

APPENDIX DATED 9 JANUARY 2024

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

IF YOU ARE IN DOUBT AS TO ANY ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

If you have sold or transferred all your shares in the issued share capital of Kimly Limited (the "**Company**"), you should immediately forward this Appendix together with the Notice of Annual General Meeting and the accompanying Proxy Form immediately to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or the transferee.

This Appendix has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"). This Appendix has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

The contact person for the Sponsor is Ms Ng Shi Qing, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.



(Company Registration Number 201613903R)
(Incorporated in the Republic of Singapore on 23 May 2016)

APPENDIX TO SHAREHOLDERS

IN RELATION TO

- (1) THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE; AND**
- (2) THE PROPOSED RENEWAL OF THE SHAREHOLDERS' GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS.**

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DEFINITIONS

In this Appendix, the following definitions apply throughout unless otherwise stated.

"2023 AGM"	:	The annual general meeting of the Company convened on 18 January 2023 to seek Shareholders' approval for, <i>inter alia</i> , the proposed renewal of the Share Buyback Mandate and the proposed renewal of the IPT General Mandate
"ACRA"	:	Accounting and Corporate Regulatory Authority of Singapore
"AGM"	:	The annual general meeting of the Company to be held on 24 January 2024 at 3.00 p.m., notice of which is attached to the Annual Report
"Annual Report"	:	The annual report of the Company for FY2023
"Appendix"	:	This appendix to the Annual Report dated 9 January 2024 issued by the Company to the Shareholders in relation to the proposed renewal of the Share Buyback Mandate and the proposed renewal of the IPT General Mandate.
"Appendix to the FY2022 Annual Report"	:	The appendix to the annual report of the Company for FY2022 issued by the Company to the Shareholders in relation to the proposed renewal of the Share Buyback Mandate and the proposed renewal of the IPT General Mandate at the 2023 AGM
"Audit Committee"	:	The audit committee of the Company currently comprising of Mr. Wee Tian Chwee Jeffrey, Mr. Lim Teck Chai Danny, and Mr. Lau Chin Huat
"Catalist"	:	The sponsor-supervised listing platform of the SGX-ST
"Catalist Rules"	:	The SGX-ST Listing Manual Section B: Rules of Catalist, as amended or modified from time to time
"CDP"	:	The Central Depository (Pte) Limited
"Companies Act"	:	The Companies Act 1967 of Singapore, as amended or modified from time to time
"Company"	:	Kimly Limited
"Constitution"	:	The constitution of the Company, as may be amended or modified from time to time
"Directors"	:	The directors of the Company for the time being (collectively, the "Board of Directors")
"EAR Group"	:	The Company, its subsidiaries and associated companies that are considered to be "entities at risk" within the meaning of Chapter 9 of the Catalist Rules
"EPS"	:	Earnings per Share
"Executive Director"	:	Ms. Wong Kok Yoong Karen
"FY"	:	Financial year ended or, as the case may be, ending 30 September
"Group"	:	The Company and its subsidiaries
"Independent Director"	:	The Independent Directors of the Company as at the date of this Appendix, unless otherwise stated
"Interested Person"	:	A director, chief executive officer or controlling shareholder of the Company or an associate of such director, chief executive officer or controlling shareholder
"IPT General Mandate"	:	The general mandate from the Shareholders pursuant to Chapter 9 of the Catalist Rules to enable any or all members of the Group, in the

DEFINITIONS

	ordinary course of their business, to enter into Mandated Transactions with the Mandated Interested Persons which are necessary for its day-to-day operations, provided that all such transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders
"Latest Practicable Date"	: 20 December 2023, being the latest practicable date prior to the issuance of this Appendix
"LHL Leases"	: The 22 lease agreements between CDP Kimly Pte. Ltd., Kedai Kopi Pte. Ltd., Tenderbest (East) Pte Ltd. and the LHL Companies in respect of 21 coffee shops and one (1) restaurant.
"LHL Companies"	: Entities which are associates of Mr. Lim Hee Liat, a controlling shareholder of the Company, which have entered into lease agreements with CDP Kimly Pte. Ltd., an indirect wholly-owned subsidiary, Kedai Kopi Pte. Ltd., an indirect 51% owned subsidiary and Tenderbest (East) Pte. Ltd., an indirect 75% owned subsidiary of the Company, for the rental of coffee shops and a restaurant.
"Mandated Interested Persons"	: Mr. Lim Hee Liat and his associates (each a "Mandated Interested Person")
"Mandated Transactions"	: Transactions for the rental of coffee shops and restaurants between the EAR Group and the Mandated Interested Persons, including the renewal of the LHL Leases, leasing of coffee shops and restaurants from Mandated Interested Persons other than those which are the subject of the LHL Leases (" New Leases "), and renewal of the New Leases
"Market Day"	: A day on which the SGX-ST is open for securities trading
"NTA"	: Net tangible assets
"Register of Members"	: The Register of Members of the Company
"Securities Accounts"	: Securities accounts maintained by Depositors with CDP, but not including securities sub-accounts maintained with a Depository Agent
"SFA"	: Securities and Futures Act 2001 of Singapore, as amended or modified from time to time
"SGX-ST"	: Singapore Exchange Securities Trading Limited
"Share Buyback"	: The purchase or acquisition of issued Share(s) by the Company pursuant to the terms of the Share Buyback Mandate
"Share Buyback Mandate"	: The general and unconditional mandate given by the Shareholders to authorise the Directors to purchase or otherwise acquire, on behalf of the Company, Shares in accordance with the terms set out in this Appendix as well as the rules and regulations set forth in the Companies Act and the Catalyst Rules
"Shareholders"	: Registered holders of Shares in the Register of Members, except that where the registered holder is CDP, the term "Shareholders" shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register maintained by the CDP and whose Securities Accounts maintained with CDP are credited with those Shares
"Shares"	: Ordinary shares in the capital of the Company
"SIC"	: The Securities Industry Council of Singapore
"Sponsor"	: PrimePartners Corporate Finance Pte. Ltd.

DEFINITIONS

"Substantial Shareholder"	:	A person (including a corporation) who has an interest, directly or indirectly, in 5.0% or more of the total number of voting Shares of the Company
"Take-Over Code"	:	The Singapore Code on Take-overs and Mergers
"Treasury Shares"	:	Issued Shares which were (or are treated as having been) purchased by the Company in circumstances in which Section 76H of the Companies Act applies, and have been held by the Company continuously since purchased
"S\$", "\$" and "cents"	:	Singapore dollars and cents, respectively
"%" or "per cent"	:	Per centum or percentage

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

The expressions "**associate**", "**associated company**", "**subsidiary**", "**controlling shareholder**" and "**substantial shareholder**" shall have the meaning ascribed to them respectively in the Companies Act and the Catalist Rules.

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, where applicable, shall include corporations.

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Companies Act, SFA or Catalist Rules or any statutory or regulatory modification thereof and used in this Appendix shall, where applicable, have the meaning assigned to it under the Companies Act, SFA or Catalist Rules or such statutory or regulatory modification thereof, as the case may be, unless otherwise provided.

The headings in this Appendix are inserted for convenience only and shall be ignored in construing this Appendix.

Any reference to a date and/or time of day in this Appendix shall be a reference to Singapore time unless otherwise stated.

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

LETTER TO SHAREHOLDERS

KIMLY LIMITED

(Company Registration Number 201613903R)
(Incorporated in the Republic of Singapore on 23 May 2016)

Directors

Mr. Lau Chin Huat (Non-Executive Independent Chairman)
Ms. Wong Kok Yoong Karen (Executive Director)
Mr. Lim Teck Chai Danny (Independent Director)
Mr. Wee Tian Chwee Jeffrey (Independent Director)

Registered Office

13 Woodlands Link
Singapore 738725

9 January 2024

To: The Shareholders of Kimly Limited

Dear Sir / Madam

1. INTRODUCTION

1.1 **AGM.** The Company has on 9 January 2024 issued the Notice of AGM convening the AGM to be held on Wednesday, 24 January 2024 at 3.00 p.m. to seek Shareholders' approval for, *inter alia*:

- (a) the proposed renewal of the Share Buyback Mandate; and
- (b) the proposed renewal of the IPT General Mandate

(together, the "**Proposed Resolutions**").

1.2 **Appendix.** The purpose of this Appendix is to provide Shareholders with information relating to the Proposed Resolutions.

2. THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

2.1 **Introduction.** Any purchase or acquisition of Shares by the Company would have to be made in accordance with, and in the manner prescribed by, the Companies Act, the Catalist Rules and such other laws and regulations as may, for the time being, be applicable. Regulation 71(2) of the Constitution expressly permits the Company to authorise the Directors in general meeting to purchase or otherwise acquire its issued Shares on such terms as the Company may think fit and in the manner prescribed by the Companies Act. The Company is also required to obtain the approval of its Shareholders at a general meeting if it wishes to purchase or acquire its own Shares. Accordingly, approval is being sought from Shareholders at the AGM for the renewal of the Share Buyback Mandate.

At the 2023 AGM, the Shareholders had approved, *inter alia*, the renewal of the Share Buyback Mandate. The authority and limitations of the Share Buyback Mandate were set out in the Appendix to the FY2022 Annual Report and the ordinary resolution in the notice of the 2023 AGM dated 3 January 2023, respectively. The authority contained in the Share Buyback Mandate renewed at the 2023 AGM was expressed to continue in force until the next annual general meeting of the Company and, as such, would be expiring on 24 January 2024, being the date of the forthcoming AGM. Accordingly, the Directors propose that the Share Buyback Mandate be renewed at the forthcoming AGM.

If approved by the Shareholders at the AGM, the authority conferred by the Share Buyback Mandate will continue in force until the next annual general meeting of the Company (whereupon it will lapse, unless renewed at such meeting), or the date on which the authority conferred by the Company is varied or revoked at a general meeting (if so varied or revoked prior to the next annual general meeting), or the date on which purchases and acquisitions of Shares pursuant to the Share Buyback Mandate are carried out to the full extent mandated (if so varied or revoked prior to the next annual general meeting), whichever is the earliest.

LETTER TO SHAREHOLDERS

2.2 **Rationale.** The rationale for the Company to undertake the purchase or acquisition of its Shares is as follows:

- (a) in managing the business of the Group, the management will strive to increase Shareholders' value by improving, *inter alia*, the return on equity of the Group. In addition to growth and expansion of the business, share buybacks may be considered as one of the ways through which the return on equity of the Group may be enhanced;
- (b) Shares which are purchased or acquired by the Company pursuant to the Share Buyback Mandate and held as Treasury Shares may, *inter alia*, to the extent permitted by the applicable law, be transferred for the purposes of or pursuant to share incentive schemes implemented by the Company, including the Kimly Employee Share Option Scheme and the Kimly Performance Share Plan, to enable the Company to take advantage of tax deductions under the current taxation regime. The use of Treasury Shares in lieu of issuing new Shares would also mitigate the dilution impact on existing Shareholders;
- (c) the Share Buyback Mandate will provide the Company with greater flexibility in managing its capital and maximising returns to its Shareholders. To the extent that the Company has capital and surplus funds which are in excess of its financial needs, taking into account its growth and expansion plans, the Share Buyback Mandate will facilitate the return of excess cash and surplus funds to Shareholders in an expedient, effective and cost-efficient manner; and
- (d) the Share Buyback Mandate will provide the Company with the flexibility to undertake Share buybacks at any time, subject to market conditions, during the period when the Share Buyback Mandate is in force.

The purchase or acquisition of Shares will only be undertaken if the Directors believe it can benefit the Company and its Shareholders. No purchase or acquisition of Shares will be made in circumstances which would have or may have a material or adverse effect on the liquidity and capital adequacy position of the Group as a whole and/or affect the listing status of the Company on the Catalist. Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buyback Mandate may not be carried out to the full limit as authorised.

2.3 **Authority and Limits of the Share Buyback Mandate.** The authority and limitations placed on the Share Buyback Mandate, if approved at the AGM, are summarised below:

2.3.1 **Maximum Number of Shares**

The total number of Shares which may be purchased or acquired by the Company is limited to that number of Shares representing not more than 10.0% of the issued Shares at the date of the AGM at which the Share Buyback Mandate is approved, unless the Company has reduced its share capital by a special resolution under Section 78C of the Companies Act, in which event the total number of Shares shall be taken to be the total number of Shares as altered by the special resolution. Any Shares which are held as Treasury Shares and subsidiary holdings will be disregarded for purposes of computing the 10.0% limit.

Purely for illustrative purposes, on the basis of 1,240,550,409 Shares in issue as at the Latest Practicable Date (excluding 9,452,712 Treasury Shares) and assuming that (a) no further Shares are issued on or prior to the AGM; and (b) no further Shares are purchased and held as Treasury Shares, the purchase or acquisition by the Company of up to the maximum limit of 10.0% of its issued Shares will result in the purchase or acquisition of 124,055,041 Shares.

However, as stated in paragraph 2.2 above and paragraph 2.7 below, purchases or acquisitions of Shares pursuant to the Share Buyback Mandate need not be carried out to the full extent mandated, and, in any case, would not be carried out to such an extent that affect the listing status of the Company on the SGX-ST. The public float in the issued Shares as at the Latest Practicable Date is disclosed in paragraph 2.9 below.

LETTER TO SHAREHOLDERS

2.3.2 *Duration of Authority*

Purchases or acquisition of Shares may be made, at any time and from time to time, on and from the date of the AGM, at which the renewal of the Share Buyback Mandate is approved, up to:

- (a) the date on which the next annual general meeting of the Company is held or required by law to be held (whereupon it will lapse, unless renewed at such meeting);
- (b) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied by the Company at general meeting (if so varied or revoked prior to the next annual general meeting); or
- (c) the date on which purchases and acquisitions of Shares pursuant to the Share Buyback Mandate are carried out to the full extent mandated,

whichever is the earliest.

The authority conferred on the Directors by the Share Buyback Mandate to purchase or acquire Shares may be renewed by the Shareholders in a general meeting of the Company, such as at the next annual general meeting or at an extraordinary general meeting to be convened immediately after the conclusion or adjournment of the next annual general meeting. When seeking the approval of the Shareholders for the renewal of the Share Buyback Mandate, the Company is required to disclose details pertaining to purchases or acquisitions of Shares pursuant to the Share Buyback Mandate made during the previous 12 months, including the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for such purchases or acquisitions of Shares, where relevant, and the total consideration paid for such purchases or acquisitions.

2.3.3 *Manner of Purchases or Acquisitions of Shares*

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

- (a) on-market purchases, transacted through the SGX-ST's trading system or on any other securities exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed dealers appointed by the Company for the purpose of the Share buyback ("**Market Purchases**"); and/or
- (b) off-market purchases made in accordance with an equal access scheme as defined in Section 76C of the Companies Act ("**Off-Market Purchases**").

The Directors may impose such terms and conditions, which are not inconsistent with the Share Buyback Mandate, the Catalist Rules, the Companies Act and the Constitution, as they consider fit in the interests of the Company in connection with or in relation to equal access scheme(s). Under the Companies Act, an equal access scheme must satisfy all the following conditions:

- (a) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (b) all of those persons shall be given a reasonable opportunity to accept the offers made; and
- (c) the terms of all the offers are the same, except that there shall be disregarded (i) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements; (ii) differences in consideration attributable to the fact that the offers may relate to Shares with different amounts remaining unpaid; and (iii) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

If the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, the Company must, as required by the Catalist Rules, issue an offer document to all Shareholders containing at least the following information:

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- (a) the terms and conditions of the offer;
- (b) the period and procedures for acceptances;
- (c) the reasons for the proposed purchase or acquisition of Shares;
- (d) 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;
- (e) whether the purchases or acquisitions of Shares, if made, would have any effect on the listing of the Shares on the Catalist;
- (f) details of any purchases or acquisitions of Shares made by the Company in the previous 12 months (whether by way of Market Purchases or Off-Market Purchases), including the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for such purchases or acquisitions of Shares, where relevant, and the total consideration paid for such purchases or acquisitions; and
- (g) whether the Shares purchased by the Company will be cancelled or kept as Treasury Shares.

2.3.4 **Purchase Price**

The purchase price (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) to be paid for a Share will be determined by the Directors. The purchase price to be paid for the Shares as determined by the Directors pursuant to the Share Buyback Mandate (both Market Purchases and Off-Market Purchases) must not exceed 105.0% of the Average Closing Price of the Shares, excluding related expenses of the purchase or acquisition (the "**Maximum Price**").

