LETTER TO SHAREHOLDERS DATED 12 OCTOBER 2022

This Letter is circulated to the Shareholders of PEC Ltd. Its purpose is to provide information on the proposed renewal of the Share Purchase Mandate to be tabled at the annual general meeting of PEC Ltd. to be held at 14 International Business Park on 27 October 2022 at 3.00 p.m. Capitalised terms appearing on the cover of this Letter have the same meanings as defined herein.

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

The Singapore Exchange Securities Trading Limited assumes no responsibility for the accuracy of any of the statements made, reports contained or opinions expressed in this Letter.



PEC LTD.

(Incorporated in the Republic of Singapore on 8 January 1982)
(Company Registration Number: 198200079M)

THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

CONTENTS

DEFINITIONS 1

1. INTRODUCTION 3

2. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE 4

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS 19

4. ANNUAL GENERAL MEETING 20

5. DIRECTORS' RECOMMENDATIONS 20

6. DIRECTORS' RESPONSIBILITY STATEMENT 20

7. DOCUMENTS AVAILABLE FOR INSPECTION 20

DEFINITIONS

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

"2022 AGM"	:	Has the meaning ascribed to it in Section 1.1 of this Letter
"2022 Annual Report"	:	Has the meaning ascribed to it in Section 4 of this Letter
"ACRA"	:	The Accounting and Corporate Regulatory Authority of Singapore
"AGM"	:	The annual general meeting of the Company
"Board"	:	The board of Directors
"CDP"	:	The Central Depository (Pte) Limited
"Companies Act"	:	The Companies Act 1967 of Singapore, as amended or modified from time to time
"Company"	:	PEC Ltd.
"Constitution"	:	The constitution of the Company, as amended or modified from time to time
"Controlling Shareholder"	:	A person who: (a) holds directly or indirectly 15% or more of the total voting rights in the Company (unless the SGX-ST determines that such a person is not a controlling shareholder of the Company); or (b) in fact exercises control over the Company
"Directors"	:	The directors of the Company for the time being
"FY2022"	:	Financial year ended 30 June 2022
"Group"	:	The Company and its subsidiaries
"Latest Practicable Date"	:	21 September 2022, being the latest practicable date prior to the issue of this Letter
"Letter"	:	This letter to Shareholders dated 12 October 2022
"Listing Manual"	:	The listing manual of the SGX-ST, as amended or modified from time to time
"Market Day"	:	A day on which the SGX-ST is open for trading in securities
"Notice of AGM"	:	Has the meaning ascribed to it in Section 1.1 of this Letter
"PEC Performance Share Plan"	:	The PEC Performance Share Plan, approved and adopted by the Company on 25 October 2013, and as amended or modified from time to time
"Relevant Period"	:	The period commencing from the date of the passing of the resolution approving the renewal of the Share Purchase Mandate at the 2022 AGM and expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier
"Securities Account"	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account

DEFINITIONS

"SFA"	:	The Securities and Futures Act 2001 of Singapore, as amended and modified from time to time
"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"Share Purchase"	:	The purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate
"Share Purchase Mandate"	:	The general mandate given by Shareholders to authorise the Directors to purchase or otherwise acquire its issued Shares upon and subject to the terms of such mandate
"Shareholders"	:	Registered holders of Shares except that where the registered holder is CDP, the term "**Shareholders**" shall, in relation to such Shares, mean the Depositors whose Securities Accounts maintained with CDP are credited with Shares
"Shares"	:	Ordinary shares in the capital of the Company
"SIC"	:	The Securities Industry Council of Singapore
"Substantial Shareholder"	:	A person who has an interest or interests in one (1) or more voting Shares in the Company and the total votes attached to that Share, or those Shares, is not less than 5% of the total votes attached to all the voting Shares in the Company
"Take-over Code"	:	The Singapore Code on Take-overs and Mergers, as amended or modified from time to time
"S$" and "cents"	:	Singapore dollars and cents, respectively
"%"	:	Percentage

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

The term "**subsidiary holdings**" shall have the meaning ascribed to it in the Listing Manual.

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

Any reference in this Letter to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word or term defined under the Companies Act, the SFA, the Listing Manual, the Take-over Code or any modification thereof and used in this Letter shall have the same meaning assigned to it thereunder, as the case may be, unless otherwise provided.

Any reference to a time of day in this Letter is made by reference to Singapore time unless otherwise stated.

Any discrepancies in tables included herein (if any) between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that preceded them.

LETTER TO SHAREHOLDERS

PEC LTD.

(Incorporated in the Republic of Singapore on 8 January 1982)
(Company Registration Number: 198200079M)

Directors

Edna Ko Poh Thim *(Executive Chairman)*
Robert Dompeling *(Group Chief Executive Officer)*
Wong Peng (*Non-Executive and Non-Independent Director cum Advisor*)
David Wong Cheong Fook *(Lead Independent Director)*
Tan Whei Mien, Joy *(Independent Director)*
Pek Hak Bin *(Independent Director)*
Ngan Wan Sing Winston *(Independent Director)*

Registered Office

14 International
Business Park
Singapore 609922

12 October 2022

To: The Shareholders of the Company

Dear Sir/Madam

PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

1. INTRODUCTION

1.1 Notice of AGM

We refer to the notice of AGM dated 12 October 2022 convening the AGM to be held on 27 October 2022 ("**2022 AGM**") ("**Notice of AGM**"), and in particular the ordinary resolution (Resolution 9) in item 10 under the heading "Special Business" in relation to the proposed renewal of the Share Purchase Mandate, as further explained in paragraph 2 below.

