

APPENDIX TO THE NOTICE OF AGM DATED 26 MARCH 2021

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

IF YOU ARE IN DOUBT ABOUT THE CONTENTS OF THIS APPENDIX OR THE ACTION THAT YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, TAX OR OTHER PROFESSIONAL ADVISER(S) IMMEDIATELY.

Unless otherwise defined, capitalised terms appearing on the cover of this Appendix bear the same meanings ascribed to them in the section entitled "Definitions" of this Appendix.

This Appendix is issued by the Company to Shareholders, together with the Annual Report (where the Notice of AGM and the Proxy Form are enclosed therein). Its purpose is provide Shareholders with relevant information relating to, and to seek Shareholders' approval for, the Proposed Transactions, to be tabled at the AGM to be held by way of electronic means on 12 April 2021 at 2:00 p.m. The Ordinary Resolutions proposed to be passed in relation to the aforementioned matters are set out as Ordinary Resolutions 5, 8, 9 and 10 in the Notice of AGM.

This Appendix has been prepared by the Company and its contents have been reviewed by the Sponsor in accordance with Rule 226(2)(b) of the Catalyst Rules.

This Appendix has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Appendix, including the correctness of any statements or opinions made, or reports contained in this Appendix.

The contact person for the Sponsor is Ms Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd. at 8 Robinson Road, #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.



MEMIONTEC HOLDINGS LTD.
(Incorporated in Singapore)
(Company Registration No. 201305845W)

APPENDIX TO THE NOTICE OF AGM

IN RELATION TO

- (1) THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE;**
- (2) THE PROPOSED PARTICIPATION OF MR TAY KIAT SENG, A CONTROLLING SHAREHOLDER, IN THE MEMIONTEC PERFORMANCE SHARE PLAN;**
- (3) THE PROPOSED PARTICIPATION OF MS SOELISTYO DEWI SOEGIHARTO, A CONTROLLING SHAREHOLDER, IN THE MEMIONTEC PERFORMANCE SHARE PLAN; AND**
- (4) THE PROPOSED CHANGE OF AUDITORS FROM DELOITTE & TOUCHE LLP TO NEXIA TS PUBLIC ACCOUNTING CORPORATION**

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DEFINITIONS

In this Appendix, except where the context otherwise requires, the following definitions shall apply throughout:

- “ACRA”** : Accounting and Corporate Regulatory Authority of Singapore
- “AGM”** : The annual general meeting of the Company to be convened and held by way of electronic means on 12 April 2021 at 2:00 p.m., notice of which is set out on pages 123 to 131 of the Annual Report
- “Annual Report”** : Annual report of the Company for the financial year ended 31 December 2020
- “Appendix”** : This appendix to the Notice of AGM dated 26 March 2021
- “Approval Date”** : Has the meaning ascribed to it in Section 2.3(a) of this Appendix
- “associate”** : (a) in relation to any Director, CEO, 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;
- (b) in relation to a Substantial Shareholder or 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
- “Audit Committee”** : The audit committee of the Company as at the date of this Appendix or from time to time, as the case may be
- “Auditors”** : The independent auditors of the Company from time to time
- “Average Closing Price”** : Has the meaning ascribed to it in Section 2.3(e) of this Appendix
- “Board”** : The board of Directors of the Company as at the date of this Appendix or from time to time, as the case may be
- “Catalist”** : The Catalist board of the SGX-ST
- “Catalist Rules”** : SGX-ST Listing Manual Section B: Rules of Catalist, as amended, modified or supplemented from time to time
- “CDP”** : The Central Depository (Pte) Limited

DEFINITIONS

“CEO”	:	Chief Executive Officer of the Company as at the date of this Appendix
“Company”	:	Memiontec Holdings Ltd.
“Companies Act”	:	The Companies Act (Chapter 50) of Singapore, as amended or modified or supplemented from time to time
“Constitution”	:	The Constitution of the Company, as amended or modified or supplemented from time to time
“Controlling Shareholder”	:	<p>A person who:</p> <p>(a) holds directly or indirectly 15% or more of the nominal of all voting shares in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or</p> <p>(b) in fact exercises control of a company</p>
“Current Free Float”	:	Has the meaning ascribed to it in Section 2.3(a) of this Appendix
“Director”	:	A director of the Company as at the date of this Appendix or from time to time, as the case may be
“EPS”	:	Earnings per Share
“Executive Director”	:	A director of the Company who performs an executive function
“FY”	:	Financial year ended or, as the case may be, ending 31 December
“Group”	:	The Company and its subsidiaries
“Independent Shareholders”	:	Shareholders other than Mr Tay Kiat Seng, Ms Soelistyo Dewi Soegiharto and their respective associates
“Latest Practicable Date”	:	19 March 2021, being the latest practicable date prior to the issue of this Appendix
“Market Day”	:	A day on which the SGX-ST is open for securities trading
“Market Purchase”	:	Has the meaning ascribed to it in Section 2.3(d)(i) of this Appendix
“Maximum Price”	:	Has the meaning ascribed to it in Section 2.3(e) of this Appendix
“Maximum Percentage”	:	Has the meaning ascribed to it in Section 2.3(a) of this Appendix
“NTA”	:	Net tangible assets
“Notice of AGM”	:	The notice of AGM dated 26 March 2021 attached to the Annual Report
“Off-Market Purchase”	:	Has the meaning ascribed to it in Section 2.3(d)(ii) of this Appendix
“Offer Document”	:	The offer document dated 21 February 2020 issued by the Company in respect of its initial public offering on Catalyst

DEFINITIONS

“Ordinary Resolutions”	:	The ordinary resolutions as set out in the Notice of AGM
“Performance Shares”	:	New ordinary shares in the capital of the Company allotted and issued pursuant to the vesting of share awards granted under the Memiontec Performance Share Plan
“per cent” or “%”	:	Percentage or per centum
“Plan” or “Memiontec Performance Share Plan”	:	The performance share plan, known as the “Memiontec Performance Share Plan”, adopted by the Company on 30 December 2019, as may be modified or altered from time to time
“Proposed Change of Auditors”	:	The proposed change of Auditors from Deloitte & Touche LLP to Nexia TS Public Accounting Corporation, further details of which are set out in Section 4 of this Appendix
“Proposed Transactions”	:	Has the meaning ascribed to it in Section 1.1 of this Appendix
“Proxy Form”	:	The proxy form accompanying the Notice of AGM
“Relevant Period”	:	The period commencing from the date on which the resolution in relation to the adoption of the Share Buyback Mandate is passed at a general meeting and expiring on the earliest of the date the next annual general meeting of the Company is held or is required by law to be held, or the date on which the Share Buyback is carried out to the full extent mandated, or the date the said mandate is revoked or varied by the Company in a general meeting
“Remuneration Committee”	:	The Remuneration Committee of the Company as at the date of this Appendix or from time to time, as the case may be
“S\$ and cents”	:	Singapore dollars and cents respectively, being the lawful currency of Singapore
“Securities Accounts”	:	The securities accounts maintained by Depositors with CDP, but not including the securities accounts maintained with a Depository Agent
“SFA”	:	The Securities and Futures Act (Chapter 289) of Singapore, as amended, modified or supplemented from time to time
“SGXNet”	:	Singapore Exchange Network, a system network used by listed companies in sending information and announcements to the SGX-ST or any other system networks prescribed by the SGX-ST
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Buyback”	:	The purchase or acquisition of issued Share(s) by the Company pursuant to the Share Buyback Mandate
“Share Buyback Mandate”	:	A general mandate given by Shareholders to authorise the Directors to purchase or otherwise acquire, on behalf of the Company, Shares in accordance with, in the manner prescribed by, the terms set out in this Appendix, the Catalist Rules, the Constitution and such other laws and regulations as may for the time being be applicable

DEFINITIONS

“Shares”	:	Ordinary shares in the capital of the Company and “Share” shall be construed accordingly
“Shareholders”	:	Registered holder(s) of Shares in the register of members of the Company, except where the registered holder is CDP, in which case the term “Shareholders” shall, in relation to such shares, mean the Depositors who have Shares entered against their name in the Depository Register of CDP. Any reference to Shares held by or shareholdings of Shareholders shall include Shares standing to the credit of their respective Securities Accounts
“SIC”	:	Securities Industry Council
“Substantial Shareholder”	:	A person who has an interest or interests in voting Shares (excluding Treasury Shares and subsidiary holdings), representing not less than 5% of all the voting Shares
“Take-over Code”	:	The Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time
“Treasury Shares”	:	Has the meaning ascribed to it in Section 4 of the Companies Act
“Unity Strength”	:	Unity Strength Pte. Ltd.