For the above purposes:

"Average Closing Price" means the average of the closing market prices of a Share over the last five (5) Market Days on which the Shares are transacted on the SGX-ST immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the Catalist Rules, for any corporate action that occurs during the relevant five (5) Market Day period and the day on which the purchases are made; and

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

2.4 **Status of Purchased Shares.** A Share purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation), unless such Share is held by the Company as a Treasury Share. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company, which are cancelled and are not held as Treasury Shares.

2.5 **Treasury Shares.** Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as Treasury Shares. Some of the provisions on Treasury Shares under the Companies Act are summarised below:

2.5.1 **Maximum Holdings**

The aggregate number of Shares held as Treasury Shares cannot at any time exceed 10.0% of the total number of issued Shares excluding Treasury Shares and subsidiary holdings as at the date of the resolution passed to approve the renewal of the Share Buyback Mandate. Any Shares

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held as Treasury Shares in excess of this limit shall be disposed of or cancelled by the Company in accordance with Section 76K of the Companies Act within six (6) months from the date such limit is exceeded, or such further period as may be allowed by the ACRA.

2.5.2 ***Voting and Other Rights***

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

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of Treasury Shares. However, the allotment of Shares as fully paid bonus shares in respect of Treasury Shares is allowed. Also, a subdivision or consolidation of any Treasury Shares is allowed so long as the total value of the Treasury Shares after the subdivision or consolidation is the same as before.

2.5.3 ***Disposal and Cancellation***

Where Shares are held as Treasury Shares, the Company may at any time (but subject always to the Take-Over Code):

- (a) sell the Treasury Shares for cash;
- (b) transfer the Treasury Shares for the purposes of or pursuant to share schemes implemented by the Company, including the Kimly Employee Share Option Scheme and Kimly Performance Share Plan;
- (c) transfer the Treasury Shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the Treasury Shares; or
- (e) sell, transfer or otherwise use the Treasury Shares for such other purposes as may be prescribed by the Minister for Finance.

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

- 2.6 **Source of Funds.** The Companies Act permits the Company to purchase or acquire its own Shares out of capital or profits so long as the Company is solvent. Under Section 76F(4) of the Companies Act, the Company is solvent if at the date of payment for the purchase or acquisition of its Shares, there is no ground on which the Company could be found to be unable to pay its debts, if it is intended to commence winding up within the period of 12 months immediately after the date of payment, the Company will be able to pay its debts in full within such period, or if 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 payment, and 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 of Shares become less than the value of its liabilities (including contingent liabilities).

The Company intends to use internal resources or external borrowings, or a combination of both, to finance its purchase or acquisition of Shares pursuant to the Share Buyback Mandate. In purchasing or acquiring Shares pursuant to the Share Buyback Mandate, the Directors will, firstly, consider the availability of internal resources and thereafter consider the availability of external financing.

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

- 2.7 **Financial Effects.** It is not possible for the Company to realistically calculate or quantify the impact of purchases that may be made pursuant to the Share Buyback Mandate on the financial effects as the resultant effect would depend on, *inter alia*, whether the Shares are purchased or acquired out of profits and/or capital of the Company, the amount (if any) borrowed by the Company to fund the purchases or acquisitions, the number of Shares purchased or acquired, the price paid for such Shares and whether the Shares purchased or acquired are held in treasury or cancelled.

Under the Companies 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 (including any expenses incurred directly in the purchase or acquisition of Shares) 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 dividends by the Company will not be reduced.

The financial effects on the Company and the Group, based on the audited financial statements of the Company and the Group for FY2023, are based on the assumptions set out below.

2.7.1 **Number of Shares Acquired or Purchased**

As at the Latest Practicable Date, the Company has 1,240,550,409 Shares in issue (excluding 9,452,712 Treasury Shares). The Company does not have any subsidiary holdings.

Purely for illustrative purposes, on the basis of 1,240,550,409 Shares in issue as at the Latest Practicable Date (excluding 9,452,712 Treasury Shares), assuming that (a) no further Shares are issued on or prior to the AGM; and (b) no further Shares are purchased and held as Treasury Shares, not more than 124,055,041 Shares may be purchased or acquired by the Company pursuant to the Share Buyback Mandate.

2.7.2 **Maximum Price Paid for Shares Acquired or Purchased**

Assuming that the Company purchases or acquires the 124,055,041 Shares at the Maximum Price of S\$0.329 (being the price equivalent to 105.0% of the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the Catalist immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 124,055,041 Shares is approximately S\$40,814,108.

2.7.3 **Illustrative Financial Effects**

For illustrative purposes only and on the basis of the assumptions set out in paragraphs 2.7.1 and 2.7.2 above as well as the following:

- (a) the 9,452,712 Treasury Shares have been cancelled in the manner set out in paragraph 2.5.3 above prior to the Latest Practicable Date;
- (b) such purchase or acquisition of Shares is financed by the internal resources and external borrowings of the Company;
- (c) the transaction costs incurred for the purchase or acquisition of Shares pursuant to the Share Buyback Mandate are assumed to be insignificant and have been ignored for the purpose of computing the financial effects;
- (d) there were no issuances of Shares after the Latest Practicable Date; and
- (e) no Shares were purchased by the Company after the Latest Practicable Date.

LETTER TO SHAREHOLDERS

The financial effects of the purchase or acquisition of 124,055,041 Shares pursuant to the Share Buyback Mandate:

- (a) by way of purchases made entirely out of capital and held as Treasury Shares;
- (b) by way of purchases made partially out of profits, with the balance out of capital, and held as Treasury Shares;
- (c) by way of purchases made entirely out of capital and cancelled; and
- (d) by way of purchases made partially out of profits, with the balance out of capital, and cancelled,

on certain information derived from the audited financial statements of the Group and the Company for FY2023 are set out below:

- (a) *Purchase or acquisition of 124,055,041 Shares made entirely out of capital and held as Treasury Shares⁽⁵⁾*

	Group		Company	
	Before Share Purchase	After Share Purchase	Before Share Purchase	After Share Purchase
	\$'000	\$'000	\$'000	\$'000
As at 30 September 2023				
Share capital and reserves	80,612	39,798	313,765	272,951
Retained earnings	95,870	95,870	27,427	27,427
Total Shareholders' Equity	176,482	135,668	341,192	300,378
NTA ⁽¹⁾	122,351	75,439	341,192	300,378
Current Assets	105,042	72,859	138,297	106,114
Current Liabilities	(89,778)	(98,409)	(36,402)	(45,033)
Total Borrowings	(17,692)	(26,323)	–	(8,631)
Cash and Cash equivalents	89,062	56,879	32,183	–
Number of Shares ('000)	1,240,550	1,116,495	1,240,550	1,116,495
Financial Ratios				
NTA per Share ⁽²⁾ (cents)	9.86	6.76	27.50	26.90
Basic EPS ⁽³⁾ (cents)	2.94	3.27	2.04	2.27
Current Ratio (times)	1.17	0.74	3.80	2.36
Gearing Ratio ⁽⁴⁾ (times)	0.10	0.19	–	0.03

LETTER TO SHAREHOLDERS

- (b) *Purchase or acquisition of 124,055,041 Shares made partially out of profits, balance out of capital and held as Treasury Shares⁽⁵⁾*

	Group		Company	
	Before Share Purchase	After Share Purchase	Before Share Purchase	After Share Purchase
	\$'000	\$'000	\$'000	\$'000
<u>As at 30 September 2023</u>				
Share capital and reserves	80,612	39,798	313,765	272,951
Retained earnings	95,870	95,870	27,427	27,427
Total Shareholders' Equity	176,482	135,668	341,192	300,378
NTA ⁽¹⁾	122,351	75,439	341,192	300,378
Current Assets	105,042	72,859	138,297	106,114
Current Liabilities	(89,778)	(98,409)	(36,402)	(45,033)
Total Borrowings	(17,692)	(26,323)	–	(8,631)
Cash and Cash equivalents	89,062	56,879	32,183	–
Number of Shares ('000)	1,240,550	1,116,495	1,240,550	1,116,495
Financial Ratios				
NTA per Share ⁽²⁾ (cents)	9.86	6.76	27.50	26.90
Basic EPS ⁽³⁾ (cents)	2.94	3.27	2.04	2.27
Current Ratio (times)	1.17	0.74	3.80	2.36
Gearing Ratio ⁽⁴⁾ (times)	0.10	0.19	–	0.03

- (c) *Purchase or acquisition of 124,055,041 Shares made entirely out of capital and cancelled⁽⁵⁾*

