

LETTER TO SHAREHOLDERS DATED 14 JULY 2021 (“LETTER”)

THIS LETTER IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

If you have sold or transferred all your shares represented by physical share certificate(s), you should immediately forward this Letter, the Notice of AGM, and the proxy form to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

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



CSC HOLDINGS LIMITED

(Company Registration No. 199707845E)
(Incorporated in the Republic of Singapore)

**LETTER TO SHAREHOLDERS IN RELATION TO
THE PROPOSED ADOPTION OF THE SHARE BUY-BACK MANDATE**

Last date and time for lodgement of Proxy Form : 26 July 2021 at 10.00 a.m.

Date and time of AGM : 29 July 2021 at 10.00 a.m.

Place of AGM : The AGM will be held by way of electronic means.

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DEFINITIONS

For the purposes of this Letter, the following definitions apply throughout unless otherwise stated:

“ACRA”	:	Accounting & Corporate Regulatory Authority of Singapore
“AGM”	:	The annual general meeting of the Company to be held on 29 July 2021 at 10.00 a.m. by way of electronic means
“Approval Date”	:	Has the meaning ascribed to it in Section 2.1 of this Letter
“Associate”	:	(a) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:– (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; or (b) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
“Average Closing Price”	:	Has the meaning ascribed to it in Section 2.3.4 of this Letter
“Board”	:	The Board of Directors of the Company, as at the Latest Practicable Date
“CDP”	:	The Central Depository (Pte) Limited
“Company”	:	CSC Holdings Limited
“Companies Act”	:	The Companies Act (Chapter 50) of Singapore, as amended or modified from time to time
“Constitution”	:	The constitution of the Company, as amended from time to time

“control”	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company
“Controlling Shareholder”	:	A person who: <ul style="list-style-type: none"> (a) holds directly or indirectly 15% or more of the total voting rights in the Company (the SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder); or (b) in fact, exercises control over the Company
“Director”	:	A director of the Company as at the Latest Practicable Date
“EPS”	:	Earnings per Share
“Executive Director”	:	A director of the Company who performs an executive function
“FY2021”	:	Financial year ended 31 March 2021
“Group”	:	The Company, its subsidiaries, and associated companies (if any) collectively
“Independent Director”	:	Any independent director of the Company as may be appointed from time to time
“Latest Practicable Date”	:	1 July 2021, being the latest practicable date prior to the despatch of this Letter
“Listing Manual”	:	The Listing Manual of the SGX-ST and its relevant rule(s), as may be amended or modified from time to time
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Market Purchase”	:	Has the meaning ascribed to it in Section 2.3.3 of this Letter
“NAV”	:	Net asset value
“Notice of AGM”	:	The notice of the AGM dated 14 July 2021
“Off-Market Purchase”	:	Has the meaning ascribed to it in Section 2.3.3 of this Letter

“Relevant Period”	:	The period commencing from the date on which the ordinary resolution relating to the Share Buy-Back Mandate is passed in a general meeting and expiring on the earliest of the conclusion of the next annual general meeting is held or is required by law to be held, or the date on which the share buy-backs are carried out to the full extent of the Share Buy-Back Mandate, or the date the Share Buy-Back Mandate is varied or revoked by the Company in a general meeting
“Securities Accounts”	:	The securities accounts maintained by Depositors with CDP, but not including the securities accounts maintained with a Depository Agent
“SFA”	:	The Securities and Futures Act (Chapter 289) of Singapore, as amended or modified from time to time
“SGX-ST”	:	The Singapore Exchange Securities Trading Limited
“Share Buy-Back Mandate”	:	The general and unconditional mandate given by Shareholders at a general meeting to authorise the Directors to exercise all powers of the Company to purchase or otherwise acquire issued Shares within the Relevant Period, in accordance with the terms set out in this Letter, as well as the rules and regulations set forth in the Companies Act and the Listing Manual
“Share(s)”	:	Ordinary share(s) in the capital of the Company
“Shareholders”	:	Registered holders of the Shares, 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 CDP whose Securities Accounts are credited with those Shares
“SIC”	:	The Securities Industry Council of Singapore
“Substantial Shareholder”	:	A person (including a corporation) who has an interest or interests in one or more voting Shares in the Company and the total vote attached to that Share, or those Shares, is not less than 5% (directly or indirectly) of the total votes attached to all voting Shares in the Company
“Take-over Code”	:	The Singapore Code on Take-overs and Mergers, as modified, supplemented or amended from time to time
“Treasury Shares Limit”	:	Has the meaning ascribed to it in Section 2.5.1 of this Letter
“Treasury Shares”	:	Shares purchased or otherwise acquired by the Company pursuant to the Share Buy-Back Mandate and held by the Company in accordance with Section 76H of the Companies Act

“S\$” and “cents” : Singapore dollars and cents, respectively

“%” : Per cent. 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 terms “**subsidiary**”, “**subsidiary holdings**” and “**related company**” shall have the meaning ascribed to them respectively in the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders 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 defined under the Companies Act, the SFA, the Listing Manual or any statutory modification thereof and used in this Letter but not defined herein, shall, where applicable, have the same meaning assigned to it under the Companies Act, the SFA, the Listing Manual or any modification thereof, as the case may be, unless the context otherwise provides.

Any reference to a time of day and date in this Letter shall be a reference to Singapore time and date respectively, unless otherwise stated.

Any term defined under the Companies Act or the Listing Manual, or any statutory modification thereof and used in this Letter shall, where applicable, have the meaning ascribed to it under the Companies Act or the Listing Manual, or such modification thereof, as the case may be, unless otherwise provided.