Unless the context otherwise requires:

- (a) the terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the same meanings ascribed to them respectively in Section 81SF of the SFA;
- (b) the terms “**subsidiary**” and “**related corporations**” shall have the meanings ascribed to them respectively in Section 5 of the Companies Act;
- (c) words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. Unless the context otherwise requires, any references to persons shall include individuals, corporate bodies (wherever incorporated), unincorporated associations and partnerships;
- (d) any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA, the Catalist Rules or any modification thereof and not otherwise defined in this Appendix shall, where applicable, have the same meaning ascribed to it under the Companies Act, the SFA, the Catalist Rules or such modification thereof, as the case may be, unless the context otherwise requires;
- (e) any reference to a time of a day in this Appendix shall be a reference to Singapore time unless otherwise stated;
- (f) any discrepancies between the figures listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Appendix may not be an arithmetic aggregation of the figures that precede them; and
- (g) the headings in this Appendix are inserted for convenience only and shall be ignored in construing this Appendix.

LETTER TO SHAREHOLDERS

MEMIONTEC HOLDINGS LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 201305845W)

Directors:

Tay Kiat Seng (*Executive Chairman & CEO*)
Soelistyo Dewi Soegiharto (*Managing Director*)
Low Kian Beng (*Executive Director*)
Jackson Chevalier Yap Kit Siong (*Lead Independent Director*)
Chua Kern (*Independent Director*)
Hor Siew Fu (*Independent Director*)
Lee Dah Khang (*Independent Director*)

Registered Office:

20 Woodlands Link
#04-30/31 Singapore 738733

26 March 2021

To: The Shareholders of Memiontec Holdings Ltd.

Dear Sir/Madam,

- (1) **THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE;**
- (2) **THE PROPOSED PARTICIPATION OF MR TAY KIAT SENG, A CONTROLLING SHAREHOLDER, IN THE MEMIONTEC PERFORMANCE SHARE PLAN;**
- (3) **THE PROPOSED PARTICIPATION OF MS SOELISTYO DEWI SOEGIHARTO, A CONTROLLING SHAREHOLDER, IN THE MEMIONTEC PERFORMANCE SHARE PLAN; AND**
- (4) **THE PROPOSED CHANGE OF AUDITORS FROM DELOITTE & TOUCHE LLP TO NEXIA TS PUBLIC ACCOUNTING CORPORATION**

1. INTRODUCTION

- 1.1. The Board is proposing to seek the approval of Shareholders at the forthcoming AGM in relation to:
 - (a) the proposed adoption of the Share Buyback Mandate;
 - (b) the proposed participation of Mr Tay Kiat Seng, a Controlling Shareholder, in the Plan;
 - (c) the proposed participation of Ms Soelistyo Dewi Soegiharto, a Controlling Shareholder, in the Plan; and
 - (d) the Proposed Change of Auditors,(collectively, the “**Proposed Transactions**”).
- 1.2. The Company has appointed ZICO Insights Law LLC as the legal adviser to the Company for the Proposed Transactions.
- 1.3. The purpose of this Appendix is to provide Shareholders with information relating to the Proposed Transactions and the rationale thereof, and to seek Shareholders’ approval for the same at the AGM to be held by way of electronic means on 12 April 2021 at 2:00 p.m.. The Notice of AGM is set out on pages 123 to 131 of the Annual Report.

LETTER TO SHAREHOLDERS

2. THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE

2.1. Introduction

Any purchase or acquisition of Shares by the Company must be made in accordance with, and in the manner prescribed by the Companies Act, the Catalist Rules, the Constitution, and such other laws and regulations as may, for the time being, be applicable.

Regulation 51(3) of the Company's Constitution expressly permits the Company to purchase or otherwise acquire its issued Shares on such terms as the Company may think fit, and in the manner prescribed by the Companies Act. The Company is also required to obtain approval of Shareholders at a general meeting if it wishes to purchase or acquire its own Shares. As the Company is listed on the Catalist, apart from the Companies Act and its Constitution, the Company is also required to comply with Part XI of Chapter 8 of the Catalist Rules, which relates to the purchase or acquisition by an issuer of its own shares.

Accordingly, approval is being sought from Shareholders at the AGM for the proposed adoption of the Share Buyback Mandate. The Share Buyback Mandate is a general mandate to be given by Shareholders that allows the Company to purchase or acquire its issued Shares at any time during the Relevant Period and on the terms of the Share Buyback Mandate.

If the Share Buyback Mandate is approved by Shareholders at the AGM, the authority conferred by the Share Buyback Mandate will take effect from the date of the AGM at which the proposed adoption of the Share Buyback Mandate is approved and continues to be in force for the duration of the Relevant Period, which is until the earliest of the date on which the next annual general meeting of the Company is held or is required by law to be held, or when Share Buybacks pursuant to a Share Buyback Mandate are carried out to the full extent mandated, or the date the said mandate is varied or revoked by the Company in general meeting (whereupon it will lapse, unless renewed at such meeting).

2.2. Rationale for the Share Buyback Mandate

The approval of the Share Buyback Mandate will give the Company the flexibility to undertake purchases or acquisitions of Shares, subject to the terms and limits described in Section 2.3 of this Appendix. The rationale for the Share Buyback Mandate is as follows:

- (a) Share Buybacks allow the Directors greater flexibility over the Company's share capital structure with a view to enhancing the EPS and/or NTA per Share. Amongst other alternative corporate actions, share buybacks at the appropriate price level are one of the ways through which the return on equity of the Company may be enhanced;
- (b) Share Buybacks provide the Company and its Directors with an additional mechanism to facilitate the return of surplus cash over and above the Company's financial requirements, in an expedient and cost-efficient manner; and
- (c) Share Buybacks can help to militate against short-term market volatility, offset the effects of short-term speculation and bolster Shareholders' confidence.

The Directors will only engage in Share Buybacks when they believe that it would benefit the Company and Shareholders, taking into consideration factors such as the amount of surplus cash available and the prevailing market conditions. In addition, the Directors do not intend to engage in Share Buybacks to such extent that would, or in circumstances that might, result in a material adverse effect on the financial position of the Group, the orderly trading of the Shares, or the listing status of the Company on the SGX-ST.

LETTER TO SHAREHOLDERS

It should be noted that there can be no assurance that the proposed Share Buyback Mandate will achieve any desired effect, and there can be no assurance that such effect (if achieved) can be sustained in the longer term.

2.3. Terms of the Share Buyback Mandate

The authority and limitations placed on the Share Buybacks are summarised as follows:

(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 by the Company pursuant to the Share Buyback Mandate is limited to that number of Shares representing not more than 10% of the issued and paid-up share capital of the Company, subject to the free float requirement as set out in Section 2.9(c) of this Appendix (the “**Maximum Percentage**”) as at the date of the approval of the Share Buyback Mandate (the “**Approval Date**”). Any Shares which are held as Treasury Shares or as subsidiary holdings will be disregarded for the purposes of computing the Maximum Percentage.

For illustrative purposes only, on the basis of the 220,257,000 Shares in issue (excluding Treasury Shares and subsidiary holdings) as at the Latest Practicable Date and assuming no further Shares are issued on or prior to the Approval Date, the purchase or acquisition by the Company of up to the Maximum Percentage of 10% of its issued Shares (excluding Treasury Shares and subsidiary holdings) will result in the purchase or acquisition of 22,025,700 Shares. As at the Latest Practicable Date, the Company does not have any Treasury Shares and subsidiary holdings.

Shareholders should note that this Maximum Percentage is subject further to the free float requirement as set out in Section 2.9(c) of this Appendix. Based on the total number of issued Shares held by the public as at the Latest Practicable Date of 40,625,000 Shares (representing approximately 18.44% of the total number of issued Shares of the Company, excluding Treasury Shares, subsidiary holdings, preference shares and convertible equity securities) (“**Current Free Float**”), the maximum number of Shares that the Company may acquire or purchase pursuant to the Share Buyback Mandate in order to remain compliant with the free float requirement (of not less than 10%) would be 20,665,888, representing not more than approximately 9.38% of the issued and paid-up share capital of the Company.

(b) Rationale for the Maximum Percentage

The Maximum Percentage gives the Company the flexibility to purchase or acquire its Shares up to the Maximum Percentage of 10%, should the Company's free float subsequently allows for such Share Buybacks.

