

APPENDIX 1

SUMMARY SHEET FOR RENEWAL OF SHARE PURCHASE MANDATE

The Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Appendix 1 (“**Appendix**”). If you are in doubt as to the action that you should take, you should consult your stockbroker or other professional adviser immediately.

(A) Shares Purchased In The Previous Twelve Months

Pursuant to the Shares Purchase Mandate obtained at the Extraordinary General Meeting on 6 September 2022, the Company had not bought back any issued ordinary shares in the capital of the Company (the “**Shares**”) by way of market or off-market acquisitions.

As at 23 March 2023 (“**Latest Practicable Date**”), the Company does not hold any Treasury Shares.

(B) Renewal Of The Share Purchase Mandate

The Ordinary Resolution No. 8 if passed at the forthcoming annual general meeting to be held on 20 April 2023 (“**FY2022 AGM**”) will renew the Share Purchase Mandate approved by the shareholders of the Company (“**Shareholders**”) from the date of the FY2022 AGM at which the proposed renewal of the Share Purchase Mandate is approved until:

- (a) the date on which the next annual general meeting of the Company is held or is required by law to be held;
- (b) the date on which the Share purchases are carried out to the full extent of the Share Purchase Mandate; or
- (c) the date on which the authority conferred in the Share Purchase Mandate is revoked or varied by an ordinary resolution of the Shareholders of the Company in general meeting,

whichever is the earliest (“**Relevant Period**”).

The authority conferred on the Directors by the Share Purchase Mandate to purchase Shares may be renewed at each subsequent annual general meeting or other general meetings of the Company.

(C) Authority and Limits

Maximum Number of Shares

1. Only Shares which are issued and fully paid-up may be purchased or acquired by the Company pursuant to the Share Purchase Mandate. The total number of Shares which may be purchased or acquired pursuant to the Share Purchase Mandate during the Relevant Period shall not exceed 10% of the total number of issued Shares (excluding Treasury Shares and subsidiary holdings) as at the date of the FY2022 AGM at which approval for the proposed renewal of the Share Purchase Mandate is being sought.
2. Based on the existing issued and paid-up share capital of the Company of 752,994,775 Shares (excluding Treasury shares) as at the Latest Practicable Date, assuming no further Shares are issued, and no further Shares are purchased or acquired by the Company, or held as Treasury Shares, on or prior to the FY2022 AGM, the proposed purchases by the Company of up to a maximum of ten per cent. (10%) of its issued share capital under the Share Purchase Mandate will result in the purchase of up to 75,299,477 Shares. The Company does not have any subsidiary holdings as at the Latest Practicable Date.

Maximum Price

3. Any Share purchases undertaken by the Company shall be at a price of up to but not exceeding the Maximum Price.
4. The Maximum Price is a sum which shall not exceed the sum constituting five per cent. (5%) above the average closing price of the Shares over the period of five (5) market days in which transactions in the Shares on the SGX-ST were recorded before the day on which such purchase is made and deemed to be adjusted for any corporate action that occurs during the relevant five (5) days period and the day on which the purchases are made in the case of a Market Purchase.
5. In the case of an Off-Market Purchase, the Maximum Price is a sum which shall not exceed the sum constituting twenty per cent. (20%) above the average closing price of the Shares over the period of five (5) market days in which transactions in the Shares on the SGX-ST were recorded immediately preceding the date on which the Company makes an announcement of an offer under an equal access scheme and deemed to be adjusted for any corporate action that occurs after the relevant five (5) days period.

Listing Status on the SGX-ST

6. The Directors will ensure that the Share purchases will not have any effect on the listing of the Company's securities including the Shares listed on the SGX-ST. Rule 723 of the Listing Manual of the SGX-ST requires at least ten per cent. (10%) of the total number of issued shares (excluding Treasury Shares, preference shares and convertible equity securities) in a class that is listed is at all times held by the public. The Directors shall safeguard the interests of public Shareholders before undertaking any Share purchases. Before exercising the Share Purchase Mandate, the Directors shall at all times take due cognisance of (a) the then shareholding spread of the Company in respect of the number of Shares held by substantial Shareholders and by non-substantial Shareholders and (b) the volume of trading on the SGX-ST in respect of the Shares immediately before the exercise of any Share purchases.
7. As at the Latest Practicable Date, approximately 524,602,264 Shares (69.67%) of a total of 752,994,775 Shares issued by the Company (excluding Treasury Shares) are held by the public. The Company will ensure that the Share purchases will not cause market illiquidity or affect orderly trade and will ensure that Rule 723 of the Listing Manual is complied with.