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

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

CSC HOLDINGS LIMITED
(Company Registration No. 199707845E)
(Incorporated in the Republic of Singapore)

Directors

Dr. Leong Horn Kee (Independent Non-Executive Chairman)
Mr. See Yen Tarn (Executive Director / Group Chief Executive Officer)
Mr. Teo Beng Teck (Non-Executive Director)
Mr. Ong Tiew Siam (Independent Director)
Mr. Tan Hup Foi @ Tan Hup Hoi (Independent Director)

Registered Office

120 Pioneer Road
#04-01
Singapore 639597

14 July 2021

To: The Shareholders of CSC Holdings Limited

Dear Shareholders,

1. INTRODUCTION

We refer to the (a) Notice of AGM; and (b) ordinary resolution number 7 under the heading of “Special Business” set out in the Notice of AGM which relates to the proposed adoption of the Share Buy-Back Mandate.

The purpose of this Letter is to provide Shareholders with information relating to, and to seek their approval for, the proposed adoption of the Share Buy-Back Mandate at the AGM.

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

2. THE PROPOSED ADOPTION OF THE SHARE BUY-BACK MANDATE

2.1 Background

Any purchase or acquisition of Shares by the Company would have to be made in accordance with, and in the manner prescribed by the Constitution, the Companies Act, the Listing Manual, and such other laws and regulations as may, for the time being, be applicable. It is a requirement of the Companies Act that before a company purchases or acquires its own shares, its Constitution must expressly permit the company to purchase or otherwise acquire the shares issued by it. Regulation 54(2) of the Company’s Constitution expressly permits the Company to, subject to and in accordance with the provisions of the Companies Act, purchase or otherwise acquire its issued Shares on such terms and subject to such conditions as the Company may prescribe in general meeting. It is also a requirement that a company which wishes to purchase or acquire its own shares should obtain approval from its shareholders to do so at a general meeting of its shareholders.

Accordingly, approval is being sought from Shareholders at the AGM for the proposed adoption of a Share Buy-Back Mandate. An ordinary resolution will be proposed, pursuant to which the Share Buy-Back Mandate will be given to the Directors to exercise all powers of the Company to purchase or otherwise acquire Shares according to the terms of the Share Buy-Back Mandate, the requirements of the Constitution, and the rules and regulations set forth in the Companies Act and the Listing Manual.

If the proposed resolution for the adoption of the Share Buy-Back Mandate is approved by Shareholders at the AGM, the authority conferred by the Share Buy-Back Mandate will take effect from the date of the AGM at which the proposed adoption of the Share Buy-Back Mandate will be approved (“**Approval Date**”) and continue to be in force for the duration of the Relevant Period, which is until the earliest of the date on which the next annual general meeting is held or is required by law to be held (whereupon it will lapse, unless renewed at such annual general meeting); the date on which the share buy-backs are carried out to the full extent of the Share Buy-Back Mandate; or the date the Share Buy-Back Mandate is varied or revoked by the Company in a general meeting.

2.2 Rationale for the proposed adoption of the Share Buy-Back Mandate

The proposed adoption of the Share Buy-Back Mandate will give the Company the flexibility to purchase or otherwise acquire its Shares if and when circumstances permit. The Directors believe that share buy-backs would allow the Company and the Directors to better manage the Company’s share capital structure, dividend payout and cash reserves. In addition, it also provides the Directors a mechanism to facilitate the return of surplus cash over and above the Company’s ordinary capital requirements in an expedient and cost-efficient manner, and the opportunity to exercise control over the Company’s share capital structure with a view to enhancing the EPS and/or NAV per Share.

Pursuant to the Companies Act, Shares purchased or otherwise acquired pursuant to the Share Buy-Back Mandate may be held or dealt with as Treasury Shares.

If and when circumstances permit, the Directors will decide whether to effect the Shares purchases via on-market purchases or off-market purchases, after taking into account the amount of surplus cash available, the prevailing market conditions and the most cost-effective and efficient approach.

Shareholders can be assured that purchases or acquisitions of Shares by the Company pursuant to the Share Buy-Back Mandate would be made in circumstances where it is considered to be in the best interests of the Company, after taking into account the amount of surplus cash available and the prevailing market conditions. Further, the Directors do not propose to carry out purchases or acquisitions to such an extent that would, or in circumstances that might, result in a material adverse effect on the liquidity, the orderly trading of the Shares, the working capital requirements of the Company or its gearing positions which are, in the opinion of the Directors, appropriate from time to time, or result in the Company being de-listed from the SGX-ST. For example, the Directors will ensure that the purchases or acquisitions will not be carried out to such an extent that the free float of the Company’s Shares held by the public falls to below ten per cent. (10%).

2.3 Terms of the Share Buy-Back Mandate

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

2.3.1 Maximum number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company.

In accordance with Rule 882 of the Listing Manual, the total number of Shares that may be purchased or acquired by the Company during the Relevant Period shall not exceed ten per cent. (10%) of the total number of issued Shares as at the

Approval Date. For purposes of calculating the percentage of Shares referred to above, any of the Shares which are held as Treasury Shares or subsidiary holdings will be disregarded.

For illustrative purposes only, based on the existing issued and paid-up share capital of the Company as at the Latest Practicable Date comprising 3,567,828,176 Shares (excluding Treasury Shares and subsidiary holdings), and assuming no further Shares are issued on or prior to the Latest Practicable Date, no more than 356,782,817 Shares representing ten per cent. (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 Buy-Back Mandate.

2.3.2 Duration of authority

Purchases or acquisitions of Shares may be made during the Relevant Period, which is at any time and from time to time, on and from the Approval Date, up to the earliest of:

- (a) the conclusion of the next annual general meeting of the Company is held or the date by which such annual general meeting is required by law to be held;
- (b) the date on which the share buy-backs are carried out to the full extent of the Share Buy-Back Mandate; or
- (c) the date on which the authority conferred in the Share Buy-Back Mandate is varied or revoked by the Company in a general meeting.