The Company shall at all times ensure that when undertaking any Share Buybacks, at least 10% of the Shares remains in the hands of the public in accordance with the Rule 723 of the Catalist Rules, and that such Share Buybacks will not (i) affect the listing status of the Company; (ii) cause market illiquidity of the Shares; or (iii) affect adversely the orderly trading of the Shares. To ensure that the Maximum Percentage is complied with, the Company will ensure that, during the Relevant Period, in the event the Company undertakes Share Buybacks up to 8% of the issued Shares as at the Approval Date (and assuming no change in the Current Free Float of 18.44%), any further Share Buybacks shall only be undertaken upon the prior approval and written confirmation of the Board that the Company has sufficient free float subsequent to such Share Buyback.

LETTER TO SHAREHOLDERS

(c) **Duration of authority**

Under the proposed Share Buyback Mandate, Share Buybacks may be made, at any time and from time to time, during the Relevant Period, being the period commencing from the Approval Date, up to:

- (i) the date on which the next annual general meeting of the Company of the Company is held or required by law to be held;
- (ii) the date on which Share Buybacks are carried out to the full extent mandated; or
- (iii) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied by the Company in a general meeting,

whichever is the earliest.

The authority conferred on the Directors by the Share Buyback Mandate may be renewed by Shareholders in the next annual general meeting of the Company or other general meeting of the Company.

When seeking the approval of Shareholders for the renewal of the Share Buyback Mandate, the Company is required to disclose details pertaining to purchases or acquisitions of Shares pursuant to the Share Buyback Mandate made during the previous 12 months, including the total number of Shares purchased or acquired, the purchase or acquisition price per Share or the highest and lowest prices paid for such purchases or acquisitions of Shares, where relevant, and the total consideration paid for such purchases or acquisitions of Shares, as well as any other requirements prescribed under the Catalist Rules.

(d) **Manner of Share Buybacks**

Share Buybacks may be made by way of:

- (i) on-market purchases ("**Market Purchase**") transacted through the SGX-ST through the ready market, and which may be transacted through one or more duly licensed stockbrokers appointed by the Company for the purpose of the Share Buybacks; and/or
- (ii) off-market purchases ("**Off-Market Purchase**"), otherwise than on a securities exchange, in accordance with an equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the Catalist Rules.

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

- (i) the 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 issued Shares;
- (ii) all of those persons shall be given a reasonable opportunity to accept the offers made to them; and
- (iii) the terms of all the offers shall be the same, except that there shall be disregarded:
 - (1) differences in consideration attributable to the fact that the offers relate to Shares with different accrued dividend entitlements;

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- (2) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid; and
- (3) differences in the offers introduced solely to ensure that each Shareholder is left with a whole number of Shares.

In addition, Rule 870 of the Catalist Rules provides that, in making an Off-Market Purchase in accordance with an equal access scheme, the Company must issue an offer document to all Shareholders which contain at least the following information:

- (A) the terms and conditions of the offer;
- (B) the period and procedures for acceptances;
- (C) the reasons for the proposed Share Buyback;
- (D) the consequences, if any, of the Share Buyback by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (E) whether the Share Buyback, if made, would have any effect on the listing of the Shares on the SGX-ST;
- (F) details of any Share Buybacks made by the Company in the previous twelve (12) months (whether by way of Market Purchases or Off-Market Purchases in accordance with an equal access scheme), giving the total number of Shares purchased or acquired, the purchase or acquisition price per Share or the highest and lowest prices paid for such Share Buybacks, where relevant, and the total consideration paid for such Share Buybacks; and
- (G) whether the Shares purchased or acquired by the Company will be cancelled or kept as Treasury Shares.

(e) **Maximum purchase or acquisition price**

The purchase or acquisition price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) to be paid for a Share in the event of any Share Buyback shall be determined by the Directors.

However, the purchase or acquisition price to be paid for a Share must not exceed:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price (as defined herein) of the Shares; and
- (ii) in the case of an Off-Market Purchase in accordance with an equal access scheme, 120% of the Average Closing Price (as defined herein) of the Shares,

(the "**Maximum Price**"), in each case, excluding brokerage, stamp duties, applicable goods and services tax and other related expenses.

For the purposes of this Section:

- (1) "**Average Closing Price**" means the average of the closing market prices of a Share over the last five (5) Market Days on which transactions in the Shares were recorded immediately preceding the date of the Market Purchase by the Company or, as the case may be, the day of the making of the offer (as defined below) pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that

LETTER TO SHAREHOLDERS

occurs during the relevant five (5)-Market Day period and the day on which the Share Buybacks are made; and

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

2.4. Status of Purchased or Acquired Shares under the Share Buyback Mandate

Any Share which is purchased or acquired by the Company shall, unless held as Treasury Shares in accordance with the Companies Act, be deemed to be cancelled immediately on purchase or acquisition, and all rights and privileges attached to that Share will expire on cancellation. The total number of Shares will be diminished 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 in accordance with the Companies Act) will be automatically delisted by the SGX-ST and certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following the settlement of any such purchase or acquisition.

At the time of each purchase or acquisition of Shares by the Company, the Directors will decide whether the Shares purchased or acquired will be cancelled or held as Treasury Shares, or partly cancelled and partly kept as Treasury Shares, depending on the needs of the Company and as the Directors deem fit in the interests of the Company at that time

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 summarised below:

(a) Maximum holdings

The number of shares held as Treasury Shares cannot at any time exceed 10% of the total number of issued Shares. Any Shares in excess of this limit shall be disposed of or cancelled in accordance with Section 76K of the Companies Act within six (6) months or such further periods as ACRA may allow.

The Company has no Shares held as Treasury Shares as at the Latest Practicable Date.

(b) Voting and other rights

If the Company holds Shares as Treasury Shares, the Company shall be entered in the register of members as the member holding the Shares. 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.

A subdivision of any Treasury Shares into Treasury Shares of a larger amount, or a consolidation of any Treasury Shares into Treasury Shares of a smaller amount, is allowed

LETTER TO SHAREHOLDERS

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 but subject always to the Take-over Code:

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

Under Rule 704(31) of the Catalist Rules, an immediate announcement must be made of any sale, transfer, cancellation and/or use of Treasury Shares (in each case, the “**usage**”). Such announcement must include details such as the date of the usage, the purpose of the usage, the number of Treasury Shares comprised in the usage, the number of Treasury Shares before and after the usage, the percentage of the number of Treasury Shares comprised in the usage against the total number of issued shares (of the same class as the Treasury Shares) which are listed on the SGX-ST before and after the usage and the value of the Treasury Shares comprised in the usage.

2.6. Source of Funds

The Company may only apply funds for Share Buybacks as provided in the Constitution and in accordance with the applicable laws in Singapore. Only funds legally available for purchasing Shares in accordance with the Companies Act shall be utilised.

Under the Companies Act, any purchase or acquisition of the Shares may be made only if the Company is solvent and out of the Company’s capital as well as distributable profits which are available for payment as dividends. Pursuant to Section 76F(4) of the Companies Act, a company is solvent if at the date of payment the following conditions are satisfied:

- (a) there is no ground on which the company could be found to be unable to pay its debts;
- (b) if:
 - (i) it is intended to commence winding up of the company within the period of twelve (12) months immediately after the date of the payment, the company will be able to pay its debts in full within the period of twelve (12) months after the date of commencement of the winding up; or
 - (ii) it is not intended so to commence winding up, the company will be able to pay its debts as they fall due during the period of twelve (12) months immediately after the date of the payment; and
- (c) the value of the company’s assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the proposed purchase, acquisition, variation or release (as the case may be), become less than the value of its liabilities (including

LETTER TO SHAREHOLDERS

contingent liabilities).

The Company will use internal resources or external borrowings or a combination of both to fund purchases of Shares pursuant to the Share Buyback Mandate. However, in considering the option of external financing, the Directors will consider particularly the prevailing gearing level of the Group.

The Directors will only make purchases or acquisitions pursuant to the Share Buyback Mandate in circumstances which they believe will not result in any material adverse effect to the financial position of the Company or the Group, but rather will be undertaken if in the reasonable opinion of the Directors, it can benefit the Group and Shareholders.

2.7. Financial Effects of the Share Buyback Mandate

Shareholders should note that the financial effects illustrated set out herein are based on certain assumptions and purely for illustrative purposes only. In particular, it is important to note that the financial analyses set out below are based on the audited accounts of the Company and the Group for FY2020 and is not necessarily representative of the future financial performance of the Company or the Group.

Although the Share Buyback Mandate would authorise the Company to buy back up to 10% of the Company's issued Shares, the Company may not necessarily buy back or be able to buy back the entire 10% of the issued Shares subject to the free float requirement as set out in Section 2.9(c) of this Appendix. In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased in treasury.

