunflower Room 1 & 2 @ The Chevrons 48 Boon Lay Way 1st Storey Singapore 609961 on 26 April 2018 at 10.30 a.m. to seek Shareholders' approval for (among others) the following proposals:

- (a) the proposed extension of the duration of the TeleChoice RSP and the TeleChoice PSP;
- (b) the proposed amendments to the TeleChoice RSP and the TeleChoice PSP;
- (c) the proposed ratification of certain Awards granted under the TeleChoice RSP and the TeleChoice PSP;
- (d) the proposed ratification of certain Awards granted under the TeleChoice RSP to Mr Lim Chai Hock Clive, an associate of a controlling shareholder;
- (e) the proposed renewal of the Shareholders' Mandate for Interested Person Transactions; and
- (f) the proposed renewal of the Share Purchase Mandate.

1.2 **Appendix.** The purpose of this Appendix is to provide Shareholders with information relating to the above proposals to be tabled at the AGM.

2. THE PROPOSED EXTENSION OF THE DURATION OF THE TELECHOICE RSP AND TELECHOICE PSP

2.1 **Background.** The TeleChoice RSP and TeleChoice PSP were approved by Shareholders at an extraordinary general meeting held on 27 April 2007. Each of the TeleChoice RSP and TeleChoice PSP was adopted for an initial duration of up to a maximum of ten (10) years commencing on 27 April 2007, provided that it could be continued beyond that period with the approval of Shareholders by way of an ordinary resolution passed at a general meeting and of any relevant authorities which may then be required. The initial duration of the TeleChoice RSP and TeleChoice PSP has expired on 27 April 2017.

LETTER TO SHAREHOLDERS

2.2 **Rationale of the Plans.** As explained in the 2007 Circular at the time when the approval of Shareholders was first sought for the Plans:

- (a) The Company had proposed to implement the Plans to complement the Pre-IPO Scheme and the Post-IPO Scheme.
- (b) The Plans were intended to increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate employees to achieve superior performance, and thereby further strengthen the Company's competitiveness in attracting and retaining local and foreign talent.
- (c) The Plans were intended to enable the Company to incentivise Participants to excel in their performance and encourage greater dedication and loyalty to the Company, to recognise and reward past contributions and services and motivate Participants to continue to strive for the Group's long-term growth and prosperity.
- (d) The Plans also aimed to foster an ownership culture within the Group which aligns the interests of Group Employees, Non-Executive Directors and Associated Company Employees with the interests of Shareholders.
- (e) One of the primary objectives of the TeleChoice RSP was to serve as an additional motivational tool to recruit and retain talented Group Employees. The TeleChoice RSP was intended to be broad-based and will serve to enhance the Group's overall compensation packages in order to attract talent.
- (f) One of the primary objectives of the TeleChoice PSP was to increase the Company's flexibility and effectiveness in its continuing efforts to reward, retain and motivate key management staff. The TeleChoice PSP was primarily targeted at executives in key positions who are able to drive the growth of the Company through innovation, creativity and superior performance.

2.3 **Extension and Rationale.** The Directors believe that the rationale for the implementation of the Plans as set out in paragraph 2.2 continue to be relevant and applicable. In addition, the Pre-IPO Scheme and the Post-IPO Scheme had expired on 17 May 2014 and 6 May 2014 respectively, and there are currently no outstanding options thereunder. The Plans have become the key share incentive plans that can be used by the Company as part of its compensation arrangements.

In view of the foregoing, the Directors propose that the duration of each of the Plans be extended for a further period of ten (10) years from (and including) 27 April 2017 to (and including) 26 April 2027. To ensure continuity of each of the Plans, the approval of Shareholders is sought for the retrospective extension of each of the Plans from (and including) 27 April 2017. If Shareholders approve such extension, then each of the Plans would be retrospectively deemed to have continued in operation as from (and including) 27 April 2017.

The Board has approved the recommendation from the Committee for the proposed extension of the duration of the Plans as described above.

LETTER TO SHAREHOLDERS

2.4 Participants.

- (a) The following persons shall be eligible to participate in each of the Plans:
- (i) Group Employees who have attained the age of twenty-one (21) years and hold such rank as may be designated by the Committee from time to time;
 - (ii) Non-Executive Directors (other than Parent Group Non-Executive Directors) who, in the opinion of the Committee, have contributed or will contribute to the success of the Group; and
 - (iii) Associated Company Employees who have attained the age of twenty-one (21) years and hold such rank as may be designated by Committee from time to time and who, in the opinion of the Committee, have contributed or will contribute to the success of the Group.

In addition, the Rules provide that Parent Group Executives and Parent Group Non-Executive Directors who are seconded to the Group will be eligible to participate under paragraph (a)(i) above.

It is proposed that the Rules be amended to provide that Controlling Shareholders and Associates of Controlling Shareholders of the Company will not be eligible to participate in the Plans. Please see further paragraph 3.2(b) of this Appendix.

- (b) While the Plans cater principally to Group Employees, it is also recognised that Non-Executive Directors can make significant contributions to the Group through their close working relationships with the Group, even though they are not employed within the Group, by providing valuable support and guidance and contributing their experience, knowledge and expertise. The inclusion of Non-Executive Directors in the Plans will increase flexibility for the Company in determining the most appropriate form of reward for their services and align the interests of Non-Executive Directors with those of Shareholders. It is not anticipated that the number of Shares to be comprised in any Awards to Non-Executive Directors will be large. As such, the Company believes that the grant of such Awards will not affect an independent Non-Executive Director's independence.
- (c) Associated Company Employees will also be eligible to participate in the Plans. The extension of the Plans to Associated Company Employees allows the Group to have a fair and equitable system to reward Associated Company Employees who have made and who continue to make significant contributions to the long-term growth of the Group.
- (d) The Company recognises that from time to time, Parent Group Executive(s) and Parent Group Non-Executive Director(s) may be seconded from the Parent Group, to render services and contribute to the success of the Group. In such an event, the Company may include such individuals in the Plans to reward and incentivise them.

LETTER TO SHAREHOLDERS

- (e) Any award of New Shares to a Parent Group Executive or Parent Group Non-Executive Director that, together with New Shares already granted to the person under the Plans, represents 5% or more of the aggregate number of Shares to be issued to Parent Group Executives and Parent Group Non-Executive Directors under the Plans, must be approved by independent Shareholders. A separate resolution shall also be passed for each such person and to approve the aggregate number of New Shares to be made available for award to all Parent Group Executives and Parent Group Non-Executive Directors.

2.5 Size of each of the Plans.

Subject to the proposed amendments to the TeleChoice RSP and the TeleChoice PSP described in paragraph 3 of this Appendix, the total number of New Shares which may be issued pursuant to Awards granted under the Plans, when added to the number of New Shares issued and issuable in respect of all Awards granted under the Plans, shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) on the day preceding the relevant date of award.

The aggregate number of New Shares available to Parent Group Executives and Parent Group Non-Executive Directors under each of the TeleChoice RSP and the TeleChoice PSP shall not exceed 20% of the New Shares available under the TeleChoice RSP or the TeleChoice PSP (as the case may be).

2.6 Types of Awards.

- (a) In respect of the TeleChoice RSP, performance-based Awards or time-based Awards may be granted thereunder:
 - (i) Performance-based Awards will entitle Participants to be allotted fully paid Shares upon satisfactory achievement of pre-determined performance targets. Unlike under the TeleChoice PSP, the performance targets under the TeleChoice RSP are shorter-term targets aimed at encouraging continued service. Examples of performance targets to be set include targets based on criteria such as successful completion of a project, market share, market ranking, profitability and return on sales.

A performance-based Award under the TeleChoice RSP differs from Awards granted under the TeleChoice PSP in that Awards granted under the TeleChoice RSP will typically vest (that is, a Participant will be absolutely entitled to all or some of the Shares comprised in an Award) on a date beyond the performance target completion date. Therefore, under the TeleChoice RSP, Participants are encouraged to continue serving the Group beyond the achievement date of the predetermined performance targets.

In comparison, a performance-based Award under the TeleChoice PSP will vest once the performance conditions specified in respect of such Awards are satisfied (if determined by the Committee) as soon as practicable after the performance target completion date and there is no further vesting period.

LETTER TO SHAREHOLDERS

A performance-based Award under the TeleChoice RSP may be granted, for example, with a performance target based on the successful completion of a project, and thereafter with a further vesting period to encourage the Participant to continue serving the Group for a further period of time following completion of the project.

In addition to the achievement of any pre-determined performance targets and/or service conditions, Awards may also be granted upon the Committee's post-event determination that any Participant has performed well and/or made a significant contribution to the Company.

- (ii) Time-based Awards will entitle Participants to be allotted fully paid Shares after the satisfactory completion of time-based service conditions, that is, after the Participant has served the Group or, as the case may be, the relevant Associated Company, for a specified number of years, as may be determined or predetermined by the Committee.

Generally, time-based Awards are intended to be used to attract new key employees and talent whom the Company may want to retain for specific periods. Time-based Awards may also be granted to those categories of employees for whom performance targets may be less relevant, for example, key employees who have already achieved performance targets set in performance-based Awards previously granted under the TeleChoice RSP and/or the TeleChoice PSP, but whom the Company wishes to retain for a further period of time. Such Awards may also be granted as a sign-on bonus or upon successful completion of a project.

The Committee has the flexibility under the TeleChoice RSP to grant both time-based Awards and performance-based Awards to the same Participant simultaneously.

Participants may also be granted Awards under the TeleChoice RSP with different targets and/or service conditions, or on other different bases. It is unlikely that performance targets, service conditions and/or the basis of grant of Awards for any individual Participant will be identical. No minimum vesting periods are prescribed under the TeleChoice RSP and the length of vesting periods in respect of each Award will be determined on a case-by-case basis. The Committee may also make an Award at any time where in its opinion a Participant's performance and/or contribution justifies such Award.

- (b) In respect of the TeleChoice PSP, Awards granted thereunder will entitle Participants to be allotted fully paid Shares upon satisfactory achievement of pre-determined performance targets. Performance targets set under the TeleChoice PSP are intended to be based on corporate objectives covering market competitiveness, quality of returns, business growth and productivity growth. The performance targets are stretched targets aimed at sustaining longer-term growth. Examples of performance targets to be set include targets based on criteria such as total shareholders' return, economic value added, market share, market ranking, profitability and return on sales. In addition to the achievement of any pre-determined performance targets, Awards may also be granted upon the Committee's post-event determination that any Participant has performed well and/or made a significant contribution to the Company.

LETTER TO SHAREHOLDERS

No minimum vesting periods are prescribed under the TeleChoice PSP and the length of vesting periods in respect of each Award will be determined on a case-by-case basis. The Committee may also make an Award at any time where in its opinion a Participant's performance and/or contribution justifies such Award.

2.7 **Operation of the Plans.** Subject to the prevailing legislation and the rules of the Listing Manual, the Company will have the flexibility to deliver Shares to Participants upon vesting of their Awards by way of:

- (a) an issuance of New Shares; and/or
- (b) the purchase and delivery of existing Shares.

In determining whether to issue New Shares or to purchase existing Shares for delivery to Participants upon vesting of their Awards, the Company will take into account factors such as (but not limited to) the number of Shares to be delivered, the prevailing market price of the Shares and the cost to the Company of either issuing New Shares or purchasing existing Shares.

The financial effects of the above methods are discussed in paragraph 2.10 of this Appendix.

2.8 **Administration of the Plans.**

The Plans will be administered by the Committee in its absolute discretion with such powers and duties as conferred by the Board. A Director in the Committee shall not be involved in its deliberations in respect of an Award to be granted to that Director.

The Committee shall have the power from time to time to make and vary such regulations (not being inconsistent with the Plans) for the implementation and administration of the Plans as it deems fit, provided that no modification or alteration shall adversely affect the rights attached to Awards granted prior to such modification or alteration except with the written consent of such number of Participants under the Plans who, if their Awards were vested to them, would thereby become entitled to not less than three-quarters in number of all the Shares which would be issued in full of all outstanding Awards under the Plans, as the case may be.

Any decision of the Committee (including any decision pertaining to disputes as to interpretation of the Plans) made pursuant to any provision of the Plans, or any rule, regulations, procedure thereunder or as to any rights under the Plans (other than a matter to be certified by the Auditors), shall be final and binding and conclusive.

2.9 **Further Details of the Plans.** Further details of the Plans are contained in the 2007 Circular, the TeleChoice RSP and the TeleChoice PSP, copies of which are available for inspection by Shareholders during normal business hours from the date of this Appendix up to the date of the Twentieth AGM.

LETTER TO SHAREHOLDERS

2.10 Financial Effects of the Plans.

FRS 102 became effective for the financial statements of the Company for the financial year beginning 1 April 2005. Participants may receive Shares or their equivalent cash value, or combinations thereof in settlement of the Awards. In the event that the Participants receive Shares, the Awards would be accounted for as equity-settled share-based transactions, as described in the following paragraphs.

The fair value of the Awards granted in exchange of the employee services received would be recognised as a charge to the income statement over the vesting period of an Award with a corresponding credit to the reserve account. The total amount of the charge over the vesting period is determined by reference to the fair value of each Award at the date of the Award (or grant).

The fair value of the equity instruments granted is determined after taking into consideration, amongst other things, the performance target which are market conditions. Where there are non-market or vesting conditions attached, the number of Shares vested at the vesting date may differ from the estimates determined during the vesting period. Before the end of the vesting period, at each accounting year end, the estimate of the number of Awards that are expected to vest by the vesting date is revised, and the impact of the revised estimate is recognised in the income statement with a corresponding adjustment to the reserve account. After the vesting date, no adjustment to the charge to the income statement is made. This accounting treatment has been referred to as the “modified grant date method”, because the number of Shares included in the determination of the expense relating to employee services is adjusted to reflect the actual number of Shares that eventually vest but no adjustment is made to changes in the fair value of the Shares since the grant date.

The amount charged to the income statement under the equity settlement depends on whether or not the performance target attached to an Award is “market condition”, that is a condition which is related to the market price of the Shares. If the performance target is not a market condition, the fair value of the Shares granted at the grant date is used to compute the amount to be charged to the income statement at each accounting date, based on an assessment at that date of whether the non-market conditions would be met to enable the Awards to vest. Thus, if the Awards do not ultimately vest, the amount charged to the income statement would be reversed at the end of the vesting period.

2.11 **Existing Awards.** As at the Latest Practicable Date, a total of 21,921,772 Shares (representing approximately 4.8% of the issued Shares (excluding treasury shares and subsidiary holdings (if any)) in the capital of the Company as at the Latest Practicable Date) have been issued, transferred or are outstanding under the Plans, details of which are as follows:

Number of Shares issued or transferred under the Plans	13,050,596
Number of Shares subject to outstanding Awards granted under the TeleChoice RSP	5,875,856
Number of Shares subject to outstanding Awards granted under the TeleChoice PSP	2,995,320
Total	21,921,772

LETTER TO SHAREHOLDERS

The Pre-IPO Scheme and the Post-IPO Scheme have expired on 17 May 2014 and 6 May 2014 respectively. As at the Latest Practicable Date, there are no outstanding options granted under the Pre-IPO Scheme or the Post-IPO Scheme.

As at the Latest Practicable Date, there are three (3) Participants under the TeleChoice PSP, and seventeen (17) Participants under the TeleChoice RSP. Save as disclosed in this Appendix, and save for the prescribed performance-based, time-based and/or other conditions attached to Awards granted under the TeleChoice RSP and/or the TeleChoice PSP, the Awards outstanding as at the Latest Practicable Date are not subject to any material conditions.

