

APPENDIX DATED 14 SEPTEMBER 2020

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

If you have sold or transferred all your shares in the capital of P5 Capital Holdings Ltd. ("**Company**"), you should immediately forward this Appendix, the Notice of Annual General Meeting ("**AGM**") and the attached Proxy Form to the purchaser or transferee or to the bank, stockbroker or other agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee. If you have sold or transferred all your shares represented by physical share certificate(s), you should immediately forward this Appendix with the Notice of AGM and the attached Proxy Form immediately to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Appendix has been prepared by the Company and its contents have been reviewed by the Company's sponsor, RHT Capital Pte. Ltd. ("**Sponsor**") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual (Section B: Rules of Catalist). The Sponsor has not independently verified the contents of this Appendix.

This Appendix has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this Appendix, including the correctness of any of the statements or opinions made or reports contained in this Appendix. The contact person for the Sponsor is Mr Shervyn Essex, Registered Professional at 9 Raffles Place, #29-01 Republic Plaza Tower 1, Singapore 048619, telephone +65 6381 6966.



P5 CAPITAL HOLDINGS LTD.
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199806046G)

APPENDIX IN RELATION TO:

THE ADOPTION OF THE PROPOSED SHARE BUYBACK MANDATE

IMPORTANT DATES AND TIMES

Last Date and Time to Pre-Register Online to Participate at the 2020 AGM	: 26 September 2020 at 9:30 a.m.
Last Date and Time for Submission of Questions	: 25 September 2020 at 9.30 a.m.
Latest Date and Time for Lodgement of Proxy Form	: 27 September 2020 at 9.30 a.m.
Date and Time of AGM	: 29 September 2020 at 9.30 a.m.
Place of AGM	: The AGM will be held by way of electronic means

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DEFINITIONS

The following definitions apply throughout in this Appendix except where the context otherwise requires:-

“Appendix”	:	This appendix dated 14 September 2020 in relation to the proposed adoption of the Share BuyBack Mandate
“AGM” or “Annual General Meeting”	:	The annual general meeting of the Company to be held on 29 September 2020 at 9.30 a.m.
“associate”	:	In relation to any director, chief executive officer, substantial shareholder or controlling shareholder means:— (i) his immediate family (that is, his spouse, child, adopted child, step-child, sibling or parent); (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, and, in relation to a substantial shareholder or a controlling shareholder which is a company, means its subsidiary or holding company or a subsidiary of such holding company or a company 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.
“associated company”	:	A company in which at least 20% but not more than 50% of its shares are held by the listed company or the group.
“Board” or “Board of Directors”	:	The Board of Directors of the Company as at the Latest Practicable Date
“Catalist Rules”	:	Section B: Rules of Catalist of the Listing Manual of SGX-ST, as amended or modified from time to time
“CDP” or “Depository”	:	The Central Depository (Pte) Limited
“Company”	:	P5 Capital Holdings Ltd.
“Companies Act”	:	The Companies Act (Cap 50) of Singapore, as amended, supplemented or modified from time to time
“Constitution”	:	The constitution of the Company, as may be amended or modified from time to time
“Controlling shareholder”	:	A person who:— (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company; or

(b) in fact exercises control over the Company

“Directors”	:	The directors of the Company as at the Latest Practicable Date
“EPS”	:	Earnings per Share
“FY”	:	The Financial year ended, or as the case maybe, ending 31 March
“Group”	:	The Company and its Subsidiaries
“Latest Practicable Date”	:	7 September 2020 being the latest practicable date prior to the issuance of this Appendix for ascertaining information included herein
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Market Purchase”	:	Has the meaning ascribed to it in Paragraph 2.3 of this Appendix
“NTA”	:	Net tangible assets
“Off-Market Purchase”	:	Has the meaning ascribed to it in Paragraph 2.3 of this Appendix
“Proposed Share BuyBack Mandate”		The proposed adoption of the Share Buy Back Mandate by way of ordinary resolution
“Proxy Form”	:	The proxy form in respect of the AGM as set out in this Appendix
“Register of Substantial Shareholders”	:	Register of Substantial Shareholders of the Company maintained pursuant to Section 88 of the Companies Act
“Register of Directors’ Shareholdings”	:	Register of Directors of the Company maintained pursuant to Section 164 of the Companies Act
“Relevant Period”	:	The period commencing from the date on which the last AGM was held and expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier, after the date the resolution relating to the Share BuyBack Mandate has passed
“Securities Account”	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account
“SFA”	:	The Securities and Futures Act (Cap. 289) of Singapore, as amended, supplemented or modified from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share BuyBack Mandate”	:	A general mandate given by Shareholders to authorise the Directors to purchase or otherwise acquire, on behalf of the Company, Shares in accordance with the terms set out in the Appendix as well as the rules and regulations set forth in the Companies Act and the Catalyst Rules

“Shareholders”	: Registered holders of 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 Depositors whose Securities Accounts are credited with the Shares
“Shares”	: Ordinary shares in the share capital of the Company
“SIC”	: The Securities Industry Council of Singapore
“Substantial Shareholder”	: A Shareholder who has an interest in not less than five per cent. (5%) of the total issued and voting share capital of the Company
“Take-over Code”	: The Singapore Code on Take-overs and Mergers, as may be amended or modified from time to time
“Treasury Share(s)”	: A Share that was or is treated as having been acquired and held by the Company and has been held continuously by the Company since it was so acquired and has not been cancelled
“%” or “per cent.”	: Percentage or per centum
“S\$”, “\$” and “cents”	: Singapore dollars and cents, respectively

The terms **“associate”**, **“associated company”**, **“related entity”**, **“related corporation”**, **“subsidiary”**, **“Controlling Shareholders”** and **“Substantial Shareholder”** shall have the meaning ascribed to them respectively in Section 5 of the Companies Act, the Fourth Schedule of the Securities and Futures (Offers of Investment) (Shares and Debentures) Regulations 2005, the Companies Act and the Catalyst Rules.

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act (Chapter 289) of Singapore.

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. References to persons shall, where applicable, include corporations.