	Group		Company	
	Before Share Purchase	After Share Purchase	Before Share Purchase	After Share Purchase
	\$'000	\$'000	\$'000	\$'000
<u>As at 30 September 2023</u>				
Share capital and reserves	80,612	39,798	313,765	272,951
Retained earnings	95,870	95,870	27,427	27,427
Total Shareholders' Equity	176,482	135,668	341,192	300,378
NTA ⁽¹⁾	122,351	75,439	341,192	300,378
Current Assets	105,042	72,859	138,297	106,114
Current Liabilities	(89,778)	(98,409)	(36,402)	(45,033)
Total Borrowings	(17,692)	(26,323)	–	(8,631)
Cash and Cash equivalents	89,062	56,879	32,183	–
Number of Shares ('000)	1,240,550	1,116,495	1,240,550	1,116,495
Financial Ratios				
NTA per Share ⁽²⁾ (cents)	9.86	6.76	27.50	26.90
Basic EPS ⁽³⁾ (cents)	2.94	3.27	2.04	2.27
Current Ratio (times)	1.17	0.74	3.80	2.36
Gearing Ratio ⁽⁴⁾ (times)	0.10	0.19	–	0.03

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- (d) *Purchase or acquisition of 124,055,041 Shares made partially out of profits, balance out of capital and cancelled⁽⁵⁾*

	Group		Company	
	Before Share Purchase	After Share Purchase	Before Share Purchase	After Share Purchase
	\$'000	\$'000	\$'000	\$'000
As at 30 September 2023				
Share capital and reserves	80,612	67,225	313,765	300,378
Retained earnings	95,870	68,443	27,427	–
Total Shareholders' Equity	176,482	135,668	341,192	300,378
NTA ⁽¹⁾	122,351	75,439	341,192	300,378
Current Assets	105,042	72,859	138,297	106,114
Current Liabilities	(89,778)	(98,409)	(36,402)	(45,033)
Total Borrowings	(17,692)	(26,323)	–	(8,631)
Cash and Cash equivalents	89,062	56,879	32,183	–
Number of Shares ('000)	1,240,550	1,116,495	1,240,550	1,116,495
Financial Ratios				
NTA per Share ⁽²⁾ (cents)	9.86	6.76	27.50	26.90
Basic EPS ⁽³⁾ (cents)	2.94	3.27	2.04	2.27
Current Ratio (times)	1.17	0.74	3.80	2.36
Gearing Ratio ⁽⁴⁾ (times)	0.10	0.19	–	0.03

Notes:

- (1) NTA refers to net assets less intangible assets.
- (2) NTA per Share equals to NTA divided by the number of issued Shares (excluding Treasury Shares) outstanding as at 30 September 2023.
- (3) Basic Earnings Per Share (EPS) equals to net profit attributable to owners of the Company divided by the weighted average number of 1,242,563,397 Shares (excluding Treasury Shares) during FY2023.
- (4) Gearing equals to total bank and other borrowings divided by total shareholders' equity.
- (5) Assuming that the amount of funds required for the purchase or acquisition of such Shares of approximately S\$40,814,108 is funded through internal resources of S\$32,183,000, and the balance of S\$8,631,108 is funded by external borrowings.

The actual financial effects of the Share Buyback Mandate will depend on the number and purchase price of the Shares bought back. As stated, the Directors do not propose to exercise the Share Buyback Mandate to such an extent that it would have a material adverse effect on the working capital requirements, financial position and/or gearing of the Group. The purchase of the Shares will only be effected after considering relevant factors such as the working capital requirement, availability of financial resources, the expansion and investment plans of the Group, and the prevailing market conditions.

Shareholders should note that the financial effects set out above are based on the audited financial statements of the Group and the Company for FY2023 and are for illustration purposes only. The analysis above based on the results of the Group and the Company for FY2023 is not necessarily representative of future performance.

It should be noted that although the Share Buyback Mandate would authorise the Company to purchase or acquire up to 10.0% of the issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10.0% of the issued Shares as mandated. In addition, the Company may cancel or hold in treasury all or part of the Shares purchased or acquired. The Company will take into account both financial and non-financial factors (for example, the public float of the Company, stock market conditions and the performance of the Shares) in assessing the relative impact of a share purchase or acquisition before execution.

- 2.8 **Tax Implications.** Shareholders who are in doubt as to their respective tax positions or any tax implications, or who may be subject to tax in a jurisdiction outside Singapore, should consult their own professional advisers.
- 2.9 **Listing Status of the Shares.** The Catalyst Rules requires a listed company to ensure that at least 10.0% of the total number of its issued Shares (excluding preference shares, convertible equity securities and

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Treasury Shares) in a class that is listed on the Catalist, is held by public shareholders at all times. The Company does not have any individual shareholding limit or foreign shareholding limit. As at the Latest Practicable Date, approximately 46.56% of the issued Shares are held by public Shareholders. Assuming that the Company repurchased the maximum of 10.0% of its issued Shares at the Latest Practicable Date from the public shareholders, the percentage of Shares held by public shareholders would be approximately 40.62% (excluding Treasury Shares).

Accordingly, the Company is of the view that there is a sufficient number of issued Shares held by public shareholders which would permit the Company to undertake purchases or acquisitions of its issued Shares up to the full 10.0% limit pursuant to the Share Buyback Mandate without affecting the listing status of the Shares on the Catalist, and that the remaining number of Shares held by public shareholders will not fall to such a level as to cause market illiquidity or adversely affect the orderly trading of the Shares.

The Board, when purchasing Shares, will ensure (i) that there is a sufficient float for an orderly market in the Company's securities; and (ii) that the listing status of the Shares on the Catalist is not affected by such purchase.

2.10 **Share Buybacks in the Previous 12 Months.** The Company had purchased the following Shares by way of market acquisition in the previous 12 months prior to the Latest Practicable Date:

Date of purchase	Number of Shares purchased	Price paid per Share (S\$)	Total Consideration paid (S\$)
15 February 2023	500,000	0.340	170,532.82
20 February 2023	379,800	0.335	127,631.88
23 February 2023	371,200	0.335	124,741.85
24 February 2023	100,000	0.335	33,695.75
27 February 2023	528,800	0.335	177,703.21
28 February 2023	200,000	0.330	66,314.02
10 March 2023	200,000	0.330	66,314.02
16 May 2023	200,000	0.335	67,318.76
30 May 2023	50,000	0.340	17,099.52
31 May 2023	50,000	0.340	17,099.52
1 June 2023	100,000	0.340	34,198.66
17 August 2023	45,000	0.320	14,484.36
18 August 2023	5,000	0.320	1,644.27
21 August 2023	100,000	0.320	32,187.00
28 August 2023	100,000	0.320	32,187.00
29 August 2023	100,000	0.320	32,187.00
11 September 2023	300	0.320	139.62
14 September 2023	100,000	0.320	32,187.00
15 September 2023	48,200	0.320	15,514.33
18 September 2023	40,000	0.320	12,875.03
19 September 2023	13,000	0.320	4,205.39
21 September 2023	100,000	0.320	32,187.00
22 September 2023	100,000	0.320	32,187.00
26 September 2023	24,500	0.315	7,764.41
27 September 2023	100,000	0.315	31,684.09
29 September 2023	100,000	0.315	31,684.09
2 October 2023	100,000	0.315	31,684.09
5 October 2023	100,000	0.310	31,181.18
6 October 2023	87,500	0.310	27,283.57
9 October 2023	100,000	0.310	31,181.18
17 October 2023	31,800	0.310	9,915.87
23 October 2023	100,000	0.310	31,181.18
24 October 2023	8,000	0.305	2,484.64
25 October 2023	100,000	0.305	30,678.25
26 October 2023	100,000	0.305	30,678.25
11 December 2023	10,000	0.310	3,144.92
13 December 2023	98,200	0.310	30,619.92
Total	4,491,300		1,475,800.65

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- 2.11 **Listing Rules.** The Catalist Rules restrict a listed company from purchasing its shares by way of market purchases at a price per share which is more than 5.0% above the "average closing price", being the average of the closing market prices of the shares over the last five (5) Market Days on which transactions in the shares were recorded, before the day on which the purchases were made, as deemed to be adjusted for any corporate action that occurs during the relevant five (5) Market Day period and the day on which the purchases are made. The Maximum Price for a Share in relation to Market Purchases referred to in paragraph 2.3.4 above complies with this requirement.

Although the Catalist Rules do not prescribe a maximum price in relation to purchases of shares by way of off-market purchases, the Company has set a cap of 5.0% above the Average Closing Price of a Share as the Maximum Price for a Share to be purchased or acquired by way of an Off-Market Purchase.