(D) Mode of Purchase

Shares Purchases can be effected by the Company in either one of the following two (2) ways or both:

- (a) by way of market purchases of Shares on the Official List of SGX-ST, which means a purchase transacted through the ready market ("**Market Purchase**"); or
- (b) by way of off-market acquisitions on an equal access scheme in accordance with Section 76C of the Act ("**Off-Market Purchase**").

(E) Off-Market Purchases

1. For purchases of Shares made by way of an Off-Market Purchase, the Company shall issue an offer document to all Shareholders. The offer document shall contain, *inter alia*, the following information:
 - (a) the terms and conditions of the offer;
 - (b) the period and procedures for acceptances;
 - (c) the reasons for the proposed Shares purchase;

- (d) the consequences, if any, of Shares purchased by the Company that will arise under the Singapore Code on Take-overs and Mergers or any other applicable take-over rules;
 - (e) whether the purchase of Shares, if made, would have any effect on the listing of the Company's securities on the Official List of SGX-ST;
 - (f) details of any purchase of Shares made by the Company in the previous twelve (12) months whether through Market Purchases or Off-Market Purchases, including the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such purchases of Shares, where relevant, and the total consideration paid for such purchases; and
 - (g) whether the Shares purchased by the Company will be cancelled or kept as Treasury Shares.
2. All Offeree Shareholders shall be given a reasonable opportunity to accept any offer made by the Company to purchase their Shares under the Shares Purchase Mandate.
3. The Company may offer to purchase Shares from time to time under the Shares Purchase Mandate subject to the requirement that the terms of any offer to purchase Shares by the Company shall be ranked *pari passu* in respect of all Offeree Shareholders save under the following circumstances:
- (a) where there are differences in consideration attributable to the fact that an offer relates to Shares with different accrued dividend entitlements;
 - (b) where there are differences in consideration attributable to the fact that an offer relates to Shares with different amounts remaining unpaid; and
 - (c) where there are differences in an offer introduced solely to ensure that every Shareholder is left with a whole number of Shares in board lots of 100 Shares after the Shares Purchases, in the event there are Offeree Shareholders holding odd number of Shares.

(F) Rationale For The Share Purchase Mandate

The proposed Share Purchase Mandate will give the Company the flexibility to undertake purchases of its Shares at any time, subject to market conditions, during the period when the Share Purchase Mandate is in force.

The Directors believe that the Share Purchase Mandate will provide 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. The Share Purchase Mandate will also allow the Directors to exercise greater control over the Company's share capital structure, dividend payout and cash reserves, with a view to enhancing the net tangible assets and/or earnings per Share. The Directors further believe that Share purchases may also buffer short-term share price volatility and offset the effects of share price speculation. Where Shares are purchased by the Company and are held as Treasury Shares, it will also enable the Company to transfer the Treasury Shares for the purposes of the Fu Yu Restricted Share Plan.

The purchase or acquisition of Shares will only be undertaken if the Directors believe that it can benefit the Company and Shareholders. Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full 10% limit as authorised. No purchase or acquisition of Shares will be made in circumstances which would have or may have a material adverse effect on the financial condition, liquidity and capital of the Company and the Group.

(G) Funding of Share Purchases

In purchasing Shares, the Company may only apply funds legally available for such purchase in accordance with its Constitution and the applicable laws in Singapore. The Company may not purchase Shares for a consideration other than cash or for settlement otherwise in accordance with the trading rules of the SGX-ST. Any Share purchase undertaken by the Company shall be made out of capital or profits that are available for distribution as dividends so long as the Company is solvent (as defined in Section 76F(4) of the Act). Any purchase by the Company may be made out of capital or profits that are available for distribution as dividends, so long as the Company is solvent (as defined by Section 76F(4) of the Act).