Any reference in this Appendix to any enactment is a reference to that enactment for the time being amended or re-enacted. Any word defined under the Companies Act, the Securities and Futures (Offers of Investment) (Shares and Debentures) Regulations 2005 and the Catalyst Rules or any modification thereof and used in this Appendix shall, where applicable, have the meaning ascribed to it under the Companies Act, the Securities and Futures (Offers of Investment) (Shares and Debentures) Regulations 2005 and the Catalyst Rules or modification as the case may be.

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

The headings in this Appendix are inserted for convenience only and shall be ignored in construing this Appendix. Any discrepancies in the tables in this Appendix between the listed amounts and the totals thereof are due to rounding; accordingly, the figures shown as totals in certain tables may not reflect an arithmetic aggregation of the figures that precede them.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Appendix are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “**seek**”, “**expect**”, “**anticipate**”, “**estimate**”, “**believe**”, “**intend**”, “**project**”, “**plan**”, “**strategy**”, “**forecast**” and similar expressions or future or conditional verbs such as “**will**”, “**if**”, “**would**”, “**should**”, “**could**”, “**may**” and “**might**”. However, these words are not the exclusive means of identifying forward-looking statements. These statements reflect the Company’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guaranteeing of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders should not place undue reliance on such forward-looking statements, and the Company assumes no obligation to update publicly or revise any forward-looking statement.

LETTER TO SHAREHOLDERS

P5 CAPITAL HOLDINGS LTD.
(Incorporated in the Republic of Singapore)
(Company Registration Number: 199806046G)

Board of Directors:

Lim Shao-Lin (*Executive Director and Chief Executive Officer*)
Roger Daeson Khoo Kim Peng (*Executive Director*)
Koh Beng Leong (*Executive Director – Finance*)
Tan Mun Choy Kenneth Bertram (*Non-Executive Non-Independent Director*)
Lau Ping Sum Pearce (*Chairman, Independent Director*)
Tan Siew San (*Independent Director*)
Lim Kok Chai (Lin Guocai) (*Independent Director*)

Registered Office

213 Henderson
Road, #03-08,
Henderson Industrial
Park,
Singapore 159553

To: The Shareholders of P5 Capital Holdings Ltd.

Date: 14 September 2020

Dear Sir/Madam,

THE ADOPTION OF THE PROPOSED SHARE BUYBACK MANDATE

1. INTRODUCTION

- 1.1. The Directors are convening an AGM to be held on 29 September 2020 at 9.30 a.m. to be held via electronic means to seek the approval of Shareholders for the proposed adoption of the Share BuyBack Mandate by way of ordinary resolution ("**Proposed Share BuyBack Mandate**") as set out as part of the resolutions in the notice of the annual general meeting ("**Notice of AGM**") accompanying this Appendix.
- 1.2. The purpose of this Appendix is to provide Shareholders with relevant information pertaining to the proposed adoption of the Proposed Share BuyBack Mandate and to seek Shareholders' approval for the resolution in respect thereof to be tabled at the AGM.
- 1.3. The SGX-ST assumes no responsibility for the accuracy or correctness of any of the information, statements or opinions made or reports contained in this Appendix. The Sponsor has reviewed this Appendix according to Catalist Rules 226(2)(b) and 753(2).
- 1.4. Shareholders who are in any doubt as to the course of action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

2. THE ADOPTION OF THE PROPOSED SHARE BUYBACK 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 its Constitution, the Companies Act and the Catalist Rules and such other laws and regulations as may, for the time being, be applicable. Pursuant to Article 54(2) of the Company's Constitution (also found in Regulation 38 of the New Constitution as defined in the circular

dated 4 September 2020), the Company is permitted to, subject to and in accordance with the Companies Act, purchase or otherwise acquire its issued Shares on such terms and subject to such conditions as the Company may prescribe in a general meeting. The Company is required to obtain the approval of its Shareholders at a general meeting should it wish to purchase or acquire its own Shares (“**Proposed Share BuyBack Mandate**”).

As such, the Board is proposing to seek Shareholder’s approval at the upcoming AGM for the adoption of the Proposed Share BuyBack Mandate. The Proposed Share BuyBack Mandate is a general mandate that is approved by Shareholders which allows the Company to purchase or acquire its issued Shares at any time during the duration and based on the terms of the Proposed Share BuyBack Mandate.

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

Subject to its continued relevance to the Company, the Share BuyBack Mandate will be put to Shareholders for renewal at each subsequent AGM of the Company.

2.2 Rationale for the Proposed Share BuyBack Mandate

The rationale for the Company to adopt the Proposed Share BuyBack Mandate is as follows:

- (a) the Company will have the flexibility to undertake purchases or acquisitions of its own Shares subject to the terms and limits as described further in paragraph 3 below;
- (b) to provide the Company with a mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements in an expedient, effective and cost-efficient manner. It will also provide the Directors with greater flexibility over the Company’s share capital structure with a view to enhancing the EPS and/or NTA per Share when the Proposed Share BuyBack Mandate is in force; and
- (c) to help mitigate short-term market volatility, offset the effects of short-term speculation and bolster Shareholders’ confidence which are not otherwise caused by general market factors or sentiments and/or the fundamentals of the Company; and
- (d) Shares purchased pursuant to the Proposed Share BuyBack Mandate will either be cancelled or held as treasury shares as may be determined by the Directors to be used to purchase existing Shares which may then be held in treasury, and such Treasury Shares may consequently be transferred for the purposes of or pursuant to the Company’s Share award scheme (if any) in order to satisfy the awards given thereunder (if any).

If and when circumstances permit, the Directors will decide whether to effect Share purchases *via* 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. The Company will only purchase or acquire Shares pursuant to the Proposed Share BuyBack Mandate if the Directors are of the view that it would benefit the Company and Shareholders. Shareholders should note that purchases or acquisitions of Shares pursuant to the Proposed Share BuyBack Mandate may not be carried out at all, or to the full limit as authorised. The Directors do not propose to carry out Share buy-backs to an extent that would, or in circumstances that might, result in a material adverse effect on the liquidity and/or the orderly trading of the Shares and/or the financial position of the Group.

