

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

This Circular is circulated to the Shareholders of Credit Bureau Asia Limited ("**Company**") together with the Company's Notice of Annual General Meeting. Its purpose is to explain to the Shareholders the rationale of and to provide information pertaining to the proposed adoption of the Share Purchase Mandate (as defined herein) and to seek Shareholders' approval of the same at the Annual General Meeting to be held on **25 April 2022 at 9 a.m.** by way of electronic means.

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

If you have sold or transferred all your shares in the capital of the Company, you should immediately forward the Annual Report 2021, the Notice of Annual General Meeting, the Proxy Form and this Circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

For investors who have used their Central Provident Fund ("**CPF**") monies to buy shares in the capital of the Company, this Circular is forwarded to them at the request of their CPF approved nominees and is sent solely for information only.

The SGX-ST (as defined herein) assumes no responsibility for the contents of this Circular including the correctness of any of the statements or opinions made or reports contained in this Circular.

**CREDIT BUREAU ASIA
LIMITED**

(Company Registration Number: 201909251G)
(Incorporated in the Republic of Singapore)

CIRCULAR

TO THE NOTICE OF ANNUAL GENERAL MEETING DATED 8 APRIL 2022 IN

RELATION TO

THE PROPOSED ADOPTION OF THE SHARE PURCHASE MANDATE

DEFINITIONS

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

“ACRA”	:	Accounting and Corporate Regulatory Authority of Singapore
“AGM”	:	Annual General Meeting of the Company and unless the context otherwise requires, shall refer to the upcoming annual general meeting to be held on 25 April 2022
“Annual Report 2021”	:	The Company’s annual report for the financial year ended 31 December 2021
“Circular”	:	This circular to the Notice
“Approval Date”	:	Has the meaning ascribed to it in paragraph 2.3(a)
“Associate”	:	(a) in relation to any Director, Chief Executive Officer, Substantial Shareholder or Controlling Shareholder (being an individual) means: (i) his immediate family; (ii) 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; and (iii) 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 Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
“Average Closing Price”	:	The average of the closing market prices of the Shares over the last five (5) Market Days on the SGX-ST, on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after such five Market Day period

DEFINITIONS

		“day of the making of the offer” means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase
“Board”	:	The board of Directors of the Company as at the date of this Circular
“CDP”	:	The Central Depository (Pte) Limited
“Company”	:	Credit Bureau Asia Limited
“Companies Act”	:	The Companies Act, Chapter 50 of Singapore, as amended, modified or supplemented from time to time
“Constitution”	:	The constitution of the Company, as amended, supplemented or modified from time to time
“Control”	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of the Company
“Controlling Shareholder”	:	A person who: (a) holds directly or indirectly 15% or more of the total number of issued shares excluding treasury shares and subsidiary holdings in the company. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or (b) in fact, exercises Control over a company
“CPF”	:	Central Provident Fund
“Directors”	:	The directors of the Company as at the date of this Circular
“EPS”	:	Earnings per Share
“FY” or “Financial Year”	:	Financial year ended or ending 31 December, as the case may be
“Group”	:	The Company and its subsidiaries, collectively
“Latest Practicable Date”	:	1 February 2022, being the latest practicable date prior to the printing of this Circular

DEFINITIONS

“Listing Manual”	:	The Listing Manual of the SGX-ST, as the same may be amended, modified or supplemented from time to time
“Market Day”	:	A day on which the SGX-ST is open for trading of securities
“Market Price”	:	The price equal to the average of the last dealt prices for a Share, as determined by reference to the daily official list or other publication published by the SGX-ST for five (5) consecutive Market Days immediately preceding the Offer Date, rounded up to the nearest whole cent in the event of fractional prices
“Market Purchase”	:	Has the meaning ascribed to it in paragraph 2.3(c)(i)
“Maximum Price”	:	Has the meaning ascribed to it in paragraph 2.3(d)
“Notice”	:	The Notice of Annual General Meeting dated 8 April 2022
“NTA”	:	Net tangible assets
“Off-Market Purchase”	:	Has the meaning ascribed to it in paragraph 2.3(c)(ii)
“Securities Account”	:	A securities account maintained by a Depositor with CDP, but does not include a securities account maintained with a Depository Agent
“Securities and Futures Act”	:	The Securities and Futures Act, Chapter 289 of Singapore, as amended, modified or supplemented from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shares”	:	Ordinary shares in the capital of the Company and “Share” shall be construed accordingly
“Share Purchase”	:	Purchase of Shares by the Company pursuant to the Share Purchase Mandate
“Share Purchase Mandate”	:	A general mandate given by Shareholders to authorise the Directors to purchase, on behalf of the Company, Shares in accordance with the terms set out in this Circular as well as the rules and regulations set out in the Companies Act and the Listing Manual
“Shareholders”	:	Registered holders of Shares, except that where the registered holder is the Central Depository (Pte) Limited, the term “Shareholder” shall, in relation to those Shares, mean the Depositors whose Securities Accounts are credited with Shares