The Company will not undertake any purchase or acquisition of Shares pursuant to the Share Buyback Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced. In particular, in line with the Rule 1204(19)(c) of the Catalist Rules, the Company would not purchase or acquire any Shares through Market Purchases during the period of one (1) month immediately preceding the announcement of the Company's half-year and full-year results.

- 2.12 **Reporting Requirements.** The Catalist Rules specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m.:

- (a) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares; and
- (b) in the case of an Off-Market Purchase on an equal access scheme, on the second Market Day after the close of acceptances of the offer.

Such announcement (which must be in the form of Appendix 8D to the Catalist Rules) must include, *inter alia*, 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 price paid 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 the number of Treasury Shares held after the purchase.

Within 30 days of the passing of a Shareholders' resolution to approve the purchase or acquisition of Shares by the Company, the Company shall lodge a copy of such resolution with ACRA.

Within 30 days of a purchase or acquisition of Shares on Catalist or otherwise, the Company shall lodge with ACRA the notice of purchase or acquisition of the Shares in the prescribed form as required by ACRA, such notification including the date of the purchase or acquisition, the total number of Shares purchased or acquired, the total number of Shares cancelled, the number of Shares held as Treasury Shares, the Company's issued ordinary share capital before the purchase or acquisition and after the purchase or acquisition, the amount of consideration paid by the Company for the purchase or acquisition of the Shares, and whether the Shares were purchased or acquired out of the profits or the capital of the Company.

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 as required by ACRA.

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2.13 **Take-over Implications.** Appendix 2 of the Take-Over Code ("**Appendix 2**") 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:

2.13.1 **Obligation to make a Take-Over Offer**

If, as a result of any purchase or acquisition by the Company of its Shares, a Shareholder's proportionate interest 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. If such increase results in a change of effective control, or, as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a take-over offer for the Company under Rule 14 of the Take-Over Code.

Rule 14.1 of the Take-Over Code requires, *inter alia*, that, except with the consent of the SIC, where:

- (a) any person acquires, whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30.0% or more of the voting rights of a company; or
- (b) any person who, together with persons acting in concert with him, holds not less than 30.0% but not more than 50.0% of the voting rights and such person, or any person acting in concert with him, acquires in any period of six (6) months additional shares carrying more than 1.0% of the voting rights, such person shall extend immediately an offer on the basis set out below to the holders of any class of shares in the capital which carries votes and in which such person or persons acting in concert with him hold shares. In addition to such person, each of the principal members of the group of persons acting in concert with him may, according to the circumstances of the case, have the obligation to extend an offer.

The offer required to be made under the provisions of Rule 14.1 of the Take-Over Code shall, in respect of each class of shares in the capital involved, be in cash or be accompanied by a cash alternative at the Required Price.

For the above purposes, "**Required Price**" means in relation to the offer required to be made under the provisions of Rule 14.1 of the Take-Over Code, the offer shall be in cash or be accompanied by a cash alternative at a price in accordance with Rule 14.3 of the Take-Over Code which is the highest of the highest price paid by the offerors and/ or person(s) acting in concert with them for the Shares (i) during the offer period and within the preceding six (6) months, (ii) acquired through the exercise of instruments convertible into securities which carry voting rights within six months of the offer and during the offer period, or (iii) acquired through the exercise of rights to subscribe for, and options in respect of, securities which carry voting rights within six months of the offer or during the offer period; or at such price as determined by the SIC under Rule 14.3 of the Take-Over Code.

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2.13.2 *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 Take-Over Code presumes, *inter alia*, the following individuals and companies to be persons acting in concert:

- 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); and
 - (v) companies controlled by any of (i), (ii), (iii) or (iv); and

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- (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.

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.

2.13.3 *Effect of Rule 14 and Appendix 2 of the Take-Over Code*

In general terms, the effect of Rule 14 and Appendix 2 is that, unless exempted, Directors of the Company and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 if, as a result of the Company purchasing or acquiring its Shares:

- (a) the voting rights of such Directors and their concert parties would increase to 30.0% or more; or
- (b) if the voting rights of such Directors and their concert parties fall between 30.0% and 50.0% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1.0% in any period of six (6) months.

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

Under Appendix 2, a Shareholder not acting in concert with the Directors of the Company will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder in the Company would increase to 30.0% or more, or, if such Shareholder holds between 30.0% and 50.0% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1.0% in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the renewal of the Share Buyback Mandate.

Mr. Lim Hee Liat is a controlling shareholder of the Company. As at the Latest Practicable Date, and for the purposes of the Take-Over Code, Mr. Lim Hee Liat and his parties acting in concert with him, being his brothers, Mr. Lim Hee Meng and Mr. Peter Lim Hee Thong (collectively the "**Relevant Parties**"), have an aggregate interest (direct and deemed) in 495,015,258 Shares, representing approximately 39.90% of the total number of issued Shares (excluding Treasury Shares and subsidiary holdings) of the Company. Shareholders should note that the shareholdings of the Relevant Parties as at the Latest Practicable Date and as disclosed in this Appendix are based on the Company's internal records and the list of shareholders of the Company as obtained from CDP on the Latest Practicable Date. None of the Relevant Parties are Directors of the Company. Additionally, the Relevant Parties have confirmed that they are not acting in concert with the Directors of the Company. Accordingly, if the voting rights of the Relevant Parties increase by more than 1.0% in any period of six (6) months as a result of the Company purchasing or acquiring its Shares, the Relevant Parties would not be required to make a take-over offer under Rule 14.

Accordingly, based on information on the substantial shareholders maintained by the Company as at the Latest Practicable Date, no substantial shareholder will become obliged to make a take-over offer for the Company under Rule 14 of the Take-Over Code as a result of the purchase or acquisition by the Company of the maximum limit of 10% of its Shares (excluding Treasury Shares and any subsidiary holdings) as at the Latest Practicable Date.

Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Take-Over Code as a result of any purchase or acquisition of Shares by the Company should consult their professional advisers and/or SIC and/or other relevant authorities at the earliest opportunity.

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2.14 Interested Persons

The Company is prohibited from knowingly buying Shares on the SGX-ST from an interested person, that is, a Director, the chief executive officer or controlling shareholder of the Company or any of their associates, and an interested person is prohibited from knowingly selling his Shares to the Company.

3. THE PROPOSED RENEWAL OF THE SHAREHOLDERS' GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

3.1 **Background and Annual Renewal of the IPT General Mandate.** At the 2023 AGM, the Shareholders had approved, *inter alia*, the renewal of the IPT General Mandate. The authority and limitations of the IPT General Mandate were set out in the Appendix to the FY2022 Annual Report and the ordinary resolution in the notice of the 2023 AGM dated 3 January 2023. The authority contained in the IPT General Mandate renewed at the 2023 AGM was expressed to continue in force until the next annual general meeting of the Company and, as such, would be expiring on 24 January 2024, being the date of the forthcoming AGM. Accordingly, the Directors propose that the IPT General Mandate be renewed at the forthcoming AGM.

The IPT General Mandate enables the Company, its subsidiaries and associated companies that are considered to be "entities at risk" within the meaning of Chapter 9 of the Catalist Rules (the "**EAR Group**"), in the ordinary course of business, to enter into the Mandated Transactions with the Mandated Interested Persons which are necessary for the day-to-day operations, provided that all such transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

3.2 **Particulars of the IPT General Mandate to be Renewed.** The nature of the Mandated Transactions and the classes of Mandated Interested Persons in respect of which the IPT General Mandate is sought to be renewed remain unchanged. Particulars of the IPT General Mandate, including the rationale for the IPT General Mandate, the benefits to be derived by the Company, as well as the review procedures for determining transaction prices with the Mandated Interested Persons, are set out in paragraph 3.5 of this Appendix.

3.3 **Audit Committee's Confirmation.** Pursuant to Rule 920(1)(c) of the Catalist Rules, the Audit Committee confirms that:

- (a) the methods or procedures for determining the transaction prices have not changed since the IPT General Mandate was last approved by Shareholders; and
- (b) the methods or procedures referred to in sub-paragraph (a) above are sufficient to ensure that the Mandated Transactions carried out thereunder will be on normal commercial terms, and will not be prejudicial to the interests of the Company and its minority shareholders.