Details of awards granted under the TeleChoice RSP to the Directors as at the Latest Practicable Date, are as follows:

Name of Director	Granted during the financial year ended 31 December 2017¹	Aggregate granted since the commencement of the Plans to 31 December 2017	Aggregate released since the commencement of the Plans to 31 December 2017	Aggregate outstanding as at 31 December 2017
Bertie Cheng	163,000	464,000	464,000	–
Yap Boh Pin	90,000	297,000	297,000	–
Tang Yew Kay Jackson	73,000	238,000	238,000	–
Ronald Seah Lim Siang	71,000	218,000	218,000	–
Stephen Geoffrey Miller	Nil	Nil	Nil	–
Ho Koon Lian Irene	73,000	121,000	121,000	–
Lim Chai Hock Clive	57,000	183,000	183,000	–
Sio Tat Hiang ²	80,000	255,000	255,000	–

1 These Awards are subject to the proposed extension of the duration of the TeleChoice RSP as described in paragraph 2.3 of this Appendix and the ratification by Shareholders of the grant of such Awards as described in paragraph 4 of this Appendix.

2 Sio Tat Hiang has resigned as a Director with effect from 26 January 2017.

Since the commencement of the Plans, no Awards have been granted to the Directors under the TeleChoice PSP.

Since the commencement of the Plans, no Awards have been granted to any participant who is a Controlling Shareholder of the Company or an Associate of such Controlling Shareholder, save for Mr Lim Chai Hock Clive, who is an Associate of Ms Lim Shi, a Controlling Shareholder of the Company.

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2.12 **SGX-ST.** The SGX-ST has granted in-principle approval for the listing and quotation of the new Shares to be issued pursuant to the TeleChoice RSP and the TeleChoice PSP, as proposed to be extended, subject to compliance with the SGX-ST's listing requirements and guidelines and separate independent Shareholders' approval being obtained for the proposed extension of and amendments to the TeleChoice RSP and the TeleChoice PSP. The SGX-ST's in-principle approval is not to be taken as an indication of the merits of the TeleChoice RSP, the TeleChoice PSP, the new Shares, the Company and/or the Group.

3. THE PROPOSED AMENDMENTS TO THE TELECHOICE RSP AND THE TELECHOICE PSP

3.1 **Introduction.** The Plans were first approved by Shareholders on 27 April 2007 and have since expired. The approval of Shareholders is sought for the extension of the duration of each of the Plans. At the same time, it is proposed that certain provisions of each of the Plans be amended, primarily for the purpose of compliance with the current Listing Rules.

3.2 Proposed Amendments and Rationale.

(a) In relation to Rule 2.1 of each of the TeleChoice RSP and the TeleChoice PSP:

(i) During the 2017 AGM, Shareholders approved the adoption of a new constitution to replace the then memorandum and articles of association, to give effect to certain amendments that were made to the Companies Act. As such, it is proposed that the definition of "Articles" be deleted in its entirety and a new defined term "Constitution", which refers to the Company's constitution, be inserted into Rule 2.1. Consequential amendments are also proposed to be made to Rules 7.4 and 7.3 of the TeleChoice RSP and the TeleChoice PSP respectively to replace references to "Articles" with "Constitution".

(ii) It is proposed that the definitions of "Pre-IPO Scheme" and "Post-IPO Scheme" be deleted in entirety, as the Pre-IPO Scheme and the Post-IPO Scheme have expired on 17 May 2014 and 6 May 2014 respectively, and there are currently no outstanding options thereunder. Consequential amendments have been made to other Rules in each of the TeleChoice RSP and the TeleChoice PSP to remove references to "Pre-IPO Scheme" and "Post-IPO Scheme".

(iii) It is proposed that new definitions of "treasury shares" and "subsidiary holdings" be inserted into Rule 2.1. The term "treasury shares" is used in each of the Plans but is currently not defined. The term "subsidiary holdings" will be used in Rule 8.1 of each of the Plans, as elaborated on in paragraph 3.2(b) below.

(b) It is proposed that the Controlling Shareholders and Associates of Controlling Shareholders of the Company will not be eligible to participate in the TeleChoice RSP or the TeleChoice PSP. In connection with the foregoing, it is proposed that:

(i) a new Rule 4.1A be inserted immediately after the existing Rule 4.1 in each of the TeleChoice RSP and the TeleChoice PSP to provide that Controlling Shareholders and Associates of Controlling Shareholders of the Company will not be eligible to participate in the TeleChoice RSP or the TeleChoice PSP, as the case may be. However, such amendment will be made on the basis that it will not affect the Awards that were granted to Mr Lim Chai Hock Clive (who is an Associate of a Controlling Shareholder of the Company) in June 2017 as payment of part of his Director's remuneration for FY2016, for which ratification is sought, as explained in paragraphs 5.1, 5.2 and 5.3 of this Appendix; and

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- (ii) Rule 19.3 of each of the TeleChoice RSP and the TeleChoice PSP, which provides (among other things) that participation by Controlling Shareholders and their associates shall be subject to such requirements and limitations as may be set out under the Listing Manual from time to time, be deleted in its entirety.
- (c) Listing Rule 845(1) requires that the aggregate number of shares available under all schemes must not exceed 15% of the total number of issued shares excluding treasury shares and subsidiary holdings from time to time.

Rule 8.1 of each of the TeleChoice RSP and the TeleChoice PSP provides for the limit of 15% mentioned in Listing Rule 845(1) but does not expressly exclude treasury shares and subsidiary holdings from the computation of such 15% limit. In addition, Rule 8.1 also mentions that the 15% limit will take into account Shares issued and issuable in respect of all options granted under the Pre-IPO Scheme and Post-IPO Scheme.

It is proposed that Rule 8.1 of each of the TeleChoice RSP and the TeleChoice PSP be amended to clarify that treasury shares and subsidiary holdings are expressly excluded in the computation of the 15% limit.

It is also proposed that Rule 8.1 of each of the TeleChoice RSP and the TeleChoice PSP be amended to remove the references to taking into account Shares issued and issuable in respect of all options granted under the Pre-IPO Scheme and the Post-IPO Scheme when computing the 15% limit. Pursuant to such amendment, Shares previously issued under the Pre-IPO Scheme and the Post-IPO Scheme will not be taken into account in computing the 15% limit.

- (d) Listing Rule 851 provides that a scheme must provide that the provisions relating to the matters contained in Listing Rules 844 to 849 and Listing Rules 853 to 854 cannot be altered to the advantage of the participants without the prior approval of shareholders.

Rule 12.1 of each of the Plans currently provides that certain definitions and certain Rules (which correspond to Listing Rules 844 to 849, to the extent applicable) shall not be altered to the advantage of Participants except with the prior approval of Shareholders in general meeting. In order to comply with Listing Rule 851, it is proposed that Rule 12.1 be amended to also include references to Rules 19.3 and 19.4, which correspond to Listing Rules 853 and 854.

- (e) It is proposed that Rule 18 be generally updated and amended to remove (where appropriate) references to the Pre-IPO Scheme and the Post-IPO Scheme, which have expired on 17 May 2014 and 6 May 2014 respectively, and there are currently no outstanding options thereunder.

3.3 **Annexure A.** The proposed alterations to the TeleChoice RSP and the TeleChoice PSP are set out in Annexure A to this Appendix. The proposed amendments to the TeleChoice RSP and the TeleChoice PSP are subject to Shareholders' approval at the Twentieth AGM.

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4. THE PROPOSED RATIFICATION OF CERTAIN AWARDS GRANTED UNDER THE TELECHOICE RSP AND THE TELECHOICE PSP

4.1 **Ratification of Awards granted under the TeleChoice RSP.** The Company inadvertently granted the following Awards under the TeleChoice RSP after the TeleChoice RSP had expired on 27 April 2017:

- (a) On 1 June 2017, Awards in respect of a total of 2,500,000 Shares were granted to Group Employees. These Awards remain outstanding as at the Latest Practicable Date. As the Shares have not been released to these Group Employees, no value in S\$ is attributable to them; and
- (b) On 19 June 2017, Awards in respect of a total of 607,000 Shares (equivalent in value to S\$155,250) were granted to the Directors, Mr Bertie Cheng, Mr Yap Boh Pin, Mr Tang Yew Kay Jackson, Mr Ronald Seah Lim Siang, Ms Ho Koon Lian Irene, Mr Lim Chai Hock Clive and Mr Sio Tat Hiang. Mr Sio Tat Hiang has since resigned as a Director with effect from 26 January 2017. These Awards were granted as part of the remuneration of the Directors in respect of the financial year ended 31 December 2016 approved by Shareholders at the 2017 AGM. Pursuant to the grant of these Awards, the Company had transferred a total of 607,000 treasury shares to these Directors and these Awards are no longer outstanding as at the Latest Practicable Date.

As the above Awards were granted after the TeleChoice RSP has expired, the Company proposes to seek the approval of Shareholders for the ratification of the grant of such Awards. Such ratification will be subject to Shareholders approving the extension of the duration of the TeleChoice RSP as described in paragraph 2 of this Appendix. Pending the ratification of the grant of such Awards, the Awards in respect of a total of 2,500,000 Shares already granted to employees of the Group will not be released.

4.2 **Ratification of Awards granted under the TeleChoice PSP.** The Company inadvertently granted Awards in respect of a total of 1,135,000 Shares to Group Employees under the TeleChoice PSP on 1 June 2017, after the TeleChoice PSP has expired. These Awards remain outstanding as at the Latest Practicable Date. As the Shares have not been released to these Group Employees, no value in S\$ is attributable to them.

As the above Awards were granted after the TeleChoice PSP has expired, the Company proposes to seek the approval of Shareholders for the ratification of the grant of such Awards. Such ratification will be subject to Shareholders approving the extension of the duration of the TeleChoice PSP as described in paragraph 2 of this Appendix. Pending the ratification of the grant of such Awards, the Awards in respect of a total of 1,135,000 Shares which remain outstanding as at the Latest Practicable Date will not be released.

5. THE PROPOSED RATIFICATION OF CERTAIN AWARDS GRANTED UNDER THE TELECHOICE RSP TO MR LIM CHAI HOCK CLIVE, AN ASSOCIATE OF A CONTROLLING SHAREHOLDER

5.1 **Directors' Remuneration.** To align the interests of Directors to that of Shareholders, as from FY2013 onwards, the Company started to implement a new arrangement for Directors' remuneration by paying Directors' remuneration partly in cash and partly in the form of Awards granted under the TeleChoice RSP. The number of Shares to be awarded will be based on the volume-weighted average price ("VWAP") of a Share listed on the SGX-ST over the fourteen (14) market days commencing on (and including) the first ex-dividend date that immediately follows the date of the relevant AGM (and in the event that no dividend is declared at the relevant AGM, the VWAP of a Share listed on the SGX-ST over the fourteen (14) market days commencing after the date of such AGM).

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In view of the foregoing, at each of the AGM of the Company held in respect of FY2013, FY2014, FY2015 and FY2016, the Company sought and obtained the approval of Shareholders for the payment of Directors' remuneration partly in cash and partly by way of Awards granted under the TeleChoice RSP.

- 5.2 **Grant of Awards to Mr Lim Chai Hock Clive.** Mr Lim Chai Hock Clive has been appointed as a Director since 29 September 1999. Pursuant to the approval of Shareholders obtained at the AGM of the Company in respect of FY2013, FY2014, FY2015 and FY2016 for Directors' remuneration to be paid partly in cash and partly by way of Awards under the TeleChoice RSP, Mr Lim Chai Hock Clive was granted the following Awards ("**Relevant Awards**"):

Relevant FY	Date of Grant	Number of Awards Granted	Value in S\$
FY2013	29 July 2014	28,000	S\$6,900
FY2014	15 July 2015	48,000	S\$12,900
FY2015	15 July 2016	50,000	S\$12,900
FY2016	19 June 2017	57,000	S\$14,550
Total		183,000	S\$47,250

- 5.3 **Ratification of the Relevant Awards.** Listing Rule 853 requires the participation in a scheme by controlling shareholders and their associates to be approved by independent shareholders of the issuer. A separate resolution must be passed by independent shareholders of the issuer, and a separate resolution must be passed for each person and to approve the actual number and terms of options to be granted to that participant.

As at the Latest Practicable Date, Leap International holds approximately 19.70% of the issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company. Ms Lim Shi owns 100% of the interest in Leap International and is therefore a Controlling Shareholder of the Company. Mr Lim Chai Hock Clive is the managing director of Leap International and the father of Ms Lim Shi, and hence an Associate of Ms Lim Shi, a Controlling Shareholder of the Company.

As the approval of Shareholders for Directors' remuneration to be paid partly in cash and partly by way of Awards granted under the TeleChoice RSP (which would have included the Director's remuneration payable to Mr Lim Chai Hock Clive) was obtained at the AGM in respect of FY2013, FY2014, FY2015 and FY2016, the Company inadvertently did not seek the approval of independent Shareholders for the grant of the relevant number of Awards to Mr Lim Chai Hock Clive by way of a separate resolution.

In view of the foregoing, the Company proposes to seek the approval of independent Shareholders for the ratification of the grant of the Relevant Awards to Mr Lim Chai Hock Clive.

- 5.4 **Cash payment in full to Mr Lim Chai Hock Clive as from FY2017 and approval for the remuneration of the other Directors (apart from Mr Lim Chai Hock Clive) to be paid partly in cash and partly in the form of Awards under the TeleChoice RSP.** As mentioned in paragraph 5.1 above, the number of Shares to be awarded to each Director as part of his Director's remuneration in respect of a particular FY is determined based on the VWAP of a Share listed on the SGX-ST over the fourteen (14) market days commencing on (and including) the first ex-dividend date that immediately follows the date of the AGM

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in respect of that FY (and in the event that no dividend is declared at the relevant AGM, the VWAP of a Share listed on the SGX-ST over the fourteen (14) market days commencing after the date of such AGM). By way of illustration, the number of Awards to be granted to each Director in respect of FY2016 was determined only after the AGM in respect of FY2016 held in April 2017, and the relevant number of Awards was granted only on 19 June 2017.

In view of the above, the actual number of Awards to be granted to Mr Lim Chai Hock Clive in respect of any FY would not be known at the time that the approval of Shareholders is sought at the AGM in respect of that FY. As such, it would not be possible for the Company to comply with the requirement under Listing Rule 853 that the separate resolution approves the actual number of Awards to be granted to Mr Lim Chai Hock Clive.

Taking into account the difficulties that the Company would face in complying with Listing Rule 853, the Company proposes that the portion of the Director's remuneration of Mr Lim Chai Hock Clive that would otherwise have been payable by way of Awards under the TeleChoice RSP shall instead be paid in cash as from FY2017 onwards.

In view of the foregoing, the Company will be seeking the approval of Shareholders pursuant to Resolution No. 7 for the Director's remuneration of Mr Lim Chai Hock Clive in respect of FY2017 be paid in cash in full.

