

CIRCULAR DATED 6 JANUARY 2020

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

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

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

This Circular has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, PrimePartners Corporate Finance Pte. Ltd. (“**Sponsor**”), in accordance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalyst.

This Circular has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this Circular including the correctness of any of the statements or opinions made or reports contained in this Circular.

The contact person for the Sponsor is Mr Joseph Au, Associate Director, Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, Email Address: sponsorship@ppcf.com.sg).



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

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- (1) THE PROPOSED DIVERSIFICATION OF THE GROUP’S BUSINESS TO INCLUDE THE OUTLET INVESTMENT BUSINESS;**
- (2) THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE; AND**
- (3) THE PROPOSED RENEWAL OF THE SHAREHOLDERS’ GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS.**

IMPORTANT DATES AND TIMES

Last Date and Time for Lodgement of Proxy Form : 18 January 2020 at 3.00 p.m.

Date and Time of Extraordinary General Meeting : 21 January 2020 at 3.00 p.m. as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 2.00 p.m. on the same day and at the same place)

Place of Extraordinary General Meeting : The Grassroots’ Club
190 Ang Mo Kio Avenue 8
Singapore 568046

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DEFINITIONS

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

“2019 Renewal of Mandates EGM”	: The extraordinary general meeting of the Company convened on 27 January 2019 to seek Shareholders’ approval for the renewal of the Share Buyback Mandate and the renewal of the IPT General Mandate
“2019 Renewal of Mandates EGM Circular”	The circular dated 14 January 2019 issued by the Company in connection with the 2019 Renewal of Mandates EGM
“ACRA”	: Accounting and Corporate Regulatory Authority of Singapore
“Audit Committee”	: The audit committee of the Company currently comprising of Mr. Wee Tian Chwee Jeffrey, Mr. Ter Kim Cheu, Mr. Lim Teck Chai, Danny and Mr. Lau Chin Huat
“Catalist”	: The sponsor-supervised listing platform of the SGX-ST
“Catalist Rules”	: The SGX-ST Listing Manual Section B: Rules of Catalist, as amended or modified from time to time
“CDP”	: The Central Depository (Pte) Limited
“Circular”	: This circular dated 6 January 2020 issued by the Company to the Shareholders
“Companies Act”	: The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
“Company”	: Kimly Limited
“Constitution”	: The constitution of the Company, as may be amended or modified from time to time
“Directors”	: The directors of the Company for the time being (collectively, the “Board of Directors”)
“EAR Group”	: The Company, its subsidiaries and associated companies that are considered to be “entities at risk” within the meaning of Chapter 9 of the Catalist Rules
“EGM”	: The extraordinary general meeting of the Company, notice of which is given on pages 45 to 48 of this Circular
“EPS”	: Earnings per Share
“Executive Directors”	: Mr. Lim Hee Liat, Mr. Chia Cher Khiang and Ms. Wong Kok Yoong
“FY”	: Financial year ended or, as the case may be, ending 30 September

DEFINITIONS

“Group”	: The Company and its subsidiaries
“Independent Director”	: The Independent Directors of the Company as at the date of this Circular, unless otherwise stated
“Interested Person”	: A director, chief executive officer or controlling shareholder of the Company or an associate of such director, chief executive officer or controlling shareholder
“IPT General Mandate”	: The general mandate from the Shareholders pursuant to Chapter 9 of the Catalist Rules to enable any or all members of the Group, in the ordinary course of their business, to enter into Mandated Transactions with the Mandated Interested Persons which are necessary for its day-to-day operations, provided that all such transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders
“Latest Practicable Date”	: 23 December 2019, being the latest practicable date prior to the printing of this Circular
“LHL Coffee Shop Leases”	: The 18 lease agreements between CDP Kimly Pte. Ltd. and the LHL Companies in respect of 18 coffee shops
“LHL Companies”	: Entities which are associates of Mr. Lim Hee Liat, the Executive Chairman and controlling shareholder of the Company, which have entered into lease agreements with CDP Kimly Pte. Ltd., an indirect wholly-owned subsidiary of the Company, for the rental of coffee shops
“Mandated Interested Persons”	: Mr. Lim Hee Liat and his associates (each a “Mandated Interested Person”)
“Mandated Transactions”	: Transactions for the rental of coffee shops between the EAR Group and the Mandated Interested Persons, including the renewal of the LHL Coffee Shop Leases, leasing of coffee shops from Mandated Interested Persons other than those which are the subject of the LHL Coffee Shop Leases (“New Leases”), and renewal of the New Leases
“Market Day”	: A day on which the SGX-ST is open for securities trading
“NTA”	: Net tangible assets
“Outlet Investment Business”	: The Group’s investments in and proposed investments into various properties (freehold or leasehold) for rental income and/or capital growth
“Proposed Diversification”	: The proposed diversification of the Group’s business to include the Outlet Investment Business
“Register of Members”	: The Register of Members of the Company

DEFINITIONS

“Securities Accounts”	: Securities accounts maintained by Depositors with CDP, but not including securities sub-accounts maintained with a Depository Agent
“SFA”	: The Securities and Futures Act, Chapter 289 of Singapore, as amended from time to time
“SGX-ST”	: Singapore Exchange Securities Trading Limited
“SGXNET”	: The system network used by listed companies to send information and announcements to the SGX-ST or any other system networks prescribed by the SGX-ST
“Share Buyback”	: The purchase or acquisition of issued Share(s) by the Company pursuant to the terms of the Share Buyback Mandate
“Share Buyback Mandate”	: The general and unconditional mandate given by the Shareholders to authorise the Directors to purchase or otherwise acquire, on behalf of the Company, Shares in accordance with the terms set out in this Circular as well as the rules and regulations set forth in the Companies Act and the Catalist Rules
“Shareholders”	: Registered holders of Shares in the Register of Members, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register maintained by the CDP and whose Securities Accounts maintained with CDP are credited with those Shares
“Shares”	: Ordinary shares in the capital of the Company
“SIC”	: The Securities Industry Council of Singapore
“Sponsor”	: PrimePartners Corporate Finance Pte. Ltd.
“Substantial Shareholder”	: A person (including a corporation) who has an interest, directly or indirectly, in 5.0% or more of the total number of voting Shares of the Company
“Take-Over Code”	: The Singapore Code on Take-overs and Mergers
“Treasury Shares”	: Issued Shares which were (or are treated as having been) purchased by the Company in circumstances in which Section 76H of the Companies Act applies, and have been held by the Company continuously since purchased
“S\$”, “\$” and “cents”	: Singapore dollars and cents, respectively
“%” or “per cent”	: Per centum or percentage

DEFINITIONS

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

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

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

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

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

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

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

LETTER TO SHAREHOLDERS

KIMLY LIMITED

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

Directors

Mr. Lim Hee Liat (Executive Chairman)
Mr. Chia Cher Kiang (Executive Director)
Ms. Wong Kok Yoong (Finance Director)
Mr. Ter Kim Cheu (Lead Independent Director)
Mr. Wee Tian Chwee Jeffrey (Independent Director)
Mr. Lim Teck Chai, Danny (Independent Director)
Mr. Lau Chin Huat (Independent Director)

Registered Office

13 Woodlands Link
Singapore 738725

6 January 2020

To: The Shareholders of Kimly Limited

Dear Sir / Madam

1. INTRODUCTION

1.1 **EGM.** The Directors are convening an EGM to be held on 21 January 2020 at 3.00 p.m. at The Grassroots' Club, 190 Ang Mo Kio Avenue 8, Singapore 568046 (or as soon thereafter following the conclusion or adjournment of the annual general meeting of the Company to be held at 2.00 p.m. on the same day and at the same place) ("**EGM**") to seek Shareholders' approval for:

- (a) the proposed diversification of the Group's business to include the Outlet Investment Business (the "**Proposed Diversification**");
 - (b) the proposed renewal of the Share Buyback Mandate; and
 - (c) the proposed renewal of the IPT General Mandate
- (together, the "**Proposed Resolutions**").

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

2. THE PROPOSED DIVERSIFICATION OF THE GROUP'S BUSINESS TO INCLUDE THE OUTLET INVESTMENT BUSINESS

2.1 **Existing Business.** The Group is one (1) of the largest traditional coffee shop operators in Singapore and operates and manages an extensive network of food outlets, comprising coffee shops, industrial canteens and food courts, through its food outlet management division and food retail division. Through its outlet management division, the Group operates and manages coffee shops and food courts throughout Singapore under the Kimly brand and Foodclique brand, respectively, and provides management services to coffee shops under third party brands. Through its food retail division, the Group operates and manages its own Mixed Vegetable Rice, Teochew Porridge, Seafood "Zi Char" and Dim Sum stalls located at several of the food outlets that the Group operates and manages.

LETTER TO SHAREHOLDERS

On 24 September 2019, the Company, through its wholly-owned subsidiary, Jin Wei Food Holdings Pte. Ltd., had acquired the entire issued and paid-up share capital of Teck Whye 143 Food House Pte. Ltd. (which has changed its name to Choh Dee (TW143) Food House Pte. Ltd.) (“**TW143**”). On 1 November 2019, TW143 completed the acquisition of the coffee shop property located at 143 Teck Whye Lane #01-243 Singapore 680143 (the “**TW143 Coffee Shop**”), which is a coffee shop with seven (7) stalls (including the drinks stall), two (2) kiosks and an outdoor refreshment area. The TW143 Coffee Shop has been operated and managed by the Group since 1 November 2019 and the Group also operates the Mixed Vegetable Rice, Dim Sum and drinks stalls. For more information, please refer to the Company’s issued announcements on SGXNET dated 24 September 2019 and 1 November 2019.