DEFINITIONS

“Specified Person”	:	Refer to (a) any of the following entities and their related corporation (within the meaning of the Companies Act): (i) Compagnie française d'assurance pour le commerce extérieur; (ii) Equifax Inc.; (iii) Experian Corporation; (iv) Fair Isaac and Company; (v) InfoUSA; and (vi) Intrum Justitia; (b) any other entity (excluding TransUnion LLC and its related corporations): (i) whose core business involves the provision of credit information services; (ii) who provides credit information services in at least three of the five regions being North America, South America, Europe, Africa and Asia Pacific; and (iii) whose total group revenue per annum exceeds US\$250 million, and any related corporation of such an entity; as well as (c) any purchaser of, or purchaser of the business of, or successor to, any entity referred to in (a) and (b), but does not include (i) any such entity in which D&B International or its related corporations has an interest (as defined in the Companies Act) of 20% or more or (ii) any such entity if that entity and D&B International or its related corporations each hold an interest (as defined in the Companies Act) of 20% or more in the same third entity, where that third entity carries on a significant credit information services provision business.
“Substantial Shareholder”	:	A Shareholder who has an interest in not less than 5% of the Issued Shares, as defined under section 81 of the Companies Act
“Take-over Code”	:	The Singapore Code on Take-overs and Mergers, as amended or modified from time to time
“S\$” and “cents”	:	Singapore dollars and cents respectively, being the lawful currency of the Republic of Singapore

The terms **“Depositors”**, **“Depository”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them, respectively, in section 81SF of the Securities and Futures Act.

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

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

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

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

LETTER TO SHAREHOLDERS

CREDIT BUREAU ASIA LIMITED

Company Registration Number: 201909251G)
(Incorporated in the Republic of Singapore)

Board of Directors:

Mr. Koo Chiang (Executive Chairman and CEO)
Mr. Lim Wah Liang William (Executive Director)
Mr. Chua Kee Lock (Lead Independent Director)
Mr. Low Seow Juan (Independent Director)
Mr. Tan Hup Foi (Independent Director)

Registered Office:

6 Shenton Way, #17-10,
Singapore 068809

8 April 2022

To: The Shareholders of Credit Bureau Asia Limited

Dear Sir/Madam

THE PROPOSED ADOPTION OF THE SHARE PURCHASE MANDATE

1. INTRODUCTION

1.1 Annual General Meeting

Reference is made to the Notice of Annual General Meeting of Credit Bureau Asia Limited (the “Company”) dated 8 April 2022, accompanying the Annual Report of the Company for the financial year ended 31 December 2021, convening the AGM of the Company which is scheduled to be held on 25 April 2022, at 9 a.m. by way of electronic means and the Ordinary Resolution 10 in relation to the proposed adoption of the Share Purchase Mandate, under the heading “Special Business” set out in the Notice.

1.2 Purpose of this Circular

The purpose of this Circular is to provide the Shareholders with details in respect of the proposed adoption of the Share Purchase Mandate so as to seek Shareholders’ approval of the same at the AGM.

SGX-ST takes no responsibility for the accuracy of any statement or opinion made in this Circular.

2. THE PROPOSED ADOPTION OF THE SHARE PURCHASE MANDATE

2.1 Background

The Companies Act allows a Singapore-incorporated company to purchase or otherwise acquire its issued ordinary shares, stocks and preference shares if the purchase or acquisition is permitted under the Constitution. 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 Listing Manual and such other laws and regulations as may for the time being be applicable. The Company is also required to comply with Part XIII of Chapter 8 of the Listing Manual, which relates to the purchase or acquisition by an issuer of its own shares.