The Company intends to continue to grant Awards to other Directors (apart from Mr Lim Chai Hock Clive) as part of their Directors' remuneration as described above. The breakdown of the cash-based and share-based remuneration of Directors in respect of FY2017 is set out below:

Name	Total Directors' Remuneration ⁽¹⁾		
	Cash-based	Share-based ⁽⁵⁾	Total
Bertie Cheng	S\$95,200	S\$40,800	S\$136,000
Yap Boh Pin	S\$52,850	S\$22,650	S\$75,500
Tang Yew Kay Jackson	S\$43,400	S\$18,600	S\$62,000
Ronald Seah Lim Siang	S\$41,300	S\$17,700	S\$59,000
Stephen Geoffrey Miller ⁽³⁾	S\$46,550 ⁽²⁾	S\$19,950	S\$66,500
Ho Koon Lian Irene	S\$43,400 ⁽²⁾	S\$18,600	S\$62,000
Lim Chai Hock Clive ⁽⁴⁾	S\$49,500	–	S\$49,500
Sio Tat Hiang ⁽⁶⁾	–	–	–

Notes:

- (1) The aggregate amount of these fees is subject to approval by shareholders at the upcoming AGM for FY2017.
- (2) These fees are payable to STTC.
- (3) Mr Stephen Geoffrey Miller was appointed as a Director and a member of the Remuneration Committee, Nominating Committee and Executive Committee with effect from 26 January 2017.
- (4) As explained above, Mr Lim Chai Hock Clive will be paid his Director's remuneration of S\$49,500 in cash in full.
- (5) The grant of awards under the TeleChoice RSP is subject to the approval of shareholders for the proposed extension of the TeleChoice RSP as described in paragraph 2 of this Appendix.
- (6) Mr Sio Tat Hiang has resigned as a Director and a member of the Remuneration Committee, Nominating Committee and Executive Committee with effect from 26 January 2017 and no remuneration was paid to him for FY2017.

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The Company will be seeking the approval of Shareholders pursuant to Resolution No. 6 for remuneration of the Directors (apart from Mr Lim Chai Hock Clive) to be paid partly in cash and partly in the form of Awards under the TeleChoice RSP as set out above.

6. THE PROPOSED RENEWAL OF THE SHAREHOLDERS' MANDATE FOR INTERESTED PERSON TRANSACTIONS

6.1 **The Shareholders' Mandate for Interested Person Transactions.** At the 2017 AGM, approval of the Shareholders was obtained for the renewal of a shareholders' mandate (the "**Shareholders' Mandate**"), for the purposes of Chapter 9 of the Listing Manual, to enable the Company, its subsidiaries and associated companies which are considered to be "entities at risk" (together, the "**EAR Group**") within the meaning of Rule 904(2) of the Listing Manual, in their ordinary course of businesses, to enter into certain categories of transactions (the "**Interested Person Transactions**") with specified classes of the Company's interested persons (the "**Interested Persons**"), provided that such transactions are entered into on an arm's length basis and on normal commercial terms. Particulars of the Shareholders' Mandate were set out in Annexure 1 to the 2017 Appendix.

6.2 **Proposed Renewal of the Shareholders' Mandate.** The Shareholders' Mandate was expressed to take effect until the conclusion of the next AGM of the Company, being the Twentieth AGM to be held on 26 April 2018. Accordingly, the Directors propose that the Shareholders' Mandate be renewed at the Twentieth AGM to be held on 26 April 2018, and if so renewed, to take effect until the conclusion of the Twenty-First AGM of the Company, unless revoked or varied by the Company in a general meeting.

The particulars of the Interested Person Transactions in respect of which the Shareholders' Mandate is sought to be renewed, as set out in Annexure 1 to the 2017 Appendix, remain unchanged.

6.3 **Annexure B.** Details of the Shareholders' Mandate, including the rationale for, and the benefits to, the Company, the review procedures for determining transaction prices with Interested Persons and other general information relating to Chapter 9 of the Listing Manual, are set out in the Annexure B to this Appendix.

6.4 **Audit Committee Statement.** The Audit Committee of the Company, which comprises Mr Yap Boh Pin, Mr Tang Yew Kay Jackson and Ms Ho Koon Lian Irene, confirms that:

- (a) the methods or procedures for determining the transaction prices under the Shareholders' Mandate, have not changed since the 2017 AGM; and
- (b) the methods or procedures referred to in sub-paragraph (a) above are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

7. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

7.1 **Background.** Any purchase or acquisition of Shares by the Company would have to be made in accordance with, and in the manner prescribed by, the Companies Act and the rules of the Listing Manual and such other laws and regulations as may, for the time being, be applicable. It is also a requirement that a company which wishes to purchase or acquire its own shares should obtain approval of its shareholders to do so at a general meeting of its shareholders.

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The Company's existing Share Purchase Mandate was approved by Shareholders at the 2017 AGM. The authority and limitations on the Share Purchase Mandate were set out in the 2017 Appendix and Resolution No. 11 set out in the Notice of the 2017 AGM.

The existing Share Purchase Mandate was expressed to take effect on 27 April 2017 (being the date of the passing of Resolution No. 11 at the 2017 AGM) and will expire on the earlier of the date of the upcoming Twentieth AGM to be held on 26 April 2018; and the date by which the Twentieth AGM is required by law to be held.

Accordingly, Shareholders' approval is being sought for the renewal of the Share Purchase Mandate at the Twentieth AGM of the Company to be held on 26 April 2018.

If approved by Shareholders at the Twentieth AGM, the authority conferred by the Share Purchase Mandate will continue in force until the earlier of the next annual general meeting of the Company (whereupon it will lapse, unless renewed at a general meeting) and the date by which the next annual general meeting of the Company is required by law to be held, unless such authority is varied or revoked by the Company in a general meeting (if so varied or revoked prior to the next annual general meeting).

- 7.2 **Rationale.** The approval of the Share Purchase Mandate authorising the Company to purchase or acquire its Shares would give the Company the flexibility to undertake share purchases or acquisitions of up to the 10% limit described in paragraph 7.3 below at any time, subject to market conditions, during the period when the Share Purchase Mandate is in force.

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

- (a) In managing the business of the Group, management will strive to increase Shareholders' value by improving, *inter alia*, the return on equity of the Company. In addition to growth and expansion of the business, share purchases may be considered as one of the ways through which the return on equity of the Company may be enhanced.
- (b) In line with international practice, the Share Purchase Mandate will provide the Company with greater flexibility in managing its capital and maximising returns to its Shareholders. To the extent that the Company has capital and surplus funds which are in excess of its financial needs, taking into account its growth and expansion plans, the Share Purchase Mandate will facilitate the return of excess cash and surplus funds to Shareholders in an expedient, effective and cost-efficient manner. A share repurchase programme will also allow management to effectively manage and minimise the dilution impact (if any) associated with share schemes.
- (c) Share repurchase programmes help buffer short-term share price volatility.
- (d) The Share Purchase Mandate will provide the Company the flexibility to undertake share repurchases at any time, subject to market conditions, during the period when the Share Purchase Mandate is in force.

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The purchase or acquisition of Shares will only be undertaken if it benefits the Company and Shareholders. While the Share Purchase Mandate would authorise a purchase or acquisition of Shares of up to the said 10% limit, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full 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.

7.3 **Authority and Limits.** The proposed authority and limits on the Share Purchase Mandate, if renewed at the Twentieth AGM, are the same as previously approved by Shareholders at the 2017 AGM, and are summarised below:

7.3.1 ***Maximum Number of Shares***

The total number of Shares which may be purchased or acquired by the Company pursuant to the Share Purchase Mandate is limited to that number of Shares representing not more than 10% of the total number of issued Shares of the Company as at the date of the Twentieth AGM. Any of the Shares which are held as treasury shares and subsidiary holdings will be disregarded for purposes of computing the 10% limit.

Based on the number of issued and paid-up Shares as at the Latest Practicable Date, the issued capital of the Company comprised 454,387,796 Shares (excluding 34,704 Shares which are held as treasury shares) and assuming no further Shares are issued, and no further Shares are held by the Company as treasury shares, on or prior to the Twentieth AGM, the purchase by the Company of up to the maximum limit of 10% of its issued Shares will result in the purchase or acquisition of 45,438,779 Shares.

7.3.2 ***Duration of Authority***

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the forthcoming Twentieth AGM at which the Share Purchase Mandate is approved up to:

- (a) the date on which the next annual general meeting of the Company is held or required by law to be held; or
- (b) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied; or
- (c) the date on which purchases and/or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated,

whichever is the earlier.

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7.3.3 *Manner of Purchases or Acquisitions of Shares*

Purchases or acquisitions of Shares may be made by way of:

- (a) on-market purchases ("**Market Purchases**"), transacted on the SGX-ST through the SGX-ST's trading system and/or on any other securities exchange on which the Shares may, for the time being, be listed and quoted ("**Other Exchange**") through one or more duly licensed dealers appointed by the Company for the purpose; and/or
- (b) off-market purchase ("**Off-Market Purchases**") effected, otherwise than on a securities exchange, in accordance with an equal access scheme (as defined in Section 76C of the Companies Act).

The Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Listing Manual and the Companies Act, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes.

An Off-Market Purchase must, however, satisfy all the following conditions:

- (i) offers for the purchase or acquisition of Shares 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; and
- (iii) the terms of all the offers shall be the same, except that there shall be disregarded (1) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements; and (2) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

If the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, it will issue an offer document containing at least the following information:

- (i) the terms and conditions of the offer;
- (ii) the period and procedures for acceptances; and
- (iii) the information required under Rule 883(2), (3), (4), (5) and (6) of the Listing Manual.

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7.3.4 **Purchase Price**

The purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors. The purchase price to be paid for the Shares as determined by the Directors pursuant to the Share Purchase Mandate must not exceed:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price; and
- (b) in the case of an Off-Market Purchase, 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 the average of the last dealt prices of a Share over the last five consecutive Market Days on which the Shares are transacted on the SGX-ST or, as the case may be, Other Exchange, immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted in accordance with the listing rules of the SGX-ST, or as the case may be, Other Exchange, for any corporate action which occurs after the relevant five Market Day period;

“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 Purchase, stating the purchase price (which shall not be more than 110% of the Average Closing Price of the Shares (excluding related expenses of the purchase or acquisition)) for each Share, and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

“Market Day” means a day on which the SGX-ST, or as the case may be, Other Exchange is open for trading in securities.

- 7.4 **Status of Purchased Shares.** A Share purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company 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.

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7.5 **Treasury Shares.** Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:

7.5.1 ***Maximum Holdings***

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

7.5.2 ***Voting and Other Rights***

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

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

7.5.3 ***Disposal and Cancellation***

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

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

Under Rule 704(28) of the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares. Such announcement must include details such as the date of the sale, transfer, cancellation and/or use of such treasury shares, the purpose of such sale, transfer, cancellation and/or use of such treasury shares, the number of treasury shares which have been sold, transferred, cancelled and/or used, the number of treasury shares before and after such sale, transfer, cancellation and/or use, the percentage of the number of treasury shares against the total number of issued shares (of the same class as the treasury shares) which are listed on the SGX-ST before and after such sale, transfer, cancellation and/or use, and the value of the treasury shares if they are used for a sale or transfer, or cancelled.

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- 7.6 **Source of Funds.** The Companies Act permits the Company to purchase or acquire its own Shares out of capital, as well as from its profits. The Company may use internal resources or external borrowings or a combination of both to fund purchases or acquisitions of Shares pursuant to the Share Purchase Mandate.
- 7.7 **Financial Effects.** The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Purchase Mandate will depend on, *inter alia*, whether the Shares are purchased or acquired out of the profits and/or capital of the Company, the number of Shares purchased or acquired, the price paid for such Shares and whether the Shares purchased or acquired are held in treasury or cancelled. The financial effects on the Company and the Group, based on the audited financial statements of the Company and the Group for the financial year ended 31 December 2017, are based on the assumptions set out below.

7.7.1 **Purchase or Acquisition out of Capital or Profits**

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital or profits so long as the Company is solvent.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding 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 consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

7.7.2 **Information as at Latest Practicable Date**

As at the Latest Practicable Date, the issued capital of the Company comprised 454,387,796 Shares (excluding 34,704 Shares which are held as treasury shares). In addition, as at the Latest Practicable Date, there was an aggregate of 8,871,176 Shares in respect of unvested conditional awards granted pursuant to the TeleChoice RSP and the TeleChoice PSP. Except in respect of Shares which are issuable pursuant to the terms of the conditional awards of Shares granted under the TeleChoice RSP and the TeleChoice PSP, no Shares are reserved for issue by the Company as at the Latest Practicable Date.

Purely for illustrative purposes, on the basis of 454,387,796 Shares in issue as at the Latest Practicable Date (excluding 34,704 Shares which are held as treasury shares) and assuming no further Shares are issued and no further Shares are held by the Company as treasury shares on or prior to the Twentieth AGM, the purchase by the Company of 10% of its issued Shares will result in the purchase or acquisition of 45,438,779 Shares.

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Assuming that the Company purchases or acquires 45,438,779 Shares through Market Purchases at the Maximum Price of S\$0.2835 for one Share (being the price equivalent to 5% above the Average Closing Price of a Share for the five consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 45,438,779 Shares is S\$12,881,894.

Assuming that the Company purchases or acquires 45,438,779 Shares through Off-Market Purchases at the Maximum Price of S\$0.2970 for one Share (being the price equivalent to 10% above the Average Closing Price of a Share for the five consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 45,438,779 Shares is S\$13,495,318.

7.7.3 ***Illustrative Financial Effects***

The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the proposed Share Purchase Mandate will depend on, *inter alia*, the aggregate number of Shares purchased or acquired, whether the purchase or acquisition is made out of capital or profits, and the consideration paid at the relevant time and whether the Shares purchased or acquired are cancelled or held as treasury shares. For illustrative purposes only and on the basis of the assumptions set out in paragraph 7.7.2 above, the financial effects of the following scenarios:

- (a) acquisition of 45,438,779 Shares by the Company pursuant to the Share Purchase Mandate by way of purchases made entirely out of capital and held as treasury shares;
- (b) acquisition of 45,438,779 Shares by the Company pursuant to the Share Purchase Mandate by way of purchases made entirely out of profits and cancelled; and
- (c) acquisition of 45,438,779 Shares by the Company pursuant to the Share Purchase Mandate by way of purchases made entirely out of capital and cancelled,

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on the audited financial statements of the Group and the Company for the financial year ended 31 December 2017 are set out below:

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

Market Purchases

	Group		Company	
	Before Share Purchase S\$'000	After Share Purchase S\$'000	Before Share Purchase S\$'000	After Share Purchase S\$'000
As at 31 December 2017				
Share Capital and Total				
Reserves	74,734	61,852	47,392	34,510
NTA	61,662	48,780	46,967	34,085
Current Assets	154,660	141,778	57,204	44,322
Current Liabilities	100,193	100,193	48,664	48,664
Total Borrowings	16,330	16,330	4,000	4,000
Cash and Cash				
Equivalents	42,926	30,044	14,273	1,391
Number of Shares (‘000) ⁽¹⁾	454,388	454,388	454,388	454,388
Financial Ratios				
NTA per Share (cents)	13.57	11.93	10.34	8.33
Net Debt Gearing (%)	Net Cash	Net Cash	Net Cash	8%
Current Ratio (times)	1.54	1.42	1.18	0.91
Basic Earnings per Share (cents)	1.80	2.00	1.13	1.26

Off-Market Purchases

	Group		Company	
	Before Share Purchase S\$'000	After Share Purchase S\$'000	Before Share Purchase S\$'000	After Share Purchase S\$'000
As at 31 December 2017				
Share Capital and Total				
Reserves	74,734	61,239	47,392	33,897
NTA	61,662	48,167	46,967	33,472
Current Assets	154,660	141,165	57,204	43,709
Current Liabilities	100,193	100,193	48,664	48,664
Total Borrowings	16,330	16,330	4,000	4,000
Cash and Cash				
Equivalents	42,926	29,431	14,273	778
Number of Shares (‘000) ⁽¹⁾	454,388	454,388	454,388	454,388
Financial Ratios				
NTA per Share (cents)	13.57	11.78	10.34	8.18
Net Debt Gearing (%)	Net Cash	Net Cash	Net Cash	10%
Current Ratio (times)	1.54	1.41	1.18	0.90
Basic Earnings per Share (cents)	1.80	2.00	1.13	1.26

Note:

(1) This represents the total number of Shares (excluding Shares which are held as treasury shares) in the issued share capital of the Company at the Latest Practicable Date.