On 22 October 2019, the Company, through its wholly-owned subsidiary, Jin Wei Food Holdings Pte. Ltd., entered into a non-binding term sheet in connection with the proposed acquisition of a portfolio of four (4) long term leasehold coffee shop units, three (3) freehold industrial canteen units and three (3) short term coffee shop leases. The Group intends to take over the operation and management of eight (8) of these coffee shops and industrial canteens upon completion of the acquisition. For more information, please refer to the Company’s issued announcement on SGXNET dated 22 October 2019.

2.2 **Proposed Diversification of the Group’s Business.** Upon the approval of Shareholders for the Proposed Diversification being obtained at the EGM, the Group intends to expand its business to include its investments in and proposed investments into various properties (freehold or leasehold) for rental income and/or capital growth (“**Outlet Investment Business**”). This is in line with the Group’s strategy to expand its business to further expand its network of coffee shops, industrial canteens and food courts in Singapore and to establish new food outlets and food stalls as and when suitable strategic locations become available, or through acquisitions, joint ventures or strategic alliances with third parties who can bring about greater economies of scale and impetus for future growth.

2.3 **Outlet Investment Business**

2.3.1 **Structure of the Outlet Investment Business**

The Outlet Investment Business will become a new segment of the Group’s business, which will be operated by its wholly-owned subsidiary, Jin Wei Food Holdings Pte. Ltd., or new subsidiaries to be incorporated. It is also envisaged that the Group will enter into acquisitions, joint ventures or strategic alliances with third parties when suitable opportunities arise. Jin Wei Food Holdings Pte. Ltd. had acquired TW143 on 24 September 2019, in connection with its acquisition of the TW143 Coffee Shop, which was the Group’s first foray into the Outlet Investment Business.

2.3.2 **Scope of the Outlet Investment Business**

Traditionally, the Group leases all the premises for the coffee shops, industrial canteens and food courts it operates and manages. The Group intends to expand its business through the Outlet Investment Business to make investments in and proposed investments into the properties (freehold or leasehold) in order to benefit from rental income and/or capital growth.

2.3.3 ***Key Management of the Outlet Investment Business***

The Outlet Investment Business of the Group will be overseen by Mr. Peh Kim Leong Sunny, Head of Outlet Management, who is also responsible for overall management of food outlets and operations, who will in turn report to the Board of Directors.

In addition, the Group intends to hire qualified personnel with suitable expertise and experience to support the growth of the Outlet Investment Business, as and when appropriate. The Board of Directors will also receive updates from the management on the Outlet Investment Business and where necessary or appropriate, direct the appointment of in-house or external consultants or professional advisers to assist the management in the Outlet Investment Business.

2.3.4 ***Risk Management Measures and Safeguards***

The Board of Directors recognises the importance of internal controls and risk management for the smooth running of the Group's businesses. To address the risks presented by the Outlet Investment Business to the Group, the Audit Committee will be tasked with the responsibility of overseeing and implementing the internal controls and risk management system to manage the Outlet Investment Business, in order to determine the nature and extent of the significant risks which the Board of Directors is willing to take in achieving its strategic objectives.

Before undertaking any major project under the Outlet Investment Business, and where relevant, the management will prepare a feasibility study including funding needs, growth potential and projected returns of the project concerned and present the findings to the Board, in order to assist the Board of Directors and the Audit Committee on assessing the nature and extent of the Group's investment in such project. The Audit Committee and the Board of Directors, which review the risk exposure of the Group for all its businesses at regular intervals, will also review the risk exposure of the Outlet Investment Business periodically to ensure that there are sufficient guidelines and procedures in place to monitor its operations.

Where necessary, the Audit Committee will:

- (a) review with the management, external and internal auditors on the adequacy and effectiveness of the Group's internal control procedures addressing financial, operational, compliance, informational technology and risk management systems relating to the Outlet Investment Business; and
- (b) commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any law, rule or regulation which has or is likely to have a material impact on the Group's business, operating results and/or financial position. The AC will present findings to the Board, if any.

LETTER TO SHAREHOLDERS

2.4 **Rationale for the Proposed Diversification.** The Proposed Diversification is part of the Group's efforts in recalibrating its growth strategy to explore more opportunities to have direct ownership in properties (freehold or leasehold) for the following reasons:

2.4.1 ***Enhance Long Term Shareholder Value***

The Proposed Diversification provides an opportunity for the Group to acquire and own properties, thus enhancing its profitability through additional and recurrent rental and/or management income streams and capital gains. This is also in line with the Group's strategy to expand its business to further expand its network of coffee shops, industrial canteens and food courts in Singapore and to establish new food outlets and food stalls as and when suitable strategic locations become available. This may potentially contribute to the Group's continual growth, hence contributing positively to the Group's financial position and in turn enhancing long term Shareholder value.

The Outlet Investment Business is expected to work synergistically with the Group's food outlet management and food retail businesses by allowing the Group to leverage on the increase in number of food outlets in order to continue strengthening its presence in the market and opening more food stalls, which is complemented by its newly expanded central kitchen.

2.4.2 ***Reduce Risks Arising from Leased Properties***

Traditionally, the Group leases all the premises for the food outlets it operates and manages. Most of its existing leases have tenures of between three (3) to four (4) years and during the renewal negotiation process, a landlord may revise the terms and conditions of the lease, and the Group may face the possibility of an increase in rent, or not being able to renew the lease on terms and conditions acceptable to the Group, or the landlord may elect not to renew the lease at all. In addition, on occasion, the landlords may, at the end of the tenure, put such premises up for open tender or solicit alternative bids. The Proposed Diversification will enable the Group to mitigate uncertainty surrounding its private leases, which can be influenced by expectations from landlords and market competition, and the Group's businesses will not be subject to the periodic renewal of leases that could affect the operations and costs of such businesses.

2.5 **Funding for Proposed Diversification.** The Proposed Diversification is expected to be funded by the internal resources of the Group and/or external borrowings. As and when necessary and deemed appropriate, the Group may explore secondary debt and/or equity fund raising by tapping into the capital markets including but not limited to rights issues, share placements and/or issuance of debt instruments. The Group will remain prudent and take into account the financial condition of the Group in deciding the property investments it undertakes under the Outlet Investment Business and the amounts thereof.

LETTER TO SHAREHOLDERS

- 2.6 **Risk Factors.** The Group could be affected by a number of risks that may relate to the Outlet Investment Business, including market, liquidity, credit, operational, legal and regulatory risks. If any of the following considerations, risks or uncertainties develop into actual events, the business, financial position, results of operations and/or prospects of the Group may be materially and/or adversely affected.

To the best of the Directors' knowledge and belief, all the risk factors that are material to Shareholders in making an informed decision on the Proposed Diversification are set out below. The risks set out below are not intended to be exhaustive and are not presented in any particular order of importance. There may be additional risks not presently known to the Company or are currently not deemed to be material. New risk factors may emerge from time to time and it is not possible for the Directors and/or the management to predict all risk factors, nor can the Group assess the impact of all risk factors on the Proposed Diversification or the extent to which any factor or combination of factors may affect the Group.

Shareholders should evaluate carefully the following considerations and the other information in this Circular before deciding on whether to vote in favour of the Proposed Diversification. Shareholders should seek professional advice from your accountant, stock brokers, bank managers, solicitors or other professional advisers if you have any doubt about the actions you should take.

The following are potential risks associated with the Proposed Diversification and/or the Outlet Investment Business:

2.6.1 ***The Group may not have the ability or sufficient expertise to execute and grow the Outlet Investment Business***

The Group's ability to successfully diversify into the Outlet Investment Business is dependent upon its ability to adapt its existing knowledge and expertise and to understand and navigate the Outlet Investment Business. There is no assurance that the Group's existing experience and expertise will be sufficient for the Outlet Investment Business, or that the employees hired by the Group to implement the Outlet Investment Business will have the relevant experience and knowledge.

As the stall operators rely on the proper functioning of the facilities and infrastructure of the food outlet properties for their business operations, if the management team fails to provide adequate management and maintenance, the value or proper operation of the property might be adversely affected which may result in a loss of tenants or stall operators, which may in turn adversely affect the food outlet management business of the Group.

Having a team of experienced and skilled personnel is essential in maintaining the quality of services. There is no assurance that the Group will be able to attract and retain key members of the management team who have the necessary qualifications and experience to manage the Outlet Investment Business. The loss of any key member of the management team without any suitable and/or timely replacement may have a material adverse effect on the business, financial position, results of operations and/or prospects of the Group.

The Group may also appoint third party professionals, third party contractors and/or foster partnerships with various third parties to assist it in undertaking the Outlet Investment Business more effectively and efficiently. However, there is no assurance that such third party professionals and/or contractors will be able to deliver and/or that these partnerships will be successful. As such, the Group may not be able to successfully implement the Outlet Investment Business and this may adversely affect the Group's financial performance and profitability.