3.4 **Chapter 9 of the Catalist Rules.** Chapter 9 of the Catalist Rules governs transactions in which a listed company or any of its subsidiaries or associated companies (known as an "**entity at risk**") enters into or proposes to enter into with a party who is an interested person of the listed company. The purpose is to guard against the risk that an interested person could influence the listed company, its subsidiaries or associated companies to enter into transactions with it that may adversely affect the interests of the listed company or its shareholders.

Pursuant to Rule 905 of the Catalist Rules, an issuer must make an immediate announcement of any interested person transaction of a value, equal to, or more than, 3.0% of the group's latest audited net tangible assets ("**NTA**"). If the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 3.0% or more of the group's latest audited NTA, the issuer must make an immediate announcement of the latest transaction and all future transactions entered into with that same interested person during the financial year.

Pursuant to Rule 906 of the Catalist Rules, an issuer must obtain shareholders' approval for any interested person transaction of a value equal to, or more than:

- (a) 5.0% of the group's latest audited NTA; or

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- (b) 5.0% of the group's latest audited NTA, when aggregated with other transactions entered into with the same interested person during the same financial year. However, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.

The above requirements for immediate announcement and/or for shareholders' approval do not apply to any transaction below S\$100,000. Under Rules 905(5) and 906(4) of the Catalist Rules, while transactions below S\$100,000 are not normally aggregated, the SGX-ST may aggregate any such transaction entered into during the same financial year and treat them as if they were one (1) transaction in accordance with Rule 902 of the Catalist Rules.

Pursuant to Rule 909 of the Catalist Rules, the value of a transaction is the amount at risk to the listed company. This is illustrated by the following examples:

- (a) in the case of a partly-owned subsidiary or associated company, the value of the transaction is the listed company's effective interest in that transaction;
- (b) in the case of a joint venture, the value of the transaction includes the equity participation, shareholders' loans and guarantees given by the entity at risk;
- (c) in the case of borrowing of funds from an interested person, the value of the transaction is the interest payable on the borrowing. In the case of lending of funds to an interested person, the value of the transaction is the interest payable on the loan and the value of the loan; and
- (d) in the case that the market value or book value of the asset to be disposed of is higher than the consideration from an interested person, the value of the transaction is the higher of the market value or book value of the asset.

Based on the audited consolidated financial statements of the Group for FY2023, the consolidated NTA of the Group was S\$122,351,000. Accordingly, in relation to the Group, for the purposes of Chapter 9 of the Catalist Rules, in the current financial year, being FY2024, until the audited consolidated financial statements of the Group for FY2024 are published, 5.0% of the Group's latest audited consolidated NTA would be S\$6,117,550.

Part VIII of Chapter 9 of the Catalist Rules allows an issuer to seek a general mandate from its shareholders for recurring transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials, but not in respect of the purchase or sale of assets, undertakings or businesses. A general mandate is subject to annual renewal.

For the purposes of Chapter 9 of the Catalist Rules:

- (a) an "**approved exchange**" means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles as Chapter 9;
- (b) an "**associate**" in relation to an interested person who is a director, chief executive officer or controlling shareholder, includes an immediate family member (that is, the spouse, child, adopted child, step-child, sibling or parent) of such director, chief executive officer or controlling shareholder, the trustees of any trust of which the director/his immediate family, the chief executive officer/his immediate family or the controlling shareholder/his immediate family is a beneficiary, or in the case of a discretionary trust, is a discretionary object, and any company in which the director/his immediate family, the chief executive officer/his immediate family or the controlling shareholder/his immediate family has or have an aggregate interest (directly or indirectly) of 30.0% or more, and, where a controlling shareholder is a corporation, its subsidiary or holding company or fellow subsidiary or a company in which it and/or they have (directly or indirectly) an interest of 30.0% or more;
- (c) an "**associated company**" means a company in which at least 20.0% but not more than 50.0% of its shares are held by the listed company or group;

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- (d) an **"entity at risk"** means:
- (i) the listed company;
 - (ii) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or
 - (iii) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed company and/or its subsidiaries (the "listed group"), or the listed group and its interested person(s), has control over the associated company;
- (e) an **"interested person"** means a director, chief executive officer or controlling shareholder of the listed company or an associate of such director, chief executive officer or controlling shareholder;
- (f) the SGX-ST may deem any person or entity to be an interested person if the person or entity has entered into or proposes to enter into (i) a transaction with an entity at risk; and (ii) an agreement or arrangement with an interested person in connection with that transaction;
- (g) a **"primary interested person"** means a director, chief executive officer or controlling shareholder of the listed company;
- (h) an **"interested person transaction"** means a transaction between an entity at risk and an interested person;
- (i) a **"transaction"** includes the provision or receipt of financial assistance; the acquisition, disposal or leasing of assets; the provision or receipt of goods or services; the issuance or subscription of securities; the granting of or being granted options; and the establishment of joint ventures or joint investments, whether or not entered into in the ordinary course of business, and whether or not entered into directly or indirectly; and
- (j) in interpreting the term **"same interested person"** for the purpose of aggregation of the values of all transactions entered into with the same interested person during the same financial year under Rules 905 and 906 of Chapter 9 of the Catalist Rules, the following applies:
- (i) transactions between (A) an entity at risk and a primary interested person; and (B) an entity at risk and an associate of that primary interested person, are deemed to be transactions between an entity at risk with the same interested person.

Transactions between (1) an entity at risk and a primary interested person; and (2) an entity at risk and another primary interested person, are deemed to be transactions between an entity at risk with the same interested person if the primary interested person is also an associate of the other primary interested person.
 - (ii) transactions between an entity at risk and interested persons who are members of the same group are deemed to be transactions between the entity at risk with the same interested person.

If an interested person (which is a member of a group) is listed, its transactions with the entity at risk need not be aggregated with transactions between the entity at risk and other interested persons of the same group, provided that the listed interested person and other listed interested persons have boards the majority of whose directors are different and are not accustomed to act on the instructions of the other interested persons and have audit committees whose members are completely different.

3.5 Renewal of the IPT General Mandate

3.5.1 Introduction

The Company anticipates that the EAR Group would, in the ordinary course of business, continue to enter into certain transactions with its interested persons (as such term is defined in the

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Catalist Rules), including but not limited to those categories of transactions described below. In view of the time-sensitive and recurrent nature of commercial transactions, it would be advantageous for the Company to obtain a renewal of the IPT General Mandate from its Shareholders to enter into the Mandated Transactions with the Mandated Interested Persons in the EAR Group's ordinary course of business, which are necessary for the day-to-day operations of the EAR Group, provided that all such transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

Chapter 9 of the Catalist Rules allows a listed company to obtain a mandate from its shareholders for recurrent interested person transactions which are of a revenue or trading nature or for those necessary for its day-to-day operations. These transactions may not include the purchase or sale of assets, undertakings or businesses which are not part of its day-to-day operations.

The IPT General Mandate will take effect from the passing of the ordinary resolution relating thereto, and will continue in force until the conclusion of the next annual general meeting of the Company (unless revoked or varied by the Company in general meeting). Approval from Shareholders will be sought for the renewal of the IPT General Mandate at the next annual general meeting (or extraordinary general meeting following such annual general meeting) and each subsequent annual general meeting (or extraordinary general meeting following such annual general meeting) of the Company, subject to satisfactory review by the Audit Committee of its continued application to the Mandated Transactions.

3.5.2 **Entities at Risk**

For the purposes of the IPT General Mandate, an "**Entity at Risk**" means:

- (a) the Company;
- (b) a subsidiary of the Company (excluding subsidiaries listed on the SGX-ST or an approved exchange); or
- (c) an associated company of the Company (other than an associated company that is listed on the SGX-ST or an approved exchange) over which the Group, or the Group and our interested person(s), has or have control.

(the "**EAR Group**").

3.5.3 **Mandated Interested Persons**

The IPT General Mandate will apply to the transactions that are carried out between any Entity at Risk and Mr. Lim Hee Liat and his associates (the "**Mandated Interested Persons**" and each a "**Mandated Interested Person**", all being "interested persons" as defined in the Catalist Rules).

Transactions between the Mandated Interested Persons and the Group which do not fall within the ambit of the IPT General Mandate shall be subject to the relevant provisions of Chapter 9 of the Catalist Rules and/or other applicable provisions of the Catalist Rules. In particular, if such a transaction, when aggregate with other transactions entered into with the same interested person during the same financial year, is equal to or more than 5.0% of the Group's latest audited NTA, such transaction will be subject to Shareholders' approval before they can be entered into.