3. **AUTHORITY AND LIMITS OF THE PROPOSED SHARE BUYBACK MANDATE**

The authority and limitations placed on purchases of Shares by the Company under the Proposed Share BuyBack Mandate are summarised below:

3.1 **Maximum Number of Shares**

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

The total number of Shares that may be purchased or acquired by the Company is limited to that number of Shares representing not more than 10% of the issued ordinary share capital (excluding Treasury Shares and subsidiary holdings) of the Company as at the date of the AGM at which the Proposed Share BuyBack Mandate is approved (the “**Approval Date**”), unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered (excluding any Treasury Shares that may be held by the Company from time to time).

For illustrative purposes, on the basis of the existing issued and paid-up capital of the Group as at the Latest Practicable Date, of approximately S\$19,263,691 comprising 557,524,443 Shares (excluding Treasury Shares and subsidiary holdings), and assuming that no further Shares are issued on or prior to the AGM, not more than approximately 55,752,444 Shares (representing approximately 10% of the issued ordinary share capital of the Company as at that date excluding Treasury Shares and subsidiary holdings currently held) may be purchased or acquired by the Company pursuant to the Proposed Share BuyBack Mandate.

3.2 **Duration of Authority**

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the Approval Date, up to the earlier of:

- (a) the date on which the next AGM is held or required by law to be held;
- (b) the date on which the Share buy-backs are carried out to the full extent mandated under the Proposed Share BuyBack Mandate; or
- (c) the effective date on which the authority conferred in the Proposed Share BuyBack Mandate is varied (as to the duration of the Proposed Share BuyBack Mandate) or revoked by Shareholders in a general meeting.

The Proposed Share BuyBack Mandate may be renewed on an annual basis at a general meeting of the Company.

3.3 **Manner of Purchase or Acquisition of Shares**

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

- (a) on-market purchases (the “**Market Purchase**”), transacted on the SGX-ST through the SGX-ST’s trading system, and which may be transacted, through one or more duly licensed dealers/stockbrokers appointed by the Company for the purpose; and/or
- (b) off-market purchases (the “**Off-Market Purchase**”) (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Share BuyBack Mandate, the Constitution, the Companies Act and the Catalist Rules.

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

- (a) offers for the purchase or acquisition of issued Shares under the scheme are to be made to every person who holds shares to purchase or acquire the same percentage of their shares;
- (b) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made to them; 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 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.

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

- (a) the terms and conditions of the offer;
- (b) the period and procedures for acceptances;
- (c) the reasons for the proposed Share buy-back;
- (d) the consequences, if any, of share purchases by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (e) whether the Share buy-backs, if made, could affect the listing of the Company's equity securities on the SGX-ST;
- (f) details of any Share buy-backs made by the Company in the previous twelve (12) months (whether Market Purchases or Off-Market Purchases in accordance with an equal access scheme), giving the total number of the Shares purchased, the purchase price per Share or the highest or lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (g) whether the Shares purchased by the Company will be cancelled or kept as Treasury Shares.

3.4 Maximum Purchase Price

The purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors.

However, the purchase price to be paid for a Share as determined by the Directors must not exceed:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price (as defined hereinafter) of the Shares; and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price (as defined hereinafter),

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

For the purposes of determining the Maximum Price:

- (a) “**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 were transacted on the SGX-ST or, as the case may be, such securities exchange on which the Shares are listed or quoted, 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 rules of the SGX-ST, for any corporate action that occurs after the relevant five (5) Market Day period; and
- (b) “**day of the making of the offer**” means the day on which the Company announces its intention to make an offer for the purchase or acquisition of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

4. STATUS OF PURCHASED SHARES UNDER THE PROPOSED SHARE BUYBACK MANDATE

A Share purchased or acquired by the Company pursuant to the Proposed Share BuyBack Mandate 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 to the extent permitted under the Companies Act. Accordingly, the total number of Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as Treasury Shares.

All Shares purchased or acquired by the Company (other than treasury shares held by the Company 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 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.

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:

5.1 Maximum Holdings

The aggregate number of Shares held as Treasury Shares cannot at any time exceed 10% of the total number of issued Shares. Any Shares in excess of this limit shall be disposed of or cancelled within six (6) months from the day the aforesaid limit is first exceeded or such further periods as Accounting & Corporate Regulatory Authority of Singapore (“**ACRA**”) may allow.

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 (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members of the Company on a winding up) may be made, to the Company in respect of Treasury Shares. However, the allotment of Shares as fully paid bonus Shares in respect of Treasury Shares is allowed. Also, a subdivision or consolidation of any Treasury Share into Treasury Shares of a larger 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.

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 (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;
- (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 (or any of them) for such other purposes as may be prescribed by the Minister for Finance of Singapore

6. SOURCE OF FUNDS FOR SHARE BUY-BACK

In purchasing or acquiring Shares pursuant to the Proposed Share BuyBack Mandate, the Company may only apply funds legally available for such purchases or acquisitions as provided in the Constitution and in accordance with applicable laws in Singapore. The Company may not purchase or acquire its Shares on the SGX-ST for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the SGX-ST.

Any purchases or acquisitions of Shares may be made only if the Company is solvent and transacted out of the Company's capital or its distributable profits. It is an offence for a Director or manager of the Company to approve or authorise the purchase or acquisition of Shares, knowing that the Company is not solvent. For this purpose, pursuant to Section 76F(4) of the Companies Act, a company is solvent if:

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

The Company may use internal resources or external borrowings or a combination of both to fund

purchases of Shares pursuant to the Proposed Share BuyBack Mandate. In proceeding with the purchase of Shares under the Proposed Share BuyBack Mandate, the Directors will take into consideration *inter alia* the working capital requirements of the Group, the gearing level of the Group, as well as the expansion and investment plans of the Group, availability of internal resources, rationale for the purchase or acquisition of Shares and prevailing market conditions.

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

7. FINANCIAL EFFECTS OF THE PROPOSED SHARE BUYBACK MANDATE

The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Proposed Share BuyBack Mandate will depend on, *inter alia*, whether the Shares are purchased out of capital and/or profits of the Group, 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. The financial effects on the Group and the Company, based on the audited financial statements of the Group for the financial year ended 31 March 2020 ("FY2020"), are based on the assumptions set out below:

7.1 Purchase or Acquisition out of Capital or Profits

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital or profits so long as the Company is solvent.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding any related expenses (excluding brokerage or commission) incurred directly in the purchase or acquisition) 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, such consideration (excluding any related expenses (excluding brokerage or commission) incurred directly in the purchase or acquisition) will not affect the amount available for the distribution of cash dividends by the Company.