2.3.3 Manner of purchase or acquisition of Shares

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

- (a) on-market purchases ("**Market Purchases**"), transacted on the SGX-ST through the ready market, and which may be transacted through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (b) off-market purchases ("**Off-Market Purchases**") (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) (as defined in Section 76C of the Companies Act).

The Directors may impose such terms and conditions which are not inconsistent with the Share Buy-Back Mandate, the Listing Manual, the Constitution and the Companies Act as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme(s). Pursuant to the Companies Act, an Off-Market Purchase must satisfy all of the following conditions:

- (i) 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;
- (ii) all of those persons shall be given a reasonable opportunity to accept the offers made to them; and

- (iii) the terms of all the offers shall be the same, except that there shall be disregarded:
 - (1) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;
 - (2) (if applicable) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid; and
 - (3) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

In addition, Rule 885 of the Listing Manual provides that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders containing at least the following information:

- (aa) the terms and conditions of the offer;
- (bb) the period and procedures for acceptances;
- (cc) the reasons for the proposed share buy-back;
- (dd) the consequences, if any, of share buy-backs by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (ee) whether the share buy-back, if made, would have any effect on the listing of the Shares on the SGX-ST;
- (ff) details of any share buy-back made by the Company in the previous twelve (12) months (whether Off-Market Purchases in accordance with an equal access scheme or Market Purchases), setting out the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (gg) whether the shares purchased by the Company will be cancelled or kept as Treasury Shares.

2.3.4 Maximum purchase price

The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors and must not exceed the Maximum Price which is:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and
- (b) in the case of an Off-Market Purchase, 120% of the Average Closing Price of the Shares,

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

For the above purposes:

“Average Closing Price” means the average of the closing market prices of the Shares traded on the SGX-ST over the last five (5) Market Days, 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 adjusted for any corporate action that occurs during the relevant five (5)-day period and the day on which the purchases are made.

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

2.4 Status of Purchased Shares

A Share purchased or otherwise 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 Shares are held by the Company as Treasury Shares to the extent permitted under the Companies Act. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or otherwise acquired by the Company and which are not held as Treasury Shares. All Shares purchased or acquired by the Company (other than Treasury Shares held by the Company to the extent permitted under the Companies Act), will be automatically de-listed by the SGX-ST, and the certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase or acquisition.

At the time of each purchase of Shares by the Company, the Directors will decide whether the Shares purchased will be cancelled or kept as Treasury Shares, or partly cancelled and partly kept as Treasury Shares, as the Directors deem fit in the interest of the Company at that time.

2.5 Treasury Shares

Under the Companies Act, Shares purchased or otherwise 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

Under Section 76I of the Companies Act, the number of Shares held as Treasury Shares cannot at any time exceed ten per cent. (10%) of the total number of issued Shares (excluding Treasury Shares and subsidiary holdings) (**“Treasury Shares Limit”**). Where Shares purchased pursuant to the Share Buy-Back Mandate are held as Treasury Shares, the number of such Shares to be held as Treasury Shares, when aggregated with the existing Treasury Shares held shall not, subject to the Companies Act, exceed the Treasury Shares Limit at any time. Any Shares in excess of the Treasury Shares Limit shall be disposed of or cancelled in accordance with Section 76K of the Companies Act within six (6) months or such further periods as ACRA may allow.

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 Share into Treasury Shares of a greater or smaller amount 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:

- (a) sell the Treasury Shares (or any of them) for cash;
- (b) transfer the Treasury Shares (or any of them) for the purposes of, or pursuant to an employees' share scheme of the Company;
- (c) transfer the Treasury Shares (or any of them) as consideration for the acquisition of Shares in, or assets of, another company or assets of a person;
- (d) cancel the Treasury Shares (or any of them); or
- (e) sell, transfer or otherwise use the Treasury Shares for such other purposes as may be prescribed by the Minister for Finance of Singapore.

Under Rule 704(28) of the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of Treasury Shares (in each case, the "**usage**"). Such announcement must include details such as the date of the usage, the purpose of the usage, the number of Treasury Shares comprised in the usage, the number of Treasury Shares before and after the usage, the percentage of the number of Treasury Shares comprised in the usage against the total number of issued shares (of the same class as the Treasury Shares) which are listed on the SGX-ST before and after the usage and the value of the Treasury Shares in relation to the usage.

2.6 **Reporting Requirements**

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

The Company shall notify ACRA within thirty (30) days of a purchase or acquisition of Shares on the SGX-ST or otherwise by lodging with ACRA the notice of the purchase or acquisition in the prescribed form, such notification including, amongst others, the date of the purchase or acquisition, the total number of Shares purchased or otherwise acquired by the Company, the number of Shares cancelled, the number of Shares held as Treasury Shares, the Company's issued share capital before the purchase or acquisition of Shares, the Company's issued share capital after the purchase or acquisition of Shares, the amount

of consideration paid by the Company for the purchase or acquisition, whether the Shares were purchased or acquired out of the profits or the capital of the Company and such other particulars as may be required by ACRA.

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

Rule 886 of the Listing Manual specifies that a listed company shall notify the SGX-ST of all purchases or acquisitions of its shares no later than 9.00 a.m.:

- (a) in the case of a Market Purchase, on the Market Day following the day on which the Market Purchase was made; and
- (b) in the case of an Off-Market Purchase, on the second Market Day after the close of acceptance of the offer for the Off-Market Purchase.