3.5.4 **Categories of Mandated Interested Person Transactions**

The types of transactions with the Mandated Interested Persons to which the IPT General Mandate will apply are the rental of coffee shops and restaurants between the EAR Group and the Mandated Interested Persons in the ordinary course of business of the Group. The transactions within this category include:

- (a) renewal of the 22 separate lease agreements entered into by CDP Kimly Pte. Ltd., an indirect wholly-owned subsidiary Kedai Kopi Pte. Ltd., an indirect 51% owned subsidiary and Tenderbest (East) Pte. Ltd., an indirect 75% owned subsidiary of the

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Company, with the respective LHL Companies in relation to the rental of the 21 coffee shops and one (1) restaurant (the "**LHL Leases**");

- (b) leasing of coffee shops and restaurants from Mandated Interested Persons other than those which are the subject of the LHL Leases ("**New Leases**"); and
- (c) renewal of the New Leases,
(the "**Mandated Transactions**").

The IPT General Mandate covers only such recurrent Mandated Transactions of a revenue or trading nature or those necessary for the Group's day-to-day operations, which are entered into in the ordinary course of business. For the avoidance of doubt, any purchase or sale of any assets, undertakings or businesses are not covered under the IPT General Mandate.

The IPT General Mandate does not cover any transaction by any member of the Group with the Mandated Interested Persons where such transaction is below S\$100,000 in value, as the threshold and aggregation requirements contained in Chapter 9 of the Catalist Rules would not apply to such transactions. Under Rules 905(5) and 906(4) of the Catalist Rules, while transactions below S\$100,000 are not normally aggregated, the SGX-ST may aggregate any such transaction entered into during the same financial year and treat them as if they were one (1) transaction in accordance with Rule 902 of the Catalist Rules.

3.5.5 ***Rationale for and Benefits of the IPT General Mandate***

The IPT General Mandate and its subsequent renewal on an annual basis would eliminate the need to announce, or to announce and convene separate general meetings from time to time to seek Shareholders' prior approval as and when potential Mandated Transactions with Mandated Interested Persons arise, thereby saving substantial administrative time and costs expended in convening such meetings, without compromising the corporate objectives of the EAR Group and adversely affecting the business opportunities available to the EAR Group.

The IPT General Mandate is intended to facilitate transactions in the normal course of business of the EAR Group which are transacted from time to time with the Mandated Interested Persons, provided that they are carried out at arm's length and on normal commercial terms, and are not prejudicial to the interests of the Company and its minority Shareholders. The EAR Group will benefit from having access to competitive quotes from the Mandated Interested Persons in addition to obtaining quotes from, or transacting with, non-Mandated Interested Persons.

In accordance with the requirements of Chapter 9 of the Catalist Rules, the Company will (a) disclose in its Annual Report the aggregate value of transactions conducted with Mandated Interested Persons pursuant to the IPT General Mandate during FY2023 (as well as in the annual reports for subsequent financial years that the IPT General Mandate continues to be in force); and (b) announce the aggregate value of transactions conducted with Mandated Interested Persons pursuant to the IPT General Mandate for the financial periods that the Company is required to report on pursuant to Rule 705 of the Catalist Rules (which relates to half-yearly reporting by listed companies) within the time required for the announcement of such report.

3.5.6 ***Review Procedures for Mandated Transactions with Mandated Interested Persons***

To ensure that Mandated Transactions with Mandated Interested Persons are undertaken at: (a) arm's length basis and on normal commercial terms consistent with the Group's usual business practices and on terms which are generally not more favourable than those extended to unrelated third parties; or (b) in any event on terms no less favourable to the Group than prevailing open market rates, and will not be prejudicial to the interests of the Company and its minority Shareholders, the Group will adopt the following procedures for the review and approval of Mandated Transactions under the IPT General Mandate:

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(a) The following procedures will be adopted in relation to the rental of coffee shops and restaurants from Mandated Interested Persons:

(i) Rental of Coffee Shops and Restaurants

In relation to the rental of coffee shops and restaurants from the Mandated Interested Persons (whether new leases or renewal of the existing LHL Leases or any other lease), which should be upon similar covenants and conditions of lease, the rent payable by the Group to the Mandated Interested Persons shall be at a monthly rent being no higher than an independent valuation conducted not more than two (2) months prior to the lease and/or the renewal of the lease ("**Market Rental**") and no lower than 75.0% of the Market Rental, such cost of valuation to be borne by the Group.

(ii) In general, the Group will only enter into New Leases or renew the LHL Leases with the LHL Companies if the Group is satisfied that the rent payable is in line with or better than prevailing market rental rates for comparable spaces, taking into account factors such as the type and variety of food offerings, vibrancy and location of the coffee shop or restaurant, overall atmosphere of the coffee shops or restaurants, and any other relevant factors that may affect rental rates or terms of the lease.

(b) The following review and approval procedures will apply to the Mandated Transactions:

(i) Transactions equal to or exceeding S\$100,000 each in value but below the Financial Limit (as defined below) each in value, will be reviewed and approved by the Finance Director / Chief Financial Officer (or equivalent person) and a non-interested Executive Director (collectively, the "**Relevant Authorised Persons**").

(ii) Transactions equal to or exceeding the Financial Limit (as defined below) each in value will be reviewed and approved by a majority of the Audit Committee.

(iii) Any of the Relevant Authorised Persons, and the Audit Committee, may, as he/it deems fit, request for additional information pertaining to the transaction under review from independent sources or advisers, including requesting for an independent financial adviser's opinion and/or the obtaining of valuations from independent professional valuers.

For the purposes of sub-paragraphs (i) and (ii) above, the financial limit ("**Financial Limit**") shall be the amount equivalent to 5.0% of the Group's audited consolidated NTA for the time being, as determined by reference to the Group's latest announced audited consolidated financial statements. For the avoidance of doubt, the value of each Mandated Transaction is based on the total rent payable for the duration of the lease and excludes the option renewal term.

(c) The following will apply to the review and approval process for all categories of Mandated Transactions:

(i) Under Category (b)(i) above, in the event that any of the Relevant Authorised Persons has an interest in the transaction or is a nominee for the time being of the Mandated Interested Person, or if any associate (as defined in the Catalist Rules) of the Relevant Authorised Persons is involved in the decision making process on the part of the Mandated Interested Person, the review and approval process shall be undertaken by the remaining Relevant Authorised Persons who do not have an interest in the transaction or are a nominee for the time being of the Mandated Interested Person, and who are not subject to such conflicts of interest.

(ii) In the event that all of the Relevant Authorised Persons have an interest in the transaction, are nominees for the time being of the Mandated Interested

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Person or have associates (as defined in the Catalist Rules) involved in the decision making process on the part of the Mandated Interested Person or are subject to such conflicts of interest, the review and approval process shall be undertaken by the Chairman of the Audit Committee or another member of the Audit Committee (who is not a nominee of the Mandated Interested Person, has no interest in the transaction and is not subject to such conflicts of interest) designated by the Chairman of the Audit Committee from time to time for such purpose.

- (iii) Under Category (b)(ii) above, in the event that a member of the Audit Committee has an interest in a transaction or is a nominee for the time being of the Mandated Interested Person, or if any associate (as defined in the Catalist Rules) of a member of the Audit Committee is involved in the decision making process on the part of the Mandated Interested Person, he shall abstain from participating in the review and approval process of the Audit Committee in relation to that transaction.
- (iv) In the event that a member of the Audit Committee (who is not a nominee of the Mandated Interested Person, has no interest in the transaction and is not subject to such conflicts of interest) also serves as an Independent Non-Executive director on the Board of Directors or (as the case may be) an audit or other board committee of the Mandated Interested Person, and he participates in the review and approval process of the Audit Committee in relation to a transaction with that Mandated Interested Person, he will abstain from participating on any decision before the board or committee of that Mandated Interested Person with respect to such transaction.

The review procedures for the Mandated Transactions with Mandated Interested Persons remain the same as those disclosed in the Appendix to the FY2022 Annual Report.