1.2 Letter to Shareholders

The purpose of this Letter is to provide Shareholders with information relating to the proposed renewal of the Share Purchase Mandate, and to seek Shareholders' approval for the proposed renewal of the Share Purchase Mandate at the 2022 AGM.

1.3 SGX-ST

The SGX-ST assumes no responsibility for the accuracy of any statements made, reports contained or opinions expressed in this Letter.

1.4 Legal Adviser

Rajah & Tann Singapore LLP is the legal adviser to the Company in relation to the proposed renewal of the Share Purchase Mandate.

1.5 Advice to Shareholders

If a Shareholder is in any doubt as to the course of action he should take, he should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

2. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

2.1 Background

The Share Purchase Mandate is a general mandate to be given by Shareholders that allows the Company to purchase or acquire Shares at any time during the duration and on the terms of the Share Purchase Mandate. It is a requirement under the Companies Act that a company which wishes to purchase or otherwise acquire its own shares has to obtain the approval of its shareholders to do so at a general meeting of its shareholders.

At the annual general meeting of the Company held on 27 October 2021 ("**2021 AGM**"), Shareholders approved, *inter alia*, the renewal of the Share Purchase Mandate. Shareholders' approval is now being sought for the renewal of the Share Purchase Mandate at the 2022 AGM.

2.2 Share Purchases during the Previous 12 Months

The Company acquired 150,000 Shares by way of Market Purchase on 31 August 2022 pursuant to the Share Purchase Mandate approved by the Shareholders at the 2021 AGM. The highest and lowest price paid for such Share purchases were S$0.635 and S$0.615 respectively, and the total consideration paid was S$94,232.38 (including brokerage and other charges). These 150,000 Shares are held as treasury shares by the Company.

2.3 Rationale for the Proposed Renewal of the Share Purchase Mandate

The renewal of the Share Purchase Mandate would give the Company the flexibility to undertake Share purchases or acquisitions up to the 10% limit described in paragraph 2.4.1 below, at any time during the period when the Share Purchase Mandate is in force.

The rationale for the Company to undertake the purchase or acquisition of its issued Shares is as follows:

(a) In managing the business of the Group, the management team strives to increase Shareholders' value by improving, *inter alia*, the return on equity of the Group. Share purchase is one of the ways in which the return on equity of the Group may be enhanced.

(b) The Share Purchase Mandate is an expedient, effective and cost-efficient way for the Company to return to Shareholders surplus cash/funds which is/are over and above its ordinary capital requirements and in excess of the financial and possible investment needs of the Group, if any. In addition, the Share Purchase Mandate will allow the Company to have greater flexibility over, *inter alia,* the Company's share capital structure and its dividend policy.

(c) Share repurchase programmes help buffer short-term market volatility, offset the effects of short-term speculation and bolster shareholder confidence.

The purchases or acquisitions of Shares pursuant to the Share Purchase Mandate will be made only as and when the Directors consider it to be in the best interests of the Company and/or Shareholders and in circumstances which they believe will not result in any material adverse effect on the financial position of the Company or the Group, or result in the Company being delisted from the SGX-ST.

2.4 Authority and Limits of the Share Purchase Mandate

The authority and limitations placed on the purchases or acquisitions of Shares by the Company under the Share Purchase Mandate, if renewed at the 2022 AGM, are summarised below:

2.4.1 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 under the Share Purchase Mandate is limited to that number of Shares representing not more than 10% of the total number of issued Shares (excluding subsidiary holdings and any Shares which are held as treasury shares) ascertained as at the date on which the resolution authorising the renewal of the Share Purchase Mandate is approved, unless the Company has effected a reduction of its share capital in accordance with the applicable provisions of the Companies Act at any time during the Relevant Period, in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered (excluding subsidiary holdings and any treasury shares that may be held by the Company from time to time).

As at the Latest Practicable Date, (i) the Company is holding 1,220,937 Shares as treasury shares, (ii) the Company has no subsidiary holdings, (iii) the issued share capital of the Company (excluding the 1,220,937 Shares which are held as treasury shares by the Company and there being no subsidiary holdings) comprised 254,493,826 Shares and (iv) the Company has in place the PEC Performance Share Plan, pursuant to which awards have been granted in respect of up to 33,931,836 Shares of which 3,636,626 Shares have vested and been released to eligible participants under the PEC Performance Share Plan.

For illustrative purposes only, on the basis of 254,493,826 Shares in issue as at the Latest Practicable Date (excluding the 1,220,937 Shares which are held as treasury shares by the Company as at the Latest Practicable Date and there being no subsidiary holdings), and assuming no further Shares are issued on or prior to the date of the 2022 AGM, not more than 25,449,382 Shares (representing 10% of the issued Shares of the Company (excluding treasury shares and subsidiary holdings) as at that date) may be purchased or acquired by the Company pursuant to the Share Purchase Mandate.