LETTER TO SHAREHOLDERS

It is a requirement under the Companies Act and the Listing Manual that a company which wishes to purchase or otherwise acquire its own shares should obtain approval of its shareholders to do so at a general meeting. Accordingly, the Company is seeking approval from Shareholders at the AGM for the proposed adoption of the Share Purchase Mandate.

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

2.2 Rationale for the Share Purchase Mandate

The Share Purchase Mandate would give the Company the flexibility to undertake purchases of the Shares at any time, subject to market conditions, during the period when the Share Purchase Mandate is in force. A Share Purchase at the appropriate price level is one of the ways through which the return on equity of the Group may be enhanced. Further, amongst others, a Share Purchase provides the Company with a mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements in an expedient and cost-efficient manner. Share Purchases will also allow the Directors greater control over the Company's share capital structure, dividend payout and cash reserves. Where Shares purchased by the Company are held as treasury shares, the Company may transfer such treasury shares to employees for the purposes of or pursuant to an employees' share scheme.

The purchase of Shares may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the EPS and/or NTA per Share of the Company and the Group.

Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate will only be made when the Directors believe that such purchases or acquisitions would benefit the Company and its Shareholders and would not have a material adverse effect on the financial position of the Company.

2.3 Terms of the Share Purchase Mandate

The authority and limitations placed on purchases and acquisitions of Shares by the Company under the Share Purchase Mandate are summarised below:

(a) Maximum number of Shares

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 under the Share Purchase Mandate is limited to that number of Shares representing not more than 10% of the issued Shares (excluding treasury shares and subsidiary holdings), ascertained as at the date of the AGM at which the Share Purchase Mandate is approved ("**Approval Date**"), unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act. For purposes of calculating the percentage of issued Shares above, any of the Shares which are held as treasury shares or any subsidiary holdings will be disregarded.

LETTER TO SHAREHOLDERS

As at the Latest Practicable Date, the existing issued Shares of the Company is 230,390,000 Shares and has no treasury shares nor subsidiary holdings. For illustrative purposes only, on the basis that 230,390,000 Shares are in issue at the Approval Date, the Company may acquire not more than 23,039,000 Shares (representing 10% of the Shares in issue as at the Approval Date) pursuant to the proposed Share Purchase Mandate.

As at the Latest Practicable Date, the Company is not holding any Shares as treasury shares and there are no subsidiary holdings of the Shares.

(b) Duration of authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, from the Approval Date up to the earlier of:

- (i) the date on which the next AGM of the Company is held or required by law or the Constitution to be held;
- (ii) the date on which the authority contained in the Share Purchase Mandate is varied or revoked by the Shareholders in a general meeting; or
- (iii) the date on which the Share Purchase is carried out to the full extent mandated.

The Share Purchase Mandate may be renewed at each AGM or other general meeting of the Company.

(c) Manner of purchases or acquisitions of Shares

Purchases or acquisitions of Shares may be made by way of, *inter alia*:

- (i) on-market purchases ("**Market Purchase**"), transacted on the SGX-ST through the ready market or, as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (ii) off-market purchases ("**Off-Market Purchase**") effected pursuant to an equal access scheme.

Purchases made in connection with or in relation to any equal access scheme(s) maybe subject to such terms and conditions as the Directors deem fit in the interests of the Company, which are consistent with the Share Purchase Mandate, the Listing Manual and the Companies Act.

LETTER TO SHAREHOLDERS

Under the Companies Act, an equal access scheme must satisfy all the following conditions:

- (i) offers for the purchase of Shares shall be made to every person who holds Shares to purchase 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 the offers are the same, except that:
 - (a) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;
 - (b) (if applicable) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid; and
 - (c) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares,shall be disregarded.

In addition, in accordance with the Listing Manual, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders which must contain at least the following information:

- (i) the terms and conditions of the offer;
- (ii) the period and procedures for acceptances;
- (iii) the reasons for the proposed Share Purchase;
- (iv) the consequences, if any, of Share Purchases by the Company that will arise under the Take-over Code or other applicable takeover rules;
- (v) whether the Share Purchase, if made, would have any effect on the listing of the Shares on the SGX-ST;
- (vi) details of any Share Purchases (whether Market Purchases or Off-Market Purchases in accordance with an equal access scheme) made by the Company in the previous 12 months, giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (vii) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

LETTER TO SHAREHOLDERS

(d) Maximum purchase price

The purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors.