LETTER TO SHAREHOLDERS

2.6.2 *The Group is exposed to risks associated with acquisitions, joint ventures or strategic alliances*

Depending on available opportunities, feasibility and market conditions, the Group's expansion into the Outlet Investment Business may involve acquisitions, joint ventures or strategic alliances with third parties. Participation in joint ventures, strategic alliances, acquisitions or other investment opportunities involves numerous risks, including the possible diversion of attention of management from existing business operations and loss of capital or other investments deployed in such acquisitions, joint ventures, strategic alliances or other opportunities. In such events, the Group's business, financial position, results of operations and/or prospects may be adversely affected.

2.6.3 *The Group is subject to risks inherent in investing in entities which it does not control and the manner in which it holds its investments and property interests*

The Group may hold property investments under the Outlet Management Business through, or make investments, entities that are not the Group's subsidiaries and over which the Group does not have majority control. The performance of these entities and the Group's share of their results are subject to the same or similar risks relating to the Outlet Investment Business that affect the Group as described herein.

There is no assurance that the Group will be able to influence the management, operation, performance and/or financial returns of these entities through its voting rights, in a manner which would be favourable to the Group, or at all. While the Group will carefully consider the merits of each investment, (whether in a minority stake or otherwise), undertaken in accordance with its internal controls and risk management systems, no matter how sophisticated in design, may still contain inherent limitations caused by misjudgement or fault.

Accordingly, there is no assurance that any such investment undertaken by the Group under the Outlet Investment Business, whether in a minority stake or otherwise, will be able to generate profits for the Group. If all or any of these entities were to perform poorly, the Group's business, financial position, results of operations and/or prospects may be adversely affected.

2.6.4 *The Group may require additional funding for the expansion for the Outlet Investment Business*

The properties acquired or future properties to be acquired by the Group may require periodic capital expenditures to be incurred for refurbishment, renovation for improvements and further developments in order to remain competitive. To the extent that the Group has insufficient funds for such purposes or for the growth and expansion of the Outlet Investment Business, additional funds may be raised through debt financing, equity financing or a mixture of both.

Debt financing is subject to interest payments and interest rate fluctuations. If interest rates increase, the Group may be subject to higher debt servicing costs. In addition, the Group may be subject to conditions through such debt financing arrangements that require the Group to maintain certain financial ratios, restrict the Group's ability to pay dividends or require it to seek consent for the payment of dividends, limit the Group's ability to obtain additional financing and pursue its growth plans and/or require the Group to dedicate a substantial portion of its cash flows from operations to payments on its debt, thereby reducing the availability of its cash flow for capital expenditures, working capital and other general corporate purposes. This could limit the Group's flexibility in planning for, or reacting to, changes in the business or industry and increase its vulnerability to general adverse economic and industry conditions.

Equity financing may result in a dilution to Shareholders' equity interests and may require additional investments by Shareholders. Furthermore, an issue of Shares below the prevailing market price may also affect the value of Shares held by Shareholders.

LETTER TO SHAREHOLDERS

Generally, there is no assurance that additional debt and/or equity financing, either on a short term or a long term basis, will be available or that such financing can be obtained on commercially reasonable terms. In such circumstances, the business, financial position, results of operations and/or prospects of the Group may be adversely affected.

2.6.5 ***The Outlet Investment Business may affect the Group's ability to react quickly and appropriately to changes in market conditions***

The Group's continued success depends on its ability to anticipate, observe and analyse market movements and adjust its business strategies accordingly in an agile manner. This means being able to expand its network of coffee shops, industrial canteens and food courts in growth areas and withdraw from underperforming areas. The Group's ability to react quickly to market conditions may be affected by the expansion into the Outlet Investment Business, given the large capital expenditure involved and the illiquid nature of owned properties. These illiquidity limits may restrict the Group's ability to convert its properties into cash on short notice. In the event a quick sale of the Group's assets is required, such illiquidity limits can also have a negative effect on their selling prices. The Group's financial performance may also be adversely affected by further continuing holding costs, maintenance costs and/or interest costs.

The Group's ability to expand to strategic areas may be limited by the level of external financing it is able to obtain. There is no assurance that the Group will be able to consistently obtain sufficient external financing on commercially reasonable terms in order to expand the Outlet Investment Business. If the Group is unable to capture opportunities to establish or expand its network in such strategic areas, it may lose market share to its competitors, which may in turn adversely affect its business, financial position, results of operations and/or prospects.

2.6.6 ***Renovation, redevelopment works or damage to the properties may result in unanticipated costs and disrupt operations and collection of rental income***

The properties acquired or future properties to be acquired by the Group may also need to undergo renovation or redevelopment works from time to time to retain their competitiveness and may also require unforeseen ad hoc maintenance, repairs or refurbishment in respect of faults or problems or as a result of new planning laws or regulations. The costs of maintaining such properties and the risk of unforeseen maintenance or repair requirements tend to increase over time as buildings age or if the properties are not maintained properly. In the event the business and operations conducted at the food outlet at a property suffers some disruption, it may not be possible to collect the full or any rental income on space affected by such renovation, redevelopment, maintenance, repair or refurbishment works.

In addition, physical damage resulting from fire or other causes may lead to a significant disruption to the business and operations conducted at the properties and may cause injury or loss of life to human beings. These, together with the aforesaid maintenance, repair or refurbishment requirements, may result in unanticipated costs and liability for the Group and may result in a material and/or adverse impact on its business, financial position, results of operations and/or prospects.

2.6.7 ***The Group may not be able to meet the challenges presented by the Outlet Investment Business***

The success and growth of the Outlet Investment Business will depend on the ability of the Group to meet the challenges presented by such business. The Group will be subject to the risks, uncertainties and problems frequently encountered by early-stage companies involved in a new business, which include, inter alia, failure to continue to expand the Group's property portfolio or order book without increased pressure on the Group's margins, failure to identify, attract, retain and motivate staff, inability to find suitable targets for acquisitions, joint ventures, strategic alliances or other business partnerships, and inability to manage expanding operations.

LETTER TO SHAREHOLDERS

In addition, there is no assurance that the Group's profitability will increase or that the Group will not incur losses after expenditure in relation to the development of the Outlet Investment Business has been incurred due to the potential increase in costs incurred to finance the growth and expansion of the Outlet Investment Business. The increase in costs without a corresponding increase in revenue will have an adverse impact on the Group's financial performance.

2.6.8 *The Group may be exposed to additional tax obligations*

The Outlet Investment Business may expose the Group to additional tax obligations as the Group may be liable for any outstanding property tax on the properties acquired, including arrears that should have been paid by the previous owners. While the Group will ensure that all necessary legal requisitions will be done on its property investments, there is no assurance that this will be sufficient and that the Group will never be liable for outstanding property tax arrears owed by the previous owners of the properties or the future properties the Group may acquire.

The Group will also be liable for Buyer's Stamp Duties ("**BSD**") for every property purchase and the amount of BSD payable for non-residential properties is currently pegged to the purchase price or market value of the purchased property in Singapore. The Group will also be liable for Additional Buyer's Stamp Duty ("**ABSD**") and Additional Conveyance Duties ("**ACD**") for every property purchase that includes use for residential purposes, such as food outlets with living quarters. There is no assurance that the BSD, ABSD and/or ACD rates payable will not be increased by the Inland Revenue Authority of Singapore in the future. Currently, ABSD is not imposed for non-residential properties. However, there is no assurance that the imposition of ABSD will not be extended to non-residential properties in the future or that additional stamp duties or taxes may be imposed on the Group in the future in respect of the Outlet Investment Business. Depending on the type, number and value of property investments acquired by the Group, an increase of BSD, ABSD and/or ACD rates or imposition of ABSD could have a material and adverse impact on the business, financial position, results of operations and/or prospects of the Group.

2.6.9 *The Group may, in the course of conducting the business, be exposed to risk of loss and potential liabilities that may not be covered by insurance*

While the Group will, where appropriate, obtain insurance policies to cover losses with respect to its properties, the insurance obtained may not be sufficient to cover all potential losses. Examples of such potential losses include losses arising out of events such as power outages, fires and water damage. Such losses arising out of damage to the properties not covered by insurance policies and/or in excess of the amount it is insured may affect the Group's profitability because such uninsured losses will be borne by the Group. As a result, the business, financial position, results of operations and/or prospects of the Group may be adversely affected.

2.6.10 *The Group may face intense competition from existing competitors and new market entrants in the business*

The Outlet Investment Business is highly competitive, with strong competition from established industry participants who may have larger financial resources or stronger track records. Over-supply of properties may occur, resulting in significant decreases in property prices, which will adversely affect the Group's profitability and financial performance. There is no assurance that the Group will be able to compete effectively with its existing and future competitors and adapt quickly to changing market conditions and trends. In the event that the Group is not able to compete successfully against its competitors or adapt to market conditions, its business operations, financial performance and financial condition may be adversely affected.

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2.6.11 *The Group may be exposed to risks of legal proceedings arising from the ownership of Properties*

The Group may be involved from time to time in disputes with various parties arising from the properties acquired under the Outlet Investment Business, such as contractors, tenants, sub-tenants and customers. Such disputes may include claims relating to the Group's ownership liability and may lead to legal or other proceedings, which could cause the Group to suffer costs. Any disruption of businesses and/or damages to the Group's reputation and brand name arising from the disputes will further adversely affect the Group's business and financial performance.