2.4.2 Duration of Authority

Purchases or acquisitions of Shares by the Company may be made, at any time and from time to time, on and from the date of the 2022 AGM at which the renewal of the Share Purchase Mandate is approved, up to the earliest of:

(a) the date on which the next AGM of the Company is held or required by law to be held;

(b) the date on which purchases or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated; or

(c) the date on which the authority conferred by the Share Purchase Mandate is varied or revoked by the Company in general meeting.

2.4.3 Manner of Purchases or Acquisitions of Shares

Purchases or acquisitions of Shares by the Company may be made by way of:

(a) on-market purchases ("**Market Purchase**") transacted on the SGX-ST through the SGX-ST's trading system, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or

(b) off-market purchases ("**Off-Market Purchase**") in accordance with an equal access scheme as defined in Section 76C of the Companies Act.

In an Off-Market Purchase, the Directors may impose such terms and conditions, which are not inconsistent with the Share Purchase Mandate, the Constitution, the Listing Manual, the Companies Act and other applicable laws and regulations, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes.

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

(i) the offers under the scheme are to be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;

(ii) all of those persons have a reasonable opportunity to accept the offers made to them; and

(iii) the terms of all the offers are the same, except that there shall be disregarded:

(aa) differences in consideration attributable to the fact that the offers relate to Shares with different accrued dividend entitlements;

(bb) (if applicable) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid; and

(cc) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

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

(1) the terms and conditions of the offer;

(2) the period and procedures for acceptances;

(3) the reasons for the proposed purchase or acquisition of Shares;

(4) the consequences, if any, of the purchases or acquisitions of Shares by the Company that will arise under the Take-over Code or other applicable take-over rules;

(5) whether the purchase or acquisition of Shares, if made, could affect the listing of the Shares on the SGX-ST;

(6) details of any purchases or acquisitions of Shares made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases or acquisitions; and

(7) whether the Shares purchased or acquired by the Company will be cancelled or kept as treasury shares.

2.4.4 Maximum Purchase Price

The purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors. However, the purchase price to be paid for a Share as determined by the Directors must not exceed:

(a) in the case of a Market Purchase, 105% of the Average Closing Price (as defined below); and

(b) in the case of an Off-Market Purchase, 120% of the Average Closing Price (as defined below),

(the "**Maximum Price**") in either case, excluding related expenses of the purchase or acquisition.

For the above purposes:

"**Average Closing Price**" means the average of the closing market prices of the Shares over the last five (5) Market Days on the SGX-ST, on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase by the Company or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five (5)-Market Day period and the day of the Market Purchase by the Company or, as the case may be, the day of the making of the offer pursuant to the Off-Market Purchase; and

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

2.5 Status of Purchased or Acquired Shares: Held in Treasury or Cancelled

Any Share purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to that Share will expire on cancellation), unless such Share is held by the Company as a treasury share.

2.5.1 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 aggregate number of Shares held by the Company as treasury shares shall not at any time exceed 10% of the total number of issued Shares.

(b) **Voting and Other Rights**

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the treasury shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a 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. A subdivision or consolidation of any treasury share into treasury shares of a greater or smaller number is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

(c) **Disposal and Cancellation**

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

(i) sell the treasury shares (or any of them) for cash;

(ii) transfer the treasury shares (or any of them) for the purposes of or pursuant to any 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 the Minister for Finance may by order prescribe.

Under the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares. Such announcement must include details such as (aa) the date of the sale, transfer, cancellation and/or use of such treasury shares, (bb) the purpose of such sale, transfer, cancellation and/or use of such treasury shares, (cc) the number of treasury shares which have been sold, transferred, cancelled and/or used, (dd) the number of treasury shares before and after such sale, transfer, cancellation and/or use, (ee) the percentage of the number of treasury shares against the total number of issued shares (of the same class as the treasury shares) which are listed on the SGX-ST before and after such sale, transfer, cancellation and/or use, and (ff) the value of the treasury shares if they are used for a sale or transfer, or cancelled.

2.5.2 Purchased or Acquired Shares Cancelled

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

(a) reduce the amount of its share capital where the Shares were purchased or acquired out of the capital of the Company;

(b) reduce the amount of its profits where the Shares were purchased or acquired out of the profits of the Company; or

(c) reduce the amount of its 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 which shall include any expenses (including brokerage or commission) incurred directly in the purchase or acquisition of the Shares.

Shares which are cancelled will be automatically delisted by the SGX-ST, and certificates (if any) in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following such cancellation. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are cancelled and not held as treasury shares.

2.6 Source of Funds

In purchasing or acquiring its Shares, the Company may only apply funds for such purchase or acquisition in accordance with the Constitution and the applicable laws in Singapore.

The Companies Act permits any purchase or acquisition of shares to be made out of a company's capital or profits so long as the company is solvent. For this purpose, a company is solvent if at the time 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 12 months immediately after the date of the purchase or acquisition, the company will be able to pay its debts in full within the period of 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 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 or acquisition, become less than the value of its liabilities (including contingent liabilities).

The Company intends to use internal sources of funds or external borrowings or a combination of both to finance its purchases or acquisitions of Shares pursuant to the Share Purchase Mandate. In addition, the Directors will also consider the availability of external financing. However, in considering the option of external financing, the Directors will also consider the financial position of the Group, particularly the prevailing gearing level of the Group. The Directors will only make purchases or acquisitions of the Shares in circumstances that they believe will not result in any material adverse effect on the financial position of the Group.