Pursuant to Section 76F(4) of the Act, a company is solvent if (a) it is able to pay its debts in full at the time of payment and will be able to pay its debts as they fall due in the normal course of business in the twelve (12) months following such date of payment and (b) the value of its assets is not less than the value of its liabilities (including contingent liabilities) and such value of its assets will not, after any purchase of shares for purposes of any proposed acquisition or release of the company's obligations, become less than the value of its liabilities (including contingent liabilities). In determining whether the Company is solvent, the Directors must have regard to the most recently audited financial statements, other relevant circumstances, and may rely on valuations or estimations of assets or liabilities. In determining the value of contingent liabilities, the Directors may take into account the likelihood of the contingency occurring, as well as any counterclaims by the Company.

The Company intends to use internal sources of funds or external borrowings, or a combination of both, to finance its Share purchases.

Where the consideration paid by the Company for the Share purchases is made out of profits, such consideration will correspondingly reduce the amount of profits available for the distribution of cash dividends by the Company. However, where the consideration paid by the Company for the Share purchases is made out of capital, the amount of profits available for the distribution of cash dividends by the Company will not be reduced.

(H) Financial Impact Of The Proposed Share Purchases

1. The purchased Shares may be:

- (i) held by the Company; or
- (ii) dealt with, at any time, in accordance with Section 76K of the Act, as Treasury Shares.

Section 76K of the Act allows the Company to:

- (a) sell the Treasury Shares (or any of them) for cash;
- (b) transfer the Treasury Shares (or any of them) for the purposes of or pursuant to any share scheme of the Company, whether for employees, Directors or other persons;
- (c) 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;
- (d) cancel the Treasury Shares (or any of them); or
- (e) sell, transfer or otherwise use the Treasury Shares for such other purposes as may be prescribed by the Minister for Finance.

The aggregate number of Shares held as Treasury Shares shall not at any time exceed ten per cent. (10%) of the total number of Shares at that time. Any Shares in excess of this limit shall be disposed of or cancelled in accordance with Section 76K of the Act within six (6) months after the limit is first exceeded, or such further period as may be allowed by the Accounting and Corporate Regulatory Authority (“ACRA”).

Under the Act, where Shares purchased or acquired by the Company are cancelled, the Company shall:

- (i) reduce the amount of the Company’s share capital where the Shares were purchased or acquired out of the capital of the Company;
- (ii) reduce the amount of the Company’s profits where the Shares were purchased or acquired out of the profits of the Company; or
- (iii) reduce the amount of the Company’s share capital and profits proportionately where the Shares were purchased or acquired out of both the capital and the profits of the Company,

by the total amount of the purchase price paid by the Company for the Shares cancelled.

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 Act, the Company shall be treated as having no right to vote and the Treasury Shares will be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company’s assets (including any distribution of assets to members of the Company on winding up) may be made, to the Company in respect of Treasury Shares. However, the allotment of Shares as fully paid bonus shares in respect of Treasury Shares is allowed. Also, a subdivision or consolidation of any Treasury Shares into Treasury Shares of a greater or smaller number is allowed so long as the total value of the Treasury Shares after the subdivision or consolidation is the same as before.

2. The financial effects arising from a purchase or acquisition of Shares pursuant to the Share Purchase Mandate on the Group and the Company will depend on, *inter alia*, whether the Shares are purchased or acquired out of profits and/or capital of the Company, the number of Shares purchased or acquired, the consideration paid for such Shares and whether the Shares purchased or acquired are held in treasury or cancelled. The financial effect on the unaudited financial statements of the Group and the Company will depend, *inter alia*, on the factors set out below:

(a) Purchase or Acquisition out of Profits and/or Capital

Under the Act, purchases or acquisitions of Shares by the Company may be made out of the Company’s profits and/or capital so long as the Company is solvent. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding brokerage, commission, applicable goods and service tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

(b) Number of Shares Acquired or Purchased

Based on the 752,994,775 issued Shares as the Latest Practicable Date, the purchase or acquisition of Shares by the Company of up to the maximum limit of 10% of its issued Shares will result in the purchase or acquisition of 75,299,477 Shares.

