

# WHEELOCK PROPERTIES (SINGAPORE) LIMITED

(Incorporated in the Republic of Singapore)  
(Company Registration No. 197201797H)

## Directors:

Peter K. C. Woo (*Chairman*)  
David J. Lawrence (*Managing Director / Chief Executive Officer*)  
Richard E. Hale  
Tan Bee Kim  
Tan Keong Choon  
Tan Swan Jeng  
Paul Y. C. Tsui  
Frank Y. C. Yung

## Registered Office:

501 Orchard Road  
#11-01 Wheelock Place  
Singapore 238880

3 July 2006

Dear Shareholders,

## ADDENDUM RELATING TO THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

### 1. INTRODUCTION

- 1.1 Wheelock Properties (Singapore) Limited (the “**Company**”) has on 3 July 2006 issued a Notice convening the 33<sup>rd</sup> Annual General Meeting of the shareholders of the Company (the “**Shareholders**”) to be held on 21 July 2006 (“**33<sup>rd</sup> AGM**”). The proposed Resolution No. 13 in the Notice of the 33<sup>rd</sup> AGM relates to the modification to, and renewal of, a general mandate (the “**Share Purchase Mandate**”) to authorise the directors of the Company (“**Directors**”) to make purchases from time to time (whether by way of market purchases or off-market purchases on an equal access scheme) of up to a maximum of ten per cent. (10%) of the issued ordinary share capital (“**Shares**”) of the Company as at the date of the last Annual General Meeting of the Company or at the date on which the resolution authorising the same is passed (whichever is the higher), at any price up to but not exceeding the Maximum Price (as defined in Section 3.2 below).

The purchase or acquisition of Shares by the Company will be made in accordance with the Articles of Association of the Company (the “**Articles**”), the “Guidelines on Share Purchases” set out in Appendix II of the Company’s Circular to Shareholders dated 30 June 2002 (as supplemented by the proposed amendments to the “Guidelines on Share Purchases” contained herein), the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), the Companies Act, Chapter 50 (the “**Companies Act**”) and such other laws and regulations as may for the time being be applicable.

- 1.2 The Share Purchase Mandate was originally approved by Shareholders at an Extraordinary General Meeting (“**EGM**”) held on 2 August 1999 and Shareholders had approved the renewal of the mandate at the previous EGMs of the Company held on 6 August 2001, 29 July 2002, 28 July 2003, 28 July 2004 and at the previous Annual General Meeting (“**AGM**”) held on 29 July 2005. The mandate renewed on 29 July 2005 will expire on the date of the forthcoming 33<sup>rd</sup> AGM to be held on 21 July 2006. If the proposed resolution for the modification to, and renewal of, the Share Purchase Mandate is approved at the 33<sup>rd</sup> AGM, the mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the date on which the next AGM of the Company is held or is required by law to be held, whichever is the earlier.
- 1.3 The purpose of this letter is to provide information relating to and to explain the rationale for the proposed modification to, and renewal of, the Share Purchase Mandate.
- 1.4 The SGX-ST assumes no responsibility for the correctness of any statements made or opinions expressed in this letter. If a Shareholder is in any doubt as to the action he should take, he should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

## 2. RATIONALE

- 2.1 The Share Purchase Mandate will give Directors the flexibility to purchase or acquire Shares when circumstances permit, with the objective of enhancing the earnings per share of the Company and its subsidiaries (the “**Group**”). Such flexibility will also allow the Directors to better manage the Company’s capital structure, dividend payout and cash reserves. Share purchases will also help buffer short-term share price volatility and off-set the effects of short-term speculators and investors and, in turn, bolster Shareholders’ confidence and employee morale.

The Share Purchase Mandate will thus provide the Company with an efficient mechanism to enhance returns to Shareholders when circumstances permit. Share purchases will only be effected when the Directors believe that they are beneficial to the Company and its Shareholders, after considering relevant factors such as working capital requirement, availability of financial resources, the investment plans of the Group and prevailing market conditions.