2.7 Financial Effects

It is not possible for the Company to realistically calculate or quantify the impact of purchases or acquisitions of Shares that may be made pursuant to the Share Purchase Mandate on the net tangible asset value and earnings per Share as the resultant effect would depend on, *inter alia,* the aggregate number of Shares purchased or acquired, whether the purchase or acquisition is made out of capital or profits, the purchase prices paid for such Shares, the amount (if any) borrowed by the Company to fund the purchases or acquisitions, and whether the Shares purchased or acquired are cancelled or held as treasury shares.

The Company's total number of issued Shares will be diminished by the total number of the Shares purchased by the Company and which are cancelled. The net tangible assets of the Group will be reduced by the aggregate purchase price paid by the Company for the Shares.

Under the Companies Act, purchases or acquisitions of Shares by the Company may 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 the purchase or acquisition of Shares is made out of profits, such consideration will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

The Directors do not propose to exercise the Share Purchase Mandate to such an extent that it would have a material adverse effect on the working capital requirements of the Group. The purchase or acquisition of Shares will only be effected after considering relevant factors such as the working capital requirements, availability of financial resources, the expansion and investment plans of the Group and the prevailing market conditions. The Share Purchase Mandate will be exercised with a view to enhance the earnings per Share and/or the net tangible assets value per Share of the Group.

For illustrative purposes only, the financial effects of the Share Purchase Mandate on the Company and the Group, based on the audited financial statements of the Group for FY2022, are based on the assumptions set out below:

(a) on the basis of 254,493,826 Shares in issue as at the Latest Practicable Date (disregarding for this purpose the 1,220,937 Shares which are held as treasury shares by the Company, and there being no subsidiary holdings) and assuming that on or prior to the 2022 AGM (i) no further Shares are issued, (ii) no further Shares are purchased or acquired by the Company, or held as treasury shares and (iii) no Shares are held as subsidiary holdings, not more than 25,449,382 Shares (representing 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date) may be purchased or acquired by the Company pursuant to the Share Purchase Mandate;

(b) as stated in paragraph 2.5.1(a), the aggregate number of Shares held by the Company as treasury shares shall not at any time exceed 10% of the total number of issued Shares. Based on the 255,714,763 issued Shares as at the Latest Practicable Date (including for this purpose the 1,220,937 Shares held as treasury shares by the Company as at the Latest Practicable Date and there being no subsidiary holdings), the maximum number of Shares that the Company is permitted to hold as treasury shares as at the Latest Practicable Date is 25,571,476 Shares. As the Company already holds 1,220,937 Shares as treasury shares as at the Latest Practicable Date and assuming that the Company will continue to hold such 1,220,937 Shares as treasury shares and no Shares are held as subsidiary holdings, the Company will be permitted to hold only a further 24,350,539 Shares purchased or acquired pursuant to the Share Purchase Mandate as treasury shares. As such, assuming that the Company purchases or acquires the maximum number of 25,449,382 Shares pursuant to the Share Purchase Mandate, the remaining 1,098,843 Shares that are purchased or acquired pursuant to the Share Purchase Mandate will have to be cancelled upon purchase or acquisition. For purposes of the illustration of the financial effects below, the Company has assumed that it will purchase or acquire 24,350,539 Shares (instead of the entire 10% of the total number of issued Shares excluding treasury shares and subsidiary holdings, i.e., 25,449,382 Shares) pursuant to the Share Purchase Mandate;

(c) in the case of Market Purchases by the Company and assuming that the Company purchases or acquires 24,350,539 Shares at the maximum price of S$0.6573 for one Share (being the price equivalent to 105% of the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 24,350,539 Shares (excluding related expenses) is approximately S$16,005,609; and

(d) in the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 24,350,539 Shares at the maximum price of S$0.7512 for one Share (being the price equivalent to 120% of the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 24,350,539 Shares (excluding related expenses) is approximately S$18,292,125.

For illustrative purposes only and based on the audited financial statements of the Company and the Group for FY2022, the assumptions set out in paragraphs (a), (b), (c) and (d) above and assuming that (i) the purchase or acquisition of Shares is funded solely from internal sources of funds, (ii) the Share Purchase Mandate had been effective on the Latest Practicable Date and (iii) the Company had purchased or acquired 24,350,539 Shares on the Latest Practicable Date, the financial effects of the purchase or acquisition of the 24,350,539 Shares by the Company pursuant to the Share Purchase Mandate:

(A) made entirely out of capital and held as treasury shares;

(B) made entirely out of profits and held as treasury shares;

(C) made entirely out of capital and cancelled; and

(D) made entirely out of profits and cancelled,

on the audited financial statements of the Group and the Company for FY2022 are set out below:

Market Purchases

Scenario **Purchased out of** **Type of Purchase** **Held as Treasury Shares/ Cancelled**	**A** **Capital** **Market** **Held as** **Treasury Shares**	**B** **Profit** **Market** **Held as** **Treasury Shares**	**C** **Capital** **Market** **Cancelled**	**D** **Profit** **Market** **Cancelled**
Maximum Price per Share (S$)	0.6573	0.6573	0.6573	0.6573
Maximum number of Shares to be purchased ('000)	24,351	24,351	24,351	24,351
Total number of issued Shares (excluding treasury shares and there being no subsidiary holdings) as at the Latest Practicable Date ('000)	254,493	254,493	254,493	254,493
Equivalent % of total issued Shares (excluding treasury shares and subsidiary holdings)	9.6%	9.6%	9.6%	9.6%
Maximum funds required (S$'000)	16,006	16,006	16,006	16,006