7.2 Number of Shares purchased or acquired

As at the Latest Practicable Date, based on the FY2020 audited financial statements of the Company, the issued capital of the Company comprised 557,524,443 Shares (excluding Treasury Shares and subsidiary holdings).

For illustrative purposes, on the basis of the 557,524,443 Shares (excluding Treasury Shares and subsidiary holdings) at the Latest Practicable Date, and assuming that no further Shares are issued on or prior to the AGM held on 29 September 2020, the Company may purchase up to the maximum limit of 10% of its issued Shares, resulting in approximately 55,752,444 Shares pursuant to the Proposed Share BuyBack Mandate ("**Maximum Number of Shares**").

7.3 Maximum price paid for Shares purchased or acquired

In the case of Market Purchases by the Company and assuming that the Company purchases or acquire 55,752,444 Shares at the Maximum Price of S\$0.02604 for one Share (being the price equivalent to five per cent. (5%) above the average of the closing market prices of the Shares over the last five (5) Market Days preceding the Latest Practicable Date on which transactions in the Shares were recorded), the maximum amount of funds required for the purchase or acquisition of 55,752,444 Shares is S\$1,451,794, (excluding ancillary expenses such as related brokerage, goods and services tax, stamp duties and clearance fees).

In the case of an Off-Market Purchase by the Company and assuming that the Company purchases or acquires 55,752,444 Shares at the Maximum Price of S\$0.02976 for one Share (being the price equivalent to 120% of the Average Closing Price of the Shares traded on the SGX-ST for the five (5) consecutive Market Days immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase is S\$1,659,193, (excluding ancillary expenses such as related brokerage, goods and services tax, stamp duties and clearance fees).

7.4 Illustrative Financial Effects

For illustrative purposes only, based on the assumptions set out above, and based on the audited financial statements of the Company and the Group for FY2020, and assuming that the Company had on the Latest Practicable Date purchased the Maximum Number of Shares pursuant to the Proposed Share BuyBack Mandate, the financial effects of:

- (a) the purchase of the Maximum Number of Shares by the Company at the Maximum Price pursuant to the Proposed Share BuyBack Mandate by way of purchases made out of capital and held as treasury shares; and
- (b) the purchase of the Maximum Number of Shares by the Company at the Maximum Price pursuant to the Proposed Share BuyBack Mandate by way of purchases made out of capital and cancelled

The financial effects are prepared on the following assumptions:

- (a) the Company has 557,524,443 Shares (excluding Treasury Shares and subsidiary holdings) as at the Latest Practicable Date, and no additional further additional Shares are issued on after the Latest Practicable Date and that no Shares were allotted or issued pursuant to the exercise of Options or vesting of awards;
- (b) transaction costs are disregarded;
- (c) the consideration for the purchase or acquisition of Shares (excluding brokerage, stamp duties, commission, applicable goods and services tax, clearance fees and other related expenses) is financed entirely out of capital;

and based on the FY2020 audited financial statements, the effects of the purchase or acquisition of such Shares by the Company on the financial position of the Company and the Group are set out below. No illustrations will be shown for the purchases made out of profits as the Company does not have sufficient revenue reserves or profits to do so.

The illustrations set out below are based on audited historical figures for the financial year ended 31 March 2020 and are purely for illustrative purposes only. Accordingly, such illustrations are not representative or otherwise indicative of future financial performance of the Company and/or the Group.

Prior to conducting any purchase or acquisition of Shares, the Company will take into consideration the financial position of the Company (including but not limited to the working capital requirements, debt position, gearing ratio, cash surplus) as well as other factors such as (market conditions, trading performance of the Company's Shares) in assessing the impact on the Company and the Group of such purchase or acquisition.

It should be noted that purchases pursuant to the Proposed Share BuyBack Mandate may not necessarily be carried out to the full 10% as mandated. Further, the Directors do not propose to exercise the Proposed Share BuyBack Mandate to such an extent as would have a material adverse effect on the working capital requirements of the Company or the gearing levels which, in the opinion of the Directors, are from time to time appropriate for the Company.

(A) **Market Purchases made out of capital**

	GROUP			COMPANY		
	Before Share Purchase	After Market Purchase		Before Share Purchase	After Market Purchase	
		Purchased Shares Cancelled	Purchased Shares held as Treasury Shares		Purchased Shares Cancelled	Purchased Shares held as Treasury Shares
As at 31 March 2020	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Share capital	19,264	17,812	19,264	19,264	17,812	19,264
Retained earnings	(5,999)	(5,999)	(5,999)	(3,234)	(3,234)	(3,234)
Other Reserves	1	1	1	-	-	-
	13,266	11,814	13,266	16,030	14,578	16,030
Treasury shares	-	-	(1,452)	-	-	(1,452)
Total Shareholders' funds ⁽¹⁾	13,266	11,814	11,814	16,030	14,578	14,578
NTA ⁽²⁾						
Current assets	15,009	13,557	13,557	9,864	8,412	8,412
Current liabilities	5,770	5,770	5,770	410	410	410
Working Capital	9,239	7,787	7,787	9,454	8,002	8,002
Total borrowings	(994)	(994)	(994)	-	-	-
Cash and cash equivalents	10,873	9,421	9,421	9,799	8,347	8,347
Net profit/(loss) after tax	(764)	(764)	(764)	22	22	22
Number of Shares (in '000)						
Weighted average number of shares (in '000)	557,524	501,772	557,524	557,524	501,772	557,524
Financial Ratios						
NTA per Share (cent) ⁽³⁾	2.26	2.22	2.00	2.88	2.91	2.61
Gearing ratio (times) ⁽⁴⁾	0.07	0.08	0.08	0.00	0.00	0.00
Current ratio (times) ⁽⁵⁾	2.60	2.35	2.35	24.05	20.51	20.51
EPS (cent)	(0.14)	(0.15)	(0.14)	0.00	0.00	0.00

Notes:-

- (1) Total shareholders' funds exclude non-controlling interests.
- (2) NTA refers to net assets less intangible assets and non-controlling interests.
- (3) NTA per Share is computed based on the NTA (i.e., net assets less intangible assets and non-controlling interests) divided by the number of Shares issued.
- (4) Gearing ratio equals to total borrowings divided by shareholders' funds.
- (5) Current ratio equals to current assets divided by current liabilities.