The maximum purchase price (the “**Maximum Price**”) to be paid for a Share as determined by the Directors must not exceed:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and
- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price of the Shares.

(e) No Purchases during Certain Periods

The Company will not undertake any purchase or acquisition of Shares pursuant to the Share Purchase Mandate at any time after any matter or development of a price-sensitive nature has occurred or has been the subject of consideration and/or a decision of the Board until such price-sensitive information has been publicly announced.

No purchases pursuant to the Share Purchase Mandate will be carried out during the period commencing one month before the announcement of the Company’s half-year and full year financial statements.

2.4 Status of Purchased Shares under the Share Purchase Mandate

Any 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 in accordance with the Companies Act. Accordingly, the total number of issued Shares will diminish by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.

All Shares purchased or acquired by the Company (other than treasury shares held by the Company to the extent permitted under the Companies Act) will be automatically delisted by the SGX-ST, and (where applicable) all certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase or acquisition.

The Company may decide to cancel Shares which have been purchased by the Company or hold such Shares as treasury shares, depending on whether it is in the interests of the Company to do so.

LETTER TO SHAREHOLDERS

2.5 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 summarized below:

(a) Maximum Holdings

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

(b) 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.

(c) Disposal and Cancellation

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

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

In addition, under 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 as set out in Rule 704(28) 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, 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 before and after such sale, transfer, cancellation and/or use.

LETTER TO SHAREHOLDERS

2.6 Source of Funds for Share Purchase

In purchasing Shares under the Share Purchase Mandate, the Company may only apply funds legally available for such purchase in accordance with its Constitution, and the applicable laws in Singapore. The purchase of Shares by the Company may be made out of the Company's profits or capital so long as the Company is solvent.

When Shares are purchased or acquired, and cancelled:

- (a) if the 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 purchase price paid by the Company for the Shares (excluding brokerage, stamp duties, applicable goods and services tax, clearance fees and other related expenses) (the "**Purchase Price**");
- (b) if the Shares are purchased or acquired entirely out of profits of the Company, the Company shall reduce the amount of its profits available for the distribution of cash dividends by the total amount of the Purchase Price; or
- (c) where the 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 profits available for the distribution of cash dividends proportionately by the total amount of the Purchase Price.

The Company may use internal resources or external borrowings to fund purchases of Shares pursuant to the Share Purchase Mandate.

The Directors do not propose to exercise the Share Purchase Mandate in a manner and to such extent that the liquidity and capital of the Group would be materially adversely affected. The purchase of the Shares will only be effected after considering relevant factors such as the working capital requirement, availability of financial resources, the expansion and investment plans of the Group, and the prevailing market conditions.

2.7 Financial Effects of the Share Purchase Mandate

The below financial effects on the Company and the Group arising from the purchases or acquisitions of Shares which may be made pursuant to the proposed Share Purchase Mandate will depend on, among others, the aggregate number of Shares purchased or acquired, the consideration paid at the relevant time, and whether the Shares purchased or acquired are held in treasury or cancelled. It is therefore not possible for the Company to realistically calculate or quantify the impact on the financial effects of purchases that may be made pursuant to the Share Purchase Mandate. Additional factors include the amount (if any) borrowed by the Company to fund the purchases, and whether the purchase or acquisition is made out of profits or capital. The purchase price paid by the Company for the Shares (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

LETTER TO SHAREHOLDERS

The illustrative financial effects on the Group and the Company, based on the audited financial statements of the Group and the Company for the financial year ended 31 December 2021, are based on the assumptions set out below.

(a) Information as at the Latest Practicable Date

As at the Latest Practicable Date, the issued Shares of the Company comprised 230,390,000 Shares (excluding any treasury shares and subsidiary holdings).

On the basis of 230,390,000 Shares (excluding any treasury shares and subsidiary holdings) in issue as at the Latest Practicable Date and assuming no further Shares are issued on or prior to the AGM, the purchase by the Company of 10% of its issued Shares (excluding any treasury shares and subsidiary holdings) will result in the purchase of 23,039,000 Shares.