As at 30 June 2022	Group				
	Before Share Purchase	After Share Purchase			
	S$'000	Scenario A S$'000	Scenario B S$'000	Scenario C S$'000	Scenario D S$'000
Profit attributable to equity holders for the year	14,143	14,143	14,143	14,143	14,143
Share capital	58,836	58,836	58,836	42,160	58,836
Capital and other reserves	(1,763)	(1,763)	(1,763)	(1,763)	(1,763)
Retained profits	184,990	184,990	184,990	184,990	168,314
Currency translation reserve	81	81	81	81	81
Treasury shares	(670)	(16,676)	(16,676)	–	–
Shareholders' funds	241,474	225,468	225,468	225,468	225,468
Net asset value[1]	241,474	225,468	225,468	225,468	225,468
Current assets	292,772	276,766	276,766	276,766	276,766
Current liabilities	125,812	125,812	125,812	125,812	125,812
Net current assets	166,960	150,954	150,954	150,954	150,954
Total borrowings	13,524	13,524	13,524	13,524	13,524
Cash and cash equivalents	157,551	141,545	141,545	141,545	141,545
Number of Shares (in '000)	254,493	230,142	230,142	230,142	230,142
Treasury shares (in '000)	1,221	25,572	25,572	–	–
Financial Ratios					
Earnings per Share (cents)	5.6	6.1	6.1	6.1	6.1
Net asset value per Share (cents)[2]	94.9	98.0	98.0	98.0	98.0
Gearing ratio (times)[3]	0.06	0.06	0.06	0.06	0.06
Current ratio (times)[4]	2.3	2.2	2.2	2.2	2.2

As at 30 June 2022	Company				
	Before Share Purchase	After Share Purchase			
	S$'000	Scenario A S$'000	Scenario B S$'000	Scenario C S$'000	Scenario D S$'000
Profit attributable to equity holders for the year	11,201	11,201	11,201	11,201	11,201
Share capital	58,836	58,836	58,836	42,160	58,836
Capital and other reserves	597	597	597	597	597
Retained profits	124,779	124,779	124,779	124,779	108,103
Treasury shares	(670)	(16,676)	(16,676)	–	–
Shareholders' funds	183,542	167,536	167,536	167,536	167,536
Net asset value[1]	183,542	167,536	167,536	167,536	167,536
Current assets	160,103	144,097	144,097	144,097	144,097
Current liabilities	66,052	66,052	66,052	66,052	66,052
Net current assets	94,051	78,045	78,045	78,045	78,045
Total borrowings	8,958	8,958	8,958	8,958	8,958
Cash and cash equivalents	74,645	58,639	58,639	58,639	58,639
Number of Shares (in '000)	254,493	230,142	230,142	230,142	230,142
Treasury shares (in '000)	1,221	25,572	25,572	–	–
Financial Ratios					
Earnings per Share (cents)	4.4	4.9	4.9	4.9	4.9
Net asset value per Share (cents)[2]	72.1	72.8	72.8	72.8	72.8
Gearing ratio (times)[3]	0.05	0.05	0.05	0.05	0.05
Current ratio (times)[4]	2.4	2.2	2.2	2.2	2.2

Notes:

(1) Net asset value equals to total assets less total liabilities and excludes non-controlling interests.

(2) Based on 254,493,826 issued Shares (excluding treasury shares and there being no subsidiary holdings) 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.

Off-Market Purchases

Scenario	A	B	C	D
Purchase out of	Capital	Profit	Capital	Profit
Type of Purchase	Off-Market	Off-Market	Off-Market	Off-Market
Held as Treasury Shares/ Cancelled	Held as Treasury Shares	Held as Treasury Shares	Cancelled	Cancelled
Maximum Price per Share (S$)	0.7512	0.7512	0.7512	0.7512
Maximum number of Shares to be purchased ('000)	24,351	24,351	24,351	24,351
Total number of issued Shares (excluding treasury shares and there being no subsidiary holdings) as at the Latest Practicable Date ('000)	254,493	254,493	254,493	254,493
Equivalent % of total issued Shares (excluding treasury shares and subsidiary holdings)	9.6%	9.6%	9.6%	9.6%
Maximum funds required (S$'000)	18,292	18,292	18,292	18,292