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(b) *purchases made entirely out of profits and cancelled*

Market Purchases

	Group		Company	
	Before Share Purchase S\$'000	After Share Purchase S\$'000	Before Share Purchase S\$'000	After Share Purchase S\$'000
As at 31 December 2017				
Share Capital and Total Reserves	74,734	61,852	47,392	34,510
NTA	61,662	48,780	46,967	34,085
Current Assets	154,660	141,778	57,204	44,322
Current Liabilities	100,193	100,193	48,664	48,664
Total Borrowings	16,330	16,330	4,000	4,000
Cash and Cash Equivalents	42,926	30,044	14,273	1,391
Number of Shares ('000) ⁽¹⁾	454,388	408,949	454,388	408,949
Financial Ratios				
NTA per Share (cents)	13.57	11.93	10.34	8.33
Net Debt Gearing (%)	Net Cash	Net Cash	Net Cash	8%
Current Ratio (times)	1.54	1.42	1.18	0.91
Basic Earnings per Share (cents)	1.80	2.00	1.13	1.26

Off-Market Purchases

	Group		Company	
	Before Share Purchase S\$'000	After Share Purchase S\$'000	Before Share Purchase S\$'000	After Share Purchase S\$'000
As at 31 December 2017				
Share Capital and Total Reserves	74,734	61,239	47,392	33,897
NTA	61,662	48,167	46,967	33,472
Current Assets	154,660	141,165	57,204	43,709
Current Liabilities	100,193	100,193	48,664	48,664
Total Borrowings	16,330	16,330	4,000	4,000
Cash and Cash Equivalents	42,926	29,431	14,273	778
Number of Shares ('000) ⁽¹⁾	454,388	408,949	454,388	408,949
Financial Ratios				
NTA per Share (cents)	13.57	11.78	10.34	8.18
Net Debt Gearing (%)	Net Cash	Net Cash	Net Cash	10%
Current Ratio (times)	1.54	1.41	1.18	0.90
Basic Earnings per Share (cents)	1.80	2.00	1.13	1.26

Note:

(1) This represents the total number of Shares (excluding Shares which are held as treasury shares) in the issued share capital of the Company at the Latest Practicable Date.

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(c) *purchases made entirely out of capital and cancelled*

Market Purchases

	Group		Company	
	Before Share Purchase S\$'000	After Share Purchase S\$'000	Before Share Purchase S\$'000	After Share Purchase S\$'000
As at 31 December 2017				
Share Capital and Total Reserves	74,734	61,852	47,392	34,510
NTA	61,662	48,780	46,967	34,085
Current Assets	154,660	141,778	57,204	44,322
Current Liabilities	100,193	100,193	48,664	48,664
Total Borrowings	16,330	16,330	4,000	4,000
Cash and Cash Equivalents	42,926	30,044	14,273	1,391
Number of Shares ('000) ⁽¹⁾	454,388	408,949	454,388	408,949
Financial Ratios				
NTA per Share (cents)	13.57	11.93	10.34	8.33
Net Debt Gearing (%)	Net Cash	Net Cash	Net Cash	8%
Current Ratio (times)	1.54	1.42	1.18	0.91
Basic Earnings per Share (cents)	1.80	2.00	1.13	1.26

Off-Market Purchases

	Group		Company	
	Before Share Purchase S\$'000	After Share Purchase S\$'000	Before Share Purchase S\$'000	After Share Purchase S\$'000
As at 31 December 2017				
Share Capital and Total Reserves	74,734	61,239	47,392	33,897
NTA	61,662	48,167	46,967	33,472
Current Assets	154,660	141,165	57,204	43,709
Current Liabilities	100,193	100,193	48,664	48,664
Total Borrowings	16,330	16,330	4,000	4,000
Cash and Cash Equivalents	42,926	29,431	14,273	778
Number of Shares ('000) ⁽¹⁾	454,388	408,949	454,388	408,949
Financial Ratios				
NTA per Share (cents)	13.57	11.78	10.34	8.18
Net Debt Gearing (%)	Net Cash	Net Cash	Net Cash	10%
Current Ratio (times)	1.54	1.41	1.18	0.90
Basic Earnings per Share (cents)	1.80	2.00	1.13	1.26

Note:

(1) This represents the total number of Shares (excluding Shares which are held as treasury shares) in the issued share capital of the Company at the Latest Practicable Date.

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The financial effects set out above are for illustrative purposes only. Although the Share Purchase Mandate would authorise the Company to purchase or acquire up to 10% of the issued Shares as at the date of the Twentieth AGM, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of the issued Shares as at the date of the Twentieth AGM. In addition, the Company may cancel all or part of the Shares repurchased, or hold all or part of the Shares repurchased in treasury.

The Directors do not intend to exercise the proposed Share Purchase Mandate up to the maximum limit and to such an extent if such exercise would materially and adversely affect the financial position of the Group.

- 7.8 **Information on Prior Share Purchases.** The Company has undertaken the following purchase or acquisition of its Shares pursuant to the Share Purchase Mandate in the previous 12 months prior to the date of this Appendix:

Date of Purchase⁽¹⁾	Total number of Shares purchased	Price paid per Share	Total consideration (including stamp duties, clearing charges, etc) paid for the Shares
2 June 2017	60,000	S\$0.26	S\$15,690.13
5 June 2017	228,000	S\$0.26	S\$59,559.09
6 June 2017	1,142,000	S\$0.25757	S\$295,057.66
7 June 2017	940,000	S\$0.26	S\$245,158.37

Note:

- (1) All Shares were purchased by the Company by way of Market Purchases pursuant to the Share Purchase Mandate and are held as treasury shares.

- 7.9 **Listing Rules.** Rule 886 of the Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m. (a) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares; and (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer. Such announcement currently requires the inclusion of details of the total number of shares purchased, the purchase price per share or the highest and lowest prices paid for such shares, as applicable.

While the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the proposed Share Purchase Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced. In particular, in line with the best practices set out in the Listing Manual on securities dealings issued by the SGX-ST, the Company would not purchase or acquire any Shares through Market Purchases during the period of one month immediately preceding the announcement of the full-year results of the Company and the period of two weeks before the announcement of the first quarter, second quarter and third quarter results.

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The Listing Manual requires a listed company to ensure that at least 10% of any class of its listed securities must be held by public shareholders. As at the Latest Practicable Date, approximately 29.18% of the issued Shares are held by public Shareholders. Accordingly, the Company is of the view that there is a sufficient number of the Shares in issue held by public Shareholders which would permit the Company to undertake purchases or acquisitions of its Shares through Market 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.

7.10 **Take-over Implications.** Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

7.10.1 ***Obligation to make a Take-over Offer***

If, as a result of any purchase or acquisition by the Company of the Shares, the proportionate interest in the voting capital of the Company of a Shareholder and person(s) acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. Consequently, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate effective control of the Company and become obliged to make an offer for the Company under Rule 14 of the Take-over Code.

7.10.2 ***Persons Acting in Concert***

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

Unless the contrary is established, the Take-over Code presumes, *inter alia*, the following 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); and
 - (vi) companies whose associated companies include any of (i), (ii), (iii), (iv) or (v);
- (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); and

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- (c) the following persons and entities:
 - (i) an individual;
 - (ii) the close relatives of (i);
 - (iii) the related trusts of (i);
 - (iv) any person who is accustomed to act in accordance with the instructions of (i); and
 - (v) companies controlled by any of (i), (ii), (iii) or (iv).

The circumstances under which Shareholders (including Directors) and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

7.10.3 ***Effect of Rule 14 and Appendix 2***

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, provided the conditions set out in Appendix 2 of the Take-over Code are satisfied, Directors and persons acting in concert with them will be exempted from the requirement 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, if the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six months.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 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 No. 16 authorising the renewal of the Share Purchase Mandate.

Assuming that (a) the existing shareholding percentages of the Company's substantial shareholders as at the Latest Practicable Date remain unchanged; and (b) the Company's existing issued share capital as at the Latest Practicable Date remains unchanged, the Company is not aware of any shareholder of the Company who would be obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code, as a result of the purchase by the Company of the maximum limit of 10% of its issued share capital pursuant to the Share Purchase Mandate.

Shareholders are advised to consult their professional advisers and/or the Securities Industry Council at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any share purchase by the Company.

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8. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

8.1 **Interests in Shares.** The interests of the Directors and the substantial Shareholders of the Company in the Shares as at the Latest Practicable Date are set out below:

Directors (including those who are substantial Shareholders)	Number of Shares				Number of Shares comprised in outstanding Options
	Direct interest	%	Deemed interest	%	
Bertie Cheng ⁽¹⁾	464,000	0.10	500,000	0.11	–
Yap Boh Pin ⁽²⁾	297,000	0.07	150,000	0.03	–
Tang Yew Kay Jackson	338,000	0.07	–	–	–
Ronald Seah Lim Siang	218,000	0.05	–	–	–
Stephen Geoffrey Miller	–	–	–	–	–
Ho Koon Lian Irene	126,000	0.03	–	–	–
Lim Chai Hock Clive	183,000	0.04	–	–	–
Substantial Shareholders					
Leap International ⁽³⁾	89,498,000	19.70	–	–	–
Lim Shi ⁽³⁾	–	–	89,498,000	19.70	–
STTC ⁽⁴⁾	228,937,500	50.38	–	–	–
ST Telemedia ⁽⁴⁾	–	–	228,937,500	50.38	–
Temasek ⁽⁴⁾	–	–	228,937,500	50.38	–

Notes:

- (1) Bertie Cheng holds a direct interest in 464,000 Shares, and is deemed to be interested in the 500,000 Shares held in the name of Hong Leong Finance Nominees Pte Ltd.
- (2) Yap Boh Pin holds a direct interest in 297,000 Shares, and is deemed to be interested in the 150,000 Shares held in the name of Citibank Nominees Singapore Pte Ltd.
- (3) Lim Shi owns 100% of the interest in Leap International. Accordingly, Lim Shi is deemed interested in all the Shares held by Leap International.
- (4) STTC is a subsidiary of ST Telemedia, which is a wholly-owned subsidiary of Temasek. Temasek and ST Telemedia are deemed to be interested in the 228,937,500 Shares held by STTC, by virtue of Section 7 of the Companies Act.

8.2 **Abstention from voting.** In accordance with Rule 920(1)(b)(viii) of the Listing Manual, interested persons and their associates shall abstain from voting on resolutions approving interested person transactions involving themselves and the EAR Group. Furthermore, such interested persons shall not act as proxies in relation to such resolutions unless voting instructions have been given by the shareholder.

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Mr Lim Chai Hock Clive is the managing director of Leap International and the father and hence an associate (as defined in the Listing Manual) of Ms Lim Shi, who owns 100% of the interest in Leap International. Mr Lim Chai Hock Clive will abstain from voting his shareholdings in respect of Resolution No. 15, being the Ordinary Resolution relating to the proposed renewal of the Shareholders' Mandate, to be proposed at the Twentieth AGM. Mr Stephen Geoffrey Miller, who holds an executive position in STTC and ST Telemedia, does not currently hold any Shares but will also abstain from voting his shareholdings in respect of Resolution No. 15 if he comes to hold any Shares at the time of the Twentieth AGM. In addition, both Mr Lim Chai Hock Clive and Mr Stephen Geoffrey Miller have abstained from making a directors' recommendation in respect of Resolution No. 15.

Ms Ho Koon Lian Irene is not an associate of STTC and will not be required to abstain from voting her shareholdings in respect of Resolution No. 15. However, as Ms Ho Koon Lian Irene is a non-executive consultant of STTC, she has abstained from making a directors' recommendation in respect of Resolution No. 15.

Temasek, STTC, Leap International and their respective associates, being Interested Persons (as described in paragraph 2 of Annexure B), will also abstain from voting, and will procure that their respective associates will abstain from voting, their Shares, if any, in respect of Resolution No. 15, being the Ordinary Resolution relating to the proposed renewal of the Shareholders' Mandate, at the Twentieth AGM.

9. DIRECTORS' RECOMMENDATIONS

9.1 **Proposed Extension of the TeleChoice RSP and the TeleChoice PSP.** As all of the Directors will be eligible to participate in the Plans, they have refrained from making any recommendations to Shareholders, and in the case of Directors who are Shareholders, they shall abstain from voting, in respect of Resolution No. 10, being the Ordinary Resolutions to approve the extension of duration of the Plans.

All the Directors shall also not accept nomination as proxy or otherwise vote at the AGM in respect of Resolution No. 10 unless Shareholders appointing them as proxies give specific instructions in the relevant Proxy Forms on the manner in which they wish their votes to be cast for Resolution No. 10. All other persons who are eligible to participate in the Plans will be asked to abstain from voting in respect of Resolution No. 10 at the AGM.

Shareholders are advised to read this Appendix in its entirety and for those who may require advice in the context of their specific investment, to consult their respective stockbroker, bank manager, solicitor, accountant or other professional adviser.

9.2 **Proposed Amendments to the TeleChoice RSP and the TeleChoice PSP.** As all of the Directors will be eligible to participate in the Plans, they have refrained from making any recommendations to Shareholders, and in the case of Directors who are Shareholders, they shall abstain from voting, in respect of Resolution No. 11, being the Ordinary Resolution to approve the proposed amendments to the TeleChoice RSP and the TeleChoice PSP.

All the Directors shall also not accept nomination as proxy or otherwise vote at the AGM in respect of Resolution No. 11 unless Shareholders appointing them as proxies give specific instructions in the relevant Proxy Forms on the manner in which they wish their votes to be cast for Resolution No. 11. All other persons who are eligible to participate in the Plans will be asked to abstain from voting in respect of Resolution No. 11 at the AGM.