The notification of such purchase or acquisition of shares to the SGX-ST shall be in such form and shall include such details as may be prescribed in the Listing Manual. The Company shall make arrangements with its stockbrokers to ensure that they provide to the Company in a timely fashion the necessary information which will enable the Company to make the necessary notifications to the SGX-ST.

2.7 Source of funds

In purchasing or acquiring Shares, the Company may only apply funds legally available for such purchase or acquisition in accordance with the Constitution and the applicable laws of Singapore. The Company may not purchase its Shares for a consideration other than in cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the Listing Manual. As stated in the Companies Act, the share buy-back may be made out of the Company's profits or capital so long as the Company is solvent.

Pursuant to Section 76F(4) of the Companies Act, a company is solvent if at the date of the payment of the consideration for any share buy-back, 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 it is intended to commence winding up within the period of 12 months immediately after the date of the payment, 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 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 the payment; and
- (c) the value of its assets is not less than the value of its liabilities (including contingent liabilities) and will not, after any proposed purchase, acquisition, variation or release (as the case may be), become less than the value of its liabilities (including contingent liabilities).

In determining whether the Company is solvent, the Directors must have regard to the most recently audited financial statements, other relevant circumstances, and may rely on valuations or estimation of assets or liabilities. In determining the value of contingent liabilities, the Directors may take into account the likelihood of the contingency occurring, as well as any counter-claims by the Company.

The Company intends to use internal sources of funds, or a combination of internal resources and external borrowings to finance the Company's purchase or acquisition of Shares pursuant to the Share Buy-Back Mandate. The Company will only make purchases or acquisitions pursuant to the Share Buy-Back Mandate in circumstances which they believe will not result in any material adverse effect to the financial position of the Company or would cause the Company to be insolvent.

2.8 Financial effects

Under the Companies Act, the purchase or acquisition 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 (including brokerage, commission, applicable goods and services tax and other related expenses) will correspondingly reduce the profits of the Company and hence 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, such consideration (including brokerage, commission, applicable goods and services tax and other related expenses) will correspondingly reduce the share capital of the Company but the amount available for the distribution of cash dividends by the Company will not be reduced. The NAV of the Company and of the Group will be reduced by the aggregate purchase price paid by the Company for the Shares.

For illustrative purposes only, as at the Latest Practicable Date, the issued and paid-up ordinary share capital of the Company (excluding Treasury Shares and subsidiary holdings) comprises 3,567,828,176 Shares. The exercise in full of the Share Buy-Back Mandate would result in the purchase of 356,782,817 Shares.

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 Buy-Back Mandate on the NAV and EPS as the resultant effect would depend on, *inter alia*, the aggregate number of Shares purchased or otherwise acquired, whether the purchase or acquisition is made out of capital or profits, the purchase prices paid for such Shares and whether the Shares purchased or otherwise acquired are cancelled or held as Treasury Shares.

For illustration purposes only, the financial effects of the Share Buy-Back Mandate on the Company and the Group, based on the audited financial statements of the Company and the Group for FY2021 are based on the following assumptions:

- (a) based on 3,567,828,176 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued purchased and kept as Treasury Shares on or prior to the AGM, the purchase or acquisition by the Company of ten per cent. (10%) of its issued Shares (excluding Treasury Shares and subsidiary holdings) will result in the purchase or acquisition of 356,782,817 Shares;
- (b) in the case of Market Purchases by the Company and assuming that the Company purchases or acquires 356,782,817 Shares, the maximum amount of funds required for the purchase (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) assuming a maximum price of S\$0.013 for one Share which is five per cent. (5%) above the average of the closing market prices 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, is approximately S\$4,638,000; and

- (c) in the case of the Off-Market Purchases by the Company and assuming that the Company purchases or acquires 356,782,817 Shares, the maximum amount of funds required for the purchase (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) assuming a Maximum Price of S\$0.015 which is 20% above the average closing market prices of the Shares for the last five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date, is approximately S\$5,352,000.

For illustrative purposes only and on the basis of the assumptions set out in (a), (b) and (c) above, the financial effects of the:

- (i) purchase or acquisition of 356,782,817 Shares by the Company pursuant to the Share Buy-Back Mandate by way of Market Purchases made entirely out of profit and/or capital and cancelled or held in treasury; and
- (ii) purchase or acquisition of 356,782,817 Shares by the Company pursuant to the Share Buy-Back Mandate by way of Off-Market Purchases made entirely out of profits and/or capital and cancelled or held in treasury,

on the audited financial statements of the Company and the Group for FY2021 are set out below.

Scenario 1A: Purchases made entirely out of capital and cancelled

	Group			Company		
	Before Share Buy-Back	After Share Market Purchase	Share Buy-Back Off-Market Purchase	Before Share Buy-Back	After Share Market Purchase	Share Buy-Back Off-Market Purchase
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
As at 31 March 2021						
Share Capital	94,089	89,451	88,737	94,089	89,451	88,737
Capital Reserve	17,798	17,798	17,798	17,798	17,798	17,798
Reserve for own shares	(2,354)	(2,354)	(2,354)	(2,354)	(2,354)	(2,354)
Other Reserves	(5,844)	(5,844)	(5,844)	–	–	–
Accumulated Profits/(Losses)	16,768	16,768	16,768	(1,900)	(1,900)	(1,900)
Non-controlling interests	27,234	27,234	27,234	–	–	–
Total equity	147,691	143,053	142,339	107,633	102,995	102,281
NAV	147,691	143,053	142,339	107,633	102,995	102,281
Current Assets ⁽¹⁾	176,168	171,530	170,816	21,424	16,786	16,072
Current Liabilities ⁽¹⁾	158,009	158,009	158,009	12,483	12,483	12,483
Working Capital	18,159	13,521	12,807	8,941	4,303	3,589
Total Borrowings ^{(1) (2)}	76,653	76,653	76,653	3,000	3,000	3,000
Cash and Cash Equivalents ⁽¹⁾	34,604	29,966	29,252	3,458	3,458	3,458
Total issued number of Shares (excluding Treasury Shares) ('000)	3,567,828	3,211,045	3,211,045	3,567,828	3,211,045	3,211,045
Weighted average number of Shares ('000)	2,938,616	2,581,833	2,581,833	2,938,616	2,581,833	2,581,833
Profit/(Loss) attributable to owner of the company for the year	(10,955)	(10,955)	(10,955)	(17,321)	(17,321)	(17,321)