(B) Off-Market Purchases made out of capital

	GROUP			COMPANY		
	Before Share Purchase	After Market Purchase		Before Share Purchase	After Market Purchase	
		Purchased Shares Cancelled	Purchased Shares held as Treasury Shares		Purchased Shares Cancelled	Purchased Shares held as Treasury Shares
As at 31 March 2020	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Share capital	19,264	17,604	19,264	19,264	17,604	19,264
Retained earnings	(5,999)	(5,999)	(5,999)	(3,234)	(3,234)	(3,234)
Other Reserves	1	1	1	-	-	-
	13,266	11,606	13,266	16,030	14,370	16,030
Treasury shares	-	-	(1,660)	-	-	(1,660)
Total Shareholders' funds ⁽¹⁾	13,266	11,606	11,606	16,030	14,370	14,370
NTA ⁽²⁾						
Current assets	15,009	13,350	13,350	9,864	8,205	8,205
Current liabilities	5,770	5,770	5,770	410	410	410
Working Capital	9,239	7,580	7,580	9,454	7,795	7,795
Total borrowings	(994)	(994)	(994)	-	-	-
Cash and cash equivalents	10,873	9,214	9,214	9,799	8,140	8,140
Net profit/(loss) after tax	(764)	(764)	(764)	22	22	22
Number of Shares (in '000)						
Weighted average number of shares (in '000)	557,524	501,772	557,524	557,524	501,772	557,524
Financial Ratios						
NTA per Share (cent) ⁽³⁾	2.26	2.18	1.96	2.88	2.86	2.58
Gearing ratio (times) ⁽⁴⁾	0.07	0.09	0.09	0.00	0.00	0.00
Current ratio (times) ⁽⁵⁾	2.60	2.31	2.31	24.05	20.01	20.01
EPS (cent)	(0.14)	(0.15)	(0.14)	0.00	0.00	0.00

Notes:-

- (1) Total shareholders' funds exclude non-controlling interests.
- (2) NTA refers to net assets less intangible assets and non-controlling interests.
- (3) NTA per Share is computed based on the NTA (i.e., net assets less intangible assets and non-controlling interests) divided by the number of Shares issued.
- (4) Gearing ratio equals to total borrowings divided by shareholders' funds.
- (5) Current ratio equals to current assets divided by current liabilities.

8. CATALIST RULES

The Catalyst Rules specify that a listed company shall announce all purchases or acquisitions of its shares to 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 under 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 of the Catalyst Rules) currently requires the inclusion of details, including but not limited to, the total number of shares purchased, total number of shares cancelled, the number of shares held as treasury shares, the purchase price per share or the highest and lowest prices paid for such shares, as applicable and 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 the announcement (on a cumulative basis), the number of issued shares excluding treasury shares and the number of treasury shares held after the purchase.

While the Catalyst Rules do not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Proposed 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 best practices guide on securities dealings issued by SGX-ST, the Company and its officers should not purchase or acquire any Shares through Market purchases pursuant to the Proposed Share BuyBack Mandate during the period commencing one (1) month before the announcement of the company’s half year and full year financial statements (if not required to announce quarterly financial statements).

The Catalyst Rules requires a listed company to ensure that at least ten percent (10%) of the total number of any class of its listed securities must be held by public shareholders. The “public”, as defined under the Catalyst Rules, are persons other than the Directors, Substantial Shareholders, chief executive officers or Controlling Shareholders of the Company and its subsidiaries, as well as associates of such persons. As at the Latest Practicable Date, 353,922,502 Shares representing 63.5% of the issued Shares are held by public Shareholders. In the event that the Company purchases the maximum of ten percent (10%) of its issued ordinary share capital from such public Shareholders, the resultant percentage of the issued Shares held by the public Shareholders would be reduced to approximately 53.5%.

Accordingly, the Company is of the view that there is a sufficient number of the Shares in issue held by public Shareholders which would permit the Company to undertake purchases or acquisitions of its Shares through Market Purchases up to the full ten percent (10%) limit pursuant to the Proposed Share BuyBack Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to affect orderly trading. The Company will not carry out any Share buy-back unless at least ten percent (10%) of its listed securities can be maintained in the hands of public Shareholders and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to affect orderly trading.

9. TAKE-OVER CODE OBLIGATIONS

Appendix 2 of the Take-over Code (“**Appendix 2**”) contains the Share Buy-Back Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below:

9.1 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 (“**Rule 14**”). 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 mandatory take-over offer for the Company under Rule 14.

Rule 14.1 of the Take-over Code requires, *inter alia*, 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% 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 6 months additional shares carrying more than 1% of the voting rights,

such person must extend offers immediately, on the basis set out in this Rule, to the holders of any class of share capital of the company 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.

Pursuant to Appendix 2 to the Take-over Code, an increase in the percentage of voting rights in a company by a shareholder and parties acting in concert with him as a result of any acquisition of shares by the company will be treated as an acquisition for the purpose of Rule 14. As such, a shareholder or group of shareholders acting in concert could obtain or consolidate effective control of the company and become obliged to make an offer under Rule 14.

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

- (a) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trust;
- (b) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the above companies, any company whose associated companies include any of the above companies and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights. For this purpose, a company is an associated company of another company if the second company owns or controls at least 20% but not more than 50% of the voting rights of the first-mentioned company;
- (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 in respect of the investment account which such person manages on a discretionary basis;
- (e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10% or more of the client's equity share capital;

- (f) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where they have reason to believe a bona fide offer for their company may be imminent;
- (g) partners; and
- (h) an individual, his close relatives, his related trusts, and any person who is accustomed to act according to his instructions, companies controlled by any of the above persons, and any person who has provided financial assistance (other than a bank in its ordinary course of business) to any of the above for the purchase of voting rights.