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- 9.3 **Proposed Ratification of certain Awards granted under the TeleChoice RSP and the TeleChoice PSP.** As all of the Directors are eligible to participate in the Plans, they have refrained from making any recommendations to Shareholders, and in case of Directors who are Shareholders, they shall abstain from voting, in respect of Resolution No. 12, being the Ordinary Resolution relating to the ratification of the grant of Awards in respect of 2,500,000 Shares to Group Employees under the TeleChoice RSP (to which no value in S\$ is attributable as the Shares have not been released to these Group Employees) and the grant of Awards in respect of 1,135,000 Shares to Group Employees under the TeleChoice PSP (to which no value in S\$ is attributable as the Shares have not been released to these Group Employees) and Resolution No. 13, being the Ordinary Resolution relating to the ratification of certain Awards granted to the Directors (other than Mr Stephen Geoffrey Miller) and Mr Sio Tat Hiang who has since resigned as a Director with effect from 26 January 2017. All of the Directors shall also not accept nomination as proxy or otherwise vote at the AGM in respect of Resolutions No. 12 and No. 13 unless Shareholders appointing them as proxies give specific instructions in the relevant Proxy Forms on the manner in which they wish their votes to be cast for Resolutions No. 12 and No. 13. All other persons who are eligible to participate in the Plans will be asked to abstain from voting in respect of Resolutions No. 12 and No. 13 at the AGM.
- 9.4 **Proposed ratification of certain Awards granted under the TeleChoice RSP to Mr Lim Chai Hock Clive, an associate of a controlling shareholder.** As all of the Directors are eligible to participate in the Plans, they have refrained from making any recommendations to Shareholders, and in the case of Directors who are Shareholders, they shall abstain from voting, in respect of Resolution No. 14, being the Ordinary Resolution relating to the ratification of certain Awards granted to Mr Lim Chai Hock Clive as set out in paragraph 5.2 of this Appendix. All the Directors shall also not accept nomination as proxy or otherwise vote at the AGM in respect of Resolution No. 14 unless Shareholders appointing them as proxies give specific instructions in the relevant Proxy Forms on the manner in which they wish their votes to be cast for Resolution No. 14. All other persons who are eligible to participate in the Plans will be asked to abstain from voting in respect of Resolution No. 14 at the AGM. In addition, Leap International and its Associates who are Shareholders, shall also abstain from voting in respect of Resolution No. 14 at the AGM.
- 9.5 **Proposed Renewal of Shareholders' Mandate for Interested Person Transactions.** The Directors who are considered independent for the purposes of the proposed renewal of, the Shareholders' Mandate for Interested Person Transactions are Mr Bertie Cheng, Mr Yap Boh Pin, Mr Tang Yew Kay Jackson and Mr Ronald Seah Lim Siang (the "**Independent Directors**"). The Independent Directors are of the opinion that the entry into of the Interested Person Transactions between the EAR Group (as described in paragraph 1 of Annexure B) and the Interested Persons (as described in paragraph 2 of Annexure B) in the ordinary course of business will be entered into to enhance the efficiency of the EAR Group, and are in the best interests of the Company. For the reasons set out in paragraph 4 of Annexure B, the Independent Directors recommend that Shareholders vote in favour of Resolution No. 15, being the Ordinary Resolution relating to the proposed renewal of the Shareholders' Mandate for Interested Person Transactions.
- 9.6 **Proposed Renewal of Share Purchase Mandate.** The Directors are of the opinion that the proposed renewal of the Share Purchase Mandate is in the best interests of the Company and accordingly, recommend that Shareholders vote in favour of Resolution No. 16, being the Ordinary Resolution relating to the proposed renewal of the Share Purchase Mandate.

LETTER TO SHAREHOLDERS

10. INSPECTION OF DOCUMENTS

The following documents are available for inspection at the registered office of the Company at 1 Temasek Avenue #33-01 Millenia Tower Singapore 039192 during normal business hours from the date of this Appendix up to the date of the Twentieth AGM:

- (a) the 2007 Circular;
- (b) the TeleChoice RSP;
- (c) the TeleChoice PSP;
- (d) the 2017 Appendix; and
- (e) the Company's Annual Report for the financial year ended 31 December 2017.

11. 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 proposals contemplated in this Appendix, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

Yours faithfully
For and on behalf of the Board of Directors
TeleChoice International Limited

Bertie Cheng
Chairman

ANNEXURE A

THE PROPOSED AMENDMENTS TO THE TELECHOICE RSP AND THE TELECHOICE PSP

The Proposed Amendments to the TeleChoice RSP

The amendments which are proposed to be made to the TeleChoice RSP are set out below. For ease of reference, the full text of the existing Rules which are proposed to be amended have also been reproduced and the alterations underlined>.

1. Proposed amendments to Rule 2.1

Existing Rule 2.1

2.1 *In the Scheme, unless the context otherwise requires, the following words and expressions shall have the following meanings:-*

.....

“Articles”

The Article of association of the Company, as amended from time to time.

.....

“Company” or “TeleChoice”

TeleChoice International Limited, a public company incorporated in Singapore with limited liability.

“Group”

The Company and its subsidiaries.

.....

“TeleChoice Performance Share Plan”

The TeleChoice Performance Share Plan adopted or to be adopted by the Company, as the same may be modified or altered from time to time.

“Pre-IPO Scheme”

The TeleChoice Pre-IPO Share Option Scheme adopted by the Company on 7 May 2004.

“Post-IPO Scheme”

The TeleChoice Post-IPO Employee Share Option Scheme adopted by the Company on 7 May 2004.

“Trading Day”

A day on which the Shares are traded on the Singapore Exchange.

“Vesting”

In relation to Shares which are the subject of a Released Award, the absolute entitlement to all or some of the Shares which are the subject of a Released Award and “Vest” and “Vested” shall be construed accordingly.

ANNEXURE A

Proposed amendments to Rule 2.1

2.1 In the Scheme Plan, unless the context otherwise requires, the following words and expressions shall have the following meanings:–

.....

“Articles” The ~~Article of association of the Company, as amended from time to time.~~

.....

“Company” or TeleChoice” TeleChoice International Limited, a public company incorporated in Singapore with limited liability.

“Constitution” The constitution of the Company, as amended from time to time.

“Group” The Company and its subsidiaries.

.....

“subsidiary holdings” Has the meaning given to it in the Listing Manual.

“TeleChoice Performance Share Plan” The TeleChoice Performance Share Plan adopted or to be adopted by the Company, as the same may be modified or altered from time to time.

“~~Pre-IPO Scheme~~” ~~The TeleChoice Pre-IPO Share Option Scheme adopted by the Company on 7 May 2004.~~

“~~Post-IPO Scheme~~” ~~The TeleChoice Post-IPO Employee Share Option Scheme adopted by the Company on 7 May 2004.~~

“Trading Day” A day on which the Shares are traded on the Singapore Exchange.

“treasury shares” A Share which was (or is treated as having been) purchased by a company in circumstances in which section 76H of the Act applies, and has been held by the company continuously since the treasury share was so purchase.

“Vesting” In relation to Shares which are the subject of a Released Award, the absolute entitlement to all or some of the Shares which are the subject of a Released Award and “Vest” and “Vested” shall be construed accordingly.

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2. Proposed amendments to Rule 4

Existing Rules 4.1 and 4.2

- 4.1 *The following persons, unless they are also controlling shareholders (as defined in the Listing Manual) of the Company or associates (as defined in the Listing Manual) of such controlling shareholders, shall be eligible to participate in the Plan at the absolute discretion of the Committee:*
- (a) *Group Employees who have attained the age of twenty-one (21) years and hold such rank as may be designated by the Committee from time to time;*
 - (b) *Non-Executive Directors (other than Non-Executive Directors of the Parent Group) who, in the opinion of the Committee, have contributed or will contribute to the success of the Group; and*
 - (c) *Associated Company Employees who have attained the age of twenty-one (21) years and hold such rank as may be designated by the Committee from time to time and who, in the opinion of the Committee, have contributed or will contribute to the success of the Group.*
- 4.2 *Participation in the Plan does not affect the eligibility of any Participant to participate in any other share option or share incentive schemes implemented or to be implemented by the Company, another company with the Group or any Associated Company.*

Proposed amendments to Rules 4.1 and 4.2

- 4.1 The following persons, unless they are also controlling shareholders (as defined in the Listing Manual) of the Company or associates (as defined in the Listing Manual) of such controlling shareholders, shall be eligible to participate in the Plan at the absolute discretion of the Committee:
- (a) Group Employees who have attained the age of twenty-one (21) years and hold such rank as may be designated by the Committee from time to time;
 - (b) Non-Executive Directors (other than Non-Executive Directors of the Parent Group) who, in the opinion of the Committee, have contributed or will contribute to the success of the Group; and
 - (c) Associated Company Employees who have attained the age of twenty-one (21) years and hold such rank as may be designated by the Committee from time to time and who, in the opinion of the Committee, have contributed or will contribute to the success of the Group.
- 4.1A Controlling shareholders and associates of controlling shareholders will not be eligible to participate in the Plan. Notwithstanding the foregoing, nothing in this Rule 4.1A affects the Awards that were granted and Released prior to the date on which shareholders approved the retrospective extension of the Plan from (and including) 27 April 2017 to (and including) 26 April 2027.

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- 4.2 Participation in the Plan does not affect the eligibility of any Participant to participate in any other share option or share incentive schemes implemented or to be implemented by the Company, another company with the Group or any Associated Company.

3. Proposed amendments to Rule 7.4

Existing Rule 7.4

7.4 *Ranking of Shares*

New Shares allotted and issued, and existing Shares procured by the Company for transfer, on the Release of an Award shall:

- (a) be subject to all the provisions of the Articles and the Memorandum of Association of the Company; and*

.....

Proposed amendments to Rule 7.4

7.4 Ranking of Shares

New Shares allotted and issued, and existing Shares procured by the Company for transfer, on the Release of an Award shall:

- (a) be subject to all the provisions of the Constitution~~Articles~~ and the ~~Memorandum of Association of the Company~~; and

.....

4. Proposed amendments to Rule 8.1

Existing Rule 8.1

- 8.1 *The aggregate number of new Shares which may be issued pursuant to Awards granted under the Plan on any date, when added to the number of new Shares issued and issuable in respect of (a) all Awards granted under the Plan, and (b) all options or awards granted under the Pre-IPO Scheme, the Post-IPO Scheme and the TeleChoice Performance Share Plan, shall not exceed fifteen percent. (15%) of the total number of issued Shares of the Company on the day preceding that date.*

Proposed amendments to Rule 8.1

- 8.1 The aggregate number of new Shares which may be issued pursuant to Awards granted under the Plan on any date, when added to the number of new Shares issued and issuable in respect of (a) all Awards granted under the Plan, and (b) all options or awards granted under the ~~Pre-IPO Scheme, the Post-IPO Scheme and the TeleChoice Performance Share Plan~~ and any other share incentive schemes of the Company then in force, shall not exceed fifteen percent. (15%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company on the day preceding that date.

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5. Proposed amendments to Rule 12.1(b)

Existing Rule 12.1(b)

12.1 Any or all of the provisions of the Plan may be modified and/or altered at any time and from time to time by resolution of the Committee, except that:

.....

(b) the definitions of "Associated Company", "Associated Company Employee", "Associated Company Executive Director", "Group Employee", "Group Executive Director", "Parent Company", "Parent Group Executive", "Parent Group Executive Director", "Participant", "Performance Period" and "Vesting Period" and the provisions of Rules 4, 5, 6, 7, 8, 9, 10 and this Rule 12 shall not be altered to the advantage of Participants except with the prior approval of the Company's shareholders in general meeting; and

.....

Proposed amendments to Rule 12.1(b)

12.1 Any or all of the provisions of the Plan may be modified and/or altered at any time and from time to time by resolution of the Committee, except that:

.....

(b) the definitions of "Associated Company", "Associated Company Employee", "Associated Company Executive Director", "Group Employee", "Group Executive Director", "Parent Company", "Parent Group Executive", "Parent Group Executive Director", "Participant", "Performance Period" and "Vesting Period" and the provisions of Rules 4, 5, 6, 7, 8, 9, and 10, and this Rule 12 and Rules 19.3 and 19.4 shall not be altered to the advantage of Participants except with the prior approval of the Company's shareholders in general meeting; and

.....

6. Proposed amendments to Rule 18

Existing Rule 18

The following disclosures (as applicable) will be made by the Company in its annual report for so long as the Plan continues in operation:

(a) the names of the members of the Committee administering the Plan;

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(b) *in respect of the following Participants of the Plan:*

- (i) *Directors of the Company; and*
- (ii) *Participants (other than those in paragraph (i) above) who have been granted options under the Pre-IPO Scheme and/or the Post-IPO Scheme and/or who have received Shares pursuant to the Release of Awards granted under the Plan and/or the release of awards granted under the TeleChoice Performance Share Plan which, in aggregate, represent five percent. (5%) or more of the aggregate of:*
 - (1) *the total number of new Shares available under each of the Plan, the Pre-IPO Scheme, the Post-IPO Scheme or the TeleChoice Performance Share Plan; and*
 - (2) *the total number of existing Shares delivered pursuant to Awards Released under the Plan, options exercised under the Pre-IPO Scheme and the Post-IPO Scheme and awards released under the TeleChoice Performance Share Plan collectively,*

the following information:

(aa) *the name of the Participant;*

(bb) *the following particulars relating to options granted under the Post-IPO Scheme:*

- (i) *options granted during the financial year under review (including terms);*
- (ii) *the aggregate number of Shares comprised in options granted since the commencement of the Post-IPO Scheme to the end of the financial year under review;*
- (iii) *the aggregate number of Shares arising from options exercised since the commencement of the Post-IPO Scheme to the end of the financial year under review; and*
- (iv) *the aggregate number of Shares comprised in options outstanding as at the end of the financial year under review;*

(cc) *the following particulars relating to options granted under the pre-IPO Scheme:*

- (i) *the aggregate number of Shares comprised in options granted;*
- (ii) *the aggregate number of Shares arising from options exercised since the commencement of the Pre-IPO Scheme to the end of the financial year under review; and*
- (iii) *the aggregate number of Shares comprised in options outstanding as at the end of the financial year under review; and*

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- (dd) *the following particulars relating to Awards Released under the Plan and/or awards released under the TeleChoice Performance Share Plan:*
- (i) *the number of new Shares issued to such Participant during the financial year under review, as well as the aggregate number of Shares issued to such Participant since the commencement of the Plan and the TeleChoice Performance Share Plan; and*
 - (ii) *the number of existing Shares transferred to such Participant during the financial year under review, as well as the aggregate number of existing Shares transferred to such Participant since the commencement of the Plan and the TeleChoice Performance Share Plan;*
- (c) *in relation to the Plan and the TeleChoice Performance Share Plan, the following particulars:*
- (i) *the aggregate number of Shares comprised in Awards granted under the Plan and awards granted under the TeleChoice Performance Share Plan since the commencement of the Plan and the TeleChoice Performance Share Plan respectively to the end of the financial year under review;*
 - (ii) *the aggregate number of Shares comprised in Awards which have Vested under the Plan and awards which have vested under the TeleChoice Performance Share Plan during the financial year under review and in respect thereof, the proportion of:*
 - (1) *new Shares issued; and*
 - (2) *existing Shares transferred and, where existing Shares were purchased for delivery, the range of prices at which such Shares have been purchased,*

upon the Release of the Vested Awards granted under the Plan and the release of the vested awards granted under the TeleChoice Performance Share Plan; and
 - (iii) *the aggregate number of Shares comprised in Awards granted under the Plan which have not been Released, and awards granted under the TeleChoice Performance Share Plan which have not been released, as at the end of the financial year under review.*
- (d) (i) *the names of and number and terms of options granted to each Parent Group Executive, Non-Executive Director or employee of the Parent Group who receives five percent. (5%) or more of the total number of Shares available to Parent Group Executives, Non-Executive Directors and employees of the Parent Group under the Post-IPO Scheme, and all other new share-based incentive plans (if any) other than the Pre-IPO Scheme, the Plan and the TeleChoice Performance Share Plan, during the financial year under review; and*

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- (ii) the aggregate number of options granted to Parent Group Executives, Non-Executive Directors and employees of the Parent Group collectively for the financial year under review, and all other new share-based incentive plans (if any) other than the Pre-IPO Scheme, the Plan and the TeleChoice Performance Share Plan, since the commencement of the Post-IPO Scheme to the end of the financial year under review; and*
- (e) the number and proportion of Shares comprised in options granted under the Post-IPO Scheme during the financial year under review:*
 - (i) at the discount of ten percent. (10%) or less of the Market Price (as defined in the Post-IPO Scheme) in respect of the relevant option; and*
 - (ii) at a discount of more than ten percent. (10%) of the Market Price (as defined in the Post-IPO Scheme) in respect of the relevant option;*

Proposed amendments to Rule 18

The following disclosures (as applicable) will be made by the Company in its annual report for so long as the Plan continues in operation:

- (a) the names of the members of the Committee administering the Plan;
- (b) in respect of the following Participants of the Plan:
 - (i) Directors of the Company;
 - (ii) controlling shareholders and their associates (as defined in the Listing Manual), provided that if controlling shareholders and their associates are not entitled to participate in the Plan, a negative statement will be included in the annual report accordingly; and
 - (iii) Participants (other than those in paragraphs (i) and (ii) above) ~~who have been granted options under the Pre-IPO Scheme and/or the Post-IPO Scheme and/or who have received Shares pursuant to the Release of Awards granted under the Plan and/or the release of awards granted under the TeleChoice Performance Share Plan which, in aggregate, represent five percent. (5%) or more of the aggregate of:~~
 - (1) ~~the total number of new Shares available under each of the Plan, the Pre-IPO Scheme, the Post-IPO Scheme or~~ and ~~the TeleChoice Performance Share Plan; and~~
 - (2) ~~the total number of existing Shares delivered pursuant to Awards Released under the Plan, options exercised under the Pre-IPO Scheme and the Post-IPO Scheme and awards released under the TeleChoice Performance Share Plan collectively,~~

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the following information:

- (aa) the name of the Participant;
- ~~(bb) the following particulars relating to options granted under the Post-IPO Scheme:~~
 - ~~(i) options granted during the financial year under review (including terms);~~
 - ~~(ii) the aggregate number of Shares comprised in options granted since the commencement of the Post-IPO Scheme to the end of the financial year under review;~~
 - ~~(iii) the aggregate number of Shares arising from options exercised since the commencement of the Post-IPO Scheme to the end of the financial year under review; and~~
 - ~~(iv) the aggregate number of Shares comprised in options outstanding as at the end of the financial year under review;~~
- ~~(cc) the following particulars relating to options granted under the pre-IPO Scheme:~~
 - ~~(i) the aggregate number of Shares comprised in options granted;~~
 - ~~(ii) the aggregate number of Shares arising from options exercised since the commencement of the Pre-IPO Scheme to the end of the financial year under review; and~~
 - ~~(iii) the aggregate number of Shares comprised in options outstanding as at the end of the financial year under review; and~~
- ~~(bbed)~~ the following particulars relating to Awards Released under the Plan and/or awards released under the TeleChoice Performance Share Plan:
 - (i) the number of new Shares issued to such Participant during the financial year under review, as well as the aggregate number of Shares issued to such Participant since the commencement of the Plan and the TeleChoice Performance Share Plan; and
 - (ii) the number of existing Shares transferred to such Participant during the financial year under review, as well as the aggregate number of existing Shares transferred to such Participant since the commencement of the Plan and the TeleChoice Performance Share Plan;
- (c) in relation to the Plan and the TeleChoice Performance Share Plan, the following particulars:
 - (i) the aggregate number of Shares comprised in Awards granted under the Plan and awards granted under the TeleChoice Performance Share Plan since the commencement of the Plan and the TeleChoice Performance Share Plan respectively to the end of the financial year under review;

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- (ii) the aggregate number of Shares comprised in Awards which have Vested under the Plan and awards which have vested under the TeleChoice Performance Share Plan during the financial year under review and in respect thereof, the proportion of:
 - (1) new Shares issued; and
 - (2) existing Shares transferred and, where existing Shares were purchased for delivery, the range of prices at which such Shares have been purchased,upon the Release of the Vested Awards granted under the Plan and the release of the vested awards granted under the TeleChoice Performance Share Plan; and
- (iii) the aggregate number of Shares comprised in Awards granted under the Plan which have not been Released, and awards granted under the TeleChoice Performance Share Plan which have not been released, as at the end of the financial year under review.
- (d) (i) ~~the names of and number and terms of options~~Awards under the Plan and awards under the TeleChoice Performance Share Plan granted to each Parent Group Executive, ~~or Non-Executive Director or employee~~ of the Parent Group who receives five percent. (5%) or more of the total number of Shares available to Parent Group Executives, ~~and Non-Executive Directors and employees~~ of the Parent Group under the ~~Post-IPO Scheme~~, ~~and all other new share-based incentive plans (if any) other than the Pre-IPO Scheme~~, the Plan and the TeleChoice Performance Share Plan, during the financial year under review; and
- (ii) ~~the aggregate number of options~~Awards under the Plan and awards under the TeleChoice Performance Share Plan granted to Parent Group Executives, ~~and Non-Executive Directors and employees~~ of the Parent Group collectively for the financial year under review, and all other new share-based incentive plans (if any) other than the ~~Pre-IPO Scheme~~, the Plan and the TeleChoice Performance Share Plan, since the commencement of the Plan, and TeleChoice Performance Share Plan and such other new share-based incentive plans~~Post-IPO Scheme~~ to the end of the financial year under review; and
- (e) ~~the number and proportion of Shares comprised in options granted under the Post-IPO Scheme during the financial year under review:~~
 - (i) ~~at the discount of ten percent. (10%) or less of the Market Price (as defined in the Post-IPO Scheme) in respect of the relevant option; and~~
 - (ii) ~~at a discount of more than ten percent. (10%) of the Market Price (as defined in the Post-IPO Scheme) in respect of the relevant option;~~
- (e) such other information as may be required by the Listing Manual or the Act.

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7. Amendments to Rule 19.3

Existing Rule 19.3

Participation in the Plan by controlling shareholders and their associates (as defined in the Listing Manual) shall be subject to such requirements and limitations as may be set out under the Listing Manual from time to time, and must be approved by independent Shareholders. A separate resolution shall be passed for each such Participant and to approve the actual number of new Shares comprised in the Award to be awarded to that Participant.

Proposed amendments to Rule 19.3

~~Participation in the Plan by controlling shareholders and their associates (as defined in the Listing Manual) shall be subject to such requirements and limitations as may be set out under the Listing Manual from time to time, and must be approved by independent Shareholders. A separate resolution shall be passed for each such Participant and to approve the actual number of new Shares comprised in the Award to be awarded to that Participant.~~

The Proposed Amendments to the TeleChoice PSP

The amendments which are proposed to be made to the TeleChoice PSP are set out below. For ease of reference, the full text of the existing Rules which are proposed to be amended have also been reproduced and the alterations underlined.

1. Proposed amendments to Rule 2.1

Existing Rule 2.1

2.1 *In the Scheme, unless the context otherwise requires, the following words and expressions shall have the following meanings:–*

.....

“Articles”

The Article of Association of the Company, as amended from time to time.

.....

“Company” or TeleChoice”

TeleChoice International Limited, a public company incorporated in Singapore with limited liability.

“Group”

The Company and its subsidiaries.

.....

“TeleChoice Restricted Share Plan”

The TeleChoice Restricted Share Plan adopted or to be adopted by the Company, as the same may be modified or altered from time to time.

“Pre-IPO Scheme”

The TeleChoice Pre-IPO Share Option Scheme adopted by the Company on 7 May 2004.

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<i>“Post-IPO Scheme”</i>	<i>The TeleChoice Post-IPO Employee Share Option Scheme adopted by the Company on 7 May 2004.</i>
<i>“Trading Day”</i>	<i>A day on which the Shares are traded on the Singapore Exchange.</i>
<i>“Vesting”</i>	<i>In relation to Shares which are the subject of a Released Award, the absolute entitlement to all or some of the Shares which are the subject of a Released Award and “Vest” and “Vested” shall be construed accordingly.</i>

Proposed amendments to Rule 2.1

2.1 In the SchemePlan, unless the context otherwise requires, the following words and expressions shall have the following meanings:–

.....

<u>“Articles”</u>	The Articles of Association of the Company, as amended from time to time.
-------------------	--

.....

<u>“Company” or “TeleChoice”</u>	TeleChoice International Limited, a public company incorporated in Singapore with limited liability.
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<u>“Constitution”</u>	<u>The constitution of the Company, as amended from time to time.</u>
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<u>“Group”</u>	The Company and its subsidiaries.
----------------	-----------------------------------

.....

<u>“subsidiary holdings”</u>	<u>Has the meaning given to it in the Listing Manual.</u>
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<u>“TeleChoice Restricted Share Plan”</u>	The TeleChoice Restricted Share Plan adopted or to be adopted by the Company, as the same may be modified or altered from time to time.
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“Pre-IPO Scheme”	The TeleChoice Pre-IPO Share Option Scheme adopted by the Company on 7 May 2004.
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“Post-IPO Scheme”	The TeleChoice Post-IPO Employee Share Option Scheme adopted by the Company on 7 May 2004.
------------------------------	---

<u>“Trading Day”</u>	A day on which the Shares are traded on the Singapore Exchange.
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<u>“treasury shares”</u>	<u>A Share which was (or is treated as having been) purchased by a company in circumstances in which section 76H of the Act applies, and has been held by the company continuously since the treasury share was so purchase.</u>
“Vesting”	In relation to Shares which are the subject of a Released Award, the absolute entitlement to all or some of the Shares which are the subject of a Released Award and “Vest” and “Vested” shall be construed accordingly.

2. Proposed amendments to Rule 4

Existing Rules 4.1 and 4.2

- 4.1 *The following persons, unless they are also controlling shareholders (as defined in the Listing Manual) of the Company or associates (as defined in the Listing Manual) of such controlling shareholders, shall be eligible to participate in the Plan at the absolute discretion of the Committee:*
- (a) *Group Employees who have attained the age of twenty-one (21) years and hold such rank as may be designated by the Committee from time to time;*
 - (b) *Non-Executive Directors (other than Non-Executive Directors of the Parent Group) who, in the opinion of the Committee, have contributed or will contribute to the success of the Group; and*
 - (c) *Associated Company Employees who have attained the age of twenty-one (21) years and hold such rank as may be designated by the Committee from time to time and who, in the opinion of the Committee, have contributed or will contribute to the success of the Group.*
- 4.2 *Participation in the Plan does not affect the eligibility of any Participant to participate in any other share option or share incentive schemes implemented or to be implemented by the Company, another company with the Group or any Associated Company.*

Proposed amendments to Rules 4.1 and 4.2

- 4.1 The following persons, unless they are also controlling shareholders (as defined in the Listing Manual) of the Company or associates (as defined in the Listing Manual) of such controlling shareholders, shall be eligible to participate in the Plan at the absolute discretion of the Committee:
- (a) Group Employees who have attained the age of twenty-one (21) years and hold such rank as may be designated by the Committee from time to time;
 - (b) Non-Executive Directors (other than Non-Executive Directors of the Parent Group) who, in the opinion of the Committee, have contributed or will contribute to the success of the Group; and

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- (c) Associated Company Employees who have attained the age of twenty-one (21) years and hold such rank as may be designated by the Committee from time to time and who, in the opinion of the Committee, have contributed or will contribute to the success of the Group.

4.1A Controlling shareholders and associates of controlling shareholders will not be eligible to participate in the Plan. Notwithstanding the foregoing, nothing in this Rule 4.1A affects the Awards that were granted and Released prior to the date on which shareholders approved the retrospective extension of the Plan from (and including) 27 April 2017 to (and including) 26 April 2027.

4.2 Participation in the Plan does not affect the eligibility of any Participant to participate in any other share option or share incentive schemes implemented or to be implemented by the Company, another company with the Group or any Associated Company.

3. Proposed amendments to Rule 7.3

Existing Rule 7.3

7.3 *Ranking of Shares*

New Shares allotted and issued, and existing Shares procured by the Company for transfer, on the Release of an Award shall:

- (a) *be subject to all the provisions of the Articles and the Memorandum of Association of the Company; and*

.....

Proposed amendments to Rule 7.3

7.3 Ranking of Shares

New Shares allotted and issued, and existing Shares procured by the Company for transfer, on the Release of an Award shall:

- (a) be subject to all the provisions of the Constitution~~Articles~~ and the ~~Memorandum of Association of the Company~~; and

.....

4. Proposed amendments to Rule 8.1

Existing Rule 8.1

8.1 *The aggregate number of new Shares which may be issued pursuant to Awards granted under the Plan on any date, when added to the number of new Shares issued and issuable in respect of (a) all Awards granted under the Plan, and (b) all options or awards granted under the Pre-IPO Scheme, the Post-IPO Scheme and the TeleChoice Restricted Share Plan, shall not exceed fifteen percent. (15%) of the total number of issued Shares of the Company on the day preceding that date.*

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Proposed amendments to Rule 8.1

- 8.1 The aggregate number of new Shares which may be issued pursuant to Awards granted under the Plan on any date, when added to the number of new Shares issued and issuable in respect of (a) all Awards granted under the Plan, and (b) all options or awards granted under the ~~Pre-IPO Scheme, the Post-IPO Scheme and the TeleChoice Restricted Share Plan~~ and any other share incentive schemes of the Company then in force, shall not exceed fifteen percent. (15%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company on the day preceding that date.

5. **Proposed amendments to Rule 12.1(b)**

Existing Rule 12.1(b)

- 12.1 *Any or all of the provisions of the Plan may be modified and/or altered at any time and from time to time by resolution of the Committee, except that:*

.....

- (b) *the definitions of “Associated Company”, “Associated Company Employee”, “Associated Company Executive Director”, “Group Employee”, “Group Executive Director”, “Parent Company”, “Parent Group Executive”, “Parent Group Executive Director”, “Participant” and “Performance Period” and the provisions of Rules 4, 5, 6, 7, 8, 9, 10 and this Rule 12 shall not be altered to the advantage of Participants except with the prior approval of the Company’s shareholders in general meeting; and*

.....

Proposed amendments to Rule 12.1(b)

- 12.1 Any or all of the provisions of the Plan may be modified and/or altered at any time and from time to time by resolution of the Committee, except that:

.....

- (b) the definitions of “Associated Company”, “Associated Company Employee”, “Associated Company Executive Director”, “Group Employee”, “Group Executive Director”, “Parent Company”, “Parent Group Executive”, “Parent Group Executive Director”, “Participant” and “Performance Period” and the provisions of Rules 4, 5, 6, 7, 8, 9, and 10, ~~and this Rule 12 and Rules 19.3 and 19.4~~ shall not be altered to the advantage of Participants except with the prior approval of the Company’s shareholders in general meeting; and

.....