- 2.2 The Companies Amendment Act 2005 (the “**Amendment Act**”), which came into operation on 30 January 2006, introduced key amendments to the Companies Act, some of which relate to share purchases. Modification is therefore proposed to the Share Purchase Mandate for it to be in line with the changes introduced by the Amendment Act. The “Guidelines on Share Purchases” are amended accordingly and the amendments are set out in paragraph 5 below.

## 3. AUTHORITY AND LIMITS OF SHARE PURCHASE MANDATE

- 3.1 Purchases of Shares can be effected by the Company in either one or both of the following ways:

- (a) by way of an on-market purchase on the SGX-ST (“**Market Purchase**”). Market Purchase means a purchase of Shares transacted through the Central Limit Order Book trading system of the SGX-ST; and/or
- (b) by way of an off-market acquisition in accordance with an equal access scheme as defined in Section 76C of the Companies Act (“**Off-Market Purchase**”). The Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Articles, the SGX-ST Listing Manual and the Companies Act, as they consider fit in the interests of the Company in connection with or in relation to an Off-Market Purchase scheme or schemes. The Off-Market Purchase scheme must satisfy 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 offer made; and
  - (iii) the terms of all the offers are the same (except that there shall be disregarded difference in consideration attributable to the fact that the offers may relate to Shares with different accrued dividend entitlements and differences in the offers introduced solely to ensure that each person is left with a whole number of Shares).

- 3.2 The purchase price (excluding ancillary expenses such as related brokerage, commission, stamp duties, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors, provided that such price must not exceed the maximum price (“**Maximum Price**”) set out below:

- (a) in the case of a Market Purchase, five per cent. (5%) above the average of the closing market prices of the Shares over the last five (5) days on which SGX-ST is open for securities trading (“**Market Days**”) and on which transactions in the Shares were recorded, before the day on which the Market Purchase was made by the Company, and deemed to be adjusted for any corporate action that occurs after the relevant period of five (5) Market Days; and
- (b) in the case of an Off-Market Purchase, ten per cent. (10%) above the average of the closing market prices of the Shares over the last five (5) Market Days on which transactions in the Shares were recorded before the day on which the Company makes an announcement of an offer under an Off-Market Purchase scheme.

- 3.3 The authority conferred on the Directors by the Share Purchase Mandate shall, unless varied or revoked by the Company in general meeting, continue in force until the next AGM of the Company is held or is required by law to be held, whichever is the earlier.
- 3.4 Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares that may be purchased or acquired is limited to that number of Shares representing not more than ten per cent. (10%) of the total number of issued Shares as at the date of the AGM at which the renewal of the Share Purchase Mandate is approved. Following the introduction of the Amendment Act, any Shares which are held as treasury shares will be disregarded for purposes of computing the ten per cent. (10%) limit.

#### **4. SOURCE OF FUNDS**

The Company may only apply funds for the purchase or acquisition of Shares in accordance with the Articles, the “Guidelines on Share Purchases” and the applicable laws in Singapore. The Company may not purchase or acquire its Shares for a consideration other than cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the trading rules of the SGX-ST. The Company intends to use internal sources of funds to finance its purchase or acquisition of Shares. The Company does not intend to arrange for additional credit facilities (other than the Company’s financing of its operation in the usual course of its business) for the purchase or acquisition of Shares.

Previously, any purchase or acquisition of Shares may only be made out of the Group’s distributable profits which are available for payment as dividends but excludes any amount in the Company’s share premium account and the capital redemption reserve fund. Under the Amendment Act, the Company is now permitted to also purchase or acquire its Shares out of its capital, as well as from its distributable profits, so long as the Company is solvent.

#### **5. SUMMARY OF AMENDMENTS TO THE “GUIDELINES ON SHARE PURCHASES”**

##### **5.1 Existing Guideline 2 – Funding of Share Purchases**

Guideline 2.3 provides that any purchases of Shares by the Company may be made out of profits that are available for distribution as dividends but not from amounts standing in the Company’s share premium account and the capital redemption reserve. This Guideline is proposed to be altered to provide that purchase or acquisition of Shares may be made out of the Company’s capital, as well as from its distributable profits, so long as the Company is solvent at the time of such purchase or acquisition and that the Company is bound to, and will apply, the solvency tests under the Companies Act before purchase or acquisition of any Shares under the Share Purchase Mandate.