2.7 **Financial Effects of the Proposed Diversification.** On 24 September 2019, the Group acquired TW143 and subsequently completed the acquisition of the TW143 Coffee Shop on 1 November 2019¹. Subsequently, on 22 October 2019, the Group entered into a non-binding term sheet in connection with the proposed acquisition of a portfolio of four (4) long term leasehold coffee shop units, three (3) freehold industrial canteen units and three (3) short term coffee shop leases. Save for the foregoing, as at the Latest Practicable Date, the Group has no other affirmative and/or binding plans in relation to the Proposed Diversification. The Company will make the necessary announcements as and when appropriate in the event the Group enters into any affirmative and/or binding transactions or if there are any developments in relation to the Proposed Diversification and/or the Outlet Investment Business that may have a material impact on the Group.

2.8 **Application of Chapter 10 of the Catalist Rules.** Upon Shareholders' approval of the Proposed Diversification, any acquisition or disposal which is in, or in connection with, the Outlet Investment Business, may be deemed to be in the Group's ordinary course of business and therefore not fall under the definition of a "transaction" under Chapter 10 of the Catalist Rules. Accordingly, the Group may, in its ordinary course of business, enter into transactions relating to the Outlet Investment Business and which will not change the risk profile of the Group, without the need to seek Shareholders' approval as and when such potential transactions arise. This will substantially reduce the administrative time and expenses in convening such meetings, without compromising the corporate objectives or adversely affecting the business opportunities available to the Group.

For the avoidance of doubt, notwithstanding that Shareholders' approval of the Proposed Diversification has been obtained, in respect of transactions involving the Outlet Investment Business:

- (a) where any of the relative figures as computed on the bases set out in Rule 1006 of the Catalist Rules exceeding 100% or results in a change in control of the Company, Rule 1015 of the Catalist Rules will apply to acquisitions of assets (including options to acquire assets) whether or not in the ordinary course of business of the Group (which will include the Outlet Investment Business) and such acquisitions must be, inter alia, made conditional upon approval by Shareholders at a general meeting;
- (b) pursuant to Part III of Practice Note 10A of the Catalist Rules, where any acquisition or disposal of assets (including options to acquire or dispose assets) will change the risk profile of the Group, such acquisitions or disposals must also be made conditional upon, inter alia, approval by Shareholders at a general meeting, whether or not such acquisition or disposal are in the ordinary course of business of the Group; and
- (c) which constitutes an "interested person transaction" as defined under the Catalist Rules, Chapter 9 of the Catalist Rules will apply to such transaction and the Company will comply with the provisions of Chapter 9 of the Catalist Rules.

¹ For more information on the financial effects of the Group's acquisition of the TW143 Coffee Shop, please refer to the Company's issued announcements on SGXNET dated 24 September 2019 and 1 November 2019

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Pursuant to Rule 1005 of the Catalist Rules, separate transactions completed within the last 12 months may also be aggregated and treated as if they were one (1) transaction in determining whether a transaction falls into category (a), (b), (c) or (d) of Rule 1004 of the Catalist Rules.

Notwithstanding the above requirements as prescribed under the Catalist Rules, when the Group enters into its first major transaction as defined under Rule 1014 of the Catalist Rules (the “**First Major Transaction**”) involving the Outlet Investment Business, or where any of the Catalist Rule 1006 figures in respect of several transactions are aggregated (the “**Aggregated Transactions**”) over the course of a financial year exceeds 75.0%, such First Major Transaction or the last of the Aggregated Transactions will be made conditional upon approval of the Shareholders at general meeting.

The Company will also be required to comply with any applicable and prevailing Catalist Rules as amended or modified from time to time.

2.9 **Potential Conflicts of Interests.** Pursuant to the Catalist Rules, conflicts of interest arise when any of the Directors, controlling shareholders and/or their associates of the Company carry on business transactions with the Group, lend to or borrow from the Group, lease property to or from the Group, or have an interest in businesses that are competitors, suppliers or customers of the Group. As stated in paragraph 2.2 above, the Group intends to undertake its Outlet Investment Business through, inter alia, acquisitions of new food outlets and food stalls as and when suitable strategic locations become available.

If the Group enters into any transaction for the acquisition of any food outlet or food stall, in which any Director, chief executive officer or controlling shareholder of the Company, and their associates together have an interest of 30.0% or more, it will be regarded as an interested person transaction under Chapter 9 of the Catalist Rules. There is currently no intention to undertake the Outlet Investment Business with any of the Interested Persons.

Apart from the coffee shops under the LHL Coffee Shop Leases, Mr. Lim Hee Liat, the Executive Chairman and controlling shareholder of the Company, has a controlling interest in four (4) other coffee shops which are currently leased to third parties. Accordingly, Mr. Lim Hee Liat is competing with the Outlet Investment Business by virtue of his controlling interest in such coffee shops. In addition, if the Group acquires any coffee shops from Mr. Lim Hee Liat, such acquisition will be deemed as an interested person transaction pursuant to Chapter 9 of the Catalist Rules, in which case such transaction will be required to comply with the provisions of Chapter 9 of the Catalist Rules.

2.9.1 **Mitigation of Potential Conflicts of Interest**

To mitigate any potential conflict of interest, the Outlet Investment Business of the Group will run independently from Mr. Lim Hee Liat and Mr. Lim Hee Liat will not, directly or indirectly, make any executive decisions for the Outlet Investment Business and/or participate in the management of the Outlet Investment Business and will not, directly or indirectly, influence or participate in the operations and day-to-day business of the Outlet Investment Business.

In addition, the Directors believe any potential conflicts of interest will be sufficiently mitigated by:

- (a) the first right of refusal granted by Mr. Lim Hee Liat in favour of the Group in relation to any proposed offer by Mr. Lim Hee Liat or his associates to sell, transfer or otherwise dispose of any interest any coffee shop, industrial canteen and/or food court (whether freehold or leasehold) property located in Singapore, and if applicable, the interests in special purpose vehicles which own such properties, directly or indirectly (“**Relevant Asset**”), provided however, no property or special purpose vehicle shall be deemed to a Relevant Asset if Mr. Lim Hee Liat and/or his associates are unable to exercise Control in respect of such Relevant Asset (“**Right of First Refusal**”). For the purposes of the Right of First Refusal, “**Control**” means the capacity to dominate the decision-making, directly or indirectly, in relation to the financial and operating policies of an asset or entity; and

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- (b) the undertaking by Mr. Lim Hee Liat to notify the Company as soon as reasonably practicable once he and/or his associates become aware of a new opportunity in respect of the Outlet Investment Business, and provide the Company with all information that Mr. Lim Hee Liat and/or his associates possesses in respect of such opportunity, including relevant offer documents and financial information (if any). The Group is entitled to decide whether or not to take up such opportunity within 30 days from receiving the such notice (or such other period as the parties may mutually agree upon), subject to compliance with the applicable requirements under the Catalyst Rules.

The Audit Committee shall consider the sufficiency of controls in place with regards to addressing conflicts of interests and potential conflicts of interests. In addition to compliance with those set out in this paragraph 2.9.1, the Audit Committee shall undertake periodic review of the internal controls and risk management system for the Outlet Investment Business to ensure that the above policies and measures are complied with.

2.9.2 ***Review of Interested Person Transactions by the Audit Committee***

As the Group's strategy is to establish new food outlets and food stalls as and when suitable strategic locations become available, there may be instances where the Outlet Investment Business acquires food outlets and/or food stalls from Mr. Lim Hee Liat and such acquisition will be deemed as an interested person transaction pursuant to Chapter 9 of the Catalyst Rules.

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

In the event that such interested person transactions require the approval of the Shareholders of the Company, additional information may be required to be presented to the Shareholders and an independent financial adviser may be appointed for an opinion. The Audit Committee will also review all interested person transactions to ensure that the prevailing rules and regulations of the SGX-ST (in particular, Chapter 9 of the Catalyst Rules) are complied with.

3. THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

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

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At the 2019 Renewal of Mandates EGM, the Shareholders had approved the renewal of the Share Buyback Mandate. The authority and limitations of the Share Buyback Mandate were set out in 2019 Renewal of Mandates EGM Circular and the ordinary resolution in the notice of the 2019 Renewal of Mandates EGM dated 14 January 2019, respectively. The authority contained in the Share Buyback Mandate renewed at the 2019 Renewal of Mandates EGM was expressed to continue in force until the next annual general meeting of the Company and, as such, would be expiring on 21 January 2020, being the date of the forthcoming annual general meeting of the Company. Accordingly, the Directors propose that the Share Buyback Mandate be renewed at the forthcoming EGM (which will be held following the conclusion or adjournment of the forthcoming annual general meeting).