3.5.7 ***Additional Guidelines and Review Procedures***

In addition to the guidelines and review procedures set out above, the Group will implement the following additional guidelines to ensure that the Mandated Transactions carried out under the IPT General Mandate are undertaken at arms' length basis and on normal commercial terms:

- (a) The Company will maintain a register of Mandated Transactions carried out with Mandated Interested Persons (recording the basis, including the quotations obtained to support such basis, on which they are entered into), and the Company's annual internal audit plan will incorporate a review of all Mandated Transactions entered into in the relevant financial year pursuant to the IPT General Mandate.
- (b) The Audit Committee will review the internal audit reports on Mandated Transactions to ascertain that the internal control procedures and review procedures for Mandated Transactions have been complied with.
- (c) If during any of the reviews by the Audit Committee, the Audit Committee is of the view that the internal control procedures and review procedures for Mandated Transactions have become inappropriate or insufficient in the event of changes to the nature of, or manner in which, the business activities of the Group or the Mandated Interested Persons are conducted, the Company will revert to Shareholders for a fresh general mandate based on new internal control procedures and review procedures so that Mandated Transactions will be carried out at arm's length, on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.
- (d) The Audit Committee will review the Mandated Transactions on a quarterly basis.

The additional guidelines and review procedures for the Mandated Transactions above remain the same as those disclosed in the Appendix to the FY2022 Annual Report.

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3.5.8 *Review of Non-Mandated Interested Person Transactions and Review by Audit Committee*

All other existing and future interested person transactions not subject to the IPT General Mandate will be reviewed and approved in accordance with the threshold limits as set out under Chapter 9 of the Catalist Rules, to ensure that they are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders. In the event that such interested person transactions require the approval of the Board of Directors and the Audit Committee, the relevant information will be submitted to the Board of Directors and the Audit Committee for review. In the event that such interested person transactions require the approval of the Shareholders, additional information may be required to be presented to Shareholders and an independent financial adviser may be appointed for an opinion.

The Audit Committee will also review all interested person transactions to ensure that the prevailing rules and regulations of the SGX-ST (in particular, Chapter 9 of the Catalist Rules) are complied with.

The review procedures for all other existing and future interested person transactions not subject to the IPT General Mandate remain the same as those disclosed in the Appendix to the FY2022 Annual Report.

4. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

- 4.1 **Directors' Interests.** As at the Latest Practicable Date, the interests of the Directors in the Shares before and after the Share Buyback pursuant to the Share Buyback Mandate, assuming (a) the Company purchases the 124,055,041 Shares; and (b) there is no change in the number of Shares (whether direct or deemed) held by the Directors, are set out below:

Directors	Before the Share Buyback				Total Interest		After the Share Buyback
	Direct Interest		Deemed Interest ⁽²⁾		No. of Shares	% ⁽¹⁾	Total Interest % ⁽³⁾
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	% ⁽³⁾
Lau Chin Huat	1,280,000	0.10	–	–	1,280,000	0.10	0.11
Wong Kok Yoong Karen	–	–	–	–	–	–	–
Lim Teck Chai, Danny	–	–	684,600	0.06	684,600	0.06	0.06
Wee Tian Chwee Jeffrey	–	–	–	–	–	–	–

Notes:

- (1) Based on the total number of issued Shares (excluding Treasury Shares) as at the Latest Practicable Date.
- (2) Deemed interests refer to interests determined pursuant to Section 4 of the SFA.
- (3) Assuming the Company purchases or acquires the maximum number of Shares, being 124,055,041 Shares, pursuant to the Share Buyback Mandate, the percentage after the Share Buyback is calculated based on 1,116,495,368 Shares (excluding Treasury Shares).

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- 4.2 **Substantial Shareholders' Interests.** As at the Latest Practicable Date, the interests of the Substantial Shareholders in the Shares before and after the Share Buyback pursuant to the Share Buyback Mandate, assuming (a) the Company purchases the 124,055,041 Shares; and (b) there is no change in the number of Shares (whether direct or deemed) held by the Substantial Shareholders, are set out below:

Substantial Shareholders (other than Directors)	Before the Share Buyback						After the Share Buyback
	Direct Interest		Deemed Interest ⁽²⁾		Total Interest		Total Interest
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	% ⁽³⁾
Lim Hee Liat	493,915,165	39.81	–	–	493,915,165	39.81	44.24
Peh Oon Kee	99,309,105	8.01	–	–	99,309,105	8.01	8.89
Ng Lay Beng	56,386,866	4.55	10,300,000	0.83	66,686,866	5.38	5.97

Notes:

- (1) Based on the total number of issued Shares (excluding Treasury Shares) as at the Latest Practicable Date.
(2) Deemed interests refer to interests determined pursuant to Section 4 of the SFA.
(3) Assuming the Company purchases or acquires the maximum number of Shares, being 124,055,041 Shares, pursuant to the Share Buyback Mandate, the percentage after the Share Buyback is calculated based on 1,116,495,368 Shares (excluding Treasury Shares).

5. DIRECTORS' RECOMMENDATIONS

- 5.1 **The Proposed Renewal of the Share Buyback Mandate.** The Directors having considered, *inter alia*, the rationale for the proposed renewal of the Share Buyback Mandate, are of the opinion that the proposed renewal of the Share Buyback Mandate is in the best interests of the Company and its Shareholders.

Accordingly, the Directors recommend that the Shareholders vote in favour of Ordinary Resolution 10 in relation to the proposed renewal of the Share Buyback Mandate.

The Chairman of the AGM will accept appointment as proxy for any Shareholder to vote in respect of the Ordinary Resolution 10 relating to the proposed renewal of the Share Buyback Mandate where such Shareholder has given specific instructions in a validly completed and submitted Proxy Form as to voting, or abstentions from voting, in respect of such ordinary resolution.

- 5.2 **The Proposed Renewal of the IPT General Mandate.** The Directors who are considered independent for the purposes of the proposed renewal of the IPT General Mandate, having considered, *inter alia*, the scope, procedures, rationale and benefits of the IPT General Mandate, are of the opinion that the proposed renewal of the IPT General Mandate is in the best interests of the Company and its Shareholders.

Accordingly, the Directors recommend that the Shareholders vote in favour of Ordinary Resolution 11 in relation to the proposed renewal of the IPT General Mandate.

The Chairman of the AGM will accept appointment as proxy for any Shareholder to vote in respect of the Ordinary Resolution 11 relating to the proposed renewal of the IPT General Mandate where such Shareholder has given specific instructions in a validly completed and submitted Proxy Form as to voting, or abstentions from voting, in respect of such ordinary resolution.

6. ANNUAL GENERAL MEETING

The AGM will be held at The Grassroots' Club, 190 Ang Mo Kio Avenue 8, Singapore 568046 on Wednesday, 24 January 2024 at 3.00 p.m. for the purpose of considering and, if thought fit, passing with or without modifications the ordinary resolutions set out in the Notice of AGM dated 9 January 2024 which is attached to the Annual Report.

Shareholders should refer to the Notice of AGM for further information, which has been uploaded on SGXNET at the following URL: <https://www.sgx.com/securities/company-announcements> and is also available on the Company's website at the following URL: <https://kimlygroup.sg>.

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7. ABSTENTION FROM VOTING

7.1 **The Proposed Renewal of the Share Buyback Mandate.** The Chairman of the AGM will accept appointment as proxy for any Shareholder to vote in respect of Ordinary Resolution 10 relating to the proposed renewal of the Share Buyback Mandate where such Shareholder has given specific voting instructions in a validly completed and submitted Proxy Form as to voting, or abstention from voting, in respect of the said resolution.

7.2 **The Proposed Renewal of the IPT General Mandate.** Mr. Lim Hee Liat will abstain, and have undertaken to ensure that his associates will abstain, from voting at the AGM in respect of Ordinary Resolution 11 relating to the proposed renewal of the IPT General Mandate. The Company will disregard any votes cast on a resolution by the persons required to abstain from voting.

The Chairman of the AGM will accept appointment as proxy for any Shareholder to vote in respect of Ordinary Resolution 11 relating to the proposed renewal of the IPT General Mandate where such Shareholder has given specific voting instructions in a validly completed and submitted Proxy Form as to voting, or abstention from voting, in respect of the said resolution.

8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the Proposed Resolutions, and the Company and its subsidiaries which are relevant to the Proposed Resolutions, 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.

9. INSPECTION OF DOCUMENTS

Copies of the following documents are available for inspection at 13 Woodlands Link Singapore 738725 during normal business hours from the date of this Appendix up to and including the date of the AGM:

- (a) the Annual Report; and
- (b) the Constitution.

The Annual Report may also be accessed on SGXNET at the following URL: <https://www.sgx.com/securities/company-announcements> and is also available on the Company's website at the following URL: <https://kimlygroup.sg>.

Yours faithfully

By order of the Board of Directors of
KIMLY LIMITED

Hoon Chi Tern
Company Secretary
9 January 2024