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

9.3 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% or more; or
- (b) if the voting rights of such Directors and their concert parties fall between 30% and 50% of the Company's voting rights, and the voting rights of such Directors and their concert parties would increase by more than one per cent. (1%) in any period of six (6) months.

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

Under Appendix 2, 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 own Shares, the voting rights of such Shareholder in the Company would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than one per cent. (1%) in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Proposed Share BuyBack Mandate.

Shareholders are advised to consult their professional advisers and/or the SIC and/or the relevant authorities at the earliest opportunity as to whether an obligation to make a takeover would arise by reason of any share buy-backs or acquisitions by the Company pursuant to the Proposed Share BuyBack Mandate.

9.4 Application of the Take-over Code

As at the Latest Practicable Date, Mr Lim Shao Lin ("**Mr Lim**") is the Chief Executive Officer and Executive Director of the Company. Mr Lim holds an aggregate of 29.36% (15.01% direct interest and 14.35% deemed interest) of Shares in the Company and is the controlling shareholder of the Company. Accordingly, under the Take-over Code, Mr Lim, unless exempted, would become obliged to make a general offer under the Take-over Code for the Shares not owned by him, if as a result of the exercise of the Proposed Share BuyBack Mandate, his interest in the voting rights of the Company increases by more than 1% within a 6 month period. Assuming that:-

- (a) there is no change in the holdings of Shares between the Latest Practicable Date and the date of resolution to be passed in relation to the Proposed Share BuyBack Mandate (being the date of the AGM); and

- (b) no new shares are issued by the Company between the Latest Practicable Date and the date of the resolution to be passed in relation to the Proposed Share BuyBack Mandate (being the date of the AGM)

The respective holdings of Shares of Mr Lim and the other Directors, as well as substantial shareholders of the Company as at the date of the resolution to be passed in relation to the Proposed Share BuyBack Mandate (being the date of the AGM) and after the purchase or acquisition by the Company amounting to 55,752,444 Shares, being the maximum number of shares via a Market Purchase, representing 10.0% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) pursuant to the Proposed Share Buyback Mandate are as follows:

	Before Share buy-back ⁽¹⁾ (As at the latest Practicable Date)				After Share buy-back ⁽²⁾			
	Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
	No. of Shares	(%) of total shares	No. of Shares	(%) of total shares	No. of Shares	(%) of total shares	No. of Shares	(%) of total shares
Directors								
Lim Shao-Lin ⁽³⁾	83,699,808	15.01	80,000,000	14.35	83,699,808	16.68	80,000,000	15.94
Roger Daeson								
Khoo Kim Peng	-	-	-	-	-	-	-	-
Koh Beng Leong	-	-	-	-	-	-	-	-
Tan Mun Choy Kenneth Bertram	-	-	-	-	-	-	-	-
Lau Ping Sum Pearce	-	-	-	-	-	-	-	-
Tan Siew San	-	-	-	-	-	-	-	-
Lim Kok Chai (Lin Guocai)	-	-	-	-	-	-	-	-

Notes:-

- (1) As a percentage of the Company's issued and paid-up share capital of 557,524,443 Shares as at the Latest Practicable Date.
(2) As a percentage of the Company's issued and paid-up share capital of 501,771,999 Shares assuming that the Company purchased or acquired the maximum number of 55,752,444 Shares under the Proposed Share BuyBack Mandate.
(3) Mr Lim Shao-Lin's deemed interest arises from the 80,000,000 Shares held by Citibank Nominees Singapore Pte. Ltd

Before Share buy-back ⁽¹⁾ (As at the latest Practicable Date)				After Share buy-back ⁽²⁾			
Direct Interest		Deemed Interest		Direct Interest		Deemed Interest	
No. of Shares	(%) of total shares	No. of Shares	(%) of total shares	No. of Shares	(%) of total shares	No. of Shares	(%) of total shares

Substantial Shareholders

Lim Shao-Lin ⁽³⁾	83,699,808	15.01	80,000,000	14.35	83,699,808	16.68	80,000,000	15.94
Song Wei Ming ⁽⁴⁾	-	-	39,902,133	7.16	-	-	39,902,133	7.95

Notes:-

- (1) As a percentage of the Company's issued and paid-up share capital of 557,524,443 Shares as at the Latest Practicable Date.
- (2) As a percentage of the Company's issued and paid-up share capital of 501,771,999 Shares assuming that the Company purchased or acquired the maximum number of 55,752,444 Shares under the Proposed Share BuyBack Mandate.
- (3) Mr Lim Shao-Lin's deemed interest arises from the 80,000,000 Shares held by Citibank Nominees Singapore Pte. Ltd
- (4) Mr Song Wei Ming's deemed interest arises from the 39,902,133 shares held by Citibank Nominees Singapore Pte. Ltd

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

9.5 Dispensation from Rule 14

Pursuant to Section 3(a) of Appendix 2 of the Take-over Code, Mr Lim and parties acting in concert with him (if any) will be exempted from the requirement to make a general offer under Rule 14 of the Take-over Code as a result of any Share buy-back carried out by the Company pursuant to the Proposed Share BuyBack Mandate, subject to the following conditions: -

- (a) This Appendix to Shareholders on the resolution to authorise the Proposed Share Buyback Mandate contains:
 - (i) advice to the effect that by voting for the adoption of the Proposed Share BuyBack Mandate, Shareholders are waiving their right to a general offer at the required price from Directors and parties acting in concert with them who, as a result of the company buying back its shares, would increase their voting rights to 30% or more, or, if they together hold between 30% and 50% of the company's voting rights, would increase their voting rights by more than 1% in any period of 6 months; and
 - (ii) the names of Mr Lim and parties acting in concert with him, if any, their voting rights at the time of the resolution and after the Proposed Share Buyback Mandate;

- (b) the resolution to authorise the Proposed Share BuyBack Mandate is approved by a majority of those Shareholders present and voting at the AGM on a poll who could not become obliged to make a general offer as a result of the Proposed Share BuyBack Mandate;
- (c) Mr Lim and/or persons acting in concert with him (if any) to abstain from voting for and/or recommending shareholders to vote in favour of the resolution to authorise the Proposed Share BuyBack Mandate;
- (d) within seven (7) days after the passing of the resolution to authorise the Proposed Share BuyBack Mandate, Mr Lim is to submit to the SIC a duly signed form as prescribed by the SIC;
- (e) Mr Lim and parties acting in concert with him (if any) not to have acquired and not to acquire any Shares between the date on which they know that the announcement of the Proposed Share BuyBack Mandate is imminent and the earlier of:-
 - (i) the date on which the authority of the share buy-back expires; and
 - (ii) the date on which the Company announces it has bought back such number of Shares as authorised by the Proposed Share BuyBack Mandate, or it has decided to cease buying back its Shares, as the case may be,

if such acquisitions, taken together with the buy-back of Shares, would cause their aggregate voting rights to increase by more than 1% in the preceding 6 months.