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6. Proposed amendments to Rule 18

Existing Rule 18

The following disclosures (as applicable) will be made by the Company in its annual report for so long as the Plan continues in operation:

- (a) the names of the members of the Committee administering the Plan;*
- (b) in respect of the following Participants of the Plan:*
 - (i) Directors of the Company; and*
 - (ii) Participants (other than those in paragraph (i) above) who have been granted options under the Pre-IPO Scheme and/or the Post-IPO Scheme and/or who have received Shares pursuant to the Release of Awards granted under the Plan and/or the release of awards granted under the TeleChoice Restricted Share Plan which, in aggregate, represent five percent. (5%) or more of the aggregate of:*
 - (1) the total number of new Shares available under each of the Plan, the Pre-IPO Scheme, the Post-IPO Scheme or the TeleChoice Restricted Share Plan; and*
 - (2) the total number of existing Shares delivered pursuant to Awards Released under the Plan, options exercised under the Pre-IPO Scheme and the Post-IPO Scheme and awards released under the TeleChoice Restricted Share Plan collectively,*

the following information:

- (aa) the name of the Participant;*
- (bb) the following particulars relating to options granted under the Post-IPO Scheme:*
 - (i) options granted during the financial year under review (including terms);*
 - (ii) the aggregate number of Shares comprised in options granted since the commencement of the Post-IPO Scheme to the end of the financial year under review;*
 - (iii) the aggregate number of Shares arising from options exercised since the commencement of the Post-IPO Scheme to the end of the financial year under review; and*
 - (iv) the aggregate number of Shares comprised in options outstanding as at the end of the financial year under review;*
- (cc) the following particulars relating to options granted under the pre-IPO Scheme:*
 - (i) the aggregate number of Shares comprised in options granted;*

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- (ii) *the aggregate number of Shares arising from options exercised since the commencement of the Pre-IPO Scheme to the end of the financial year under review; and*
 - (iii) *the aggregate number of Shares comprised in options outstanding as at the end of the financial year under review; and*
- (dd) *the following particulars relating to Awards Released under the Plan and/or awards released under the TeleChoice Restricted Share Plan:*
 - (i) *the number of new Shares issued to such Participant during the financial year under review, as well as the aggregate number of Shares issued to such Participant since the commencement of the Plan and the TeleChoice Restricted Share Plan; and*
 - (ii) *the number of existing Shares transferred to such Participant during the financial year under review, as well as the aggregate number of existing Shares transferred to such Participant since the commencement of the Plan and the TeleChoice Restricted Share Plan;*
- (c) *in relation to the Plan and the TeleChoice Restricted Share Plan, the following particulars:*
 - (i) *the aggregate number of Shares comprised in Awards granted under the Plan and awards granted under the TeleChoice Restricted Share Plan since the commencement of the Plan and the TeleChoice Restricted Share Plan respectively to the end of the financial year under review;*
 - (ii) *the aggregate number of Shares comprised in Awards which have Vested under the Plan and awards which have vested under the TeleChoice Restricted Share Plan during the financial year under review and in respect thereof, the proportion of:*
 - (1) *new Shares issued; and*
 - (2) *existing Shares transferred and, where existing Shares were purchased for delivery, the range of prices at which such Shares have been purchased,*
upon the Release of the Vested Awards granted under the Plan and the release of the vested awards granted under the TeleChoice Restricted Share Plan; and
 - (iii) *the aggregate number of Shares comprised in Awards granted under the Plan which have not been Released, and awards granted under the TeleChoice Restricted Share Plan which have not been released, as at the end of the financial year under review.*
- (d) (i) *the names of and number and terms of options granted to each Parent Group Executive, Non-Executive Director or employee of the Parent Group who receives five percent. (5%) or more of the total number of Shares available to Parent Group Executives, Non-Executive Directors and employees of the Parent Group under the Post-IPO Scheme, and all other new share-based incentive*

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plans (if any) other than the Pre-IPO Scheme, the Plan and the TeleChoice Restricted Share Plan, during the financial year under review; and

- (ii) the aggregate number of options granted to Parent Group Executives, Non-Executive Directors and employees of the Parent Group collectively for the financial year under review, and all other new share-based incentive plans (if any) other than the Pre-IPO Scheme, the Plan and the TeleChoice Restricted Share Plan, since the commencement of the Post-IPO Scheme to the end of the financial year under review; and*
- (e) the number and proportion of Shares comprised in options granted under the Post-IPO Scheme during the financial year under review:*
 - (i) at the discount of ten percent. (10%) or less of the Market Price (as defined in the Post-IPO Scheme) in respect of the relevant option; and*
 - (ii) at a discount of more than ten percent. (10%) of the Market Price (as defined in the Post-IPO Scheme) in respect of the relevant option;*

Proposed amendments to Rule 18

The following disclosures (as applicable) will be made by the Company in its annual report for so long as the Plan continues in operation:

- (a) the names of the members of the Committee administering the Plan;
- (b) in respect of the following Participants of the Plan:
 - (i) Directors of the Company;
 - (ii) controlling shareholders and their associates (as defined in the Listing Manual), provided that if controlling shareholders and their associates are not entitled to participate in the Plan, a negative statement will be included in the annual report accordingly; and
 - (iii) Participants (other than those in paragraphs (i) and (ii) above) ~~who have been granted options under the Pre-IPO Scheme and/or the Post-IPO Scheme and/or who have received Shares pursuant to the Release of Awards granted under the Plan and/or the release of awards granted under the TeleChoice Restricted Share Plan which, in aggregate, represent five percent. (5%) or more of the aggregate of:~~
 - (1) the total number of new Shares available under each of the Plan, ~~the Pre-IPO Scheme, the Post-IPO Scheme or~~ and the TeleChoice Restricted Share Plan; and
 - (2) the total number of existing Shares delivered pursuant to Awards Released under the Plan, ~~options exercised under the Pre-IPO Scheme and the Post-IPO Scheme and~~ awards released under the TeleChoice Restricted Share Plan collectively,

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the following information:

- (aa) the name of the Participant;
- ~~(bb) the following particulars relating to options granted under the Post-IPO Scheme:~~
 - ~~(i) options granted during the financial year under review (including terms);~~
 - ~~(ii) the aggregate number of Shares comprised in options granted since the commencement of the Post-IPO Scheme to the end of the financial year under review;~~
 - ~~(iii) the aggregate number of Shares arising from options exercised since the commencement of the Post-IPO Scheme to the end of the financial year under review; and~~
 - ~~(iv) the aggregate number of Shares comprised in options outstanding as at the end of the financial year under review;~~
- ~~(cc) the following particulars relating to options granted under the pre-IPO Scheme:~~
 - ~~(i) the aggregate number of Shares comprised in options granted;~~
 - ~~(ii) the aggregate number of Shares arising from options exercised since the commencement of the Pre-IPO Scheme to the end of the financial year under review; and~~
 - ~~(iii) the aggregate number of Shares comprised in options outstanding as at the end of the financial year under review; and~~
- (bbd) the following particulars relating to Awards Released under the Plan and/or awards released under the TeleChoice Restricted Share Plan:
 - (i) the number of new Shares issued to such Participant during the financial year under review, as well as the aggregate number of Shares issued to such Participant since the commencement of the Plan and the TeleChoice Restricted Share Plan; and
 - (ii) the number of existing Shares transferred to such Participant during the financial year under review, as well as the aggregate number of existing Shares transferred to such Participant since the commencement of the Plan and the TeleChoice Restricted Share Plan;
- (c) in relation to the Plan and the TeleChoice Restricted Share Plan, the following particulars:
 - (i) the aggregate number of Shares comprised in Awards granted under the Plan and awards granted under the TeleChoice Restricted Share Plan since the commencement of the Plan and the TeleChoice Restricted Share Plan respectively to the end of the financial year under review;
 - (ii) the aggregate number of Shares comprised in Awards which have Vested under the Plan and awards which have vested under the TeleChoice Restricted Share Plan during the financial year under review and in respect thereof, the proportion of:

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- (1) new Shares issued; and
 - (2) existing Shares transferred and, where existing Shares were purchased for delivery, the range of prices at which such Shares have been purchased, upon the Release of the Vested Awards granted under the Plan and the release of the vested awards granted under the TeleChoice Restricted Share Plan; and
 - (iii) the aggregate number of Shares comprised in Awards granted under the Plan which have not been Released, and awards granted under the TeleChoice Restricted Share Plan which have not been released, as at the end of the financial year under review.
- (d) (i) ~~the names of and number and terms of options Awards under the Plan and awards under the TeleChoice Restricted Share Plan granted to each Parent Group Executive, or Non-Executive Director or employee of the Parent Group who receives five percent. (5%) or more of the total number of Shares available to Parent Group Executives, and Non-Executive Directors and employees of the Parent Group under the Post-IPO Scheme, and all other new share-based incentive plans (if any) other than the Pre-IPO Scheme, the Plan and the TeleChoice Restricted Share Plan, during the financial year under review; and~~
- (ii) ~~the aggregate number of options Awards under the Plan and awards under the TeleChoice Restricted Share Plan granted to Parent Group Executives, and Non-Executive Directors and employees of the Parent Group collectively for the financial year under review, and all other new share-based incentive plans (if any) other than the Pre-IPO Scheme, the Plan and the TeleChoice Restricted Share Plan, since the commencement of the Plan, and TeleChoice Restricted Share Plan and such other new share-based incentive plans Post-IPO Scheme to the end of the financial year under review; and~~
- (e) ~~the number and proportion of Shares comprised in options granted under the Post-IPO Scheme during the financial year under review:~~
- (i) ~~at the discount of ten percent. (10%) or less of the Market Price (as defined in the Post-IPO Scheme) in respect of the relevant option; and~~
 - (ii) ~~at a discount of more than ten percent. (10%) of the Market Price (as defined in the Post-IPO Scheme) in respect of the relevant option;~~
- (e) such other information as may be required by the Listing Manual or the Act.

7. Amendments to Rule 19.3

Existing Rule 19.3

Participation in the Plan by controlling shareholders and their associates (as defined in the Listing Manual) shall be subject to such requirements and limitations as may be set out under the Listing Manual from time to time, and must be approved by independent Shareholders. A separate resolution shall be passed for each such Participant and to approve the actual number of new Shares comprised in the Award to be awarded to that Participant.

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Proposed amendments to Rule 19.3

~~Participation in the Plan by controlling shareholders and their associates (as defined in the Listing Manual) shall be subject to such requirements and limitations as may be set out under the Listing Manual from time to time, and must be approved by independent Shareholders. A separate resolution shall be passed for each such Participant and to approve the actual number of new Shares comprised in the Award to be awarded to that Participant.~~

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SHAREHOLDERS' MANDATE

1. Chapter 9 of the Listing Manual

- 1.1 Chapter 9 of the listing manual (the “**Listing Manual**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) governs transactions by a listed company, as well as transactions by its subsidiaries and associated companies that are considered to be at risk, with the listed company’s interested persons. When this Chapter applies to a transaction and the value of that transaction alone or on aggregation with other transactions conducted with the interested person during the financial year reaches, or exceeds, certain materiality thresholds, the listed company is required to make an immediate announcement, or to make an immediate announcement and seek its shareholders’ approval for that transaction.
- 1.2 Except for certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested person and therefore are excluded from the ambit of Chapter 9, immediate announcement and shareholders’ approval would be required in respect of transactions with interested persons if certain financial thresholds (which are based on the value of the transaction as compared with the listed company’s latest audited consolidated net tangible assets (“**NTA**”)) are reached or exceeded. In particular, shareholders’ approval is required for an interested person transaction of a value equal to, or which exceeds:
- 1.2.1 5% of the listed company’s latest audited consolidated NTA; or
- 1.2.2 5% of the listed company’s latest audited consolidated NTA, when aggregated with other transactions entered into with the same interested person (as such term is construed under Chapter 9 of the Listing Manual) during the same financial year.
- 1.3 Based on the latest audited consolidated accounts of TeleChoice International Limited (“**TeleChoice**”) and its subsidiaries (the “**TeleChoice Group**”) for the financial year ended 31 December 2017, the consolidated NTA of the TeleChoice Group was S\$61,662,000. In relation to TeleChoice, for the purposes of Chapter 9, in the current financial year and until such time that the consolidated audited accounts of the TeleChoice Group for the year ending 31 December 2018 are published, 5% of the latest audited consolidated NTA of the TeleChoice Group would be S\$3,083,000.
- 1.4 Chapter 9 of the Listing Manual permits a listed company (for example, TeleChoice) to seek a mandate from its shareholders for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials (but not in respect of the purchase or sale of assets, undertakings or businesses which are not part of its day-to-day operations) which may be carried out with the listed company’s interested persons.
- 1.5 Under the Listing Manual:
- 1.5.1 an “**entity at risk**” means:
- (1) the listed company;
- (2) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or

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- (3) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed company and/or its subsidiaries (the “**listed group**”), or the listed group and its interested person(s), has control over the associated company;
- 1.5.2 an “**interested person**” means a director, chief executive officer or controlling shareholder of the listed company or an associate of such director, chief executive officer or controlling shareholder;
- 1.5.3 an “**associate**” in relation to an interested person who is a director, chief executive officer or controlling shareholder includes an immediate family member (that is, the spouse, child, adopted-child, step-child, sibling or parent) of such director, chief executive officer or controlling shareholder, the trustees of any trust of which the director/his immediate family, the chief executive officer/his immediate family or the controlling shareholder/his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object, and any company in which the director/his immediate family, the chief executive officer/his immediate family or the controlling shareholder/his immediate family has or have an aggregate interest (directly or indirectly) of 30% or more, and, where a controlling shareholder is a corporation, its subsidiary or holding company or fellow subsidiary or a company in which it and/or they have (directly or indirectly) an interest of 30% or more;
- 1.5.4 an “**approved exchange**” means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9; and
- 1.5.5 an “**interested person transaction**” means a transaction between an entity at risk and an interested person.
- 1.6 For the purposes of the Shareholders’ Mandate, an “**entity at risk**” means:
- 1.6.1 TeleChoice;
- 1.6.2 a subsidiary of TeleChoice that is not listed on the SGX-ST or an approved exchange; or
- 1.6.3 an associated company of TeleChoice that is not listed on the SGX-ST or an approved exchange, provided that the TeleChoice Group and its interested person(s), have control over the associated company;

(together, the “**EAR Group**”).

2. Classes of Interested Persons

- 2.1 The Shareholders’ Mandate will apply to the EAR Group’s interested person transactions with:
- 2.1.1 Temasek and its associates (the “**Temasek Group**”); and
- 2.1.2 Leap International and its associates.

(the “**Interested Persons**” and each an “**Interested Person**”).

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Transactions with Interested Persons which do not fall within the ambit of the proposed Shareholders' Mandate shall be subject to the relevant provisions of Chapter 9 of the Listing Manual.

3. Categories of Interested Person Transactions

3.1 The Interested Person Transactions with the Interested Persons which will be covered by the Shareholders' Mandate and the benefits to be derived therefrom are as follows:

3.1.1 General Transactions

This category relates to general transactions ("**General Transactions**") by the EAR Group relating to the provision to, or obtaining from, Interested Persons products and services in the normal course of business of the EAR Group or which are necessary for the day-to-day operations of the EAR Group (but not in respect of the purchase or sale of assets, undertakings or businesses) comprising the following:

- (1) sale and procurement of mobile communication devices, accessories and prepaid cards for distribution and trade;
- (2) provision and obtaining of professional, management, consultancy, sub-contract or outsourcing services;
- (3) provision and obtaining of after-sales services;
- (4) provision and obtaining of telecommunication services, equipment, infrastructure and network;
- (5) provision or obtaining of fixed and mobile network design and implementation services and equipment;
- (6) provision or obtaining info-communications infrastructure, applications, products, services, content and equipment;
- (7) provision and obtaining warehousing, logistics, packing, handling, transportation and freight services;
- (8) obtaining licences to provide or resell telecommunication services;
- (9) provision and obtaining the repair and maintenance and operation of telecommunication equipment and network;
- (10) provision and obtaining bill collection services;
- (11) engaging dealers to sell prepaid cards;
- (12) provision and obtaining printing, advertisement and marketing related services;

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- (13) provision and obtaining lease and/or rental of properties and equipment;
- (14) obtaining of utilities services;
- (15) obtaining insurance and insurance related services;
- (16) obtaining professional, administrative and support services including finance and treasury, business development, management information systems, human resource, corporate communications (including investor relations), taxation, audit, legal, corporate secretarial services and any other professional services (“**Professional, Administrative and Support Services**”); and
- (17) provision or the obtaining of such other products and/or services which are incidental to or in connection with the provision or obtaining of products and/or services in sub-paragraphs (1) to (16) above.

The transactions set out in sub-paragraphs (1) to (16) arise in the normal course of business of the EAR Group, while the transactions set out in sub-paragraph (17) will be those which are necessary for the day-to-day operations of the EAR Group.

The EAR Group will benefit from having access to competitive quotes from the different companies in the different industries within the Temasek Group in addition to obtaining quotes from, or transacting with, non-interested persons.

