

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt about the contents of this document or about what action you should take, you should immediately seek your own personal advice from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred all of your shares or other securities in XP Power Limited, please send this document and Form of Proxy and Form of Direction to the purchaser or transferee or to the stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

XP Power Limited



(Incorporated in the Republic of Singapore
with Registration Number 200702520N)

Notice of Annual General Meeting

To be Held on 6 April 2018 at 5.00 p.m. SST / 9.00 a.m. GMT on 6 April 2018

In case you are unable to attend and vote at the Annual General Meeting, a Form of Proxy for use at the meeting is enclosed. **To be valid, the Form of Proxy must be completed, signed and returned so as to be received by the registrars of the Company, Link Asset Services, PXS 1, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF United Kingdom by not later than 5.00 p.m. SST* on 4 April 2018 / 9.00 a.m. GMT* on 4 April 2018.** The completion and return of the Form of Proxy will not preclude you from attending and voting in person at the Annual General Meeting should you wish. For full details of proxy appointments, see the notes to the Notice of Annual General Meeting and the Form of Proxy.

If you are a holder of Depository Interests representing ordinary shares in XP Power Limited on a 1 for 1 basis, a Form of Direction to direct Link Market Services Trustees Ltd how to vote at the meeting is enclosed. **To be valid, the Form of Direction must be completed, signed and returned so as to be received by Link Market Services Trustees Ltd at Link Asset Services, PXS 1, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF by not later than 5.00 p.m. SST on 3 April 2018 / 9.00 a.m. GMT on 3 April 2018.**

The distribution of this document in jurisdictions other than the United Kingdom may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

* References to "SST" are to 'Singapore Standard Time' in Singapore and references to "GMT" are to 'Greenwich Mean Time' in the United Kingdom.

XP Power Limited
(Incorporated in the Republic of Singapore)
(Registration Number 200702520N)

14 March 2018

NOTICE OF ANNUAL GENERAL MEETING 2018

NOTICE IS HEREBY GIVEN that the Annual General Meeting of XP Power Limited (the "Company") will be held at 401 Commonwealth Drive, Haw Par Technocentre, Lobby B, #02-02, Singapore 149598 on 6 April 2018 at 5.00 p.m. SST / 9.00 a.m. GMT on 6 April 2018 (the "AGM") to transact the following business, of which resolutions 1 to 15 will be proposed as ordinary resolutions and resolutions 16 and 17 as special resolutions:

ORDINARY BUSINESS

Ordinary Resolutions:

- Resolution 1 To receive the report of the Directors and the audited accounts of the Company for the financial year ended 31 December 2017 together with the auditor's report thereon.
- Resolution 2 To approve a final dividend for the financial year ended 31 December 2017 of 29 pence per Ordinary Share payable on 20 April 2018 to shareholders who are on the register of members of the Company at the close of business on 16 March 2018.
- Resolution 3 To re-elect Duncan John Penny as a Director of the Company, who retires by rotation at the AGM in accordance with Article 87 of the Company's Constitution.
- Resolution 4 To re-elect Polly Ann Williams as a Director of the Company, who retires by rotation at the AGM in accordance with Article 87 of the Company's Constitution.
- Resolution 5 To re-elect Peter Alfred Bucher as a Director of the Company, who retires by rotation at the AGM in accordance with Article 87 of the Company's Constitution.
- Resolution 6 To re-elect Gavin Peter Griggs as a Director of the Company, who offers himself for re-election at the AGM in accordance with Article 82 of the Company's Constitution.
- Resolution 7 To re-elect James Edward Peters as a Director of the Company, who voluntarily retires at the AGM and offers himself for re-election.
- Resolution 8 To re-elect Terence Twigger as a Director of the Company, who voluntarily retires at the AGM and offers himself for re-election.
- Resolution 9 To re-elect Michael R. Laver as a Director of the Company, who voluntarily retires at the AGM and offers himself for re-election.
- Resolution 10 To re-elect Andy Sng Seng Kok as a Director of the Company, who voluntarily retires at the AGM and offers himself for re-election.
- Resolution 11 To reappoint PricewaterhouseCoopers LLP as auditor of the Company to hold office from the conclusion of the AGM until the conclusion of the next annual general meeting at which accounts are laid before the Company.
- Resolution 12 To authorise the Directors to determine the remuneration of the auditor of the Company.