(c) Maximum Price Paid for Shares Acquired or Purchased

In the case of a Market Purchase by the Company and assuming that the Company purchases or acquires 75,299,477 Shares at the Maximum Price of S\$0.2247 per Share (being the price equivalent to 5% above the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 75,299,477 Shares is approximately S\$16.9 million (excluding brokerage, commission, applicable goods and services tax and other related expenses). In the case of an Off-Market Purchase by the Company and assuming that the Company purchases or acquires 75,299,477 Shares at the Maximum Price of S\$0.2568 per Share (being the price equivalent to 20% above the Average Closing Price of the Shares for the five consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 75,299,477 Shares is approximately S\$19.3 million (excluding brokerage, commission, applicable goods and services tax and other related expenses).

Illustrative Financial Effects

For illustrative purposes only, based on the assumptions set out above and assuming that (i) the purchase or acquisition of Shares are made to the extent aforesaid, (ii) such Shares are funded wholly by internal resources within the Group and (iii) the Company had purchased 75,299,477 Shares (representing 10% of the issued Shares as at the Latest Practicable Date), the financial effects of the purchase of 75,299,477 Shares by way of:

- (i) purchases made entirely out of capital and held as Treasury Shares;
- (ii) purchases made entirely out of capital and cancelled;

on the audited financial statements of the Group and the Company for the financial year ended 31 December 2022 pursuant to the Share Purchase Mandate are set out as follows:

(a) Market Purchases

Scenario	A	B
Purchased out of	Capital	Capital
Type of purchase	On-Market	On-Market
Held as Treasury Shares/Cancelled	Held as Treasury Shares	Cancelled
Maximum Price share (S\$)	0.22470	0.22470
Maximum number of Shares to be purchased ('000)	75,299	75,299
Total number of issued Shares as at the Latest Practicable Date ('000)	752,994	752,994
Equivalent % total issued Shares	10%	10%
Maximum funds required (S\$'000)	16,920	16,920

As at 31 December 2022	Group			Company		
	Before Share Purchase	After Share Purchase		Before Share Purchase	After Share Purchase	
		A (Held as Treasury Shares)	B (Cancelled)		A (Held as Treasury Shares)	B (Cancelled)
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Profit attributable to equity holders for the year	14,434	14,434	14,434	13,763	13,763	13,763
Share capital	102,158	102,158	85,238	102,158	102,158	85,238
Capital and other reserves	10,009	10,009	10,009	279	279	279
Retained profits	64,471	64,471	64,471	27,826	27,826	27,826
Currency translation reserve	(24,725)	(24,725)	(24,725)	–	–	–
Treasury Shares	–	(16,920)	–	–	(16,920)	–
Shareholders' fund	151,913	134,993	134,993	130,263	113,343	113,343
Net Asset value ⁽¹⁾ (less intangible asset-goodwill)	145,934	129,014	129,014	130,263	113,343	113,343
Current assets	131,247	114,327	114,327	41,360	24,440	24,440
Current liabilities	43,743	43,743	43,743	18,388	18,388	18,388
Net current assets	87,504	70,584	70,584	22,972	6,052	6,052
Unsecured bank loans	7,350	7,350	7,350	7,350	7,350	7,350
Cash and cash equivalents	79,347	62,427	62,427	18,824	1,904	1,904
Number of shares (in '000)	752,994	677,695	677,695	752,994	677,695	677,695
Treasury shares (in '000)	–	75,299	–	–	75,299	–
Financial Ratios						
Earnings per Share (cents)	1.92	2.13	2.13	1.83	2.03	2.03
Net assets value per Share (cents) ⁽²⁾	20.17	19.92	19.92	17.30	16.72	16.72
Gearing ratios (times) ⁽³⁾	0.05	0.05	0.05	0.06	0.06	0.06
Current ratios (times) ⁽⁴⁾	3.00	2.61	2.61	2.25	1.33	1.33

Notes:

- (1) Net asset value equals to total assets less total liabilities.
- (2) Based on the total number of Shares issued as at the Latest Practicable Date and adjusted for the effect of the Share purchases or acquisitions.
- (3) Gearing ratio means total borrowings divided by Shareholders' funds.
- (4) Current ratio means current assets divided by current liabilities.