	Group				
	Before Share	After Share Purchase			
As at 30 June 2022	Purchase S$'000	Scenario A S$'000	Scenario B S$'000	Scenario C S$'000	Scenario D S$'000
Profit attributable to equity holders for the year	14,143	14,143	14,143	14,143	14,143
Share capital	58,836	58,836	58,836	39,874	58,836
Capital and other reserves	(1,763)	(1,763)	(1,763)	(1,763)	(1,763)
Retained profits	184,990	184,990	184,990	184,990	166,028
Currency translation reserve	81	81	81	81	81
Treasury shares	(670)	(18,962)	(18,962)	–	–
Shareholders' funds	241,474	223,182	223,182	223,182	223,182
Net asset value[1]	241,474	223,182	223,182	223,182	223,182
Current assets	292,772	274,480	274,480	274,480	274,480
Current liabilities	125,812	125,812	125,812	125,812	125,812
Net current assets	166,960	148,668	148,668	148,668	148,668
Total borrowings	13,524	13,524	13,524	13,524	13,524
Cash and cash equivalents	157,551	139,259	139,259	139,259	139,259
Number of Shares (in '000)	254,493	230,142	230,142	230,142	230,142
Treasury shares (in '000)	1,221	25,572	25,572	–	–
Financial Ratios					
Earnings per Share (cents)	5.6	6.1	6.1	6.1	6.1
Net asset value per Share (cents)[2]	94.9	97.0	97.0	97.0	97.0
Gearing ratio (times)[3]	0.06	0.06	0.06	0.06	0.06
Current ratio (times)[4]	2.3	2.2	2.2	2.2	2.2

As at 30 June 2022	Company				
	Before Share Purchase S$'000	After Share Purchase			
		Scenario A S$'000	Scenario B S$'000	Scenario C S$'000	Scenario D S$'000
Profit attributable to equity holders for the year	11,201	11,201	11,201	11,201	11,201
Share capital	58,836	58,836	58,836	39,874	58,836
Capital and other reserves	597	597	597	597	597
Retained profits	124,779	124,779	124,779	124,779	105,817
Treasury shares	(670)	(18,962)	(18,962)	–	–
Shareholders' funds	183,542	165,250	165,250	165,250	165,250
Net asset value[1]	183,542	165,250	165,250	165,250	165,250
Current assets	160,103	141,811	141,811	141,811	141,811
Current liabilities	66,052	66,052	66,052	66,052	66,052
Net current assets	94,051	75,759	75,759	75,759	75,759
Total borrowings	8,958	8,958	8,958	8,958	8,958
Cash and cash equivalents	74,645	56,353	56,353	56,353	56,353
Number of Shares (in '000)	254,493	230,142	230,142	230,142	230,142
Treasury shares (in '000)	1,221	25,572	25,572	–	–
Financial Ratios					
Earnings per Share (cents)	4.4	4.9	4.9	4.9	4.9
Net asset value per Share (cents)[2]	72.1	71.8	71.8	71.8	71.8
Gearing ratio (times)[3]	0.05	0.05	0.05	0.05	0.05
Current ratio (times)[4]	2.4	2.1	2.1	2.1	2.1

Notes:

(1) Net asset value equals to total assets less total liabilities and excludes non-controlling interests.

(2) Based on 254,493,826 issued Shares (excluding treasury shares and there being no subsidiary holdings) 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.

Shareholders should note that the financial effects set out above, based on the respective assumptions stated above, are for illustration purposes only. The actual impact will depend on, *inter alia*, the actual number and price of Shares that may be purchased or acquired by the Company, whether the purchase or acquisition of Shares is made out of the profits or capital of the Company and whether the Shares purchased or acquired are held in treasury or cancelled. In particular, all Shareholders should note that the above analysis is based on the audited financial statements of the Group and the Company for FY2022 and is not necessarily representative of the future financial performance of the Group and the Company.

Although the Share Purchase Mandate would authorise the Company to purchase up to 10% of the Company's issued Shares (excluding treasury shares and subsidiary holdings), the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of its issued Shares (excluding treasury shares and subsidiary holdings) as mandated. In addition, the Company may cancel all or part of the Shares purchased or hold all or part of the Shares purchased in treasury.

2.8 Tax Implications

Shareholders who are in doubt as to their respective tax positions or any tax implications arising from the purchase or acquisition of Shares by the Company, including those who may be subject to tax in a jurisdiction outside Singapore, should consult their own professional advisers.

2.9 Listing Manual

2.9.1 No Purchases during Price or Trade Sensitive Developments

Whilst the Listing Manual does 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 Purchase Mandate at any time after a price or trade sensitive development has occurred or has been the subject of a consideration and/or decision of the Board until the price or trade sensitive information has been publicly announced.

In particular, in line with the best practices guide of securities dealing set out in Rule 1207(19)(c) of the Listing Manual, the Company will not purchase or acquire any Shares through Market Purchases or Off-Market Purchases during the period of one (1) month immediately preceding the announcement of the Company's half-year and full year financial statements (if the Company does not announce its quarterly financial statements).

2.9.2 Listing Status of the Shares

Under Rule 723 of the Listing Manual, a listed company shall ensure that at least 10% of the total number of issued Shares excluding treasury shares (excluding preference shares and convertible equity securities) in a class that is listed is at all times held by the public. The word "public" is defined in the Listing Manual as persons other than directors, chief executive officer substantial shareholders, or controlling shareholders of the listed company and its subsidiaries, as well as the associates of such persons.

As at the Latest Practicable Date, there are approximately 71,690,582 Shares, representing approximately 28.17% of the total number of issued Shares (excluding treasury shares), held by the public. In the event that the Company purchases the maximum of 10% of its total number of issued Shares (excluding treasury shares) from public Shareholders, the percentage of the Company's public float would be reduced to approximately 20.19% of the total number of Shares in issue (excluding treasury shares). Accordingly, based on information available as at the Latest Practicable Date, the Directors are of the view that, at present, there is a sufficient number of Shares in issue held by public Shareholders that would permit the Company to potentially undertake purchases or acquisitions of Shares through Market Purchases up to the full 10% limit pursuant to the Share Purchase Mandate without affecting adversely the listing status of the Shares on the SGX-ST, and the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect orderly trading of the Shares.