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

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

- (a) in managing the business of the Group, the management will strive to increase Shareholders' value by improving, inter alia, the return on equity of the Group. In addition to growth and expansion of the business, share buybacks may be considered as one (1) of the ways through which the return on equity of the Group may be enhanced;
- (b) Shares which are purchased or acquired by the Company pursuant to the Share Buyback Mandate and held as Treasury Shares may, inter alia, to the extent permitted by the applicable law, be transferred for the purposes of or pursuant to share incentive schemes implemented by the Company, including the Kimly Employee Share Option Scheme and the Kimly Performance Share Plan, to enable the Company to take advantage of tax deductions under the current taxation regime. The use of Treasury Shares in lieu of issuing new Shares would also mitigate the dilution impact on existing Shareholders;
- (c) the Share Buyback Mandate will provide the Company with greater flexibility in managing its capital and maximising returns to its Shareholders. To the extent that the Company has capital and surplus funds which are in excess of its financial needs, taking into account its growth and expansion plans, the Share Buyback Mandate will facilitate the return of excess cash and surplus funds to Shareholders in an expedient, effective and cost-efficient manner; and
- (d) the Share Buyback Mandate will provide the Company with the flexibility to undertake Share buybacks at any time, subject to market conditions, during the period when the Share Buyback Mandate is in force.

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

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

3.3.1 **Maximum Number of Shares**

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

Purely for illustrative purposes, on the basis of 1,157,786,732 Shares in issue as at the Latest Practicable Date and disregarding the 8,883,800 Treasury Shares held as at the Latest Practicable Date and assuming that (a) no further Shares are issued on or prior to the EGM, (b) no further Shares are purchased and held as Treasury Shares, the purchase or acquisition by the Company of up to the maximum limit of 10.0% of its issued Shares will result in the purchase or acquisition of 114,890,293 Shares.

However, as stated in paragraph 3.2 above and paragraph 3.7 below, purchases or acquisitions of Shares pursuant to the Share Buyback Mandate need not be carried out to the full extent mandated, and, in any case, would not be carried out to such an extent that affect the listing status of the Company on the SGX-ST. The public float in the issued Shares as at the Latest Practicable Date is disclosed in paragraph 3.9 below.

3.3.2 **Duration of Authority**

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

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

whichever is the earliest.

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

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3.3.3 *Manner of Purchases or Acquisitions of Shares*

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

- (a) on-market purchases, transacted through the SGX-ST's trading system or on any other securities exchange on which the Shares may for the time being be listed and quoted, through one (1) or more duly licensed dealers appointed by the Company for the purpose of the Share buyback ("**Market Purchases**"); and/or
- (b) off-market purchases made in accordance with an equal access scheme as defined in Section 76C of the Companies Act ("**Off-Market Purchases**").

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

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

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

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

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3.3.4 **Purchase Price**

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

For the above purposes:

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

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

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

3.5 **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:

3.5.1 **Maximum Holdings**

The aggregate number of Shares held as Treasury Shares cannot at any time exceed 10.0% of the total number of issued Shares excluding Treasury Shares and subsidiary holdings as at the date of the resolution passed to approve the renewal of the Share Buyback Mandate. Any Shares held as Treasury Shares in excess of this limit shall be disposed of or cancelled by the Company in accordance with Section 76K of the Companies Act within six (6) months from the date such limit is exceeded, or such further period as may be allowed by the ACRA.

3.5.2 **Voting and Other Rights**

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

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

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3.5.3 *Disposal and Cancellation*

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

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

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

- 3.6 **Source of Funds.** The Companies Act permits the Company to purchase or acquire its own Shares out of capital or profits so long as the Company is solvent. Under Section 76F(4) of the Companies Act, the Company is solvent if at the date of payment for the purchase or acquisition of its Shares, there is no ground on which the Company could be found to be unable to pay its debts, if it is intended to commence winding up within the period of 12 months immediately after the date of payment, the Company will be able to pay its debts in full within such period, or if it is not intended so to commence winding up, the Company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of payment, and the value of the Company’s assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the proposed purchase or acquisition of Shares become less than the value of its liabilities (including contingent liabilities).

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

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

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

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's profits and/or capital so long as the Company is solvent. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (including any expenses incurred directly in the purchase or acquisition of Shares) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of dividends by the Company will not be reduced.

The financial effects on the Company and the Group, based on the audited financial statements of the Company and the Group for FY2019, are based on the assumptions set out below.

3.7.1 ***Number of Shares Acquired or Purchased***

As at the Latest Practicable Date, the Company has 1,157,786,732 Shares in issue, of which 8,883,800 are held as Treasury Shares. The Company does not have any subsidiary holdings.

Purely for illustrative purposes, on the basis of 1,157,786,732 Shares in issue as at the Latest Practicable Date and disregarding the 8,883,800 Treasury Shares held as at the Latest Practicable Date, assuming that (a) no further Shares are issued on or prior to the EGM and, (b) no further Shares are purchased and held as Treasury Shares, not more than 114,890,293 Shares may be purchased or acquired by the Company pursuant to the Share Buyback Mandate.

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

Assuming that the Company purchases or acquires the 114,890,293 Shares at the Maximum Price of S\$0.257 (being the price equivalent to 105.0% of the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the Catalist immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 114,890,293 Shares is approximately S\$29,526,805.

3.7.3 ***Illustrative Financial Effects***

For illustrative purposes only and on the basis of the assumptions set out in paragraphs 3.7.1 and 3.7.2 above as well as the following:

- (a) the 8,883,800 Treasury Shares have been cancelled in the manner set out in paragraph 3.5.3 above prior to the date of the Latest Practicable Date;
- (b) such purchase or acquisition of Shares is financed by the internal resources of the Company available as at 30 September 2019;

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- (c) the transaction costs incurred for the purchase or acquisition of Shares pursuant to the Share Buyback Mandate are assumed to be insignificant and have been ignored for the purpose of computing the financial effects;
- (d) there were no issuances of Shares after the Latest Practicable Date; and
- (e) no Shares were purchased by the Company after the Latest Practicable Date.

the financial effects of the purchase or acquisition of 114,890,293 Shares pursuant to the Share Buyback Mandate:

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

on certain information derived from the audited financial statements of the Group and the Company for FY2019 are set out below:

- (a) *Purchase or acquisition of 114,890,293 Shares made entirely out of capital and held as Treasury Shares*

	Group		Company	
	Before Share Purchase \$'000	After Share Purchase \$'000	Before Share Purchase \$'000	After Share Purchase \$'000
<u>As at 30 September 2019</u>				
Share Capital and Reserves	51,688	22,161	284,841	255,314
Retained earnings	36,205	36,205	10,068	10,068
Total Shareholders' Equity	87,893	58,366	294,909	265,382
NTA ⁽¹⁾	81,932	52,405	294,909	265,382
Current Assets	98,926	69,399	65,342	35,815
Current Liabilities	(31,680)	(31,680)	(12,030)	(12,030)
Total Borrowings	(47)	(47)	–	–
Cash and Cash equivalents	87,189	57,662	55,369	25,842
Number of Shares ('000)	1,148,903	1,034,013	1,148,903	1,034,013
Financial Ratios				
NTA per Share ⁽²⁾ (cents)	7.13	5.07	25.67	25.67
Basic EPS ⁽³⁾⁽⁵⁾ (cents)	1.74	1.94	1.26	1.40
Current Ratio (times)	3.12	2.19	5.43	2.98
Gearing Ratio ⁽⁴⁾ (times)	– [^]	– [^]	–	–

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- (b) *Purchase or acquisition of 114,890,293 Shares made partially out of profits, balance out of capital and held as Treasury Shares*

	Group		Company	
	Before Share Purchase \$'000	After Share Purchase \$'000	Before Share Purchase \$'000	After Share Purchase \$'000
<u>As at 30 September 2019</u>				
Share Capital and Reserves	51,688	22,161	284,841	255,314
Retained earnings	36,205	36,205	10,068	10,068
Total Shareholders' Equity	87,893	58,366	294,909	265,382
NTA ⁽¹⁾	81,932	52,405	294,909	265,382
Current Assets	98,926	69,399	65,342	35,815
Current Liabilities	(31,680)	(31,680)	(12,030)	(12,030)
Total Borrowings	(47)	(47)	–	–
Cash and Cash equivalents	87,189	57,662	55,369	25,842
Number of Shares ('000)	1,148,903	1,034,013	1,148,903	1,034,013
Financial Ratios				
NTA per Share ⁽²⁾ (cents)	7.13	5.07	25.67	25.67
Basic EPS ^{(3) (5)} (cents)	1.74	1.94	1.26	1.40
Current Ratio (times)	3.12	2.19	5.43	2.98
Gearing Ratio ⁽⁴⁾ (times)	– [^]	– [^]	–	–

- (c) *Purchase or acquisition of 114,890,293 Shares made entirely out of capital and cancelled*

	Group		Company	
	Before Share Purchase \$'000	After Share Purchase \$'000	Before Share Purchase \$'000	After Share Purchase \$'000
<u>As at 30 September 2019</u>				
Share Capital	51,688	22,161	284,841	255,314
Retained earnings	36,205	36,205	10,068	10,068
Total Shareholders' Equity	87,893	58,366	294,909	265,382
NTA ⁽¹⁾	81,932	52,405	294,909	265,382
Current Assets	98,926	69,399	65,342	35,815
Current Liabilities	(31,680)	(31,680)	(12,030)	(12,030)
Total Borrowings	(47)	(47)	–	–
Cash and Cash equivalents	87,189	57,662	87,189	25,842
Number of Shares ('000)	1,148,903	1,034,013	1,148,903	1,034,013
Financial Ratios				
NTA per Share ⁽²⁾ (cents)	7.13	5.07	25.67	25.67
Basic EPS ^{(3) (5)} (cents)	1.74	1.94	1.26	1.40
Current Ratio (times)	3.12	2.19	5.43	2.98
Gearing Ratio ⁽⁴⁾ (times)	– [^]	– [^]	–	–