(b) Maximum Purchase Price Paid for Shares Purchased

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 23,039,000 Shares at the Maximum Price of S\$1.074 for each Share (being the price equivalent to 105% of the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the Official List of the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 23,039,000 Shares is approximately S\$24.75 million.

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 23,039,000 Shares at the Maximum Price of S\$1.228 for each Share (being the price equivalent to 120% of the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the Official List of the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 23,039,000 Shares is approximately S\$28.29 million.

(c) Illustrative Financial Effects

For illustrative purposes only and on the basis of the assumptions set out above as well as the following:

- (i) the Company was already listed since 1 January 2021;
- (ii) all necessary restructuring and issuance of shares were completed before listing and there were 230,390,000 Shares as at 1 January 2021;
- (iii) the Share Purchase Mandate had been effective from 1 January 2021;
- (iv) such Share purchases are funded solely by internal cash of the Group;
- (v) the Company had on 1 January 2021 purchased 23,039,000 Shares (representing 10% of its issued Shares as at the Latest Practicable Date) at the Maximum Price of S\$1.074 for each Share (being 105% of the average of the closing market prices of the Shares over the last five Market Days, on which Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date); and
- (vi) transaction costs incurred during the Share Purchase pursuant to the Share Purchase Mandate are assumed to be insignificant and have thus been ignored for the purpose of computing the financial effects;

LETTER TO SHAREHOLDERS

the financial effects on the audited consolidated financial results of the Group and the Company for FY2021, are set out below:

Scenario where purchases made entirely out of capital and cancelled

	Group		Company	
	Per audited financial statement as at 31 December 2021	Proforma after Share Purchase	Per audited financial statement as at 31 December 2021	Proforma after Share Purchase
Share capital (S\$'000)	35,051	10,307	35,051	10,307
Merger reserve (S\$'000)	(433)	(433)	–	–
Translation reserve (S\$'000)	(362)	(362)	–	–
Other reserve (S\$'000)	(1,871)	(1,871)	–	–
Accumulated profits (S\$'000)	14,898	14,898	4,599	4,599
Non-controlling interests (S\$'000)	16,009	16,009	–	–
	63,292	38,548	39,650	14,906
Treasury shares (S\$'000)	–	–	–	–
Total equity (S\$'000)	63,292	38,548	39,650	14,906
Net Tangible Assets (S\$'000)	43,684	18,940	39,650	14,906
Current assets (S\$'000)	60,844	36,101	32,394	7,650
Current liabilities (S\$'000)	18,686	18,686	77	77
Number of issued shares	230,390,000	207,351,000	230,390,000	207,351,000
Number of treasury Shares	–	–	–	–
Weighted average number of shares	230,390,000	207,351,000	230,390,000	207,351,000
<u>Financial ratios</u>				
NTA/Share (cents) ⁽¹⁾	18.96	9.13	17.21	7.19
Current ratio (times) ⁽²⁾	3.26	1.93	423.27	99.96
EPS (cents) ⁽³⁾	3.40	3.78	NA	NA

Notes:

(1) NTA equals net asset less intangible assets (excluding goodwill and right of use assets).

(2) Current ratio represents the ratio of current assets to current liabilities.

(3) EPS has been computed based on the FY2021 net profit attributable to Shareholders divided by the weighted average number of Shares in issue.

LETTER TO SHAREHOLDERS

Scenario where purchases made entirely out of capital and held as treasury shares

	Group		Company	
	Per audited financial statement as at 31 December 2021	Proforma after Share Purchase	Per audited financial statement as at 31 December 2021	Proforma after Share Purchase
Share capital (S\$'000)	35,051	35,051	35,051	35,051
Merger reserve (S\$'000)	(433)	(433)	–	–
Translation reserve (S\$'000)	(362)	(362)	–	–
Other reserve (S\$'000)	(1,871)	(1,871)	–	–
Accumulated profits (S\$'000)	14,898	14,898	4,599	4,599
Non-controlling interests (S\$'000)	16,009	16,009	–	–
	63,292	63,292	39,650	39,650
Treasury shares (S\$'000)	–	(24,744)	–	(24,744)
Total equity (S\$'000)	63,292	38,548	39,650	14,906
NTA (S\$'000)	43,684	18,940	39,650	14,906
Current assets (S\$'000)	60,844	36,101	32,394	7,650
Current liabilities (S\$'000)	18,686	18,686	77	77
Number of issued shares	230,390,000	207,351,000	230,390,000	207,351,000
Number of treasury Shares	–	23,039,000	–	23,039,000
Weighted average number of shares	230,390,000	207,351,000	230,390,000	207,351,000
<u>Financial ratios</u>				
NTA/Share (cents) ⁽¹⁾	18.96	9.13	17.21	7.19
Current ratio (times) ⁽²⁾	3.26	1.93	423.27	99.96
EPS (cents) ⁽³⁾	3.40	3.78	NA	NA

Notes:

(1) NTA equals net asset less intangible assets (excluding goodwill and right of use assets).