(b) Off-Market Purchases

Scenario	A	B
Purchased out of	Capital	Capital
Type of purchase	Off-Market	Off-Market
Held as Treasury Shares/Cancelled	Held as Treasury Shares	Cancelled
Maximum Price share (S\$)	0.2568	0.2568
Maximum number of Shares to be purchased ('000)	75,299	75,299
Total number of issued Shares as at the Latest Practicable Date ('000)	752,994	752,994
Equivalent % total issued Shares	10%	10%
Maximum funds required (S\$'000)	19,337	19,337

	Group			Company		
	Before Share Purchase	After Share Purchase		Before Share Purchase	After Share Purchase	
		A (Held as Treasury Shares)	B (Cancelled)		A (Held as Treasury Shares)	B (Cancelled)
As at 31 December 2022	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Profit attributable to equity holders for the year	14,434	14,434	14,434	13,763	13,763	13,763
Share capital	102,158	102,158	82,821	102,158	102,158	82,821
Capital and other reserves	10,009	10,009	10,009	279	279	279
Retained profits	64,471	64,471	64,471	27,826	27,826	27,826
Currency translation reserve	(24,725)	(24,725)	(24,725)	–	–	–
Treasury Shares	–	(19,337)	–	–	(19,337)	–
Shareholders' fund	151,913	132,576	132,576	130,263	110,926	110,926
Net Asset value ⁽¹⁾ (less intangible asset-goodwill)	145,934	126,597	126,597	130,263	110,926	110,926
Current assets	131,247	111,910	111,910	41,360	22,023	22,023
Current liabilities	43,743	43,743	43,743	18,388	18,388	18,388
Net current assets	87,504	68,167	68,167	22,972	3,635	3,635
Unsecured bank loans	7,350	7,350	7,350	7,350	7,350	7,350
Cash and cash equivalents	79,347	60,010	60,010	18,824	(513)	(513)
Number of shares (in '000)	752,994	677,695	677,695	752,994	677,695	677,695
Treasury shares (in '000)	–	75,299	–	–	75,299	–
Financial Ratios						
Earnings per Share (cents)	1.92	2.13	2.13	1.83	2.03	2.03
Net assets value per Share (cents) ⁽²⁾	20.17	19.56	19.56	17.30	16.37	16.37
Gearing ratios (times) ⁽³⁾	0.05	0.06	0.06	0.06	0.07	0.07
Current ratios (times) ⁽⁴⁾	3.00	2.56	2.56	2.25	1.20	1.20

Notes:

- (1) Net asset value equals to total assets less total liabilities.
- (2) Based on the total number of Shares issued as at the Latest Practicable Date and adjusted for the effect of the Share purchases or acquisitions.
- (3) Gearing ratio means total borrowings divided by Shareholders' funds.
- (4) Current ratio means current assets divided by current liabilities.

The financial effects set out above are purely for illustrative purposes only. Although the proposed renewal of the Share Purchase Mandate would authorise the Company to buy back up to 10% of the total number of issued Shares (excluding Treasury Shares) as at the date that the Share Purchase Mandate is obtained, the Company may not necessarily buy back or be able to buy back 10% of the total number of issued Shares (excluding Treasury Shares) in full.

(I) Consequences of Share Purchases Under The Singapore Code on Take-overs and Mergers

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

Obligation to make a Take-over Offer

2. In accordance with The Singapore Code on Take-overs and Mergers (the "**Take-over Code**"), a person will be required to make a general offer for a public company if:
 - (a) he and persons acting in concert with him acquires thirty per cent. (30%) or more of the voting rights of the company; or
 - (b) he and persons acting in concert with him already holds between thirty per cent. (30%) and fifty per cent. (50%) of the voting rights of the company, and he and his concert parties increase their voting rights in the company by more than one per cent. (1%) in any six-month period.