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- (d) *Purchase or acquisition of 114,890,293 Shares made partially out of profits, balance out of capital and cancelled*

	Group		Company	
	Before Share Purchase	After Share Purchase	Before Share Purchase	After Share Purchase
	\$'000	\$'000	\$'000	\$'000
As at 30 September 2019				
Share Capital and Reserves	51,688	32,229	284,841	265,382
Retained earnings	36,205	26,137	10,068	–
Total Shareholders' Equity	87,893	58,366	294,909	265,382
NTA ⁽¹⁾	81,932	52,405	294,909	265,382
Current Assets	98,926	69,399	65,342	35,815
Current Liabilities	(31,680)	(31,680)	(12,030)	(12,030)
Total Borrowings	(47)	(47)	–	–
Cash and Cash equivalents	87,189	57,662	55,369	25,842
Number of Shares ('000)	1,148,903	1,034,013	1,148,903	1,034,013
Financial Ratios				
NTA per Share ⁽²⁾ (cents)	7.13	5.07	25.67	25.67
Basic EPS ^{(3) (5)} (cents)	1.74	1.94	1.26	1.40
Current Ratio (times)	3.12	2.19	5.43	2.98
Gearing Ratio ⁽⁴⁾ (times)	– [^]	– [^]	–	–

Notes:

- (1) NTA refers to net assets less intangible assets.
- (2) NTA per Share equals to NTA divided by the number of issued Shares (excluding Treasury Shares) outstanding as at 30 September 2019.
- (3) Basic Earnings Per Share (EPS) equals to net profit attributable to owners of the Company divided by the weighted average number of Shares (excluding Treasury Shares) during FY2019.
- (4) Gearing equals to total bank and other borrowings divided by total shareholders' equity.
- (5) Based on the total number of 1,148,902,932 issued Shares (excluding Treasury Shares) before the Share Purchase as at the Latest Practicable Date and 1,034,012,639 issued Shares (excluding Treasury Shares) after the Share Purchase.
- (6) [^] ratio less than 0.01

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

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Shareholders should note that the financial effects set out above are based on the audited financial statements of the Group and the Company for FY2019 and are for illustration purposes only. The analysis above based on the results of the Group and the Company for FY2019 is not necessarily representative of future performance.

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

- 3.8 **Tax Implications.** Shareholders who are in doubt as to their respective tax positions or any tax implications, or who may be subject to tax in a jurisdiction outside Singapore, should consult their own professional advisers.
- 3.9 **Listing Status of the Shares.** The Catalist Rules requires a listed company to ensure that at least 10.0% of the total number of its issued Shares (excluding preference shares, convertible equity securities and Treasury Shares) in a class that is listed on the Catalist, is held by public shareholders at all times. The Company does not have any individual shareholding limit or foreign shareholding limit. As at the Latest Practicable Date, approximately 40.78% of the issued Shares are held by public Shareholders. Assuming that the Company repurchased the maximum of 10.0% of its issued Shares at the Latest Practicable Date from the public shareholders, the percentage of Shares held by public shareholders would be approximately 34.20% (excluding Treasury Shares).

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

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

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3.10 **Previous Share Buybacks.** The following are details of purchases or acquisitions of Shares made by the Company during the period from 14 January 2019, being the date of the 2019 Renewal of Mandates EGM, to the Latest Practicable Date:

Date of purchase	Number of Shares purchased	Highest price paid per Share S\$	Lowest price paid per Share S\$	Total consideration paid S\$
27 March 2019	210,000	0.235	0.235	49,635.51
29 March 2019	220,100	0.235	0.235	51,967.37
2 April 2019	158,000	0.235	0.235	37,344.91
3 April 2019	897,600	0.235	0.235	211,590.90
4 April 2019	140,000	0.235	0.235	33,090.47
5 April 2019	135,000	0.235	0.235	31,908.68
8 April 2019	290,000	0.235	0.235	68,471.22
8 May 2019	560,000	0.240	0.240	134,817.42
9 May 2019	850,000	0.240	0.240	204,633.38
10 May 2019	210,000	0.240	0.240	50,637.65
16 May 2019	210,000	0.240	0.240	50,637.65
17 May 2019	490,000	0.240	0.240	117,965.29
21 May 2019	190,000	0.240	0.240	45,863.85
22 May 2019	230,000	0.240	0.240	55,460.26
27 May 2019	860,000	0.240	0.240	207,040.83
9 July 2019	64,000	0.240	0.240	15,449.13
2 December 2019	80,000	0.240	0.240	19,311.31
3 December 2019	200,000	0.240	0.240	48,277.71
Total	5,994,700			1,434,103.54

3.11 **Listing Rules.** The Catalist Rules restrict a listed company from purchasing its shares by way of market purchases at a price per share which is more than 5.0% above the “average closing price”, being the average of the closing market prices of the shares over the last five (5) Market Days on which transactions in the shares were recorded, before the day on which the purchases were made, as deemed to be adjusted for any corporate action that occurs after the relevant five (5) Market Day period. The Maximum Price for a Share in relation to Market Purchases referred to in paragraph 3.3.4 above complies with this requirement.

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

While the Catalist Rules does not expressly prohibit any purchase of shares by a listed company during any particular time, 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 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 the SGX-ST, the Company would not purchase or acquire any Shares through Market Purchases during the period of one (1) month immediately preceding the announcement of the Company’s full-year results and the period of two (2) weeks before the announcement of the first quarter, second quarter and third quarter results.

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

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

Such announcement (which must be in the form of Appendix 8D to the Catalist Rules) must include, inter alia, details of the date of the purchase, the total number of shares purchased, the number of shares cancelled, the number of shares held as Treasury Shares, the price paid per share or the highest and lowest prices paid for such shares, as applicable, the total consideration (including stamp duties and clearing charges) paid or payable for the shares, the number of shares purchased as at the date of announcement (on a cumulative basis), the number of issued shares excluding Treasury Shares and the number of Treasury Shares held after the purchase.

The Directors are required under the Companies Act to lodge with the ACRA within 30 days of the purchase or acquisition of Shares on the Catalist the notice of purchase or acquisition of the Shares in the prescribed form and providing certain particulars including the date of the purchase or acquisition, the number of Shares purchased or acquired, the number of Shares cancelled, the number of Shares held as Treasury Shares, the issued share capital of the Company before and after the purchase or acquisition, the amount of consideration paid by the Company for the purchase or acquisition of the Shares, and whether the Shares were purchased or acquired out of the profits or the capital of the Company.

3.13 **Take-over Implications.** Appendix 2 of the Take-Over Code ("**Appendix 2**") contains the Share Buy-Back Guidance Note. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below:

3.13.1 *Obligation to make a Take-Over Offer*

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

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

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

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

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

3.13.2 *Persons Acting in Concert*

Under the Take-Over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of that company.

Unless the contrary is established, the Take-Over Code presumes, inter alia, the following individuals and companies to be persons acting in concert:

- (a) the following companies:
 - (i) a company;
 - (ii) the parent company of (i);
 - (iii) the subsidiaries of (i);
 - (iv) the fellow subsidiaries of (i);
 - (v) the associated companies of any of (i), (ii), (iii) or (iv);
 - (vi) companies whose associated companies include any of (i), (ii), (iii), (iv) or (v); and
 - (vii) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights;
- (b) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts); and
- (c) the following persons and entities:
 - (i) an individual;
 - (ii) the close relatives of (i);
 - (iii) the related trusts of (i);
 - (iv) any person who is accustomed to act in accordance with the instructions of (i); and

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- (v) companies controlled by any of (i), (ii), (iii) or (iv); and
- (vi) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.

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

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

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

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

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

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

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

3.14 **Application of the Take-Over Code**

The details of the shareholdings of the Directors and substantial shareholders of the Company as at the Latest Practicable Date are set out in paragraph 5 below.

Mr. Lim Hee Liat is the Executive Chairman and controlling shareholder of the Company. As at the Latest Practicable Date, and for the purposes of the Take-Over Code, Mr. Lim Hee Liat and his parties acting in concert with him, being his brothers, Mr. Lim Hee Meng and Mr. Peter Lim Hee Thong (collectively the "**Relevant Parties**"), have an aggregate interest (direct and deemed) in 491,148,558 Shares, representing approximately 42.75% of the total number of issued Shares (excluding Treasury Shares and subsidiary holdings) of the Company. Shareholders should note that the shareholdings of the Relevant Parties as at the Latest Practicable Date and as disclosed in this Circular are based on the Company's internal records and the list of shareholders of the Company as obtained from CDP on the Latest Practicable Date.

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Assuming that there is no change in the number of Shares held or deemed to be held by the Relevant Parties and 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 Share Buyback Mandate (being the date of the EGM), in the event of the purchase or acquisition by the Company of the maximum limit of 10.0% of the issued Shares of the Company (excluding Treasury Shares and any subsidiary holdings), the shareholding interest of the Relevant Parties in the Company could increase by more than 1.0% in any period of six (6) months. Accordingly, Relevant Parties will be required to make a general offer under Rule 14 of the Take-Over Code.