2.9.3 Reporting Requirements

The Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST by not later than 9.00 a.m. (i) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares and (ii) in the case of an Off-Market Purchase, on the second Market Day after the close of acceptances of the offer. Such announcement must include details of the date of the purchase, the total number of shares purchased, the number of shares cancelled, the number of shares held as treasury shares, the purchase price per share or the highest and lowest prices paid for such shares, as applicable, the total consideration (including stamp duties and clearing charges) paid or payable for the shares, the number of shares purchased as at the date of announcement (on a cumulative basis), the number of issued shares (excluding treasury shares and subsidiary holdings) after the purchase, the number of treasury shares held after the purchase and the number of subsidiary holdings after the purchase.

2.10 Implications of Take-over Code

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:

(a) **Obligation to Make a Take-over Offer**

If, as a result of any purchase or acquisition of Shares made by the Company under the Share Purchase Mandate, the proportionate interest of a Shareholder and persons acting in concert with him in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. Consequently, a Shareholder or group of Shareholders could obtain or consolidate effective control of the Company and become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code.

(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, *inter alia*, will be presumed to be acting in concert, namely:

(i) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the above companies, and any company whose associated companies include any of the above companies;

(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, 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 and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10% or more of the client's equity share capital;

(vi) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer 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, and any person who is accustomed to act according to the instructions of the individual, companies controlled by any of the above persons and 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.

The circumstances under which Shareholders (including the Directors) and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 as a result of 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, Directors and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 if, as a result of the Company purchasing or acquiring its Shares:

(i) the percentage of voting rights held by such Directors and their concert parties in the Company would increase to 30% or more; or

(ii) if the Directors and their concert parties hold between 30% and 50% of the Company's voting rights and their voting rights increase by more than 1% in any period of six (6) months.

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

Any Shares held by the Company as treasury shares shall be excluded from the calculation of the percentages of voting rights under the Take-over Code referred to above.

(d) **Edna Ko Poh Thim and Parties Acting in Concert with Her**

(i) As at the Latest Practicable Date, Edna Ko Poh Thim, the Executive Chairman of the Company, holds 35,505,844 Shares, representing approximately 13.95% of the issued Shares (excluding treasury shares). Edna Ko Poh Thim and the following parties are deemed to be parties acting in concert pursuant to the Take-over Code:

(aa) Tian San Company (Pte.) Limited (in which Edna Ko Poh Thim holds a 36.71% shareholding interest), which holds approximately 33.69% of the issued Shares (excluding treasury shares);

(bb) Robert Dompeling (who is the spouse of Edna Ko Poh Thim), who holds approximately 0.68% of the issued Shares (excluding treasury shares); and

(cc) Mark Ko Teong Hoon (who is a step-sibling of Edna Ko Poh Thim), who holds approximately 9.28% of the issued Shares (excluding treasury shares),

(Edna Ko Poh Thim, Tian San Company (Pte.) Limited, Robert Dompeling and Mark Ko Teong Hoon shall collectively be referred to as the "**Relevant Shareholders**").

As at the Latest Practicable Date, the Relevant Shareholders hold an aggregate of 146,606,163 Shares representing approximately 57.61% of the total voting rights of the Company.

(ii) For illustrative purposes only, based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders of the Company as at the Latest Practicable Date and on the assumption that:

(aa) 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 date of the 2022 AGM;

(bb) the Company purchases or acquires 24,350,539 Shares under the Share Purchase Mandate (as described in paragraph 2.7(b) above); and

(cc) there is no change in the number of Shares held by the Relevant Shareholders or which they are deemed interested in,

the interests of each of the Relevant Shareholders in the Shares before and after such purchase or acquisition of Shares by the Company will be as follows:

	Before Share Purchase (Number of Shares)			Before Share Purchase %[1]	After Share Purchase %[2]
Relevant Shareholder	**Direct Interest**	**Deemed Interest**	**Total Interest**		
Edna Ko Poh Thim[3]	35,505,844	85,750,000	121,255,844	47.65%	52.69%
Tian San Company (Pte.) Limited	85,750,000	–	85,750,000	33.69%	37.26
Robert Dompeling	1,725,844	–	1,725,844	0.68	0.75
Mark Ko Teong Hoon	23,624,475	–	23,624,475	9.28	10.27

Notes:

(1) Based on 254,493,826 issued Shares (excluding treasury shares) as at the Latest Practicable Date.

(2) Based on 230,143,287 issued Shares (excluding treasury shares), assuming the Company purchases 24,350,539 Shares under the Share Purchase Mandate.

(3) Edna is deemed to have an interest in 85,750,000 Shares held by Tian San Company (Pte.) Limited, in which she holds 36.71% of its issued shares, by virtue of Section 7 of the Companies Act.