##### **5.2 Existing Guideline 6 – Status of Purchased Shares**

Guideline 6 states that the Company’s purchased Shares will be treated as cancelled and the issued share capital of the Company will be diminished by the nominal value of those Shares. Changes are proposed to this Guideline (including the insertion of a new Guideline 6A) to cater for the holding of any purchased Shares in treasury in accordance with the Companies Act, as amended by the Amendment Act.

##### **5.3 Existing Guideline 7 – Reporting Requirements**

Guideline 7 relates to the lodgment of a Shareholder’s resolution to approve purchases of Shares by the Company with, and the notification of a purchase of Shares to, the Registrar of Companies and Businesses. It is proposed that any references in this Guideline to the “Registrar of Companies and Businesses” be replaced with “Accounting and Corporate Regulatory Authority”. Guideline 7.2 is also proposed to be altered in line with the current requirements under the Companies Act of the details to be included in the notification of a Share purchase or acquisition by the Company.

## 6. TEXT OF “GUIDELINES ON SHARE PURCHASES” TO BE AMENDED

The text of the “Guidelines on Share Purchases” which are proposed to be amended are set out in the Appendix to this Addendum.

## 7. FINANCIAL EFFECTS

7.1 The financial effects on the Company and the Group arising from purchases or acquisition of Shares which may be made pursuant to the Share Purchase Mandate will depend on, *inter alia*, whether the purchase or acquisition was made out of capital or profits, 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 March 2006, are based on the assumptions set out below.

### 7.2 Purchase or Acquisition out of Capital or Profits

Under the Companies Act, as amended by the Amendment Act, purchases or acquisition of Shares by the Company may be made out of the Company’s capital and/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 and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

### 7.3 Information as at 22 June 2006, being the latest practicable date prior to the printing of this Addendum (“Latest Practicable Date”)

As at the Latest Practicable Date, the issued capital of the Company comprised 1,196,559,876 Shares.

Purely for illustrative purposes, on the basis of 1,196,559,876 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued and no Shares are held by the Company as treasury shares on or prior to the AGM, the purchase or acquisition by the Company of ten per cent. (10%) of its issued Shares will result in the purchase or acquisition of approximately 119,655,987 Shares.

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires the 119,655,987 Shares at the Maximum Price of S\$1.50 for one Share (being the price equivalent to five per cent. (5%) above the average of the closing market prices of the Shares for the five (5) 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 119,655,987 Shares is S\$179,483,981 (excluding ancillary expenses such as related brokerage, goods and services tax and other related expenses).

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires the 119,655,987 Shares at the Maximum Price of S\$1.57 for one Share (being the price equivalent to ten per cent. (10%) above the average of the closing market prices of the Shares for the five (5) 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 119,655,987 Shares is S\$187,859,900 (excluding ancillary expenses such as related brokerage, goods and services tax and other related expenses).

## 7.4 Illustrative Financial Effects

The financial effects on the Company and the Group arising from purchases or acquisition of Shares which may be made pursuant to the 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 and/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 7.3 above, the financial effects of the:

- (a) purchase or acquisition of 119,655,987 Shares by the Company pursuant to the Share Purchase Mandate by way of Market Purchases made entirely out of profit and/or capital and cancelled or held in treasury; and
- (b) purchase or acquisition of 119,655,987 Shares by the Company pursuant to the Share Purchase Mandate by way of Off-Market Purchases made entirely out of profits and/or capital and cancelled or held in treasury,

on the audited financial statements of the Group and the Company for the financial year ended 31 March 2006 are set out below:

### (a) Market Purchases of up to a maximum of 10% out of profits and/or capital and cancelled

	<u>Group</u>		<u>Company</u>	
	Before Share Purchase S\$'000	After Share Purchase S\$'000	Before Share Purchase S\$'000	After Share Purchase S\$'000
<b>As at 31 March 2006</b>				
Share Capital	1,055,901	876,417	1,055,901	876,417
Capital Reserves	452	452	-	-
Foreign Exchange Reserve	(10,931)	(10,931)	-	-
Revaluation Reserve	44,222	44,222	-	-
Revenue Reserves	415,231	415,231	159,732	159,732
Shareholders' Fund	1,504,875	1,325,391	1,215,633	1,036,149
Net Tangible Assets	1,437,623	1,258,139	1,215,633	1,036,149
Current Assets	1,643,990	1,464,506	711,048	531,564
Current Liabilities	(288,225)	(288,225)	(236,426)	(236,426)
Total Borrowings	(814,382)	(814,382)	(175,000)	(175,000)
Cash and Cash Equivalents	557,087	377,603	357,972	178,488
Number of Shares ('000)	1,196,560	1,076,904	1,196,560	1,076,904
Weighted Ave. No. of Shares ('000)	898,925	809,033	898,925	809,033
Net Profit After Tax	183,735	183,735	40,407	40,407
<b>Financial Ratios</b>				
Net Tangible Assets per Share (S\$)	1.20	1.17	1.02	0.96
Gearing (%)	54	61	14	17
Current Ratio (times)	5.70	5.08	3.01	2.25
Earnings per Share (cents)	20.44	22.71	4.50	4.99

(b) **Market Purchases of up to a maximum of 10% out of profits and/or capital and held in treasury**

	<u>Group</u>		<u>Company</u>	
	Before Share Purchase S\$'000	After Share Purchase S\$'000	Before Share Purchase S\$'000	After Share Purchase S\$'000
<b>As at 31 March 2006</b>				
Share Capital	1,055,901	1,055,901	1,055,901	1,055,901
Capital Reserves	452	452	-	-
Foreign Exchange Reserve	(10,931)	(10,931)	-	-
Revaluation Reserve	44,222	44,222	-	-
Revenue Reserves	415,231	415,231	159,732	159,732
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Treasury Shares	-	(179,484)	-	(179,484)
Shareholders' Fund	1,504,875	1,325,391	1,215,633	1,036,149
Net Tangible Assets	1,437,623	1,258,139	1,215,633	1,036,149
Current Assets	1,643,990	1,464,506	711,048	531,564
Current Liabilities	(288,225)	(288,225)	(236,426)	(236,426)
Total Borrowings	(814,382)	(814,382)	(175,000)	(175,000)
Cash and Cash Equivalents	557,087	377,603	357,972	178,488
Number of Shares ('000)	1,196,560	1,076,904	1,196,560	1,076,904
Weighted Ave. No. of Shares ('000)	898,925	809,033	898,925	809,033
Net Profit After Tax	183,735	183,735	40,407	40,407
<b>Financial Ratios</b>				
Net Tangible Assets per Share (S\$)	1.20	1.17	1.02	0.96
Gearing (%)	54	61	14	17
Current Ratio (times)	5.70	5.08	3.01	2.25
Earnings per Share (cents)	20.44	22.71	4.50	4.99

(c) **Off-Market Purchases of up to a maximum of 10% out of profits and/or capital and cancelled**

	<u>Group</u>		<u>Company</u>	
	Before Share Purchase S\$'000	After Share Purchase S\$'000	Before Share Purchase S\$'000	After Share Purchase S\$'000
<b>As at 31 March 2006</b>				
Share Capital	1,055,901	868,041	1,055,901	868,041
Capital Reserves	452	452	-	-
Foreign Exchange Reserve	(10,931)	(10,931)	-	-
Revaluation Reserve	44,222	44,222	-	-
Revenue Reserves	415,231	415,231	159,732	159,732
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Shareholders' Fund	1,504,875	1,317,015	1,215,633	1,027,773
Net Tangible Assets	1,437,623	1,249,763	1,215,633	1,027,773
Current Assets	1,643,990	1,456,130	711,048	523,188
Current Liabilities	(288,225)	(288,225)	(236,426)	(236,426)
Total Borrowings	(814,382)	(814,382)	(175,000)	(175,000)
Cash and Cash Equivalents	557,087	369,227	357,972	170,112
Number of Shares ('000)	1,196,560	1,076,904	1,196,560	1,076,904
Weighted Ave. No. of Shares ('000)	898,925	809,033	898,925	809,033
Net Profit After Tax	183,735	183,735	40,407	40,407
<b>Financial Ratios</b>				
Net Tangible Assets per Share (S\$)	1.20	1.16	1.02	0.95
Gearing (%)	54	62	14	17
Current Ratio (times)	5.70	5.05	3.01	2.21
Earnings per Share (cents)	20.44	22.71	4.50	4.99