It is not possible for the Company to realistically calculate or quantify the financial effects of Share Buybacks made pursuant to the Share Buyback Mandate as the resultant effect would depend on, amongst others, the number of Shares purchased or acquired, the price paid for such Shares and the manner in which the purchase or acquisition is funded.

Under the Companies Act, any purchase or acquisition of Shares may only be made out of the Company's capital or profits so long as the Company is solvent. Where the consideration paid by the Company for a Share Buyback is made out of profits, such consideration (excluding related brokerage, goods and services tax, stamp duties 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 a Share Buyback is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

Share Buybacks will only be effected after assessing the relative impact of a Share Buyback taking into consideration both financial factors (such as cash surplus, debt position, availability of financial resources and working capital requirements) and non-financial factors (such as share market conditions, funding arrangements, expansion and investment plans of the Group and the performance of the Shares). The Directors do not propose to exercise the Share Buyback Mandate to such an extent that it would have a material adverse effect on the financial position of the Group, the orderly trading of the Shares, or the listing status of the Company on the SGX-ST.

The financial effects on the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Buyback Mandate, based on the audited consolidated financial statements of the Group for FY2020, are based on the assumptions set out below:

Number of Shares purchased or acquired

As at the Latest Practicable Date, based on the issued and paid-up share capital of the Company of 220,257,000 Shares, and assuming no further Shares are issued on or prior to the AGM and

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that the Company has sufficient free float of at least 10%), the purchase or acquisition by the Company of not more than 10% of the total number of its Shares will result in the purchase or acquisition of 22,025,700 Shares. The aforesaid Maximum Percentage of 10% does not take into account the Current Free Float of approximately 18.44% and is on the assumption that the Company's current level of free float has increased to allow for Share Buybacks up to the Maximum Percentage of 10%. For the avoidance of doubt, Shareholders should note that the total number of Shares that may be purchased or acquired by the Company pursuant to the Share Buyback Mandate is limited to that number of Shares representing not more than 10% of the issued Shares, subject to the free float requirement as set out in Section 2.9(c) of this Appendix.

Maximum price paid for Shares purchased or acquired

- (a) in the case of Market Purchases by the Company and assuming that the Company purchases or acquires 22,025,700 Shares (based on the Maximum Percentage) at the Maximum Price of S\$0.242 (rounded down to nearest three decimal points) for each Share (being the price equivalent to but not more than 105% of the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the Catalist immediately preceding the Latest Practicable Date), the maximum amount of funds required for the Share Buyback is approximately S\$5,330,219; and
- (b) in the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 22,025,700 Shares (based on the Maximum Percentage) at the Maximum Price of S\$0.277 (rounded down to nearest three decimal points) for each Share (being the price equivalent to but not more than 120% of the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the Catalist immediately preceding the Latest Practicable Date), the maximum amount of funds required for the Share Buyback is approximately S\$6,101,119.

On the basis of the assumptions set out above and the following:

- (a) 220,257,000 Shares in issue (excluding Treasury Shares and subsidiary holdings) as at 1 January 2020, assuming that (i) the sub-division of 3,904,562 Shares in the capital of the Company into 179,610,000 Shares completed in February 2020, had been completed as at 1 January 2020 instead; and (ii) the issuance of an aggregate of 40,647,000 new Shares in 2020 in connection with the Company's initial public offering, had been issued as at 1 January 2020 instead;
- (b) purchases or acquisitions of Shares are made to the extent as aforesaid;
- (c) purchases or acquisitions of Shares took place on 1 January 2020;
- (d) purchases or acquisitions of Shares are funded solely by internal sources of funds of the Group (comprising S\$2,920,000 cash and bank balances from the Company and the balance from cash and bank balances from the subsidiaries of the Company); and
- (e) transaction costs incurred during the Share Buybacks are assumed to be insignificant and have thus been ignored for the purpose of computing the financial effects.

Based on the above assumptions, the financial effects of:

- (1) the acquisition of the Maximum Percentage, assuming that the Company has sufficient free float of at least 10%, being 22,025,700 Shares, representing 10% of the issued Shares by the Company in a Market Purchase or Off-Market Purchase pursuant to the Share Buyback Mandate by way of purchases made entirely out of capital, such Shares being thereafter cancelled ("**Scenario A**"); and

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- (2) the acquisition of the Maximum Percentage, assuming that the Company has sufficient free float of at least 10%, being 22,025,700 Shares, representing 10% of the issued Shares by the Company in a Market Purchase or Off-Market Purchase pursuant to the Share Buyback Mandate by way of purchases made entirely out of capital, such Shares being thereafter held by the Company as Treasury Shares ("**Scenario B**"),

on the audited consolidated financial results of the Group and the Company for FY2020, are set out below:

2.7.1. Scenario A

As at 31 December 2020	Group			Company		
	Before Share Buyback	After Market Purchase	After Off-Market Purchase	Before Share Buyback	After Market Purchase	After Off-Market Purchase
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Profit Attributable to Owners of the Company	1,308	1,308	1,308	706	706	706
Share Capital	12,092	6,762	5,991	12,092	6,762	5,991
Reserves	(1,369)	(1,369)	(1,369)	-	-	-
Treasury Shares	-	-	-	-	-	-
Retained Earnings	6,355	6,355	6,355	13	13	13
Shareholders' Funds/Total Equity	17,078	11,748	10,977	12,105	6,775	6,004
NTA ⁽¹⁾	17,078	11,748	10,977	12,105	6,775	6,004
Current Assets	33,136	27,806	27,035	10,527	7,607	7,607
Current Liabilities	15,995	15,995	15,995	4,331	6,741	7,512
Working Capital	17,141	11,811	11,040	6,196	866	95
Total Borrowings ⁽²⁾	5,295	5,295	5,295	-	-	-
Cash and bank balances	14,527	9,197	8,426	3,920	1,000	1,000
Number of Shares ('000)	220,257	198,231	198,231	220,257	198,231	198,231
Number of Treasury Shares ('000)	-	-	-	-	-	-
Number of Shares Excluding Treasury Shares ('000)	220,257	198,231	198,231	220,257	198,231	198,231
Weighted Average Number of Shares ('000)	220,257	198,231	198,231	220,257	198,231	198,231
Financial Ratios						
NTA per Share (cents) ⁽¹⁾	7.75	5.93	5.54	5.50	3.42	3.03

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As at 31 December 2020		Group			Company		
		Before Share Buyback	After Market Purchase	After Off-Market Purchase	Before Share Buyback	After Market Purchase	After Off-Market Purchase
		(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
Gearing Ratio (times) ⁽³⁾		0.31	0.45	0.48	-	-	-
Current Ratio (times) ⁽⁴⁾		2.07	1.74	1.69	2.43	1.13	1.01
Basic EPS (cents) ⁽⁵⁾		0.59	0.66	0.66	0.32	0.36	0.36

Notes:

- (1) NTA equals total equity less intangible assets and non-controlling interests. NTA per Share equals NTA divided by the number of Shares (excluding Treasury Shares) as at 31 December 2020. The Company has no subsidiary holdings.
- (2) Total borrowings comprise of external bank borrowings and lease liabilities as at 31 December 2020.
- (3) Gearing ratio equals total borrowings divided by total equity.
- (4) Current Ratio equals current assets divided by current liabilities.
- (5) Basic EPS equals profit attributable to owners of the Group and Company divided by the weighted average number of Shares (excluding Treasury Shares) for FY2020. The Company has no subsidiary holdings.