3.1.2 Treasury Transactions

Treasury transactions (“**Treasury Transactions**”) comprise:

- (1) the placement of funds with any Interested Person;
- (2) the borrowing of funds from any Interested Person;
- (3) the entry into with any Interested Person of forex, swap and option transactions for hedging purposes; and
- (4) the subscription of debt securities and/or preference shares issued by any interested person and the issue of debt securities and/or preference shares to any interested person and the buying from, or the selling to, any Interested Person of debt securities and/or preference shares.

The EAR Group can benefit from obtaining competitive rates or quotes from Interested Persons in an expedient manner in addition to third party financial institutions. By transacting directly with an Interested Person, the EAR Group may also eliminate margins which third party intermediaries might ordinarily be expected to earn.

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4. Rationale for and Benefits of the Shareholders' Mandate

- 4.1 The transactions with Interested Persons are entered into or to be entered into by the EAR Group in its ordinary course of business. They are recurring transactions which are likely to occur with some degree of frequency and arise at any time and from time to time. The Directors are of the view that it will be beneficial to the EAR Group to transact or continue to transact with the Interested Persons.
- 4.2 The Directors believe that the EAR Group will be able to benefit from its transactions with the Temasek Group. The Shareholders' Mandate and the renewal of the Shareholders' Mandate on an annual basis will eliminate the need to convene separate general meetings from time to time to seek shareholders' approval as and when potential interested person transactions with the Interested Persons arise, thereby reducing substantially, the administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the EAR Group.
- 4.3 The Shareholders' Mandate is intended to facilitate transactions in the EAR Group's normal course of business which are transacted from time to time with the Interested Persons, provided that they are carried out on normal commercial terms and are not prejudicial to the interest of TeleChoice and its minority shareholders.
- 4.4 Disclosure will be made in TeleChoice's annual report of the aggregate value of interested person transactions conducted pursuant to the Shareholders' Mandate during the current financial year, and in the annual reports for the subsequent financial years during which a Shareholders' Mandate is in force.

5. Review Procedures for Transactions with Interested Persons

- 5.1 The EAR Group has established the following procedures to ensure that the Interested Person Transactions are undertaken on an arm's length basis and on normal commercial terms:

5.1.1 General Transactions

- (1) Review Procedures. In general, there are procedures established by the EAR Group to ensure that the General Transactions with Interested Persons are undertaken on an arm's length basis and on normal commercial terms consistent with the Group's usual business practices and policies, which are generally no more favourable to the Interested Persons than those extended to unrelated third parties. In particular, the following review procedures have been implemented:

- (i) Provision of services or the sale of products. The review procedures are:

- (aa) all contracts entered into or transactions with Interested Persons will require the prior approval of TeleChoice's President or other officers designated by the President (all of whom shall not have any interest, whether direct or indirect, in such Interested Persons) and are to be carried out at the prevailing market rates or prices of the service or product providers, on terms which are no more favourable to the Interested Person than the usual commercial

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terms extended to unrelated third parties (including, where applicable, preferential rates/process/discounts accorded to corporate customers or for bulk purchases) or otherwise in accordance with applicable industry norms; and

- (bb) where the prevailing market rates or prices are not available due to the nature of the service to be provided or the product to be sold, the EAR Group's pricing for such services to be provided or products to be sold to Interested Persons will require the prior approval of TeleChoice's President and TeleChoice's Chief Financial Officer ("CFO"), who will make a decision in accordance with the Group's usual business practices and pricing policies, consistent with the usual margin to be obtained by TeleChoice Group for the same or substantially similar type of transaction with unrelated third parties. In determining the transaction price payable by Interested Persons for such services or products, factors such as, but not limited to, quantity, volume, consumption, customer requirements, specifications, duration of contract and strategic purposes of the transaction will be taken into account.
- (ii) Obtaining of services or purchasing of products. The review procedures are:
- (aa) all contracts entered into or transactions with Interested Persons will require the prior approval of TeleChoice's President or other officers designated by the President (all of whom shall not have any interest, whether direct or indirect, in such Interested Persons) and are to be carried out after obtaining quotations (whenever possible or available) from at least two other unrelated third party suppliers for similar quantities and/or quality of services or products. The pricing will be no higher than the most attractive rate obtained through unrelated third party quotations to ensure that the price and terms offered by the Interested Person are fair and reasonable and competitive to those offered by other unrelated third parties for the same or similar type of services or products. In determining whether the price and terms offered by the Interested Person are fair and reasonable, factors such as, but not limited to, delivery schedules, specification compliance, track record, experience and expertise, and where applicable, preferential rates, rebates or discounts accorded for bulk purchases, will also be taken into account; and
 - (bb) in the event that such competitive quotations cannot be obtained, TeleChoice's President and TeleChoice's CFO will determine whether the price and terms offered by the Interested Person are fair and reasonable. In determining the transaction price payable by the Interested Persons for such services or products, factors such as, but not limited to, delivery schedules, specification compliance, track record, experience and expertise, and where applicable, preferential rates, rebates or discounts accorded for bulk purchases, will also be taken into account.

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(2) Threshold limits. In addition to the review procedures, the EAR Group will monitor the General Transactions entered into by the EAR Group, by categorising the transactions as follows:

(i) Sale or purchase of handsets and accessories to or from StarHub Ltd (“**StarHub**”) (as the case may be), or the provision of procurement and order fulfilment services to StarHub (the “**StarHub Transactions**”):

(aa) individual transactions less than S\$20.0 million in value will be reviewed and approved by TeleChoice’s President or other officers designated by the President (all of whom shall not have any interest, whether direct or indirect, in such Interested Persons);

(bb) individual transactions in value equal to or exceeding S\$20.0 million and below S\$200.0 million will be reviewed and approved by the Audit Committee; and

(cc) where the aggregate value of all transactions with StarHub in the current financial year is equal to or exceeds S\$200.0 million, the latest and all future transactions equal to or above S\$100,000 will be reviewed and approved by the Audit Committee.

(ii) All General Transactions (other than the StarHub Transactions and the Professional, Administrative and Support Services):

(aa) individual transactions less than S\$5.0 million in value will be reviewed and approved by TeleChoice’s President or other officers designated by the President (all of whom shall not have any interest, whether direct or indirect, in such Interested Persons);

(bb) individual transactions in value equal to or exceeding S\$5.0 million and below S\$50.0 million will be reviewed and approved by the Audit Committee; and

(cc) where the aggregate value of all transactions in the current financial year with an Interested Person is equal to or exceeds S\$50.0 million, the latest and all future transactions equal to or above S\$100,000 will be reviewed and approved by the Audit Committee.

(iii) Professional, Administrative and Support Services

Prior to approving the transactions, the Audit Committee will satisfy itself that the fee structure is fair and reasonable and the terms are on an arm’s length basis and on normal commercial terms.

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5.1.2 Treasury Transactions

(1) Review Procedures

(i) Placements

Prior to the placement with Temasek or any company within the Temasek Group by the EAR Group of its funds, TeleChoice's President or other officers designated by the President (all of whom shall not have any interest, whether direct or indirect, in such Interested Persons) will require that quotations be obtained from Temasek or such Temasek Group company and at least two of the principal bankers of the EAR Group for rates for deposits with such bankers of an equivalent amount, and for the equivalent period, of the funds to be placed by the EAR Group. The EAR Group will place its funds with Temasek or such company within the Temasek Group, provided that the interest rate quoted is not less than the highest of the rates quoted by such principal bankers.

(ii) Borrowings

Prior to borrowing funds from Temasek or any company within the Temasek Group by the EAR Group, TeleChoice's President or other officers designated by the President (all of whom shall not have any interest, whether direct or indirect, in such Interested Persons) will require that quotations be obtained from Temasek or such Temasek Group company and at least two of the principal bankers of the EAR Group for rates of loans from such bankers of an equivalent amount, and for the equivalent period, of the funds to be borrowed. The EAR Group will borrow funds from Temasek or such company within the Temasek Group, provided that the interest rate quoted is not more than the lowest of the rates quoted by such principal bankers.

(iii) Forex, Swaps and Options

Prior to entering into forex, swaps and options transaction with Temasek or any company within the Temasek Group by the EAR Group, TeleChoice's President or other officer designated by the President (all of whom shall not have any interest, whether direct or indirect, in such Interested Persons) will require that rate quotations be obtained from Temasek or such Temasek Group company and at least two of the principal bankers of the EAR Group. The EAR Group will only enter into such forex, swaps and option transactions with Temasek or such company within the Temasek Group, provided that such rates quoted are no less favourable than the rates quoted by such bankers.

(iv) Debt Securities and Preference Shares

Prior to the subscription of debt securities and preference shares issued by, or purchase of debt securities or preference shares from, Interested Persons, TeleChoice's President or other officers designated by the President (all of whom shall not have any interest, whether direct or

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indirect, in such Interested Persons) will only enter into the subscription or purchase of such debt securities or preference shares issued, provided that the price(s) at which the EAR Group subscribes for or purchases such debt securities or preference shares will not be higher than the price(s) at which such debt securities or preference shares are subscribed for or purchased by third parties. Prior to the issue or sale to Interested Persons of debt securities or preference shares, TeleChoice's President or other officers designated by the President (all of whom shall not have any interest, whether direct or indirect, in such Interested Persons) will only issue or sell such securities or preference shares to Interested Persons provided that the price(s) at which the EAR Group issues or sells such debt securities or preference shares will not be lower than the price(s) at which such debt securities or preference shares are issued or sold to third parties.

The EAR Group will also comply with all applicable laws and regulations in connection with the issue or sale of such debt securities or preference shares to any Interested Person.

For the purpose of the Shareholder's Mandate, the preference shares to be subscribed or purchased from Interested Persons or to be issued or sold to Interested Persons, will not carry any voting rights, except in the circumstances set out in Section 180(4) of the Companies Act.

(2) Threshold limits

In addition to the review procedures, the EAR Group will monitor the Treasury Transactions entered into by the EAR Group as follows:

(i) Placement and Debt Securities and Preference Shares

Where the aggregate value of funds placed with, and debt securities or preference shares subscribed which are issued by, or purchased from, and debt securities or preference shares issued or sold to, the same Interested Person (as such term is construed under Chapter 9 of the Listing Manual) shall at any time exceed an amount equivalent to 50% of the consolidated shareholders' funds of the Company (based on its latest audited accounts), each subsequent placement of funds with, or subscription or purchase of debt securities or preference shares issued by, the same Interested Person shall require the prior approval of the Audit Committee.

Placements of funds with, and subscription of debt securities or preference shares issued by, or purchased from, or the issue or sale of debt securities or preference shares to, the same Interested Person which do not in the aggregate exceed the respective limits set out above will not require the prior approval of the Audit Committee and shall be reviewed on a quarterly basis by the Audit Committee.

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(ii) Borrowings and Debt Securities and Preference Shares

Where the aggregate value of funds borrowed from, and debt securities or preference shares issued by or sold to, the same Interested Person (as such term is construed under Chapter 9 of the Listing Manual) shall at any time exceed an amount equivalent to 50% of the consolidated shareholders' funds of the Company (based on its latest audited accounts), each subsequent borrowing of funds from, or the issue or sale of debt securities or preference shares to, the same Interested Person shall require the prior approval of the Audit Committee.

Borrowing of funds from, and debt securities or preference shares issued or sold to, the same Interested Person which do not in the aggregate exceed the respective limits set out above will not require the prior approval of the Audit Committee and shall be reviewed on a quarterly basis by the Audit Committee.

(iii) Forex, Swaps and Options

Where the aggregate of the principal amount of all forex, swap and option transactions entered into with the same Interested Person exceeds at any one time the equivalent of 50% of the consolidated shareholders' funds of the Company (based on its latest audited accounts), each subsequent forex, swap and option transactions entered into with the same Interested Person shall require the prior approval of the Audit Committee.

Entry into of forex, swap and option transactions with the same Interested Person where the principal amounts thereof do not in the aggregate exceed the limit set out above will not require the prior approval of the Audit Committee and shall be reviewed on a quarterly basis by the Audit Committee.

5.2 Transactions falling within the above categories, if any, will be reviewed at least quarterly by the Audit Committee to ensure that they are carried out on normal commercial terms and in accordance with the procedures outlined above. All relevant non-quantitative factors will also be taken into account.

5.3 The EAR Group has also implemented the following procedures for the identification of Interested Persons and the recording of all of the EAR Group's Interested Person Transactions:

5.3.1 TeleChoice will maintain a register of Interested Person Transactions carried out with Interested Persons;

5.3.2 TeleChoice's CFO will send out the register of Interested Person Transactions on the first week of each quarter to various persons in charge ("IC") of review for the details of the Interested Person Transactions to be updated. The latest copy of Interested Persons and the list of the Temasek Group of companies as well as Temasek group structure will also be provided. The respective ICs will have to review the rationale, frequency and approval and whether the transactions are conducted at arm's length. The ICs also have to ensure that the source documents

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and the recording of the Interested Person Transactions are in order, correct and complete. The ICs will then have the list of Interested Person Transactions approved by the respective heads of TeleChoice Group's business segments. The approved list will be returned to the CFO in 2 weeks; and

- 5.3.3 Following the review of the list by TeleChoice's CFO, the list will be submitted to TeleChoice's President for approval prior to the submission to the Audit Committee for review and approval.
- 5.4 In addition, the Audit Committee will include the review of interested person transactions as part of its standard procedures while examining the adequacy of its internal controls.
- 5.5 In the event that TeleChoice's President, a member of the Board or a member of the Audit Committee (where applicable) is interested in any interested person transaction, he will abstain from reviewing that particular transaction. TeleChoice's Board of Directors will also ensure that all disclosure requirements on Interested Person Transactions, including those required by prevailing legislation, the Listing Manual and accounting standards, are complied with. The annual internal audit plan shall incorporate a review of all Interested Person Transactions entered into pursuant to the Shareholders' Mandate.
- 5.6 The Audit Committee and the Board shall review the internal audit reports to ascertain whether the guidelines and procedures established to monitor interested person transactions have been complied with. In addition, the Audit Committee shall also review from time to time such guidelines and procedures to determine if they are adequate and/or commercially practicable in ensuring that transactions between the EAR Group and the Interested Persons are conducted on normal commercial terms.
- 5.7 The Audit Committee and the Board shall have overall responsibility for the determination of the review procedures with the authority to sub-delegate to individuals or committees within TeleChoice as they deem appropriate.

6. Review by Audit Committee

- 6.1 The Audit Committee (currently comprising Mr Yap Boh Pin, Mr Tang Yew Kay Jackson and Ms Ho Koon Lian Irene) has reviewed the terms of the Shareholders' Mandate, as proposed to be modified and renewed, and is satisfied that the review procedures for Interested Person Transactions with the EAR Group, as well as the reviews to be made periodically by the Audit Committee (with internal audit assistance) in relation thereto, are sufficient to ensure that such Interested Person Transactions will be made with the relevant class of Interested Persons in accordance with normal commercial terms, and are hence not prejudicial to TeleChoice and its minority shareholders.
- 6.2 If, during the periodic reviews by the Audit Committee, the Audit Committee is of the view that the established guidelines and procedures are not sufficient to ensure that the Interested Person Transactions will be on normal commercial terms and will not be prejudicial to the interests of TeleChoice and its minority shareholders, TeleChoice will revert to its shareholders for a fresh mandate based on new guidelines and procedures for transactions with the Interested Persons.

ANNEXURE B

- 6.3 The Audit Committee will review all other existing and future Interested Person Transactions not subject to the Shareholders' Mandate to ensure that they are carried out on normal commercial terms and are not prejudicial to the interests of TeleChoice and its minority shareholders.
- 6.4 The Audit Committee will also review all Interested Person Transactions to ensure that all the prevailing rules and regulations of the SGX-ST (in particular, Chapter 9 of the Listing Manual), are complied with.