(d) **Off-Market Purchases of up to a maximum of 10% out of profits and/or capital and held in treasury**

	<u>Group</u>		<u>Company</u>	
	<b>Before Share Purchase S\$'000</b>	<b>After Share Purchase S\$'000</b>	<b>Before Share Purchase S\$'000</b>	<b>After Share Purchase S\$'000</b>
<b><u>As at 31 March 2006</u></b>				
Share Capital	1,055,901	1,055,901	1,055,901	1,055,901
Capital Reserves	452	452	-	-
Foreign Exchange Reserve	(10,931)	(10,931)	-	-
Revaluation Reserve	44,222	44,222	-	-
Revenue Reserves	415,231	415,231	159,732	159,732
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	1,504,875	1,504,875	1,215,633	1,215,633
Treasury Shares	-	(187,860)	-	(187,860)
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Shareholders' Fund	1,504,875	1,317,015	1,215,633	1,027,773
Net Tangible Assets	1,437,623	1,249,763	1,215,633	1,027,773
Current Assets	1,643,990	1,456,130	711,048	523,188
Current Liabilities	(288,225)	(288,225)	(236,426)	(236,426)
Total Borrowings	(814,382)	(814,382)	(175,000)	(175,000)
Cash and Cash Equivalents	557,087	369,227	357,972	170,112
Number of Shares ('000)	1,196,560	1,076,904	1,196,560	1,076,904
Weighted Ave. No. of Shares ('000)	898,925	809,033	898,925	809,033
Net Profit After Tax	183,735	183,735	40,407	40,407
 <b><u>Financial Ratios</u></b>				
Net Tangible Assets per Share (S\$)	1.20	1.16	1.02	0.95
Gearing (%)	54	62	14	17
Current Ratio (times)	5.70	5.05	3.01	2.21
Earnings per Share (cents)	20.44	22.71	4.50	4.99

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, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of the issued Shares. 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 Company will take into account both financial and non-financial factors (for example, share market conditions and the performance of the Shares) in assessing the relative impact of a Share purchase or acquisition before execution.

## 8. TAKE-OVER CODE IMPLICATIONS ARISING FROM PURCHASE OF SHARES

8.1 If, following the purchase or acquisition by the Company of its Shares, the percentage of voting rights in the Company held by a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 (“**Rule 14**”) of the Singapore Code on Takeovers and Mergers (the “**Take-over Code**”). Consequently, depending on the number of Shares purchased or acquired by the Company and the Company’s issued share capital at that time, a Shareholder or group of Shareholders acting in concert could obtain or consolidate effective control of the Company and become obligated to make a take-over offer under Rule 14 of the Take-over Code.

### 8.2 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) co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

Unless the contrary is established, the following persons will be presumed to be acting in concert, namely:

- (a) 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
- (b) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies, and companies of which such companies are associated companies, all with one another. For this purpose, a company is an associated company of another company if the second company owns or controls at least twenty per cent. (20%) but not more than fifty per cent. (50%) of the voting rights of the first-mentioned company.

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

### 8.3 Effect of Rule 14 and Appendix 2

In general terms, the effect of Rule 14 and Appendix 2 is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Directors and their concert parties would increase to thirty per cent. (30%) or more, or if the voting rights of such Directors and their concert parties fall between thirty per cent. (30%) and fifty per cent. (50%) of the Company’s voting rights, the voting rights of such Directors and their concert parties would increase by more than one per cent. (1%) in any period of six (6) 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 thirty per cent. (30%) or more, or, if such Shareholder holds between thirty per cent. (30%) and fifty per cent. (50%), of the Company’s voting rights, the voting rights of such Shareholder would increase by more than one per cent. (1%) in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

- 8.4 Based on the interests of Directors and the Substantial Shareholders in the Shares as recorded in the Register of Directors' Shareholdings and Register of Substantial Shareholders set out in Section 10 below, as at the Latest Practicable Date, none of the Substantial Shareholders of the Company (together with persons acting in concert with them) will become obligated to make a mandatory offer in the event that the Company purchases or acquires the maximum number of 119,655,987 Shares under the Share Purchase Mandate.