2.7.2. Scenario B

As at 31 December 2020		Group			Company		
		Before Share Buyback	After Market Purchase	After Off-Market Purchase	Before Share Buyback	After Market Purchase	After Off-Market Purchase
		(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
Profit Attributable to Owners of the Company		1,308	1,308	1,308	706	706	706
Share Capital		12,092	12,092	12,092	12,092	12,092	12,092
Reserves		(1,369)	(1,369)	(1,369)	-	-	-
Treasury Shares		-	(5,330)	(6,101)	-	(5,330)	(6,101)
Retained Earnings		6,355	6,355	6,355	13	13	13
Shareholders' Funds/Total Equity		17,078	11,748	10,977	12,105	6,775	6,004
NTA ⁽¹⁾		17,078	11,748	10,977	12,105	6,775	6,004
Current Assets		33,136	27,806	27,035	10,527	7,607	7,607
Current Liabilities		15,995	15,995	15,995	4,331	6,741	7,512
Working Capital		17,141	11,811	11,040	6,196	866	95

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As at 31 December 2020	Group			Company		
	Before Share Buyback	After Market Purchase	After Off-Market Purchase	Before Share Buyback	After Market Purchase	After Off-Market Purchase
	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
Total Borrowings ⁽²⁾	5,295	5,295	5,295	-	-	-
Cash and bank balances	14,527	9,197	8,426	3,920	1,000	1,000
Number of Shares ('000)	220,257	220,257	220,257	220,257	220,257	220,257
Number of Treasury Shares ('000)	-	22,026	22,026	-	22,026	22,026
Number of Shares Excluding Treasury Shares ('000)	220,257	198,231	198,231	220,257	198,231	198,231
Weighted Average Number of Shares ('000)	220,257	198,231	198,231	220,257	198,231	198,231
Financial Ratios						
NTA per Share (cents) ⁽¹⁾	7.75	5.93	5.54	5.50	3.42	3.03
Gearing Ratio (times) ⁽³⁾	0.31	0.45	0.48	-	-	-
Current Ratio (times) ⁽⁴⁾	2.07	1.74	1.69	2.43	1.13	1.01
Basic EPS (cents) ⁽⁵⁾	0.59	0.66	0.66	0.32	0.36	0.36

Notes:

- (1) NTA equals total equity less intangible assets and non-controlling interests. NTA per Share equals NTA divided by the number of Shares (excluding Treasury Shares) as at 31 December 2020. The Company has no subsidiary holdings.
- (2) Total borrowings comprise of external bank borrowings and lease liabilities as at 31 December 2020.
- (3) Gearing ratio equals total borrowings divided by total equity.
- (4) Current Ratio equals current assets divided by current liabilities.
- (5) Basic EPS equals profit attributable to owners of the Group and Company divided by the weighted average number of Shares (excluding Treasury Shares) for FY2020. The Company has no subsidiary holdings.

2.8. Tax Implications

Shareholders who are in doubt as to their respective tax positions or any tax implications, or who may be subject to tax in a jurisdiction outside Singapore, should consult their own professional advisers.

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2.9. Other Applicable Catalyst Rules and Legislation

(a) Reporting Requirements

The Catalyst Rules specifies that a listed company shall announce on the SGXNET all purchases or acquisitions of its shares no later than 9.00 a.m.:

- (i) in the case of a Market Purchase, on the Market Day following the day on which the Market Purchase was made; and
- (ii) in the case of an Off-Market Purchase in accordance with an equal access scheme, on the second Market Day after the close of acceptance of the offer for the Off-Market Purchase.

Such announcement shall be in the form of Appendix 8D (Daily Share Buyback Notice) prescribed by the Catalyst Rules. The Company shall make arrangements with its stockbrokers to ensure that they provide to the Company in a timely fashion the necessary information which will enable the Company to make the necessary announcements.

In addition to the above, within thirty (30) days of the passing of a Shareholders' ordinary resolution to approve any Share Buyback, the Company shall, pursuant to Section 76B(9)(a) of the Companies Act, lodge a copy of such resolution with ACRA.

The Company shall notify ACRA within thirty (30) days of a purchase or acquisition of Shares on the SGX-ST or otherwise. Such notification shall include, amongst others, details of the purchase, including the date of the purchase or acquisition, the total number of Shares purchased or otherwise acquired by the Company, the number of Shares cancelled, the number of Shares held as Treasury Shares, the Company's issued share capital before and after Share Buyback, the amount of consideration paid by the Company for the Share Buyback, whether the Shares were purchased or acquired out of profits or the capital of the Company and such other particulars as may be required by ACRA.

Within thirty (30) days of the cancellation or disposal of Treasury Shares in accordance with the provisions of the Companies Act, the Directors shall lodge with ACRA the notice of cancellation or disposal of Treasury Shares in the prescribed form as required by ACRA.

(b) Restrictions on Share Buybacks

While the Catalyst Rules do not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Buyback Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced.

Further, in conformity with the best practices recommended in the Catalyst Rules on securities dealings, the Company will not purchase or acquire any Shares through Market Purchases during the following periods:

- (i) if the Company announces its quarterly financial statements, whether required by the SGX-ST or otherwise, two (2) weeks immediately preceding the announcement of the Company's financial statements for each of the first three quarters of its financial year and one month before the announcement of the Company's full year financial statements; or
- (ii) if the Company does not announce its quarterly financial statements, one (1) month

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immediately preceding the announcement of the Company's half year and full year financial statements.

(c) **Free Float**

The Company will ensure that any Shares purchased or acquired by the Company under the Share Buyback Mandate will not result in a fall in the percentage of Shares held by the public (as defined in the Catalist Rules) to below 10% of the total number of issued Shares (excluding Treasury Shares, preference shares and convertible equity securities). For the purposes above, the Catalist Rules defines the public as persons other than the directors, chief executive officer, Substantial Shareholders or Controlling Shareholders of the issuer and its subsidiaries, as well as the associates of such persons.

The Company does not have any individual shareholding limit or foreign shareholding limit. As at the Latest Practicable Date, 40,625,000 Shares, representing approximately 18.44% of the total number of issued and paid up share capital of the Company, being 220,257,000 Shares are held by the public. For illustration purposes only, assuming that the Company purchases the Maximum Percentage of 10% of the issued Shares (excluding Treasury Shares and subsidiary holdings), being 22,025,700 Shares as at the Latest Practicable Date, and assuming that such Shares are held in public hands, the resultant number of Shares held by the public after the purchase of such Shares would be 18,599,300 Shares, representing approximately 9.38% of the remaining issued Shares of the Company (excluding Treasury Shares and subsidiary holdings), resulting in a fall in the percentage of Shares held by the public (as defined in the Catalist Rules) to below 10%.

Having regard to the Current Free Float of approximately 18.44%, the Company shall only undertake Share Buybacks up to the Maximum Percentage of 10% if and when the Company's level of free float subsequently increases to allow for the Company to maintain at least 10% of its listed securities in the hands of public Shareholders and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to affect orderly trading. The Directors will at all times ensure that when purchasing any Shares pursuant to the Share Buyback Mandate, the Company will not carry out any purchase or acquisition of Shares unless at least 10% of its listed securities can be maintained in the hands of public Shareholders and that the number of Shares remaining in the hands of the public will not fall to such a level as to affect the listing status of the Company, cause market illiquidity of the Shares or to affect orderly trading of the Shares. To ensure that the Maximum Percentage is complied with, the Company will ensure that, during the Relevant Period, in the event the Company undertakes Share Buybacks up to 8% of the issued Shares as at the Approval Date (and assuming no change in the Current Free Float of approximately 18.44%), any further Share Buybacks shall only be undertaken upon the prior approval and written confirmation of the Board that the Company has sufficient free float subsequent to such Share Buyback.

2.10. Take-over Implications under the Take-over Code

Appendix 2 of the Take-over Code contains the Share Buyback Guidance Note. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

(a) **Obligation to make a take-over offer**

Rule 14 of the Take-over Code ("**Rule 14**") requires, amongst others, that except with the consent of SIC, where:

- (i) any person acquires, whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30% or more of the voting rights of a company; or

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- (ii) any person who, together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights and such person, or any person acting in concert with him, acquires in any period of six (6) months additional shares carrying more than 1% of the voting rights,

such person shall extend immediately an offer on the basis set out below to the holders of any class of shares in the capital which carries votes and in which such person or persons acting in concert with him hold shares. In addition to such person, each of the principal members of the group of persons acting in concert with him may, according to the circumstances of the case, have the obligation to extend an offer. In calculating the percentage of voting rights of such person and their concert parties, Treasury Shares shall be excluded.

(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), 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, amongst others, be presumed to be acting in concert under the Take-over Code:

- (i) a company with its parent company, its subsidiaries, its fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing for the purchase of voting rights;
- (ii) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trusts;
- (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 whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (v) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser;
- (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 or 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, any person who is accustomed to act according to his instructions, companies controlled by any of the foregoing persons, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons and/or entities for the purchase of voting rights.

For this purpose, ownership or control of at least 20% but not more than 50% of the voting

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rights of a company will be regarded as the test of associated company status.

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the 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 of the Take-over Code is that, unless exempted, the Directors and their concert parties will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code if, as a result of any purchase or acquisition by the Company of its Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or in the event that such Directors and their concert parties hold between 30% and 50% of the Company's voting rights, if the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six (6) months. In calculating the percentages of voting rights of such Directors and their concert parties, Treasury Shares shall be excluded.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the ordinary resolution authorising the Share Buyback Mandate.

However, Shareholders will be subject to the provisions of Rule 14 of the Take-over Code if they acquire Shares after the Company's Share Buybacks. For the purpose of the Take-over Code, an increase in the percentage of voting rights as a result of the Share Buyback will be taken into account in determining whether a Shareholder and persons acting in concert with him have increased their voting rights by more than 1% in any period of six (6) months.