	Group			Company		
	Before Share Buy-Back	After Share Market Purchase	Buy-Back Off-Market Purchase	Before Share Buy-Back	After Share Market Purchase	Buy-Back Off-Market Purchase
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Financial Ratios						
NAV per Share (Cents)	4.1	4.5	4.4	3.0	3.2	3.2
Gearing (times)	0.52	0.54	0.54	0.03	0.03	0.03
Current Ratio (times)	1.1	1.1	1.1	1.7	1.3	1.3
Basic EPS (cents)	(0.37)	(0.42)	(0.42)	(0.59)	(0.67)	(0.67)

Notes:

- (1) The assumption is that the Group companies would repay the amounts due to the Company to enable it to pay for the shares. Therefore, Cash and Cash equivalent, Current Liabilities and Total Borrowings at Company level would not be affected.
- (2) Excluding lease liabilities associated with right-of-use assets.

Scenario 1B: Purchases made entirely out of profit and cancelled

	Group			Company		
	Before Share Buy-Back	After Share Market Purchase	Buy-Back Off-Market Purchase	Before Share Buy-Back	After Share Market Purchase	Buy-Back Off-Market Purchase
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
As at 31 March 2021						
Share Capital	94,089	94,089	94,089	94,089	94,089	94,089
Capital Reserve	17,798	17,798	17,798	17,798	17,798	17,798
Reserve for own shares	(2,354)	(2,354)	(2,354)	(2,354)	(2,354)	(2,354)
Other Reserves	(5,844)	(5,844)	(5,844)	–	–	–
Accumulated Profits/(Losses)	16,768	12,130	11,416	(1,900)	(6,538)	(7,252)
Non-controlling interests	27,234	27,234	27,234	–	–	–
Total equity	147,691	143,053	142,339	107,633	102,995	102,281
NAV	147,691	143,053	142,339	107,633	102,995	102,281
Current Assets ⁽¹⁾	176,168	171,530	170,816	21,424	16,786	16,072
Current Liabilities ⁽¹⁾	158,009	158,009	158,009	12,483	12,483	12,483
Working Capital	18,159	13,521	12,807	8,941	4,303	3,589
Total Borrowings ^{(1) (2)}	76,653	76,653	76,653	3,000	3,000	3,000
Cash and Cash Equivalents ⁽¹⁾	34,604	29,966	29,252	3,458	3,458	3,458
Total issued number of Shares (excluding Treasury Shares) ('000)	3,567,828	3,211,045	3,211,045	3,567,828	3,211,045	3,211,045
Weighted average number of Shares ('000)	2,938,616	2,581,833	2,581,833	2,938,616	2,581,833	2,581,833
Profit/(Loss) attributable to owner of the company for the year	(10,955)	(10,955)	(10,955)	(17,321)	(17,321)	(17,321)

	Group			Company		
	Before Share Buy-Back	After Share Market Purchase	Buy-Back Off-Market Purchase	Before Share Buy-Back	After Share Market Purchase	Buy-Back Off-Market Purchase
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Financial Ratios						
NAV per Share (Cents)	4.1	4.5	4.4	3.0	3.2	3.2
Gearing (times)	0.52	0.54	0.54	0.03	0.03	0.03
Current Ratio (times)	1.1	1.1	1.1	1.7	1.3	1.3
Basic EPS (cents)	(0.37)	(0.42)	(0.42)	(0.59)	(0.67)	(0.67)

Notes:

(1) The assumption is that the Group companies would repay the amounts due to the Company to enable it to pay for the shares. Therefore, Cash and Cash equivalent, Current Liabilities and Total Borrowings at Company level would not be affected.

(2) Excluding lease liabilities associated with right-of-use assets.

Scenario 2A: Purchases made entirely out of capital and held as Treasury Shares

	Group			Company		
	Before Share Buy-Back	After Share Market Purchase	Buy-Back Off-Market Purchase	Before Share Buy-Back	After Share Market Purchase	Buy-Back Off-Market Purchase
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
As at 31 March 2021						
Share Capital	94,089	94,089	94,089	94,089	94,089	94,089
Capital Reserve	17,798	17,798	17,798	17,798	17,798	17,798
Reserve for own shares	(2,354)	(6,992)	(7,706)	(2,354)	(6,992)	(7,706)
Other Reserves	(5,844)	(5,844)	(5,844)	–	–	–
Accumulated Profits/(Losses)	16,768	16,768	16,768	(1,900)	(1,900)	(1,900)
Non-controlling interests	27,234	27,234	27,234	–	–	–
Total equity	147,691	143,053	142,339	107,633	102,995	102,281
NAV	147,691	143,053	142,339	107,633	102,995	102,281
Current Assets ⁽¹⁾	176,168	171,530	170,816	21,424	16,786	16,072
Current Liabilities ⁽¹⁾	158,009	158,009	158,009	12,483	12,483	12,483
Working Capital	18,159	13,521	12,807	8,941	4,303	3,589
Total Borrowings ^{(1) (2)}	76,653	76,653	76,653	3,000	3,000	3,000
Cash and Cash Equivalents ⁽¹⁾	34,604	29,966	29,252	3,458	3,458	3,458
Total issued number of Shares (excluding Treasury Shares) ('000)	3,567,828	3,211,045	3,211,045	3,567,828	3,211,045	3,211,045
Weighted average number of Shares ('000)	2,938,616	2,581,833	2,581,833	2,938,616	2,581,833	2,581,833
Profit/(Loss) attributable to owner of the company for the year	(10,955)	(10,955)	(10,955)	(17,321)	(17,321)	(17,321)