3.14.1 **Conditions for Exemption from having to make a General Offer under Rule 14 of the Take-Over Code**

Pursuant to Section 3(a) of Appendix 2 of the Take-Over Code, the Relevant Parties will be exempted from the requirement to make a general offer under Rule 14 of the Take-Over Code if their respective shareholding in the Company increases by more than 1.0% in any six (6) months as a result of any share buyback carried out pursuant to the Share Buyback Mandate, subject to the following conditions:

- (a) the circular to Shareholders seeking their approval for the Share Buyback Mandate will contain:
 - (i) advice to the effect that by voting in favour of the resolution to approve the Share Buyback Mandate, Shareholders are waiving their rights to a general offer at the required price from the Relevant Parties;
 - (ii) the names and voting rights of the Relevant Parties as at the date of the resolution and after the Company exercises the power under the Share Buyback Mandate in full and purchases 10.0% of the issued Shares;
- (b) the resolution to authorise the Share Buyback Mandate is approved by a majority of Shareholders who are present and voting at the EGM on a poll who could not become obliged to make an offer as a result of the Share Buyback by the Company pursuant to the Share Buyback Mandate;
- (c) the Relevant Parties will abstain from voting for and/or recommending Shareholders to vote in favour of the resolution to approve the Share Buyback Mandate;
- (d) within seven (7) days after the passing of the resolution to approve the Share Buyback Mandate, Mr. Lim Hee Liat submits to the SIC a duly signed form as prescribed by the SIC;
- (e) the Relevant Parties have not acquired and will not acquire any Shares between the date on which they know that the announcement of the Share Buyback Mandate is imminent and the earlier of:
 - (i) the date on which the authority of the Share Buyback Mandate expires; and
 - (ii) the date on which the Company announces that it has brought back such number of Shares as authorised by the Share Buyback Mandate or it has decided to cease buying back its Shares, as the case may be,

if any such acquisitions, taken together with the Share Buyback, would cause their aggregate voting rights to increase by more than 1.0% in the preceding six (6) months.

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As such, if the aggregate voting rights held by the Relevant Parties increase by more than 1.0% solely as a result of the Company's buyback of Shares under the Share Buyback Mandate, and none of them has acquired any Shares during the relevant six (6) month period, then the Relevant Parties 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.

If the Company ceases to buyback Shares pursuant to the Share Buyback Mandate and the increase in the aggregate voting rights held by the Relevant Parties as a result of the relevant buyback of Shares at such time is less than 1.0% in any six (6) month period, the Relevant Parties may acquire further voting rights in the Company. However, any increase in their percentage voting rights as a result of the buyback of Shares pursuant to the Share Buyback Mandate will be taken into account together with any voting rights acquired by the Relevant Parties by whatever means in determining whether they have increased their aggregate voting rights by more than 1.0% in any six (6) month period.

3.14.2 **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 from the requirement to make a take-over offer under Rule 14 of the Take-Over Code as a result of the buyback of shares by a listed company under its Share Buyback Mandate.

As at the Latest Practicable Date, Mr. Lim Hee Liat has informed the Company that he will be submitting the Form 2 to the SIC within seven (7) days after the passing of the resolution relating to the renewal of the Share Buyback Mandate.

3.14.3 **Advice to Shareholders**

Shareholders should note that by voting for the Share Buyback Mandate, they are waiving their rights to a take-over offer at the required price from the Relevant Parties in the circumstances set out above.

Such a take-over offer, if required to be made and had not been exempted by the SIC, would have to be made in cash or be accompanied by a cash alternative at the required price.

Save as disclosed, 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 interests 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 buyback of Shares by the Company pursuant to the Share Buyback Mandate.

Appendix 2 of the Take-Over Code requires that the resolution to authorise the Share Buyback Mandate to be approved by a majority of those Shareholders present and voting at the meeting on a poll who could not become obliged to make an offer under the Take-Over Code as a result of the Share Buyback. Accordingly, the said resolution shall be taken on a poll and the Relevant Parties shall abstain from voting on such resolution.

3.15 **Interested Persons**

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

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

- 4.1 **Background and Annual Renewal of the IPT General Mandate.** At the 2019 Renewal of Mandates EGM, Shareholders had approved the renewal of the IPT General Mandate. The authority and limitations of the IPT General Mandate were set out in the 2019 Renewal of Mandates EGM Circular and the ordinary resolution in the notice of the 2019 Renewal of Mandates EGM dated 14 January 2019. The authority contained in the IPT General Mandate adopted at the 2019 Renewal of Mandates EGM was expressed to continue in force until the next annual general meeting of the Company and, as such, would be expiring on 21 January 2020, being the date of the forthcoming annual general meeting of the Company. Accordingly, the Directors propose that the IPT General Mandate be renewed at the forthcoming EGM (which will be held following the conclusion or adjournment of the forthcoming annual general meeting).

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

- 4.2 **Particulars of the IPT General Mandate to be Renewed.** The nature of the Mandated Transactions and the classes of Mandated Interested Persons in respect of which the IPT General Mandate is sought to be renewed remain unchanged. Particulars of the IPT General Mandate, including the rationale for the IPT General Mandate, the benefits to be derived by the Company, as well as the review procedures for determining transaction prices with the Mandated Interested Persons, are set out in paragraph 4.5 of this Circular.

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

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

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

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

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

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

The above requirements for immediate announcement and/or for shareholders' approval do not apply to any transaction below S\$100,000, and certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested person and hence excluded from the ambit of Chapter 9 of the Catalist Rules.

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

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

Based on the audited consolidated financial statements of the Group for FY2019, the consolidated NTA of the Group was S\$87,893,000. Accordingly, in relation to the Group, for the purposes of Chapter 9 of the Catalist Rules, in the current financial year and until the audited consolidated financial statements of the Group for FY2020 are published, 5.0% of the Group's latest audited consolidated NTA would be S\$4,395,000.

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

For the purposes of Chapter 9 of the Catalist Rules:

- (a) an "**approved exchange**" means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles as Chapter 9;
- (b) an "**associate**" in relation to an interested person who is a director, chief executive officer or controlling shareholder, includes an immediate family member (that is, the spouse, child, adopted child, step-child, sibling or parent) of such director, chief executive officer or controlling shareholder, the trustees of any trust of which the director/his immediate family, the chief executive officer/his immediate family or the controlling shareholder/his immediate family is a beneficiary, or in the case of a discretionary trust, is a discretionary object, and any company in which the director/his immediate family, the chief executive officer/his immediate family or the controlling shareholder/his immediate family has or have an aggregate interest (directly or indirectly) of 30.0% or more, and, where a controlling shareholder is a corporation, its subsidiary or holding company or fellow subsidiary or a company in which it and/or they have (directly or indirectly) an interest of 30.0% or more;

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- (c) an “**associated company**” means a company in which at least 20.0% but not more than 50.0% of its shares are held by the listed company or group;
- (d) an “**entity at risk**” means:
 - (i) the listed company;
 - (ii) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or
 - (iii) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed company and/or its subsidiaries (the “listed group”), or the listed group and its interested person(s), has control over the associated company;
- (e) an “**interested person**” means a director, chief executive officer or controlling shareholder of the listed company or an associate of such director, chief executive officer or controlling shareholder;
- (f) an “**interested person transaction**” means a transaction between an entity at risk and an interested person;
- (g) a “**transaction**” includes the provision or receipt of financial assistance; the acquisition, disposal or leasing of assets; the provision or receipt of services; the issuance or subscription of securities; the granting of or being granted options; and the establishment of joint ventures or joint investments, whether or not entered into in the ordinary course of business, and whether entered into directly or indirectly; and
- (h) in interpreting the term “**same interested person**” for the purpose of aggregation of the values of all transactions entered into with the same interested person during the same financial year under Rules 905 and 906 of Chapter 9 of the Catalist Rules, the following applies:
 - (i) transactions between an entity at risk and interested persons who are members of the same group are deemed to be transactions between the entity at risk with the same interested person; and
 - (i) if an interested person (which is a member of a group) is listed, its transactions with the entity at risk need not be aggregated with transactions between the entity at risk and other interested persons of the same group, provided that the listed interested person and other listed interested persons have boards the majority of whose directors are different and are not accustomed to act on the instructions of the other interested persons and their associates and have audit committees whose members are completely different.

4.5 **Renewal of the IPT General Mandate**

4.5.1 **Introduction**

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

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

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

4.5.2 **Entities at Risk**

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

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

(the “**EAR Group**”).

4.5.3 **Classes of Mandated Interested Persons**

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

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

4.5.4 **Categories of Mandated Interested Person Transactions**

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

- (a) renewal of the 18 separate lease agreements entered into by CDP Kimly Pte. Ltd., an indirect wholly-owned subsidiary of the Company, with the respective LHL Companies in relation to the rental of the 18 coffee shops (the “**LHL Coffee Shop Leases**”);
- (b) leasing of coffee shops from Mandated Interested Persons other than those which are the subject of the LHL Coffee Shop Leases (“**New Leases**”); and

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- (c) renewal of the New Leases,
(the “**Mandated Transactions**”).