Shareholders (including Directors) and their concert parties who hold more than 50% of the Company's voting rights are under no obligation to make a take-over offer if the voting rights of such Shareholders and their concert parties were to increase as a result of the Company purchasing or acquiring Shares.

In calculating the percentages of voting rights of such Directors and their concert parties, Treasury Shares shall be excluded.

If the Company decides to cease the Share Buybacks before it has purchased in full such number of Shares authorised by its Shareholders at the AGM, the Company will promptly inform its Shareholders of such cessation. This will assist Shareholders to determine if they can buy any more Shares without incurring an obligation under Rule 14 of 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 Share Buybacks by the Company are advised to consult their professional advisers and/or the SIC and/or other relevant authorities at the earliest opportunity.

(d) **Application of the Take-over Code**

Mr Tay Kiat Seng (Executive Chairman and CEO of the Company) and his spouse, Ms Soelistyo Dewi Soegiharto (Managing Director) being Controlling Shareholders of the

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Company, are deemed parties acting in concert with each other, and hold in aggregate 179,610,000 Shares, representing 81.55% of the of the Company's voting rights. As set out above, under the Take-over Code, Shareholders (including Directors) and their concert parties who hold more than 50% of the Company's voting rights are under no obligation to make a take-over offer if the voting rights of such Shareholders and their concert parties were to increase as a result of the Company purchasing or acquiring Shares. Accordingly, based on the shareholdings of the foregoing parties acting in concert as at the Latest Practicable Date, Rule 14 of the Take-over Code will not be triggered and no take-over offer is required to be made pursuant to any acquisition or purchases of Shares under the Share Buyback Mandate.

Save as disclosed above and to the best of their knowledge, the Directors are not aware of any fact(s) or factor(s) which suggest or imply that any particular person(s) and/or Shareholder(s) are, or may be regarded as, parties acting in concert such that their respective interests in voting shares in the capital of the Company should or ought to be consolidated, and consequences under Rule 14 of the Take-over Code would ensue as a result of a purchase of Shares by the Company pursuant to the Share Buyback Mandate.

Based on the Register of Members and the Register of Substantial Shareholders of the Company as at the Latest Practicable Date, the Directors are not aware of any Director or Substantial Shareholder (together with persons acting in concert with them) who may become obliged to make a mandatory offer under Rule 14 of the Take-over Code in the event that the Company purchases the maximum number of 22,025,700 Shares (based on the Maximum Percentage) under the proposed Share Buyback Mandate.

Shareholders should note that the statements in this Appendix 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 any doubt as to whether they would incur any obligations to make a take-over offer as a result of any purchase or acquisition of Shares by the Company pursuant to the proposed Share Buyback Mandate are advised to consult their professional advisers and/or the SIC at the earliest opportunity before they purchase or acquire any Shares in the Company during the period when the proposed Share Buyback Mandate is in force.

2.11. Details of Shares Bought by the Company in the Previous Twelve (12) Months

The Company does not currently have in force a Share Buyback Mandate and accordingly, has not made any purchase or acquisition of Shares in the twelve (12) months preceding the Latest Practicable Date.

3. THE PROPOSED PARTICIPATION OF MR TAY KIAT SENG AND MS SOELISTYO DEWI SOEGIHARTO, EACH A CONTROLLING SHAREHOLDER, IN THE MEMIONTEC PERFORMANCE SHARE PLAN

3.1. Introduction

The Memiontec Performance Share Plan was adopted by the Company pursuant to the approval of its Shareholders on 30 December 2019. The Plan provides eligible participants ("**Participants**") with an opportunity to participate in the equity of the Company and to motivate them towards better performance through increased dedication and loyalty. The Plan forms an integral and important component of the Company's compensation plan and is designed primarily to reward and retain employees whose services are vital to the growth and performance of the Company and/or the Group.

Under the Catalist Rules and the rules of the Plan, Controlling Shareholders and their associates are eligible to participate in the Plan at the absolute discretion of the Remuneration Committee if

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their participation and the terms of each grant of award and the actual number of Shares to be granted to them have been approved by the Independent Shareholders at a general meeting in separate resolutions for each such person PROVIDED ALWAYS that it shall not be necessary to obtain the approval of the Independent Shareholders for the participation in the Plan of a Controlling Shareholder or an associate thereof who is, at the relevant time, already a Participant.

Pursuant to Rule 852 of the Catalist Rules, Independent Shareholders' approval is being sought for the participation by Mr Tay Kiat Seng and Ms Soelistyo Dewi Soegiharto (each a Controlling Shareholder) in the Plan, by way of Ordinary Resolution 8 (in respect of Mr Tay Kiat Seng) and Ordinary Resolution 9 (in respect of Ms Soelistyo Dewi Soegiharto), as set out in the Notice of AGM.

3.2. Rationale for Participation by Controlling Shareholders and their Associates

The Company acknowledges that the services and contributions of employees, who are Controlling Shareholders or their associates, are important to the development and success of the Group. The extension of the Plan to confirmed employees who are Controlling Shareholders or their associates allows the Group to have a fair and equitable system to reward employees who have actively contributed to the progress and success of the Group. The participation of Controlling Shareholders and their associates in the Plan will serve both as a reward to them for their dedicated services to the Group and a motivation for them to take a long-term view of the Group.

Although Participants who are Controlling Shareholders or associates thereof may already have shareholding interest in the Company, the extension of the Plan to include them ensures that they are equally entitled as the other employees of the Group to take part and benefit from this system of remuneration. The Board is of the view that a person who would otherwise be eligible should not be excluded from participating in the Plan solely by reason that he or she is a Controlling Shareholder or an associate thereof.

The Board is of the view that there are sufficient safeguards against any abuse of the Plan resulting from the participation of employees who are Controlling Shareholders or associates thereof.

3.3. Rationale and Justification for Participation by Mr Tay Kiat Seng

Mr Tay Kiat Seng is the CEO and Executive Chairman of the Company. Mr Tay Kiat Seng is also a Controlling Shareholder of the Company, and as at the Latest Practicable Date, he has in aggregate, a direct and deemed interest in 144,801,587 Shares representing approximately 65.74% of the total number of issued Shares of the Company.

Mr Tay Kiat Seng is responsible for overseeing its business performance and direction as well as formulating, developing and overseeing the execution of business strategies for growth and expansion. He also drives the Group's business growth and is directly responsible for growing the Group's foreign subsidiaries in Indonesia and the People's Republic of China. The extension of the Plan to Mr Tay Kiat Seng is consistent with the Company's objective to motivate its employees to achieve and maintain a high level of performance and contribution, which is vital to the success of the Company.

Due to the above reasons, the Directors believe that although Mr Tay Kiat Seng is already a Controlling Shareholder, he deserves and should be allowed to participate in the Plan – his participation will ensure that he is equally entitled, with the other employees who are not Controlling Shareholders, to take part in and benefit from this system of remuneration, thereby enhancing his long-term commitment to the Company.

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For avoidance of doubt:

- (a) Mr Tay Kiat Seng and his spouse Ms Soelistyo Dewi Soegiharto has abstained from the decision-making process of the Board in relation to the above; and
- (b) subject to the approval of the Independent Shareholders of his participation in the Plan, as and when the Remuneration Committee decides to grant an award to Mr Tay Kiat Seng, pursuant to the Catalist Rules and the rules of the Plan, further approval by the Independent Shareholders at a general meeting will be sought PROVIDED ALWAYS that it shall not be necessary to obtain the approval of the Independent Shareholders for his participation in the Plan again.

3.4. Rationale and justification for participation by Ms Soelistyo Dewi Soegiharto

Ms Soelistyo Dewi Soegiharto is the Managing Director of the Company. Ms Soelistyo Dewi Soegiharto is also a Controlling Shareholder of the Company, and as at the Latest Practicable Date, she has a direct interest in 34,808,413 Shares representing approximately 15.80% of the total number of issued Shares of the Company.

As the Managing Director, Ms Soelistyo Dewi Soegiharto plays a supporting role in the overall management and business operations of the Group, as well as in the implementation of its strategic plans in relation to achieving sales and profits targets and improving the prospects of the Group's business of its Singapore and Indonesia subsidiaries. Ms Soelistyo Dewi Soegiharto has more than 28 years of experience in the water treatment business. Prior to co-founding of the Company, she worked as a sales and project engineer for a year at Scottscenter Pte. Ltd., a water treatment solutions company in Singapore. In addition, she is also responsible for, amongst others, the business direction, management and oversight of Memiontec Pte Ltd's operations. Ms Soelistyo Dewi Soegiharto has been instrumental in developing the market and foundation of the Group's Indonesia subsidiaries. The extension of the Plan to Ms Soelistyo Dewi Soegiharto is consistent with the Company's objective to motivate its employees to achieve and maintain a high level of performance and contribution, which is vital to the success of the Company.