(2) Current ratio represents the ratio of current assets to current liabilities.

(3) EPS has been computed based on the FY2021 net profit attributable to Shareholders divided by the weighted average number of Shares in issue.

The financial effects set out above are for illustrative purposes only and are not representative of the future financial performance of the Group and the Company.

Although the Share Purchase Mandate would authorize 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, or hold as treasury shares, all or part of the Shares purchased or acquired. The Company will take into account both financial and non-financial factors (for example, stock market conditions and the performance of the Shares) in assessing the relative impact of a purchase before execution.

LETTER TO SHAREHOLDERS

2.8 Listing Status of the Shares

The Listing Manual requires the Company to ensure that at least 10% of the total number of Shares is held by public Shareholders. The “public”, as defined in the Listing Manual, refers to persons other than the directors, chief executive officer, substantial shareholders or controlling shareholders of a listed company and its subsidiaries, as well as associates (as defined in the Listing Manual) of such persons.

As at the Latest Practicable Date, approximately 23.6% of the issued Shares of the Company are held in the hands of the public. Assuming that the Company repurchased the maximum of 10% of its issued Shares as at the Latest Practicable Date from members of the public by way of a Market Purchase, the percentage of Shares held by the public would be reduced to approximately 13.6%.

The Directors will use their best efforts to ensure that the Company does not effect purchase of Shares if the purchase of Shares 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. As far as the Company is aware, the Share Purchase Mandate will not adversely affect the orderly trading of the Shares and the listing status of the Company.

2.9 Reporting Requirements

In accordance with the Listing Manual, the Company shall notify the SGX-ST of any purchase or acquisition of Shares under the proposed Share Purchase Mandate as follows:

- (a) in the case of a Market Purchase, by 9.00 a.m. on the Market Day following the day of purchase of the Shares; and
- (b) in the case of an Off-Market Purchase under an equal access scheme, by 9.00 a.m. on the second Market Day after the close of acceptances of an offer under such scheme.

The announcement (in the form prescribed under the Listing Manual) shall include, among others, details of the maximum number of Shares authorized for purchase, the date of purchase, the total number of Shares purchased, the number of Shares cancelled, the number of Shares held as treasury shares, the purchase price per Share or the highest and lowest prices paid for such Shares (as applicable), the total consideration (including stamp duties, brokerage and clearing charges, and other related expenses) paid or payable for the Shares, the cumulative number of Shares purchased to date, the number of issued Shares excluding treasury shares and subsidiary holdings after the purchase, the number of treasury shares held after the purchase and the number of subsidiary holdings after the purchase.

2.10 Take-Over Obligations

- (a) Obligation to make a Take-over Offer

Pursuant to the Take-over Code, an increase of a Shareholder’s proportionate interest in the voting rights of the Company resulting from a share purchase by the Company will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code (“**Rule 14**”).

LETTER TO SHAREHOLDERS

Under Rule 14, a Shareholder and persons acting in concert with the Shareholder will incur an obligation to make a mandatory take-over offer if, among other things, he and persons acting in concert with him increase their voting rights in the Company to 30% or more or, if they, together holding between 30% and 50% of the Company's voting rights, increase their voting rights in the Company by more than 1% in any period of six (6) months.

(b) 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 following persons will, among other things, be presumed to be acting in concert:

- (i) A company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
- (ii) A company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the above companies, and any company whose associated companies include any of the above companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the aforesaid persons for the purchase of voting rights. For this purpose, a company is an associated company of another company if the second company owns or controls at least 20% but not more than 50% of the voting rights of the first-mentioned company;
- (iii) A company with any of its pension funds and employee share schemes;
- (iv) A person with any investment company, unit trust or other fund in respect of the investment account which such person manages on a discretionary basis;
- (v) A financial or other professional adviser, with its clients in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholding of the adviser and any of those funds in the client total 10% or more of the client's equity share capital;
- (vi) Directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer where they have reason to believe a bona fide offer for their company may be imminent;
- (vii) Partners; and
- (viii) An individual, his close relatives, his related trusts, and any person who is accustomed to act according to the instructions and companies controlled by any of the above and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the aforesaid persons for the purchase of voting rights.