	Group			Company		
	Before Share Buy-Back	After Share Market Purchase	Buy-Back Off-Market Purchase	Before Share Buy-Back	After Share Market Purchase	Buy-Back Off-Market Purchase
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Financial Ratios						
NAV per Share (Cents)	4.1	4.5	4.4	3.0	3.2	3.2
Gearing (times)	0.52	0.54	0.54	0.03	0.03	0.03
Current Ratio (times)	1.1	1.1	1.1	1.7	1.3	1.3
Basic EPS (cents)	(0.37)	(0.42)	(0.42)	(0.59)	(0.67)	(0.67)

Notes:

(1) The assumption is that the Group companies would repay the amounts due to the Company to enable it to pay for the shares. Therefore, Cash and Cash equivalent, Current Liabilities and Total Borrowings at Company level would not be affected.

(2) Excluding lease liabilities associated with right-of-use assets.

Scenario 2B: Purchases made entirely out of profits and held as Treasury Shares

	Group			Company		
	Before Share Buy-Back	After Share Market Purchase	Buy-Back Off-Market Purchase	Before Share Buy-Back	After Share Market Purchase	Buy-Back Off-Market Purchase
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
As at 31 March 2021						
Share Capital	94,089	94,089	94,089	94,089	94,089	94,089
Capital Reserve	17,798	17,798	17,798	17,798	17,798	17,798
Reserve for own shares	(2,354)	(6,992)	(7,706)	(2,354)	(6,992)	(7,706)
Other Reserves	(5,844)	(5,844)	(5,844)	–	–	–
Accumulated Profits/(Losses)	16,768	16,768	16,768	(1,900)	(1,900)	(1,900)
Non-controlling interests	27,234	27,234	27,234	–	–	–
Total equity	147,691	143,053	142,339	107,633	102,995	102,281
NAV	147,691	143,053	142,339	107,633	102,995	102,281
Current Assets ⁽¹⁾	176,168	171,530	170,816	21,424	16,786	16,072
Current Liabilities ⁽¹⁾	158,009	158,009	158,009	12,483	12,483	12,483
Working Capital	18,159	13,521	12,807	8,941	4,303	3,589
Total Borrowings ^{(1) (2)}	76,653	76,653	76,653	3,000	3,000	3,000
Cash and Cash Equivalents ⁽¹⁾	34,604	29,966	29,252	3,458	3,458	3,458
Total issued number of Shares (excluding Treasury Shares) ('000)	3,567,828	3,211,045	3,211,045	3,567,828	3,211,045	3,211,045
Weighted average number of Shares ('000)	2,938,616	2,581,833	2,581,833	2,938,616	2,581,833	2,581,833
Profit/(Loss) attributable to owner of the company for the year	(10,955)	(10,955)	(10,955)	(17,321)	(17,321)	(17,321)

	Group			Company		
	Before Share Buy-Back	After Share Market Purchase	Buy-Back Off-Market Purchase	Before Share Buy-Back	After Share Market Purchase	Buy-Back Off-Market Purchase
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Financial Ratios						
NAV per Share (Cents)	4.1	4.5	4.4	3.0	3.2	3.2
Gearing (times)	0.52	0.54	0.54	0.03	0.03	0.03
Current Ratio (times)	1.1	1.1	1.1	1.7	1.3	1.3
Basic EPS (cents)	(0.37)	(0.42)	(0.42)	(0.59)	(0.67)	(0.67)

Notes:

- (1) The assumption is that the Group companies would repay the amounts due to the Company to enable it to pay for the shares. Therefore, Cash and Cash equivalent, Current Liabilities and Total Borrowings at Company level would not be affected.
- (2) Excluding lease liabilities associated with right-of-use assets.

The actual impact will depend on the number and price of the Shares bought back. As stated, the Directors do not propose to exercise the Share Buy-Back Mandate to such an extent that it would have a material adverse effect on the working capital requirements and/or gearing of the Group. The purchase of Shares will only be effected after assessing the relative impact of a share buy-back taking into consideration both financial factors (such as cash surplus, debt position and working capital requirements) and non-financial factors (such as share market conditions and performance of the Shares).

Shareholders should note that the financial effects illustrated above, based on the respective aforesaid assumptions, are for illustration purposes only. In particular, it is important to note that the above analysis is based on the audited accounts of the Company and the Group for FY2021, and is not necessarily representative of the future financial performance of the Company and the Group.

It should be noted that although the Share Buy-Back Mandate would authorise the Company to purchase or otherwise acquire up to ten per cent. (10%) of the issued Shares (excluding Treasury Shares and subsidiary holdings), the Company may not necessarily purchase or acquire or be able to purchase or otherwise acquire the entire ten per cent. (10%) of the issued Shares (excluding Treasury Shares and subsidiary holdings). In addition, the Company may cancel, or hold as Treasury Shares, all or part of the Shares purchased or otherwise acquired. The Company will take into account both financial and non-financial factors (for example, stock market conditions and the performance of the Shares) in assessing the relative impact of a purchase or acquisition of Shares before execution. Taking all these things into consideration, the Board will only consider to proceed with the execution of the purchase or acquisition of Shares if the effects are beneficial to the Company and its Shareholders.