Due to the above reasons, the Directors believe that although Ms Soelistyo Dewi Soegiharto is already a Controlling Shareholder, she deserves and should be allowed to participate in the Plan – her participation will ensure that she is equally entitled, with the other employees who are not Controlling Shareholders, to take part in and benefit from this system of remuneration, thereby enhancing her long-term commitment to the Company.

For avoidance of doubt:

- (a) Ms Soelistyo Dewi Soegiharto and her spouse Mr Tay Kiat Seng has abstained from the decision-making process of the Board in relation to the above; and
- (b) subject to the approval of the Independent Shareholders of her participation in the Plan, as and when the Remuneration Committee decides to grant an award to Ms Soelistyo Dewi Soegiharto, pursuant to the Catalist Rules and the rules of the Plan, further approval by the Independent Shareholders at a general meeting will be sought PROVIDED ALWAYS that it shall not be necessary to obtain the approval of the Independent Shareholders for her participation in the Plan again.

3.5. Further Specific Approval for Awards

As mentioned above, notwithstanding the approval of the Independent Shareholders of their participation in the Plan, the Company will seek specific approval from Independent Shareholders in connection with the grant of awards to either Mr Tay Kiat Seng and/or Ms Soelistyo Dewi Soegiharto.

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4. THE PROPOSED CHANGE OF AUDITORS

4.1. Background

The Company's current Auditors, Deloitte & Touche LLP ("**Deloitte**"), has been the Auditors of the Company since FY2018. Deloitte was re-appointed as Auditors of the Company at the last annual general meeting of the Company held on 13 May 2020 to hold office until the conclusion of the next annual general meeting of the Company.

The Company is proposing to appoint Nexia TS Public Accounting Corporation ("**Nexia**") to replace Deloitte as the Auditors with effect for the FY2021. Pursuant to Rule 712(3) of the Catalist Rules and Section 205AF of the Companies Act, the Proposed Change of Auditors is subject to the approval by Shareholders in a general meeting. Accordingly, the out-going Auditors, Deloitte will not be seeking re-appointment at the forthcoming AGM of the Company.

The retirement of Deloitte and the appointment of Nexia as Auditors will take effect upon the approval of the Proposed Change of Auditors by Shareholders at the AGM and, if appointed, Nexia will hold office until the conclusion of the next annual general meeting of the Company scheduled to be held, when a new resolution will be proposed for the appointment of the Auditors for FY2021.

4.2. Rationale

The Board, in consultation with the Audit Committee, having considered the needs of the Group and the Company, together with various factors such as the fee proposal and credentials of the proposed audit team, nominated and recommended Nexia to replace Deloitte as the Auditors ("**Proposed Audit Team**").

In particular, Nexia was selected amongst various other audit firms which provided proposals to the Company, after taking into account, amongst others, the adequacy of the resources and experience, the audit partner-in-charge assigned to the audit, the other audit engagements of Nexia, the Group's audit requirements and the number and experience of supervisory and professional staff to be assigned to the audit. The Board and the Audit Committee have also considered (i) that Nexia is registered with ACRA and is compliance with Rule 712(2)(a) of the Catalist Rules; and (ii) the Audit Quality Indicators Disclosure Framework issued by ACRA in assessing the suitability of the proposed appointment, and are of the opinion that Nexia will be able to fulfil the audit requirements of the Company and the Group without compromising the standard and effectiveness of the audit of the Company and the Group.

In addition, the Directors are of the view that a change of Auditors would enable the Company to enhance operating costs efficiencies. The Board had reviewed fee proposals from various audit firms, and in consultation with the Audit Committee, had determined that the fee proposal from Nexia is the most competitive. With the Proposed Change of Auditors, the Company expects savings of approximately S\$19,000 in audit fees for FY2021 based on the previous audit fees incurred for FY2020.

The Company does not expect the reduction in cost to affect the quality and scope of the audit to be undertaken by Nexia.

Nexia has, on 23 March 2021, given their consent to act as Auditor, subject to the approval of the Shareholders at the AGM.

The Board wishes to highlight that the Proposed Change of Auditors is neither due to any disagreement with Deloitte or Deloitte declining to continue to serve as Auditors, or dismissal of Deloitte. The Directors wish to express their appreciation for the past services rendered by Deloitte.

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4.3. Requirements under Rule 712 of the Catalist Rules

In accordance with Rule 712(3) of the Catalist Rules:

- (a) Deloitte has confirmed to Nexia, via its professional clearance letter dated 22 March 2021 that they are not aware of any professional reasons why Nexia, being the successor Auditors, should not accept appointment as the new Auditors;
- (b) the Board has confirmed that there were no disagreements with the out-going Auditors, Deloitte, on accounting treatments within the last twelve (12) months up to the date of their retirement at the conclusion of the AGM;
- (c) the Board has confirmed that it is not aware of any circumstances connected with the Proposed Change of Auditors that ought to be brought to the attention of Shareholders which has not been disclosed in this Appendix;
- (d) the specific reasons for the Proposed Change of Auditors are disclosed in Section 4.2 of this Appendix. The Proposed Change of Auditors is neither due to the dismissal of Deloitte, or due to Deloitte declining to stand for election; and
- (e) the Company has confirmed that it is in compliance with Rules 712 and 715 of the Catalist Rules in relation to the appointment of Nexia as its new Auditors.

4.4. Requirements under Rule 715 and 716 of the Catalist Rules

The Board confirms that Rule 715(1) of the Catalist Rules requiring for the Company to engage the same auditing firm based in Singapore to audit its accounts, and its Singapore-incorporated subsidiaries and significant associated companies will be complied with, as Nexia will be the Auditors for the Company and all the Singapore-incorporated subsidiaries after the Proposed Change of Auditors. The Group does not have any Singapore-incorporated associated companies.

The Board also confirms that Rule 715(2) of the Catalist Rules requiring for the Company to engage a suitable auditing firm for its significant foreign-incorporated subsidiaries and associated companies will be complied with, as Nexia will be appointed as auditors of the Company's subsidiaries in Singapore and Indonesia, particularly, Memiontec Pte. Ltd., M Water Resources Pte. Ltd., Memiontec Industrial Pte. Ltd., PT Memiontec Indonesia and PT Memindo Pratama. For the avoidance of doubt, Nexia will not be appointed as the auditor of the Company's subsidiary in the People's Republic of China, MT Water Technology Co. Ltd., which is insignificant.

4.5. Information on Nexia

Nexia is associated with Smith & Williamson in the United Kingdom, and both Nexia and Smith & Williamson are independent member firms of Nexia International network. Nexia International is a leading global network of independent accounting and consulting firms with a worldwide turnover in excess of USD4.5 billion, with substantial representation in the major financial centres of the world, which are supported by over 32,000 professional staff and over 727 offices in more than 122 countries globally. Smith & Williamson is a leading, independently owned, accounting, financial advisory and investment management group with over 1,800 employees in the United Kingdom with its headquarters in London. As part of the top ten largest firms of accountants in the United Kingdom, it has 12 principal offices in the United Kingdom, Ireland and Jersey. Its services include investment management, accountancy, tax, corporate and financial advisory.

Nexia was established in 1993 by two (2) experienced chartered accountants, namely Henry Tan and Sitoh Yih Pin. Nexia is registered with ACRA and has more than 260 professionals including 19 directors in the Singapore office offering auditing, accounting, advisory and taxation services.

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Nexia has offices in Singapore, Malaysia, Myanmar and Shanghai, People's Republic of China, and is amongst the top ten (10) largest accounting firms in Singapore. Certain directors of Nexia are audit committee members of a number of listed companies in Singapore and have many years of experience in corporate governance and auditing issues. Nexia is currently the independent auditors to more than 40 Singapore listed companies. In this regard, it has significant experience acting as auditors for companies listed on the SGX-ST.

The engagement director-in-charge will be Ms Meriana Ang. Ms Meriana Ang is a practising member of the Institute of Singapore Chartered Accountants (ISCA) and Association of Chartered Certificate Accountants (ACCA). Ms Meriana Ang has over 16 years' experience in public accounting in Singapore. Ms Meriana Ang's experience in listed companies covers various industries includes oil and gas, real estate, shipping, construction, food and beverages, manufacturing, distribution and trading, services and investment holding with operations in various geographical locations including Singapore, Myanmar, Indonesia, Malaysia, Canada, United States of America, People's Republic of China and Vietnam. Ms Meriana Ang has also acted as the reporting accountant for corporate transactions, such as major acquisitions and reverse take-over of companies listed on the SGX-ST.