LETTER TO SHAREHOLDERS

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

(c) Effect of Rule 14 and Appendix 2 of the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 is that, unless exempted, Directors of the Company and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or if the voting rights of such Directors and their concert parties fall between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six (6) months.

Under Appendix 2, a Shareholder not acting in concert with the Directors of the Company 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 in the Company 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 (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorizing the Share Purchase Mandate.

Based on the interests of the Substantial Shareholders as recorded in the register of substantial shareholders as at the Latest Practicable Date, none of the Substantial Shareholders 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 Shares as at the Latest Practicable Date.

The statements in this Circular do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Take-over Code. Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Take-over Code as a result of any purchase or acquisition of Shares by the Company should consult the Securities Industry Council and/or their professional advisers at the earliest opportunity.

2.11 Details of the Shares bought by the Company in the previous 12 months

No purchases of Shares have been made by the Company in the 12 months preceding the Latest Practicable Date.

2.12 Limits on shareholdings

The Company Constitution provides a mechanism where the Directors may take all steps and do all acts or things as they may, in their absolute discretion, deem necessary (including the disposal of the Company Shares held by any person) in the event a Specified Person acquires the Company Shares directly or indirectly. The Company audit committee is responsible for monitoring and reviewing any allegations or claims of any acquisition by a Specified Person. As at the Latest Practicable Date, the Directors are not aware of any Specified Person holding the Company Shares. Please refer to page 4 of the Company's IPO Prospectus "Specified Shareholding Restrictions" for detailed information concerning the acquisition of Shares by a Specified Person.

LETTER TO SHAREHOLDERS

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at the Latest Practicable Date, save as disclosed below, none of the Directors or Substantial Shareholders has any direct or indirect interest in the proposed Share Purchase Mandate (other than through their respective shareholdings in the Company):

	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
Directors				
Mr. Koo Chiang	147,386,639	64.0	—	—
Mr. Lim Wah Liang William	17,239,000	7.5	—	—
Mr. Chua Kee Lock	—	—	—	—
Mr. Low Seow Juan	—	—	—	—
Mr. Tan Hup Foi	—	—	—	—
Substantial Shareholder(s)				
Mr. Koo Chiang	147,386,639	64.0	—	—
Mr. Lim Wah Liang William	17,239,000	7.5	—	—

4. DIRECTORS' RECOMMENDATIONS

The Directors, all of whom are independent for the purposes of the proposed Share Purchase Mandate, having considered, *inter alia*, the terms, the rationale and the benefits of the proposed Share Purchase Mandate, are of the view that the proposed Share Purchase Mandate is in the best interests of the Company and accordingly recommend that the Shareholders vote in favour of Ordinary Resolution 10, being the ordinary resolution relating to the proposed adoption of the Share Purchase Mandate, at the AGM.

5. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the proposed Share Purchase Mandate and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular 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 Circular in its proper form and context.

6. ADVICE TO SHAREHOLDERS

Shareholders who are in any doubt as to the action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

LETTER TO SHAREHOLDERS

7. ACTIONS TO BE TAKEN BY SHAREHOLDERS

Since the AGM is being held by way of electronics means, Shareholders who wish to vote are requested to complete, sign and return the Proxy Form attached to the Notice of AGM in accordance with the instructions printed thereon.

A Depositor shall not be regarded as a Shareholder of the Company entitled to attend the AGM and to speak and vote thereat unless his name appears on the Depository Register at least seventy-two (72) hours before the time appointed for the AGM.

8. DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at 6 Shenton Way, #17-10, Singapore 068809 during normal business hours from the date of this Circular to the date of the forthcoming AGM scheduled to be held on 25 April 2022:

- (i) The Constitution; and
- (ii) The Annual Report 2021.

Yours faithfully,
For and on behalf of the Board of Directors of
Credit Bureau Asia Limited

Koo Chiang
Executive Chairman and CEO