As shown in the table above, the total interest of Edna Ko Poh Thim and Tian San Company (Pte.) Limited and the interest of Tian San Company (Pte.) Limited individually, which are between 30% and 50% of the Company's voting rights, would be increased by more than 1% within a period of six (6) months as a result of the Share Purchases undertaken by the Company, and the aggregate shareholdings of all the Relevant Shareholders would be increased from 57.61% to 63.70%.

(iii) The Company had written to the SIC for a confirmation as to whether the Relevant Shareholders and their concert parties, whether individually or collectively, will incur an obligation to make a mandatory offer for the Company under Rule 14 of the Take-over Code as a result of a purchase by the Company of its own Shares pursuant to the Share Purchase Mandate. The SIC had in their letter dated 29 August 2013 stated that only Tian San Company (Pte.) Limited might incur an obligation to make a general offer under Rule 14.1(b) of the Take-over Code as a result of the Company purchasing its own Shares, and that the SIC has waived such obligation.

Based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders as at the Latest Practicable Date, the Directors are not aware of any Substantial Shareholders or Directors who would become obliged to make a general offer under Rule 14 and Appendix 2 of the Take-over Code in the event that the Company should, pursuant to the Share Purchase Mandate, purchase or acquire up to 10% of its issued Shares (excluding treasury shares and subsidiary holdings).

Shareholders who are in doubt as to whether they would incur an obligation to make a general offer under the Take-over Code as a result of any purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate are advised to consult their professional advisers and/or the SIC at the earliest opportunity.

2.11 Requirements under the Companies Act

Within 30 days of the passing of the Shareholders' resolution to approve the Share Purchase Mandate, the Company shall lodge a copy of such resolution with ACRA.

Within 30 days of a purchase of Shares on the SGX-ST or otherwise, the Company shall lodge with ACRA a notice of the purchase in the prescribed form, such notification including, the date of the purchase, the 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 and after the purchase, the amount of consideration paid by the Company for the purchase, whether the Shares were purchased or acquired out of the profits or capital of the Company and such other particulars as may be required in the prescribed form.

Within 30 days of the cancellation or disposal of treasury shares in accordance with the provisions of the Companies Act, the Company shall lodge with ACRA the notice of cancellation or disposal of treasury shares in the prescribed form.

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors and Substantial Shareholders in the Shares as at the Latest Practicable Date, as recorded in the Register of Directors' Shareholdings and the Register of Substantial Shareholders maintained under the provisions of the Companies Act and the SFA, respectively, are as follows:

	Direct Interest		Deemed Interest	
	Number of Shares	%[1]	Number of Shares	%[1]
Directors				
Edna Ko Poh Thim[2]	35,505,844	13.95	85,750,000	33.69
Robert Dompeling	1,725,844	0.68	–	–
Wong Peng	4,594,056	1.81	–	–
David Wong Cheong Fook	78,000	0.03	–	–
Tan Whei Mien, Joy	–	–	–	–
Pek Hak Bin	–	–	–	–
Ngan Wan Sing Winston	–	–	–	–
Substantial Shareholders (other than Directors)				
Tian San Company (Pte.) Limited	85,750,000	33.69	–	–
Mark Ko Teong Hoon	23,624,475	9.28	–	–
Yeo Seng Chong[3]	2,275,000	0.89	11,178,900	4.39

Notes:

(1) Based on the issued share capital of 254,493,826 Shares (excluding treasury shares and there being no subsidiary holdings) as at the Latest Practicable Date.

(2) Edna is deemed to have an interest in 85,750,000 Shares held by Tian San Company (Pte.) Limited, in which she holds 36.71% of its issued shares, by virtue of Section 4 of the SFA. .

(3) Yeo Seng Chong is deemed to have interests in Shares held by (i) his spouse, (ii) Yeoman Capital Management Pte Ltd (in which he holds 50% shareholding) ("YMCPL") and (iii) YMCPL's clients (including Yeoman 3-Rights Value Asia Fund VCC and Yeoman Client 1) in its role as investment manager, by virtue of Section 4 of the SFA.

4. ANNUAL GENERAL MEETING

The 2022 AGM of the Company, notice of which is set out in the annual report of the Company for the financial year ended 30 June 2022 ("**2022 Annual Report**"), will be held at 14 International Business Park on 27 October 2022 at 3.00 p.m. for the purpose of, *inter alia*, considering and, if thought fit, passing with or without modifications, the ordinary resolution for the renewal of the Share Purchase Mandate. Please refer to the Notice of AGM for more information on the 2022 AGM.

5. DIRECTORS' RECOMMENDATIONS

The Directors are of the opinion that the proposed renewal of the Share Purchase Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the ordinary resolution in respect of the proposed renewal of the Share Purchase Mandate to be proposed at the 2022 AGM.

6. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Letter 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 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 Letter misleading. Where information in this Letter 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 Letter in its proper form and context.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Subject to the prevailing laws, regulations and guidelines relating to safe-distancing measures, copies of the following documents are available for inspection at the registered office of the Company at 14 International Business Park Singapore 609922, during normal business hours from the date of this Letter up to and including the date of the 2022 AGM:

(a) the Constitution; and

(b) the 2022 Annual Report.

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

Edna Ko Poh Thim
Executive Chairman

This page has been intentionally left blank.



PEC LTD.

(Company Registration Number. 198200079M)

14 International Business Park, Singapore 609922

Tel: +65 6268 9788 Fax: +65 6268 9488

www.peceng.com