Ms Meriana Ang will be assisted by a team of five to six audit professionals, comprising manager, senior associates and associates, in performing the audit. This includes an Engagement Quality Control Reviewer ("EQCR"), who is an experienced director to ensure that the engagement team is provided independent and objective viewpoints on the audit.

Ms Meriana Ang had previously been subjected to the Practice Monitoring Programme ("PMP") review by ACRA and the Company noted that there is no adverse feedback from ACRA on Ms Meriana Ang from previous exercises. Other partners of Nexia selected for review in 2018 under the PMP conducted by ACRA have also passed the practice review and have not received a hot review order.

Apart from EQCRs allocated for all listed company and large public-interest entity clients, detailed quality reviews are performed by a central review team on these audits. Also, other than the firm's internal quality reviews, Nexia also undergoes Nexia International quality reviews and ACRA PMP inspections on a periodic basis.

Further information about Nexia is set out in its corporate website www.nexiats.com.sg.

4.6. **Audit Committee Statement**

The Audit Committee adopted the Audit Quality Indicators Disclosure Framework issued by ACRA in assessing the suitability of potential Auditors – these are audit partner, firm experience, reputation, audit quality indicators and fee consideration.

The Audit Committee has reviewed and deliberated on the Proposed Change of Auditors and after taking into consideration the suitability and independence of Nexia in meeting the audit requirements of the Group, has recommended the Proposed Change of Auditors for approval by the Board. The factors considered by the Audit Committee have been set out in Section 4.2 of this Appendix and is in compliance with the requirements of the relevant Catalist Rules.

5. **INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

Based on the Register of Directors and Register of Substantial Shareholders, as at the Latest Practicable Date, the shareholdings of the Directors and Substantial Shareholders in the Shares are as follows:

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	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
<u>Directors</u>						
Tay Kiat Seng ⁽²⁾⁽³⁾	118,345,033	53.73	26,456,554	12.01	144,801,587	65.74
Soelistyo Dewi Soegiharto ⁽²⁾	34,808,413	15.80	-	-	34,808,413	15.80
Low Kian Beng	-	-	-	-	-	-
Jackson Chevalier Yap Kit Siong	-	-	-	-	-	-
Hor Siew Fu	-	-	-	-	-	-
Chua Kern	-	-	-	-	-	-
Lee Dah Kang	22,000	0.01	-	-	22,000	0.01
<u>Substantial Shareholder (other than Directors)</u>						
Unity Strength ⁽³⁾	26,456,554	12.01	-	-	26,456,554	12.01

Notes:

- (1) Based on the total issued and paid-up share capital of the Company of 220,257,000 Shares as at the Latest Practicable Date. The Company does not have Treasury Shares or subsidiary holdings as at the Latest Practicable Date.
- (2) Mr Tay Kiat Seng and Ms Soelistyo Dewi Soegiharto are spouses.
- (3) Mr Tay Kiat Seng has deemed interests in the Shares held by Unity Strength by virtue of his controlling interest in Unity Strength.

Save as disclosed in this Appendix, none of the Directors or their associates or, as far as the Company is aware, Substantial Shareholders or their associates, has any interest, direct or indirect, in the Proposed Transactions.

6. ABSTENTION FROM VOTING

Mr Tay Kiat Seng and Ms Soelistyo Dewi Soegiharto, and their associates, shall abstain from voting in respect of their holdings of Shares at the AGM in respect of the Ordinary Resolutions 8 and 9 as set out in the Notice of AGM (in respect of the proposed participation of Mr Tay Kiat Seng and Ms Soelistyo Dewi Soegiharto in the Plan, respectively) and shall not accept appointments as proxies for voting at the AGM in respect of the aforesaid resolutions, unless specific instructions have been given in the proxy instrument on how the Shareholders wish their votes to be casted for the aforesaid resolutions.

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Unity Strength, being an associate of Mr Tay Kiat Seng and Ms Soelistyo Dewi Soegiharto, shall also abstain from voting in respect of its holdings of Shares at the AGM in respect of the Ordinary Resolutions 8 and 9 as set out in the Notice of AGM (in respect of the proposed participation of Mr Tay Kiat Seng and Ms Soelistyo Dewi Soegiharto in the Plan, respectively) and shall not accept appointment as proxy for voting at the AGM in respect of the aforesaid resolutions, unless specific instructions have been given in the proxy instrument on how the Shareholders wish their votes to be casted for the aforesaid resolutions.

The Company will disregard any votes cast by the aforementioned persons who are required to abstain from voting, and by any persons who are required to abstain by a Catalist Rule or pursuant to a court order where such court order is served on the issuer.

7. DIRECTORS' RECOMMENDATION

7.1. Proposed Adoption of the Share Buyback Mandate

Having fully considered, amongst others, the rationale for and benefit of the proposed Share Buyback Mandate, the Directors are of the opinion that the proposed Share Buyback Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the Ordinary Resolution 10 in respect of the proposed adoption of the Share Buyback Mandate as set out in the Notice of AGM.

7.2. Proposed Participations of Mr Tay Kiat Seng and Ms Soelistyo Dewi Soegiharto, each a Controlling Shareholder, in the Memiontec Performance Share Plan

The Directors (save for Mr Tay Kiat Seng and Ms Soelistyo Dewi Soegiharto who, as Controlling Shareholders, shall abstain from making any recommendation) are of the opinion that the proposed participations of Mr Tay Kiat Seng and Ms Soelistyo Dewi Soegiharto, each a Controlling Shareholder, in the Plan is in the best interests of the Company. Accordingly, the Directors (save for Mr Tay Kiat Seng and Ms Soelistyo Dewi Soegiharto) recommend that Independent Shareholders vote in favour of Ordinary Resolutions 8 and 9 (in respect of the proposed participations of Mr Tay Kiat Seng and Ms Soelistyo Dewi Soegiharto, each a Controlling Shareholder, in the Plan, respectively) as set out in the Notice of AGM.

7.3. Proposed Change of Auditors

Having considered and reviewed, amongst others, the adequacy of the resources, experience and reputation of Nexia, the rationale for and benefits of the Proposed Change of Auditors, the recommendation of the Audit Committee and all the other relevant information asset out in this Appendix, the Directors are of the opinion that the Proposed Change of Auditors is in the best interests of the Company and accordingly recommend that Shareholders vote in favour of the Ordinary Resolution 5 in respect of the Proposed Change of Auditors as set out in the Notice of AGM.

8. ANNUAL GENERAL MEETING

The AGM, notice of which is set out in the Annual Report, will be conducted by way of electronic means on 12 April 2021 at 2:00 p.m. for the purpose of, amongst others, considering and, if thought fit, passing with or without modifications, the Ordinary Resolutions as set out in the Notice of AGM (including Ordinary Resolutions 5, 8, 9 and 10 relating to the Proposed Change of Auditors, the proposed participation of Mr Tay Kiat Seng in the Plan, the proposed participation of Ms Soelistyo Dewi Soegiharto in the Plan and the proposed adoption of the Share Buyback Mandate, respectively).

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9. ACTION TO BE TAKEN BY SHAREHOLDERS

Due to the current COVID-19 situation in Singapore, the AGM will be conducted only by way of electronic means and Shareholders will not be able to physically attend the AGM. Instead, alternative arrangements have been put in place to allow Shareholders who pre-registered to participate at the AGM by (a) observing and/or listening to the AGM proceedings via “live” audio-visual webcast or “live” audio-only stream; (b) submitting questions related to the resolution tabled for approval, in advance of the AGM; and/or (c) appointing the Chairman of the AGM as proxy to attend, speak and vote on their behalf at the AGM.

Please refer to the Notice of AGM set out on pages 123 to 131 of the Annual Report for further details.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this letter constitutes full and true disclosure of all material facts about the Proposed Transactions, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading.

Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at 20 Woodlands Link #04-30/31 Singapore 738733 during normal office hours from the date of this Appendix up to the date of the AGM:

- (a) the Constitution;
- (b) the Annual Report;
- (c) the Offer Document containing the Rules of the Plan;
- (d) the letter of professional clearance dated 22 March 2021 issued by Deloitte to Nexia referred to in Section 4.3(a) of this Appendix; and
- (e) the letter of consent to act as Auditors dated 23 March 2021 from Nexia.

Yours faithfully
For and on behalf of
the Board of Directors of
MEMIONTEC HOLDINGS LTD.

Low Kian Beng
Executive Director