As such, if the aggregate voting rights held by Mr Lim and parties acting in concert with him (if any) increase by more than 1% solely as a result of the Company's buy-back of Shares under the Proposed Share BuyBack Mandate, and none of them has acquired any Shares during the relevant 6 months period, then Mr Lim and parties acting in concert with him (if any) would be eligible for SIC's exemption from the requirement to make a general offer under Rule 14 of the Take-over Code, or where such exemption had been granted, would continue to enjoy the exemption.

Therefore, subject to the above conditions stipulated in Section 3(a) of Appendix 2 of the Take-over Code, Mr Lim and parties acting in concert with him (if any) will be exempted under Appendix 2 from the requirement to make a general offer under Rule 14 of the Take-over Code:

- (a) in the event that their aggregate percentage of voting rights in the Company increases to 30.0% or more solely as a result of the purchase or acquisition of the Company's Shares made by the Company; and
- (b) in the event their aggregate percentage of total voting rights in the Company increases to between 30% and 50% of the total voting rights solely as a result of the purchase or acquisition of the Company's Shares made by the Company, their interest in the voting rights of the Company increases by more than 1% within a 6 month period, solely as a result of the Share buy-back made by the Company.

Shareholders should therefore note that by voting in favour of the resolution to approve the Proposed Share BuyBack Mandate, they will be waiving their rights to a general offer at the required price by Mr Lim and parties acting in concert with him (if any) as the circumstances set out above.

9.6 Form 2 submission to the SIC

Form 2 (Submission by directors and their concert parties pursuant to Appendix 2) is the prescribed form to be submitted to the SIC by a director and persons acting in concert with him pursuant to the conditions for exemption as set out in Section 9.5(d) above from the requirement to make an offer under Rule 14 as a result of the buy-back of shares by a listed company under its share buy-back mandate.

Mr Lim has informed the Company that he will be submitting Form 2 to the SIC within seven (7) days after the passing of the resolution authorising the adoption of the Proposed Share Buyback Mandate.

10. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and Substantial Shareholders of the Company as at the Latest Practicable Date are as follows :

	Direct Interest		Deemed Interest		Total ⁽¹⁾ (%)	
	No. of Shares	(%) of total shares	No. of Shares	(%) of total shares	No. of Shares	(%) of total shares
Directors						
Lim Shao-Lin ⁽²⁾	83,699,808	15.01	80,000,000	14.35	163,699,808	29.36
Roger Daeson Khoo Kim Peng	-	-	-	-	-	-
Koh Beng Leong	-	-	-	-	-	-
Tan Mun Choy Kenneth Bertram	-	-	-	-	-	-
Lau Ping Sum Pearce	-	-	-	-	-	-
Tan Siew San	-	-	-	-	-	-
Lim Kok Chai (Lin Guocai)	-	-	-	-	-	-
Substantial Shareholders						
Lim Shao-Lin ⁽²⁾	83,699,808	15.01	80,000,000	14.35	163,699,808	29.36
Song Wei Ming ⁽³⁾	-	-	39,902,133	7.16	39,902,133	7.16

Notes:-

- (1) Based on the Company's issued and paid-up share capital of 557,524,443 Shares as at the Latest Practicable Date.
- (2) Mr Lim Shao-Lin's deemed interest arises from the 80,000,000 Shares held by Citibank Nominees Singapore Pte. Ltd.
- (3) Mr Song Wei Ming's deemed interest arises from the 39,902,133 Shares held by Citibank Nominees Singapore Pte. Ltd.

Save as disclosed in this Appendix, other than through their respective shareholdings in the Company, none of the Directors or the Controlling Shareholders of the Company has any interest, whether directly or indirectly, in the proposed adoption of the Proposed Share BuyBack by way of an ordinary resolution at the AGM.

11. SHARES PURCHASED BY THE COMPANY IN THE PAST TWELVE (12) MONTHS

The Company has not purchased any Shares within the twelve (12) months preceding the Latest Practicable Date.

12. TAX IMPLICATIONS

Shareholders who are in doubt as to their respective tax positions or the tax implications of Share purchases by the Company or to whom may be subject to tax whether in or outside Singapore should consult their own professional advisers.

13. DIRECTORS' RECOMMENDATION

Having fully considered the rationale, benefit and the information relating to the Proposed Share BuyBack Mandate, the Directors (other than Mr Lim Shao Lin who is abstaining from making any recommendations to Shareholders pursuant to the conditions for exemption under Appendix 2 to the Take-over Code as set out in paragraph 9.5 above), having fully considered, *inter alia*, the terms and the rationale of the Proposed Share BuyBack Mandate as set out in this Appendix, are of the opinion that the Proposed Share Buyback Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the resolution to be proposed at the AGM, being the resolution relating to the Proposed Share BuyBack Mandate.

14. 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 adoption of the Proposed Share BuyBack Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in the 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 the Appendix in its proper form and context.

15. ACTION TO BE TAKEN BY SHAREHOLDERS

Due to the current COVID-19 restriction orders in Singapore, **Shareholders will NOT be able to physically attend the AGM.** The Company has made alternative arrangements for (i) a "live" webcast of the AGM, which allows Shareholders to view the proceedings of the AGM contemporaneously ("**LIVE WEBCAST**"); and (ii) a "live" audio-only means (via telephone), which allows Shareholders to observe the proceedings of the AGM contemporaneously ("**LIVE AUDIO STREAM**"). Shareholders can **ONLY** participate in the AGM via LIVE WEBCAST or LIVE AUDIO STREAM (collectively, the "**electronic means**").