Shareholders are advised to consult their professional advisers and/or the Securities Industry Council and/or other relevant authorities at the earliest opportunity as to whether they would incur an obligation to make a take-over offer as a result of any purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate.

## 9. LISTING STATUS ON SGX-ST

The Directors will use their best endeavours to ensure that the Company does not effect a purchase or acquisition of Shares which would result in the number of Shares remaining in the hands of the public falling to such a level as to cause market illiquidity or adversely affect the listing status of the Company.

Pursuant to Rule 723 of the SGX-ST Listing Manual, the Company has to ensure that at least ten per cent. (10%) of its Shares are at all times held by the "public" (the public being persons other than directors, chief executive officer, substantial shareholders or controlling shareholders of the issuer and its subsidiary companies and associates of the aforesaid persons, as defined in the SGX-ST Listing Manual). As at the Latest Practicable Date, approximately twenty-four per cent. (24%) of the issued share capital of the Company is held by the public. Before deciding to effect a purchase or acquisition of Shares, the Directors will ensure that, notwithstanding such purchase or acquisition, a sufficient float in the hands of the public will be maintained to provide for an orderly market for trading in the Shares.

## 10. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The Directors' interests in the Shares as recorded in the Register of Directors' Shareholdings kept pursuant to Section 164 of the Companies Act, as at the Latest Practicable Date, are set out below:

Name of Director	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Peter K. C. Woo	-	-	-	-
David J. Lawrence	750,000	0.0627	-	-
Richard E. Hale	159,000	0.0133	-	-
Tan Bee Kim	30,000	0.0025	-	-
Tan Keong Choon	180,000	0.0150	-	-
Tan Swan Jeng	-	-	-	-
Paul Y. C. Tsui	-	-	-	-
Frank Y. C. Yung	90,000	0.0075	-	-

The interests of Substantial Shareholders of the Company in the Shares as recorded in the Register of Substantial Shareholders kept pursuant to Section 88 of the Companies Act, as at the Latest Practicable Date, are as follows:

Name of Substantial Shareholder	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Star Attraction Limited	902,254,746	75.40	-	-
Wheelock Properties Limited	-	-	902,254,746	75.40
Wheelock and Company Limited	-	-	902,254,746	75.40

## **11. NO SHARES PURCHASED OR ACQUIRED IN THE PREVIOUS 12 MONTHS**

The Company has not made any purchase or acquisition of its Shares in the twelve (12) months preceding the Latest Practicable Date.

## **12. SUSPENSION OF PURCHASES**

Share purchases or acquisitions are prohibited after a price sensitive development has occurred or has been the subject of a decision until such time as the price sensitive information has been publicly announced.

In particular, the Company has in place an internal code on securities dealings, which is modelled on the best practices guide on securities dealings issued by the SGX-ST. In line with this internal code (in operation as at the Latest Practicable Date), the Company will not purchase or acquire any Shares through Market Purchases during the period commencing one (1) month before the announcement of the Company's financial statements for each of the first three quarters of its financial year and its full-year results, and ending on the date of announcement of the relevant results.

## **13. DIRECTORS' RECOMMENDATION**

The Directors are of the opinion that the modification to, and renewal of, the Share Purchase Mandate is in the interests of the Company and accordingly recommend that Shareholders vote in favour of the ordinary resolution relating to the modification to and renewal of, the Share Purchase Mandate to be proposed at the 33<sup>rd</sup> AGM on 21 July 2006 as set out in the Notice of Annual General Meeting dated 3 July 2006.

## **14. DIRECTORS' RESPONSIBILITY STATEMENT**

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

## **15. DOCUMENTS FOR INSPECTION**

The following documents are available for inspection at the registered office of the Company at 501 Orchard Road #11-01, Wheelock Place, Singapore 238880 during normal business hours from the date hereof up to and including the date of the 33<sup>rd</sup> AGM:

- (a) the Memorandum and Articles of Association of the Company;
- (b) the Annual Report of the Company for the financial year ended 31 March 2006; and
- (c) the Company's Circular to Shareholders dated 30 June 2002.