SPECIAL BUSINESS

Ordinary Resolutions:

- Resolution 13 To receive and adopt the Directors' Remuneration Report (other than the Remuneration Policy for which the Resolution was passed on 19 April 2017) contained within the Company's Annual Report and Accounts for the year ended 31 December 2017.
- Resolution 14 That, for the purposes of and in accordance with Article 111.2 of the Constitution of the Company, that the directors be and are hereby authorised to incur (and permit group undertakings to incur) borrowings in excess of the amount specified in Article 111.2 provided that the aggregate principal amount at any one time outstanding in respect of moneys borrowed by the group (exclusive of moneys borrowed by one group undertaking from another and after cash deposited) shall not exceed the greater of £125 million and an amount equal to three times adjusted capital and reserves. Terms used in this resolution and defined in Article 111.3 of the Constitution of the Company shall have the meanings given to them in that Article.
- Resolution 15 That, in substitution for any equivalent authorities and powers granted to the Directors prior to the passing of this Resolution, the Directors be and they are hereby generally and unconditionally authorised to exercise all powers of the Company to allot and issue shares in the Company and to grant any right to subscribe for, or to convert any non-equity security into, any Equity Securities (as defined in the Company's Constitution from time to time) or sell treasury shares for cash in the Company (in aggregate, such shares not exceeding one-third in number of the ordinary shares in the capital of the Company in issue at 5.00 p.m. on the date of this Notice), this authority to expire on the earlier of the conclusion of the next annual general meeting of the Company or the expiration of the period within which the next annual general meeting of the Company is required by law to be held; but such authority may be revoked or varied by the Company in general meeting; and save that the directors may issue shares notwithstanding that an approval for the purposes of Section 161 of the Companies Act (Cap. 50) of Singapore (the "Companies Act") has ceased to be in force if the shares are issued in pursuance of an offer, agreement or option made or granted by them while the approval was in force and they were authorised by the approval to make or grant an offer, agreement or option which would or might require shares to be issued after the expiration of the approval.

Special Resolutions:

- Resolution 16 That, for the period commencing on the date this resolution is passed, and ending at the conclusion of the next annual general meeting of the Company or the expiration of the period within which the next annual general meeting of the Company is required by law to be held, whichever is the earlier, the Directors be and they are hereby authorised to allot and issue Equity Securities (as defined in the Company's Constitution from time to time), and/or to sell treasury shares for cash up to an aggregate amount of 962,114 Ordinary Shares (being 5 per cent of the Ordinary Shares in issue at 5.00 p.m. on the date of this Notice), on the basis that Articles 5.1 to 5.8 (inclusive) of the Company's Constitution from time to time shall not apply to any such allotment, issue or sale.

Resolution 17 That the Company be and is hereby generally and unconditionally authorised for the purposes of Article 14 of the Constitution of the Company and Sections 76B and 76E of the Companies Act (Cap 50) of Singapore, to make one or more market purchases of Ordinary Shares in the capital of the Company ("Ordinary Shares") on such terms and in such manner as the Directors may from time to time determine provided that:

- (a) the maximum number of Ordinary Shares hereby authorised to be purchased shall not exceed 10 per cent of the Ordinary Shares in issue at the time at which this resolution is passed;
- (b) the minimum price which may be paid for an Ordinary Share is an amount equal to 1 pence;
- (c) the maximum price (excluding expenses) which may be paid for an Ordinary Share is an amount equal to 105 per cent of the average of the middle market closing price for an Ordinary Share as derived from the London Stock Exchange Daily Official List for the five business days immediately preceding the day on which the Ordinary Share is contracted to be purchased; and
- (d) such authority shall continue in force until the date on which the next annual general meeting of the company is or is required by law to be held, whichever is the earlier; and such authority may from time to time be revoked or varied by the Company in general meeting.

By Order of the Board

Duncan Penny
Chief Executive
14 March 2018

XP Power Limited
401 Commonwealth Drive
Haw Par Technocentre
Lobby B, #02-02
Singapore 149598

Notes:

1. A member is entitled to attend, speak and vote if they hold registered ordinary shares in the Company and do not hold their ordinary shares as Depositary Interests through CREST. Persons holding Depositary Interests representing ordinary shares in XP Power Limited that wish to attend the AGM should contact the Depositary, **Link Asset Services at PXS 1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF by not later than 5.00 p.m. SST on 3 April 2018 / 9.00 a.m. GMT on 3 April 2018.**
2. Members holding registered ordinary shares in the Company that do not hold their ordinary shares as Depositary Interests through CREST may appoint a proxy to attend, speak and vote instead of him. A proxy need not also be a member of the Company but must attend the AGM in order to represent such member. A member who may appoint a proxy may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares (so a member must have more than one share to be able to appoint more than one proxy). A Form of Proxy is enclosed. The notes to the Form of Proxy include instructions on how to appoint the Chairman of the AGM or another person as proxy and how to appoint a proxy electronically or by using the CREST proxy appointment service. **To be effective the Form of Proxy must reach the registrars of the Company, Link Asset Services, PXS 1 34 Beckenham Road, Beckenham, Kent, BR3 4ZF, United Kingdom by not later than 5.00 p.m. SST on 4 April 2018 / 9.00 a.m. GMT on 4 April 2018.**
3. If you are a holder of Depositary Interests representing ordinary shares in XP Power Limited you can direct the Depositary, Link Market Services Trustees Ltd, to vote your ordinary shares in accordance with your voting instructions. Voting instructions must be lodged using the Form of Direction enclosed with this Notice of AGM or electronically through CREST. The Form of Direction should be completed in accordance with the instructions as detailed thereon. To be valid, the Form of Direction must be completed and returned, together, if applicable, with the power of attorney or other authority under which it is signed (or a copy of such authority certified by a notary), and **must reach the Depositary, Link Asset Services, PXS 1, 34 Beckenham Road, Beckenham, Kent, BR3 4ZF by not later than 5.00 p.m. SST on 3 April 2018 / 9.00 a.m. GMT on 3 April 2018.**
4. Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares.
5. The Company specifies that only those shareholders entered on the Company's register of members as at 5.00 p.m. SST on 4 April 2018 / 9.00 a.m. GMT on 4 April 2018 (or if the AGM is adjourned, at 5.00 p.m. SST / 9.00 a.m. GMT two working days before the time fixed for the adjourned AGM) shall be entitled to attend in person or by proxy and vote at the AGM in respect of the number of Ordinary Shares registered in their name at that time. Any changes to entries on the Company's register of members after such time (including any registered transfers of shares) shall be disregarded in determining the rights of any person to attend or vote at the AGM.
6. Please note that the AGM is a private meeting for shareholders, proxies and duly authorised representatives. Non-shareholders, including spouses and partners, are not entitled to attend the AGM. A disabled shareholder may, however, be accompanied by a carer who need not be a shareholder.
7. Any member attending the meeting has the right to ask questions. The Company must cause to be answered any question relating to the business being dealt with at the meeting but no such answer need be given if (i) to do so would interfere unduly with the preparation for the meeting or involve disclosure of confidential information (ii) the answer has already been given on a website in the form of an answer to a question (iii) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.
8. Copies of the Directors' service contracts and letters of appointment with the Company and any of its subsidiary undertakings are available for inspection at the registered office of the Company during the usual business hours on any weekday (Saturday, Sunday or public holidays excluded) from the date of this Notice until the conclusion of the AGM and will also be available for inspection at the place of the AGM from 9.00 a.m. SST / 1.00 a.m. GMT on the day of the AGM until its conclusion.
9. As at 12 March 2018 (being the last business day prior to the publication of this Notice) the Company's issued share capital consists of 19,242,296 Ordinary Shares (excluding treasury shares which comprise 7,500 Ordinary Shares). Therefore, the total voting rights in the Company as at 12 March 2018 are 19,234,796.
10. Shareholders are advised that, unless otherwise stated, any telephone number, website or email address set out in this Notice of AGM, Form of Proxy, Form of Direction, or Chairman's letter should not be used for the purpose of serving information on the Company (including the service of documents or information relating to the proceedings at the AGM).

DIRECTORS' RECOMMENDATION

The Directors of the Company consider that all the proposals to be considered at the AGM are in the best interests of the Company and its shareholders as a whole and are most likely to promote the success of the Company for the benefit of its shareholders as a whole. The Directors unanimously recommend that you vote in favour of all the proposed resolutions as they intend to do in respect of their own beneficial holdings.

EXPLANATORY NOTES

At this year's AGM there are 17 resolutions which the members are asked to approve. An explanation of those resolutions is given below.