Persons Acting in Concert

3. 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.
4. Unless the contrary is established, the Take-over Code presumes, inter alia, the following individuals and companies to be acting in concert with each other:
 - (a) the following companies:
 - (i) a company;
 - (ii) the parent company of (i);
 - (iii) the subsidiaries of (i);
 - (iv) the fellow subsidiaries of (i);
 - (v) the associated companies of any of (i), (ii), (iii) or (iv);

- (vi) companies whose associated companies include any of (i), (ii), (iii), (iv) or (v); and
 - (vii) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.
- (b) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
 - (c) a company with any of its pension funds and employee share schemes;
 - (d) 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;
 - (e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and persons controlling, controlled by or under the same control as the adviser;
 - (f) directors of a company (together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent;
 - (g) partners; and
 - (h) the following persons and entities:
 - (i) an individual;
 - (ii) the close relatives of (i);
 - (iii) the related trusts of (i);
 - (iv) any person who is accustomed to act in accordance with the instructions of (i);
 - (v) companies controlled by any of (i), (ii), (iii) or (iv); and
 - (vi) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.

For this purpose, ownership or control of at least twenty per cent (20%) but not more than fifty per cent (50%) of the voting 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 of the Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

Effect of Rule 14 and Appendix 2

5. As at the Latest Practicable Date and before the proposed Share Purchase Mandate, the Directors' and substantial Shareholders' interests are as follows:

Directors	Before Purchase				After Purchase	
	Direct Interest	Deemed Interest	Total Interest		Total Interest	
	Number of Shares	Number of Shares	Number of Shares	(%)	Number of Shares	(%)
Hew Lien Lee	4,000,000	–	4,000,000	0.53	4,000,000	0.59
Seow Jun Hao David ⁽¹⁾	–	–	–	–	–	–
Huang Junli, Christopher	–	–	–	–	–	–
Poh Kai Ren, Daniel	–	–	–	–	–	–
Tan Tong Loong Royston	–	–	–	–	–	–
<u>Substantial Shareholders other than Directors</u>						
Pilgrim Capital VCC – Global Manufacturing Fund ⁽²⁾	–	224,392,511	224,392,511	29.80	224,392,511	33.11

Notes:

- (1) As at the Latest Practicable Date, Mr Seow Jun Hao David has interests in 25,000,000 ordinary shares of the Company pursuant to share awards granted under the Fu Yu Restricted Share Plan (“RSP”). These shares will be released after the relevant vesting periods as determined by the Remuneration Committee or otherwise in accordance with the rules of the RSP.
- (2) Pilgrim Capital VCC – Global Manufacturing Fund (“**Pilgrim Capital VCC**”) is a variable capital company. Pilgrim Partners Asia (Pte.) Ltd is the fund manager of Pilgrim Capital VCC. These shares are held in custody by a nominee pursuant to a Prime Brokerage Agreement entered into with Maybank Kim Eng Securities Pte. Ltd.

As at the Latest Practicable Date, Pilgrim Capital VCC owns 29.80% of the shareholdings in the Company.

In the event the Company undertakes Shares Purchases of up to ten per cent (10%) of the issued Shares of the Company as permitted by the Share Purchase Mandate, the shareholding and voting rights of Pilgrim Capital VCC may be increased from approximately 29.80% to approximately 33.11%. Accordingly, Pilgrim Capital VCC's shareholdings and voting rights may thus be increased to 30% or more and it may be required to make a general offer to the other shareholders under Rule 14.1(a) of the Take-over Code.

Pursuant to Appendix 2 of the Take-over Code, Pilgrim Capital VCC will be exempted from the requirement to make a general offer under Rule 14.1(b) of the Take-over Code after any Shares purchases subject to the following conditions:

- (a) the Letter on the resolution to approve the renewal of the Share Purchase Mandate contains advice to the effect that by voting to approve the Share Purchase Mandate, Shareholders are waiving their rights to a general offer at the required price from Pilgrim Capital VCC and parties acting in concert with it who as a result of Share purchases would increase their voting rights by more than 1% in any six-month period, and the names of Pilgrim Capital VCC and parties acting in concert with it, their voting rights at the time of the annual general meeting and after the proposed Shares purchase are disclosed in the same Letter;
- (b) the resolution to approve the Share Purchase Mandate is approved by a majority of those Shareholders present and voting at the meeting on a poll who could not become obliged to make an offer as a result of the proposed Shares purchase;