Yours faithfully

For and on behalf of the Board of Directors

**WHELOCK PROPERTIES (SINGAPORE) LIMITED**

Peter K. C. Woo  
Chairman

**PROPOSED AMENDMENTS TO THE “GUIDELINES ON SHARE PURCHASES”*****Existing Guideline 2.3***

2.3 *Any purchases of Shares by the Company may be made out of profits that are available for distribution as dividends but not from amounts standing in the Company’s share premium account and the capital redemption reserve.*

**Proposed amendments to Existing Guideline 2.3**

By deleting Guideline 2.3 in its entirety and substituting therefor the following:

2.3 Any purchases or acquisition of Shares by the Company may be made out of the Company’s capital and/or profits so long as the Company is solvent at the time of such purchases or acquisition. The Company is bound to, and will apply the solvency tests as provided in the Companies Act before purchase or acquisition of any Shares under the Share Purchase Mandate.

***Existing Guidelines 6.1 and 6.2***

6.1 *Under Singapore law, the Company’s purchased Shares will be treated as cancelled and the issued share capital of the Company will be diminished by the nominal value of those Shares accordingly. Any Shares purchased or acquired by the Company will be automatically delisted by the SGX-ST.*

6.2 *Certificates in respect of purchased or acquired Shares will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any purchase or acquisition of such Shares.*

**Proposed amendments to Existing Guidelines 6.1 and 6.2**

By deleting Guidelines 6.1 and 6.2 in its entirety and substituting therefor the following:

6.1 The Company’s purchased Shares shall be deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Shares will expire on cancellation) unless such Shares are held by the Company as treasury shares. The amount of the Company’s share capital or profits out of which the Shares were purchased or acquired shall be reduced by the total amount of the purchase price paid by the Company for the Shares cancelled. Where the Shares were purchased or acquired out of both the capital and the profits of the Company, the amount of share capital and profits shall be so reduced proportionately. 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.

6.2 All Shares (excluding Shares held by the Company as treasury shares) purchased or acquired by the Company will be automatically delisted by the SGX-ST. Certificates in respect of the cancelled Shares will be destroyed by the Company as soon as reasonably practicable following settlement of any purchase or acquisition of such Shares.

**Proposed New Guideline 6A – Treasury Shares**

6A.1 The number of Shares held as treasury shares shall not at any time exceed 10% of the total number of issued Shares.

6A.2 Where the purchased Shares are held as treasury shares, the Company will be registered as a member in respect of the treasury shares but shall not have the right to attend or vote at meetings in respect to them. 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 shares 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.

6A.3 Where the purchased 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 any purchase 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 of Finance.

**Existing Guidelines 7.1 and 7.2**

- 7.1 *Within thirty (30) days of the passing of a Shareholders' resolution to approve purchases of Shares by the Company, the Company shall lodge a copy of such resolution with the Registrar of Companies and Businesses.*
- 7.2 *The Company shall notify the Registrar of Companies and Businesses within thirty (30) days of a purchase of Shares. Such notification shall include details of the date of the purchases, the total number and nominal value of Shares purchased by the Company, the Company's issued share capital as at the date of the Shareholders' resolution approving the Share purchase and after the purchase of Shares, and the amount of consideration paid by the Company for the purchases.*

**Proposed amendments to Existing Guidelines 7.1 and 7.2**

By deleting Guidelines 7.1 and 7.2 in its entirety and substituting therefor the following:

- 7.1 Within thirty (30) days of the passing of a Shareholders' resolution to approve purchases or acquisition of Shares by the Company, the Company shall lodge a copy of such resolution with the Accounting and Corporate Regulatory Authority.
- 7.2 The Company shall notify the Accounting and Corporate Regulatory Authority within thirty (30) days of a purchase or acquisition of Shares on the SGX-ST or otherwise. Such notification shall include details of the date of purchase or acquisition, the number of Shares purchased or acquired, the number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued share capital before and after the purchase or acquisition, the amount of consideration paid by the Company for the purchase or acquisition of the Shares, whether the Shares were purchased or acquired out of the profits and/or the capital of the Company and such other particulars as may be required in the prescribed form.