- Resolution 1 ANNUAL ACCOUNTS AND REPORTS
The Directors must lay the Company's financial statements, the Directors' report and the Auditor's report before the Members at a general meeting after the Directors have approved the financial statements and the Auditor has prepared their report.
- Resolution 2 DIVIDEND
A final dividend for the financial year ended 31 December 2017 of 29 pence per Ordinary Share is recommended by the Directors for payment to shareholders who are on the register of members of the Company at the close of business on 16 March 2018. If approved, the date of payment of the final dividend will be 20 April 2018
- Resolutions 3, 4, 5, 6, 7, 8, 9 and 10 RE-ELECTION OF DIRECTORS
The Company's Constitution requires that all Directors retire at least every three years. At the AGM, Duncan John Penny, Polly Ann Williams and Peter Alfred Bucher will retire by rotation and stand for re-election as Directors. Gavin Peter Griggs, who was newly appointed by the Board, will retire and stand for re-election as Director. James Edward Peters, Terence Twigger, Michael R. Laver and Andy Sng Seng Kok, voluntarily retire and offer themselves for re-election. Short biographies of these Directors are set out below. Having formally considered the performance of and contribution made by each of the Directors standing for re-election the Board remains satisfied that the performance of each of the relevant Directors continues to be effective and to demonstrate commitment to the role and, as such, recommends their re-election.

Duncan John Penny

Chief Executive

Between October 1998 and March 2000, Duncan was the Controller for the European, Middle Eastern and African regions for Dell Computer Corporation, prior to which he spent eight years working for LSI Logic Corporation where he held senior financial positions in both Europe and Silicon Valley. From 1985 to 1990, Duncan spent five years at Coopers & Lybrand in general practice and corporate finance.

He joined XP Power in April 2000 as Group Finance Director. On 3 February 2003, he was appointed as Chief Executive.

Polly Ann Williams

Non-Executive Director

Polly joined the Board on 1 January 2016. Polly is a chartered accountant and a former Partner at KPMG LLP. She resigned from her partnership in 2003 and since then has held a number of Non-Executive Directorship roles. She is currently a Non-Executive Director at Jupiter Fund Management plc, TSB Group plc and Royal Bank of Canada Europe Ltd. She is also a Trustee of the Guide Dogs for the Blind Association.

Polly is Chair of the Remuneration Committee and a member of the Audit Committee and Nomination Committee

Peter Alfred Bucher

Non-Executive Director

Peter joined the board on 1 January 2014. He is well known within the power converter industry and spent his entire career at Traco Electronic AG ("Traco") in Zurich, Switzerland. Peter joined Traco in 1967 and in 1985 was appointed managing director, a position he held until his retirement in 2009. Under Peter's leadership Traco was built into a highly respected company with revenues in excess of US\$100m.

Peter is a member of the Remuneration Committee and the Audit Committee. Peter will retire from the Board on 31 December 2018.

Gavin Peter Griggs

Chief Financial Officer

Gavin was appointed to the Board on 31st October 2017. He is a CIMA qualified accountant who has worked in a range of acquisitive businesses with an international footprint holding senior finance roles at Logica, Sodexo, Pepsico and SABMiller. More recently, he served as Chief Financial Officer of Alternative Networks plc, a listed Information Technology and Telecommunications provider, prior to its acquisition by Daisy in December 2016 when he became Group Finance Director for Daisy Group

James Edward Peters

Non-Executive Chairman

James has over 35 years' experience in the power converter industry, originally training as an electronics engineer with Marconi Space and Defence Systems, prior to joining TDK-Lambda, a global power converter company. He joined Powerline Electronics shortly after its formation in 1980 and was involved in all aspects of their power business. In November 1988, he founded XP Power. In April 2000, he was appointed European Managing Director and was responsible for the development of the Group's European business. In February 2003, James was appointed as Deputy Chairman and having moved to a non-executive role in May 2012 became Non-Executive Chairman on 30 June 2014.

James is Chairman of the Nomination Committee.

Terence Twigger ("Terry")

Senior Non-Executive Director

Terry joined the Board on 1 January 2015. Between July 1993 and May 2013, Terry spent 20 years with Meggitt PLC, the FTSE100 global engineering group specialising in extreme environment components and smart sub-systems for aerospace, defence and energy markets. For the last 12 years at Meggitt, Terry was Chief Executive and grew its revenues from £0.4bn to £1.6bn through a combination of organic growth and numerous successful acquisitions.

On 19 April 2018 Terry is retiring from his position as a Non-Executive Director of Essentra plc, the supplier of specialist plastic, fibre, foam and packaging products.

Terry is the Senior Non-Executive Director and Chairman of the Audit Committee. Terry is also a member of the Nomination Committee and the Remuneration Committee.