2.9 Take-over implications arising from share buy-back

The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

2.9.1 Obligation to make a take-over offer

Rule 14 of the Take-over Code (“**Rule 14**”) requires, *inter alia*, that except with the consent of 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% 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% but not more than 50% of the voting rights and such person, or any person acting in concert with him, acquires in any period of six (6) months additional shares carrying more than one per cent. (1%) of the voting rights,

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

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

2.9.2 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 following persons will, *inter alia*, be presumed to be acting in concert with each other under the Take-over Code:

- (a) 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);
- (b) a company with its parent, subsidiaries and fellow subsidiaries, and their associated companies, any company whose associated companies include any of the foregoing companies. For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status; and
- (c) an individual with his close relatives, related trusts and person(s) who are accustomed to act in accordance with his instructions.

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

The statements herein do not purport to be a comprehensive or exhaustive description of all the relevant provisions of, or all implications that may arise under the Take-over Code. Shareholders who are in doubt as to whether they would incur any obligations to make a take-over offer for the Company under the Take-over Code are advised to consult their professional advisers and/or the SIC at the earliest opportunity.

2.9.3 Effect of Rule 14 and Appendix 2

Appendix 2 contains the share buy-back guidance note. In general terms, the effect of Rule 14 and Appendix 2 is that, unless exempted, if, as a result of any purchase or acquisition by the Company of its Shares, the proportionate percentage of voting rights held by a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of the Take-over Code. If as a result of such increase, a Shareholder or group of Shareholders acting in concert with a Director obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert with a Director could become obliged to make a take-over offer for the Company under Rule 14.

For the avoidance of doubt, when the Company buys back its Shares, any resulting increase in the percentage of voting rights held by a Shareholder would be treated as an acquisition for the purpose of Rule 14. Under Appendix 2, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company’s voting rights, the voting rights of such Shareholder would increase by more than one per cent. (1%) in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the ordinary resolution authorising the Share Buy-Back Mandate.

2.9.4 Advice to Shareholders

Shareholders are advised to consult their professional advisers and/or the SIC and/or other relevant authorities at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any share purchases by the Company.

2.9.5 Interests of Directors and Substantial Shareholders

Based on the Register of Directors' Shareholdings of the Company and the Register of Substantial Shareholders of the Company maintained pursuant to Section 164 and Section 88 of the Companies Act respectively, as at the Latest Practicable Date, the shareholdings of the Directors and the Substantial Shareholders before and after the purchase of Shares (assuming (i) the Company purchases the maximum number of ten per cent. (10%) of the issued Shares (excluding Treasury Shares and subsidiary holdings) of the Company as at the Latest Practicable Date, and (ii) there is no change in the number of Shares held or deemed to be held by the Directors and Substantial Shareholders) were/will be as follows:

Name of Director	Before Share Buy-Back (Number of Shares)		Before Share Buy-Back based on Total Interest (%) ⁽¹⁾	After Share Buy-Back based on Total Interest (%) ⁽²⁾
	Direct interest	Deemed Interest		
Dr. Leong Horn Kee	–	–	–	–
Mr. See Yen Tarn ⁽³⁾	–	22,449,996	0.63	0.70
Mr. Teo Beng Teck	12,095,000	–	0.34	0.38
Mr. Ong Tiew Siam	18,000,000	–	0.50	0.56
Mr. Tan Hup Foi @ Tan Hup Hoi	–	–	–	–
Name of Substantial Shareholders (other than Directors)				
TH Investments Pte Ltd ⁽⁴⁾	–	1,092,727,509	30.63	34.03
Tat Hong Investments Pte Ltd ⁽⁴⁾	–	1,092,727,509	30.63	34.03
Chwee Cheng & Sons Pte Ltd ⁽⁴⁾	–	1,092,727,509	30.63	34.03
Mr. Ng Sun Ho Tony ⁽⁴⁾	–	1,092,727,509	30.63	34.03
Mr. Ng San Wee David ⁽⁴⁾	–	1,092,727,509	30.63	34.03
Mr. Ng Sun Giam Roger ⁽⁴⁾	–	1,092,727,509	30.63	34.03
Mr. Ng San Tiong Roland ^{(4) (5)}	–	1,116,648,503	31.30	34.78
Ng Chwee Cheng Corporation ⁽⁶⁾	314,542,494	–	8.82	9.80
BOS Trustee Limited ⁽⁶⁾	–	314,542,494	8.82	9.80
Bank of Singapore Limited ⁽⁶⁾	–	314,542,494	8.82	9.80
Oversea-Chinese Banking Corporation Limited ⁽⁶⁾	–	314,542,494	8.82	9.80
Mr. Ng Chwee Cheng ^{(6) (7)}	3,760,000	318,442,494	9.03	10.03
Dr. Chiu Hong Keong or Mdm. Khoo Yok Kee ⁽⁸⁾	519,093,400	319,100	14.56	16.18

Notes:

- (1) The percentage of shareholdings was computed based on the total number of Shares as at the Latest Practicable Date of 3,567,828,176 (which excludes 20,520,000 Shares which are held as Treasury Shares representing approximately 0.58% of the total number of issued Shares excluding Treasury Shares and subsidiary holdings).
- (2) The percentages in the table are calculated based on 3,211,045,359 issued and paid-up Shares (excluding Treasury Shares and subsidiary holdings).
- (3) Mr. See Yen Tarn is deemed to have an interest in 22,449,996 Shares held through nominee accounts.
- (4) TH Investments Pte Ltd is a wholly-owned subsidiary of Tat Hong Investments Pte Ltd, which is a wholly-owned subsidiary of Chwee Cheng & Sons Pte Ltd (“**CCSPL**”). Being joint trustees of the Chwee Cheng Trust, which holds 39.5% of the issued share capital of CCSPL, each of the Trustees, namely Mr. Ng San Tiong Roland, Mr. Ng Sun Ho Tony, Mr. Ng San Wee David and Mr. Ng Sun Giam Roger, is deemed to have an interest in 1,092,727,509 Shares held by TH Investments Pte Ltd through nominee accounts.
- (5) Mr. Ng San Tiong Roland is deemed to have an interest in 23,920,994 Shares held through nominee accounts.
- (6) Ng Chwee Cheng Corporation is a company wholly owned by BOS Trustee Limited (“**BOSTL**”) in its capacity as the trustee of the revocable trust in which Mr. Ng Chwee Cheng has control and therefore, each of BOSTL and Mr. Ng Chwee Cheng is deemed to have an interest in 314,542,494 Shares held by Ng Chwee Cheng Corporation.

BOSTL is a wholly owned subsidiary of Bank of Singapore Limited (“**BOS**”) which is in turn a wholly owned subsidiary of Oversea-Chinese Banking Corporation Limited (“**OCBC**”). Each of OCBC and BOS, is therefore deemed to have an interest in 314,542,494 Shares held by Ng Chwee Cheng Corporation.

- (7) Mr. Ng Chwee Cheng is deemed to have an interest in 3,900,000 Shares held through a nominee account.
- (8) Dr. Chiu Hong Keong or Mdm. Khoo Yok Kee is deemed to have an interest in 319,100 Shares held by their son through a nominee account.

Based on the Register of Members and the Register of Substantial Shareholders of the Company as at the Latest Practicable Date, to the best of their knowledge, the Directors are not aware of any Director or Substantial Shareholder (together with persons acting in concert with them) who may become obliged to make a mandatory offer under Rule 14 in the event that the Company purchases the maximum number of 356,782,817 Shares under the proposed Share Buy-Back Mandate.

2.10 Listing status of Shares on the SGX-ST

The Company does not have any individual shareholding limit or foreign shareholding limit. However, the Company is required under Rule 723 of the Listing Manual to ensure that at least ten per cent. (10%) of the total number of issued shares (excluding preference shares, convertible equity securities and Treasury Shares) in a class that is listed is at all times held by the public. The term “*public*”, as defined under the Listing Manual, are persons other than (i) the Directors, chief executive officer, Substantial Shareholders or Controlling Shareholders of the Company or its subsidiaries; and (ii) the Associates of persons in (i).

As at the Latest Practicable Date, there are 1,529,015,148 issued Shares representing approximately 42.86% of the issued Shares (excluding Treasury Shares and subsidiary holdings) are held by the public. For illustration purposes only, assuming that the Company purchases the maximum number of ten per cent. (10%) of the issued Shares, being 356,782,817 Shares as at the Latest Practicable Date, and assuming that such Shares are held in public hands, the resultant number of Shares held by the public after the purchase of such Shares would be 1,172,232,331 Shares, representing approximately 36.51% of the remaining issued Shares (excluding Treasury Shares and subsidiary holdings).

Before deciding to effect a purchase of Shares, the Directors will also consider whether, notwithstanding such purchase, a sufficient float in the hands of the public will be maintained to provide for an orderly market for trading in the Shares.

The Directors will use their best efforts to ensure that the Company does not effect a purchase or acquisition of Shares if the purchase or acquisition of Shares would result in the number of Shares remaining in the hands of the public falling to such a level as to cause market illiquidity or adversely affect the listing status of the Company.

Save for its Shares, as at the Latest Practicable Date, the Company has no securities listed on the SGX-ST.

2.11 Shares purchased by the Company

The Company has not purchased any Shares during the 12 months preceding the Latest Practicable Date.

2.12 Timing of purchases

While 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 Buy-Back 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 observing the best practices on securities dealings under Rule 1207(19), the Company will not purchase or acquire any Shares through Market Purchases during the period commencing one (1) month immediately preceding the announcement of the Company’s half year or full year financial statements, as the case may be, and ending on the date of the announcement of the relevant results.

2.13 Tax implications

Shareholders who are in doubt as to their respective tax positions or any tax implications of share buy-backs by the Company, or who may be subject to tax in or outside Singapore, should consult their own professional advisers.

3. ANNUAL GENERAL MEETING

The AGM will be held by way of electronic means on Thursday, 29 July 2021, at 10.00 a.m. to seek the approval of the Shareholders for the ordinary resolution in relation to the proposed adoption of the Share Buy-Back Mandate.

4. DIRECTORS’ RECOMMENDATION

Having fully considered the rationale set out in paragraph 2.2 of this Letter, the Directors are of the opinion that the proposed adoption of the Share Buy-Back Mandate is in the best interests of the Company and accordingly recommend that the Shareholders vote in favour of the ordinary resolution in respect of the proposed adoption of the Share Buy-Back Mandate as set out in the Notice of AGM.

5. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Practice Note 12.1 of the Listing Manual, 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 adoption of the Share Buy-Back 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.

6. COMPLIANCE WITH GOVERNING LAWS, REGULATIONS AND THE CONSTITUTION

The Company confirms that the terms of the Share Buy-Back Mandate do not contravene any laws and regulations governing the Company and its Constitution.

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the Company's Constitution and the Annual Report for the financial year ended 31 March 2021 are available for inspection during normal office hours at the registered office of the Company at 120 Pioneer Road, #04-01, Singapore 639597 from the date of this Letter up to and including the date of the AGM.

Yours faithfully

For and on behalf of the Board of Directors of
CSC HOLDINGS LIMITED

Mr. See Yen Tarn
Executive Director / Group Chief Executive Officer