(a) Shareholders who wish to participate will have to follow the pre-registration procedures as follows:

- (i) A member can commence pre-registration from 14 September 2020 onwards and must pre-register at the URL <https://rebrand.ly/P5CH> **no later than** 9.30 a.m. on 26 September 2020 for the Company to authenticate his/her/its status as members.
- (ii) Authenticated members will receive email instructions on how to access the Live Webcast of the proceedings of the AGM by 28 September 2020.
- (iii) Members who do not receive an email by 28 September 2020, but have registered by 9.30 a.m. on 26 September 2020, may contact the Company's Share Registrar, M & C Services Private Limited at Tel 62280530 or email to Yifan@easyvideo.sg with the following details

(1) the member's full name; and (2) his/her/its identification/registration number for assistance.

- (iv) Investors who hold Shares through relevant intermediaries as defined in Section 181(C) of the Companies Act, other than through their Depository Agents (as defined in Section 81SF of the Securities and Futures Act, Chapter 289) and wish to watch the Live Webcast of the AGM must approach their respective Depository Agents to pre-register by 9.30 a.m. on 18 September 2020 in order to allow sufficient time for their respective depository agents to in turn pre-register their interest with the Company.
- (v) Shareholders **MUST NOT** forward their abovementioned unique link to other persons who are not Shareholders and who are not entitled to attend the AGM. This is also to avoid any technical disruptions or overload the Live Webcast. **RECORDING OF THE PROCEEDINGS in whatever form is also STRICTLY PROHIBITED.**

(b) Submitting their questions in relation to the resolution to be tabled at the upcoming AGM

Shareholders will not be able to post questions during the Live Webcast of the AGM.

Shareholders who pre-register to watch the Live Webcast may also submit questions related to the resolutions to be tabled for approval at the AGM. To do so, all questions must be submitted by 9.30 a.m. on 25 September 2020, in advance of the AGM by email to IR@p5.com.sg and provide their particulars as follows for verification purposes:

- (a) Full name (for individuals)/company name (for corporates) as per CDP/SRS Account records;
- (b) NRIC or Passport Number (for individuals)/Company Registration Number (for corporates);
- (c) Contact Number; and
- (d) Email Address

The Company will endeavour to address all substantial and relevant questions received from Shareholders and publish its responses prior to the AGM via SGXNET.

The Company will publish the minutes of the AGM within one month after the conclusion of the AGM on SGXNET.

(c) Submit their votes via appointing the Chairman of the Meeting as proxy

Shareholders will not be able to vote through the Live Webcast. Voting at the AGM is by proxy ONLY. The Proxy Form can be accessed, together with the Notice of AGM on SGXNET on 11 September 2020.

Shareholders (whether an individual or corporate) who wish to vote on any or all of the resolutions at the AGM must appoint the Chairman of the AGM as their proxy to vote on his/her/its behalf by submitting the completed Proxy Form for the AGM.

Shareholders should specifically indicate how they wish to vote for or vote against (or abstain from voting on) the resolutions set out in the Notice of AGM in the Proxy Form, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

Investors who hold their Shares through relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 (including CPF investors, SRS investors and holders under depository agents) and who wish to exercise their votes by appointing the Chairman of the Meeting as proxy should approach their respective relevant intermediaries (including their respective CPF agent banks, SRS approved banks or depository agents) to submit their voting instructions by **9.30 a.m**

on 18 September 2020 in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the Meeting to vote on their behalf by **9.30 a.m. on 27 September 2020**.

The instrument appointing the Chairman of the AGM as proxy, together with the power of attorney or other authority (if any) under which it is signed, or a notarial certified copy ("**AGM Proxy Form**") thereof, must:

- (a) if submitted by email, be received by M & C Services Private Limited at gpb@mncsingapore.com; or
- (b) if submitted by post, be lodged at the office of the Company's Share Registrar, M & C Services Private Limited at 112 Robinson Road #05-01, Singapore 068902.

A member who wishes to submit an instrument of proxy may also **download, complete and sign the proxy form**, before submitting it by post to the address provided above, or scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members to submit completed proxy forms by post, members are strongly encouraged to submit completed proxy forms electronically via email.

The instrument appointing the Chairman of the Meeting as proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.

The Company shall be entitled to reject the instrument appointing the Chairman of the Meeting as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the Meeting as proxy (including any related attachment) (such as in the case where the appointor submits more than one instrument appointing the Chairman of the Meeting as proxy).

In the case of a member whose Shares are entered against his/her name in the depository register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289), the Company may reject any instrument appointing the Chairman of the Meeting as proxy lodged if such member is not shown to have Shares entered against his/her/its name in the depository register as at 72 hours before the time appointed for the AGM, as certified by The Central Depository (Pte) Limited to the Company.

16. ABSTENTION FROM VOTING

Mr Lim Shao-Lin and parties acting in concert with him (if any) shall abstain from voting on the resolution to the adoption of the Proposed Share BuyBack Mandate at the AGM, and the Company shall disregard any votes cast by Mr Lim Shao-Lin and parties acting in concert (if any) on the said resolution. Mr Lim Shao-Lin and parties acting in concert with him (if any) shall not accept appointment as proxies for Shareholders to vote on the resolution in relation to the proposed adoption of the Proposed Share BuyBack Mandate, unless specific instructions have been given in the Proxy Form(s) on how the votes are to be cast in respect of such resolution.

17. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the Company's registered office at 213 Henderson Road #03-08 Henderson Industrial Park Singapore 159553 during normal business hours from the date of this Appendix up to and including the date of the AGM. The Shareholders' are required

to make an appointment via email to IR@p5.com.sg prior to the inspection, in view of the existing social distancing measures in place in light of the COVID-19 situation:

- (i) the Constitution of the Company; and
- (ii) the Annual Report of the Company for FY2020.

Yours faithfully

For and on behalf of the Board of Directors of
P5 Capital Holdings Ltd.

Lim Shao-Lin
Executive Director and Chief Executive Officer
14 September 2020