Michael R. Laver

President, Corporate Development

Mike has 28 years' experience in the power converter industry. After completing his degree in Electrical Engineering at UC Santa Barbara, Mike held sales and technical positions with Power Systems Distributors, Compumech and Delta Lu Research. He joined ForeSight Electronics in 1991 and held various senior roles prior to their acquisition by XP Power in 2000. Mike has been responsible for global sales and marketing prior to becoming Corporate Development officer in November 2017.

Sng Seng Kok (“Andy”)

Executive Vice President, Asia

Andy has over 15 years in the power converter industry. He graduated from Nanyang Technological University with a degree in Electrical and Electronic Engineering and an MBA from Manchester Business School. Prior to joining the Group, he held technical and commercial roles with companies such as Silicon Systems (Singapore) and Advanced Micro Devices (Singapore). Andy joined the Group in July 2005 as General Manager for Asia where he started up the Shanghai operation. He was appointed to the Board in April 2007 and currently oversees the sales and marketing for Singapore, China, Japan, Korea and India.

Resolution 11 REAPPOINTMENT OF AUDITOR

This resolution proposes the reappointment of PricewaterhouseCoopers LLP as auditor of the Company.

Resolution 12 AUDITOR’S REMUNERATION

This resolution authorises the Directors to set the remuneration of the auditor.

Resolution 13 REMUNERATION REPORT

All UK quoted companies are required to produce for each financial year a Directors’ remuneration report which sets out the remuneration committee’s policy in relation to Directors’ remuneration, together with the remuneration and benefits paid to Directors during the year. The Company is also required to put the report to an advisory shareholder vote at the annual general meeting approving the report. Accordingly, this resolution proposes that the Directors’ remuneration report (other than the Remuneration Policy for which the resolution was passed on 19 April 2017) which is set out in the annual report and accounts for the year ended 31 December 2017 be approved, noting that as the vote is advisory it does not affect the remuneration of any individual directors.

Resolution 14 BORROWING RESTRICTION

Under Article 111.2 of the Company’s Constitution, the Directors are required to restrict external borrowings of the XP group to an amount equal to the higher £50 million and an amount equal to three times the group’s “adjusted capital and reserves” (as defined in the Company’s Constitution). This limit may be increased with the sanction of an ordinary resolution of the Company. Based on the existing adjusted capital and reserves of the XP group, external borrowings must currently be restricted to a maximum of approximately £79 million.

Accordingly, under resolution 14, which is proposed as an ordinary resolution, the Board is proposing to increase this borrowing limit to the higher of £125 million and three times adjusted capital and reserves. This is to provide sufficient headroom in the articles to support future growth through external borrowing, should the Directors consider this appropriate in the future. As at 1st March 2018, the Group has available to it committed external borrowing facilities of up to US\$40 million.

Resolution 15 AUTHORITY TO ALLOT SHARES

Section 161 of the Companies Act, Chapter 50 of Singapore (the “Act”) stipulates that Directors cannot issue relevant shares in the Company unless they are authorised to do so by the shareholders in general meeting. The authority granted at the last annual general meeting of the Company is due to expire at the conclusion of this year’s AGM.

In accordance with the Pre-Emption Group’s Statement of Principles, this resolution seeks to grant a new authority from shareholders for the Directors to allot Equity Securities or sell treasury shares in the Company up to a maximum aggregate amount not exceeding one-third of the issued ordinary share capital of the Company at 5.00 p.m. on the date of this Notice.

If given, the authority under this Resolution shall continue in force until the conclusion of the next annual general meeting or the expiration of the period within which the next annual general meeting of the Company is required by law to be held, whichever is the earlier; but any approval may be previously revoked or varied by the Company in general meeting.

This authority is subject to the provisions of Article 5.1 of the Company’s Constitution from time to time subject to certain exceptions set out in Article 5.6 of the Company’s Constitution from time to time.

Resolution 16 AUTHORITY TO DISAPPLY PRE-EMPTION RIGHTS

In accordance with the Pre-Emption Group's Statement of Principles, the Directors are also seeking authority to allot Equity Securities and/or to sell treasury securities for cash up to 5 per cent of the ordinary shares of the Company in issue at 5.00 p.m. on the date of this Notice, without having to offer such shares to existing shareholders.

If given, the authority under this Resolution shall continue in force until the conclusion of the next annual general meeting or the expiration of the period within which the next annual general meeting of the Company is required by law to be held, whichever is the earlier; but any approval may be previously revoked or varied by the Company in general meeting.