- (c) Pilgrim Capital VCC and parties acting in concert with it abstain from voting for and recommending Shareholders to vote in favour of the resolution to approve the Share Purchase Mandate;
- (d) within seven (7) days after the passing of the resolution to authorise a buy-back, Pilgrim Capital VCC to submit to the Securities Industries Council (“SIC”) a duly signed form as prescribed by SIC; and
- (e) Pilgrim Capital VCC and parties acting in concert with it have not acquired and will not acquire any Shares between the date on which they know that the announcement of the proposed Shares purchase is imminent and the earlier of:
 - (i) the date on which the authority of the Share Purchase Mandate expires;
 - (ii) the date on which the Company announces that it has bought back such number of Shares as authorised by the Share Purchase Mandate or it has decided to cease buying back its Shares, as the case may be, if such acquisitions, taken together with the proposed Share purchase, would cause their aggregate voting rights in the Company to increase by more than one per cent (1%) in any six-month period.

If the Company ceases to buy back its Shares and the increase in the aggregate voting rights held by Pilgrim Capital VCC and parties acting in concert with it is less than one per cent (1%) in any six-month period, Pilgrim Capital VCC and parties acting in concert with it may acquire further voting rights in the Company. However, any increase in Pilgrim Capital VCC’s and its concert parties’ percentage voting rights in the Company as a result of the Share purchases will be taken into account together with any voting rights acquired by Pilgrim Capital VCC and parties acting in concert with it (by whatever means) in determining whether Pilgrim Capital VCC and parties acting in concert with it have increased their voting rights by more than one per cent (1%) in any six-month period.

To-date, there are no parties in concert with Pilgrim Capital VCC who hold Shares in the Company.

It should be noted that approving the Share Purchase Mandate will constitute a waiver by the shareholders in respect of their right to a general offer by Pilgrim Capital VCC at the required price.

(J) Miscellaneous

1. In making Share purchases, the Company will comply with the requirements of the SGX-ST Listing Manual, in particular, Rule 886 with respect to notification to the SGX-ST of any Share purchases. Rule 886 is reproduced below:

“(1) An issuer must notify the Exchange of any share buy-back as follows:

- (a) In the case of a market acquisition, by 9.00 a.m. on the market day following the day on which it purchased shares;
- (b) In the case of an off market acquisition under an equal access scheme, by 9.00 a.m. on the second market day after the close of acceptances of the offer.

(2) Notification must be in the form of Appendix 8.3.1 (or 8.3.2 for an issuer with a dual listing on another stock exchange).”

2. Within thirty (30) days of the passing of a Shareholders’ resolution to approve any purchase of Shares, the Company shall lodge a copy of such resolution with ACRA. The Company shall notify ACRA within thirty (30) days of a purchase of Shares. Such notification shall include details of the date of the purchase, the total number of Shares purchased by the Company, the number of Shares cancelled, the number of Shares held as Treasury Shares, the Company’s issued share capital before the purchase, the Company’s issued share capital after the purchase, the amount of consideration paid by the Company for the purchase, whether the Shares were purchased out of profits or the capital of the Company and such other particulars as may be required by ACRA.

3. The SGX-ST Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time or times. However, as a listed company would be considered an “insider” in relation to any proposed purchase or acquisition of its shares, the Company will undertake not to purchase or acquire Shares pursuant to the proposed Share Purchase Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced. In particular, the Company will not purchase or acquire any Shares during the period commencing one (1) month immediately preceding the announcement of the Company’s half year and full-year results, as the case may be, and ending on the date of announcement of the relevant results.

(K) Directors’ Responsibility Statement

The Directors of the Company collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed renewal of the Share Purchase Mandate, 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.

(L) Directors’ Recommendation

The Directors of the Company are of the opinion that the renewal of the proposed Share Purchase Mandate is in the best interests of the Company. Accordingly, the Directors of the Company recommend that Shareholders vote in favour of Ordinary Resolution 8.

(M) Taxation

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 tax advisers.

(N) Documents For Inspection

Copies of the following documents may be inspected at the registered office of the Company at 8 Tuas Drive 1 Singapore 638675 during normal business hours up to and including the date of the FY2022 AGM:

- (a) the Constitution of the Company; and
- (b) the audited financial statements of the Company for the financial year ended 31 December 2022.

(O) Compliance With Governing Laws, Regulations And The Constitution

The Company confirms that the terms of the Share Purchase Mandate in this Appendix do not contravene any laws and regulations governing the Company and the Constitution of the Company.