This authority is separate to and in addition to the authority to effect a Rights Issue or Open Offer with such exclusions as the Directors may determine to be appropriate or expedient on account of matters referred to in Article 5.6 of the Company's Constitution from time to time.

Resolution 17 AUTHORITY TO PURCHASE OWN SHARES

Under Article 14 of the Company's Constitution, authority is given to the Company to purchase its own shares, subject to the shareholders passing a special resolution giving the Directors the necessary authority and to the other requirements of the Act and of the Listing Rules of the UK Listing Authority.

This resolution seeks authority from shareholders for the Company to purchase its own shares through the London Stock Exchange for cancellation or holding in treasury. In seeking this authority the Board is not indicating any commitment to purchase Ordinary Shares. The Directors would use the share purchase authority with discretion and purchases would only be made from funds not required for other purposes. Any share buy back would be funded from the Company's cash resources or banking facilities. The amount of funding required for the Company to purchase or acquire the Ordinary Shares and the financial impact on the Company and the Group arising from such purchases or acquisitions of the Shares will depend on, *inter alia*, the aggregate number of Ordinary Shares purchased or acquired, the price of the Ordinary Shares at the relevant time, and the amount (if any) borrowed by the Company to fund the purchases or acquisitions.

It should be noted that although Resolution 17 would authorise the Company to purchase or acquire up to 10 per cent of the issued Ordinary Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10 per cent of the issued Ordinary Shares. In reaching a decision to purchase any Ordinary Shares, the Directors would take account of the Company's cash resources and capital, the effect of such purchase on the Company's business, any impact on earnings per Ordinary Share or on net tangible assets per Ordinary Share. No announcement will be made by the Company in advance of market purchases. The authority is restricted to a maximum of 10 per cent of the existing issued ordinary share capital of the Company as at the date of this Notice. In the event of any purchase under this authority, the Directors would either hold the purchased Ordinary Shares in treasury or cancel them. The Company may only hold up to 10 per cent of the issued ordinary share capital of the Company in treasury.

The resolution specifies the minimum and maximum prices at which shares may be bought and when the authority will expire, reflecting the requirements of the Act and of the Listing Rules. The requirements of the Listing Rules also prevent the Company from purchasing its own shares during a close period or at a time when price-sensitive information is known to the Company but not released to the public.

If given, such authority shall continue in force until the date on which the next annual general meeting of the company is or is required by law to be held, whichever is the earlier; and such authority may from time to time be revoked or varied by the Company in general meeting

Financial effects

The financial effects arising from purchases or acquisitions of Ordinary Shares pursuant to Resolution 17 depend on, inter alia, whether the Ordinary Shares are purchased or acquired out of capital and/or profits of the Company, the aggregate number of Ordinary Shares purchased or acquired, and the consideration (excluding brokerage, commission, applicable duties, taxes and other related expenses) paid ("Consideration").

Under the Act, purchases or acquisitions of Ordinary 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 is made out of profits, such Consideration (excluding brokerage, commission, applicable goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends.

When Ordinary Shares are purchased or acquired, and cancelled:

- (a) if the Ordinary Shares are purchased or acquired entirely out of the capital of the Company, the Company shall reduce the amount of its share capital by the total amount of the Consideration;
- (b) if the Ordinary Shares are purchased or acquired entirely out of profits of the Company, the Company shall reduce the amount of its distributable profits by the total amount of the Consideration; or
- (c) where the Ordinary Shares are purchased or acquired out of both the capital and the profits of the Company, the Company shall reduce the amount of its share capital and distributable profits proportionately by the total amount of the Consideration.

If the purchased or acquired Shares are not cancelled but held in treasury, there will be no change in the issued share capital of the Company.

Where the purchase of Ordinary Shares is financed through internal resources, it will reduce the cash reserves of the Group and the Company, and thus the current assets and shareholders' funds of the Group and the Company. This will result in an increase in the gearing ratios of the Group and the Company and a decline in the current ratios of the Group and the Company. The actual impact on the gearing and current ratios will depend on the number of Ordinary Shares purchased or acquired and the prices at which the Ordinary Shares are purchased or acquired. Where the purchase or acquisition of Ordinary Shares is financed through external borrowings or financing, there would be an increase in the gearing ratios of the Group and the Company and a decline in the current ratios of the Group and the Company, with the actual impact dependent on the number of Ordinary Shares purchased or acquired and the prices at which the Ordinary Shares are purchased or acquired.

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