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

The IPT General Mandate does not cover any transaction by any member of the Group with the Mandated Interested Persons where such transaction is below S\$100,000 in value, as the threshold and aggregation requirements contained in Chapter 9 of the Catalist Rules would not apply to such transactions.

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

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

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

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

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

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

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

(i) Rental of Coffee Shops

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

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

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

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

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

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

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

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

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

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

The review procedures for the Mandated Transactions with Mandated Interested Persons remain the same as those disclosed in the 2019 Renewal of Mandates EGM Circular.

4.5.7 ***Additional Guidelines and Review Procedures***

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

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

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(d) The Audit Committee will review the Mandated Transactions on a quarterly basis.

The additional guidelines and review procedures for the Mandated Transactions above remain the same as those disclosed in the 2019 Renewal of Mandates EGM Circular.

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

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

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

The review procedures for all other existing and future interested person transactions not subject to the IPT General Mandate remain the same as those disclosed in the 2019 Renewal of Mandates EGM circular.

5. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

5.1 **Directors' Interests.** As at the Latest Practicable Date, the interests of the Directors in the Shares before and after the Share Buyback pursuant to the Share Buyback Mandate, assuming (a) the Company purchases the 114,890,293 Shares and (b) there is no change in the number of Shares (whether direct or deemed) held by the Directors, are set out below:

Directors	Before the Share Buyback						After the Share Buyback
	Direct Interest		Deemed Interest ⁽²⁾		Total Interest		Total Interest
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	% ⁽⁴⁾
Lim Hee Liat	489,915,165	42.64	–	–	489,915,165	42.64	47.38
Chia Cher Khiang ⁽³⁾	14,513,391	1.26	2,960,000	0.26	17,473,391	1.52	1.69
Wong Kok Yoong	–	–	–	–	–	–	–
Ter Kim Cheu	–	–	–	–	–	–	–
Wee Tian Chwee Jeffrey	–	–	–	–	–	–	–
Lim Teck Chai, Danny	–	–	422,000	0.04	422,000	0.04	0.04
Lau Chin Huat	1,280,000	0.11	–	–	1,280,000	0.11	0.12

Notes:

- (1) Based on the total number of issued Shares (excluding Treasury Shares) as at the Latest Practicable Date.
- (2) Deemed interests refer to interests determined pursuant to Section 4 of the SFA.
- (3) Mr. Chia Cher Khiang is, pursuant to Section 133(4) of the SFA, deemed to have an interest in the Shares which his spouse holds or has an interest in.
- (4) Assuming the Company purchases or acquires the maximum number of Shares, being 114,890,293 Shares pursuant to the Share Buyback Mandate, the percentage after the Share Buyback is calculated based on 1,034,012,639 Shares.

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- 5.2 **Substantial Shareholders' Interests.** As at the Latest Practicable Date, the interests of the Substantial Shareholders in the Shares before and after the Share Buyback pursuant to the Share Buyback Mandate, assuming (a) the Company purchases the 114,890,293 Shares and (b) there is no change in the number of Shares (whether direct or deemed) held by the Substantial Shareholders, are set out below:

Substantial Shareholders (other than Directors)	Before the Share Buyback				After the Share Buyback		
	Direct Interest		Deemed Interest ⁽²⁾		Total Interest		Total Interest
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	% ⁽³⁾
Peh Oon Kee	99,309,105	8.64	–	–	99,309,105	8.64	9.60
Ng Lay Beng	60,486,866	5.26	10,300,000	0.90	70,786,866	6.16	6.85

Notes:

- (1) Based on the total number of issued Shares (excluding Treasury Shares) as at the Latest Practicable Date.
(2) Deemed interests refer to interests determined pursuant to Section 4 of the SFA.
(3) Assuming the Company purchases or acquires the maximum number of Shares, being 114,890,293 Shares pursuant to the Share Buyback Mandate, the percentage after the Share Buyback is calculated based on 1,034,012,639 Shares.

6. DIRECTORS' RECOMMENDATIONS

- 6.1 **The Proposed Diversification.** The Directors having considered, inter alia, the rationale for the Proposed Diversification, are of the opinion that the Proposed Diversification is in the best interests of the Company and its Shareholders.

Accordingly, the Directors recommend that the Shareholders vote in favour of Ordinary Resolution 1 in relation to the Proposed Diversification.

- 6.2 **The Proposed Renewal of the Share Buyback Mandate.** The Directors (save for Mr. Lim Hee Liat) having considered, inter alia, the rationale for the proposed renewal of the Share Buyback Mandate, are of the opinion that the proposed renewal of the Share Buyback Mandate is in the best interests of the Company and its Shareholders.

Accordingly, the Directors (save for Mr. Lim Hee Liat) recommend that the Shareholders vote in favour of Ordinary Resolution 2 in relation to the proposed renewal of the Share Buyback Mandate.

In accordance with the exemption referred to in paragraph 3.14 above, Mr. Lee Hee Liat has abstained from making any recommendation to the Shareholders on the ordinary resolution relating to the proposed renewal of the Share Buyback Mandate.

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

Accordingly, the Directors (save for Mr. Lim Hee Liat) recommend that the Shareholders vote in favour of Ordinary Resolution 3 in relation to the proposed renewal of the IPT General Mandate.

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7. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 45 to 48 of this Circular, will be held at The Grassroots' Club, 190 Ang Mo Kio Avenue 8, Singapore 568046 on 21 January 2020 at 3.00 p.m. (or as soon thereafter following the conclusion or adjournment of the annual general meeting of the Company to be held at 2.00 p.m. at the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without modifications the ordinary resolutions set out in the notice of EGM on pages 45 to 48 of this Circular.

8. ABSTENTION FROM VOTING

8.1 **The Proposed Renewal of the Share Buyback Mandate.** Mr. Lim Hee Liat and/or parties acting in concert with him will abstain from voting at the EGM in respect of Ordinary Resolution 2 relating to the proposed renewal of the Share Buyback Mandate, pursuant to the conditions under Appendix 2 of the Take-Over Code as set out in paragraph 3.14 above. Furthermore, such persons shall not act as proxies or otherwise vote on the said resolution, in relation to such resolution unless specific voting instructions have been given.

8.2 **The Proposed Renewal of the IPT General Mandate.** Mr. Lim Hee Liat and his associates (if any) will abstain from voting at the EGM in respect of Ordinary Resolution 3 relating to the proposed renewal of the IPT General Mandate. Furthermore, such persons shall not act as proxies or otherwise vote on the said resolution, in relation to such resolution unless specific voting instructions have been given.

9. ACTION TO BE TAKEN BY SHAREHOLDERS

9.1 **Appointment of Proxies.** If a Shareholder is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf, he should complete, sign and return the accompanying Proxy Form in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the Registered Office of the Company at 13 Woodlands Link, Singapore 738725, not less than 72 hours before the time fixed for the EGM. The completion and return of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM if he subsequently wishes to do so. In such event, the relevant Proxy Forms will be deemed to be revoked and the Company reserves the right to refuse to admit any person or persons appointed under the Proxy Form to the EGM.

9.2 **When Depositor regarded as Shareholder.** A Depositor shall not be regarded as a Shareholder of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least 72 hours before the time fixed for the EGM.

10. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Resolutions, and the Company and its subsidiaries which are relevant to the Proposed Resolutions, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular 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 Circular in its proper form and context.

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11. INSPECTION OF DOCUMENTS

The following documents are available for inspection at 120 Robinson Road, #08-01, Singapore 068913 during normal business hours from the date of this Circular up to and including the date of the EGM:

- (a) the annual report of the Company for FY2019; and
- (b) the Constitution of the Company.

Yours faithfully

By order of the Board of Directors of
KIMLY LIMITED

Hoon Chi Tern
Company Secretary
6 January 2020

NOTICE OF EXTRAORDINARY GENERAL MEETING

KIMLY LIMITED

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (the “**EGM**”) of Kimly Limited (the “**Company**”) will be held at The Grassroots’ Club, 190 Ang Mo Kio Avenue 8, Singapore 568046 on 21 January 2020 at 3.00 p.m. (or as soon as practicable after the conclusion or adjournment of the annual general meeting of the Company to be held at 2.00p.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without modifications, the resolutions as set out below as ordinary resolutions:

Capitalised terms not defined herein shall refer to the definitions set out in the circular to Shareholders dated 6 January 2020 (the “**Circular**”).

ORDINARY RESOLUTION 1 – THE PROPOSED DIVERSIFICATION OF THE GROUP’S BUSINESS TO INCLUDE THE OUTLET INVESTMENT BUSINESS

That:

- (a) approval be and is hereby given for the proposed diversification of the Group’s business to include the Outlet Investment Business as described in Paragraph 2 of the Circular (the “**Proposed Diversification**”), and any other activities related to the Proposed Diversification;
- (b) subject to compliance with the Catalist Rules requiring approval from Shareholders in certain circumstances, the Company (directly and/or through its subsidiaries) be and is hereby authorised to invest in, purchase or otherwise acquire or dispose of from time to time, any such assets, businesses, investments and shares or interests in any entity in relation to the Outlet Investment Business on such terms and conditions as the Directors deem fit, and such Directors be and are hereby authorised to take such steps and exercise such discretion and do all such acts and things as they deem desirable, necessary or expedient to give effect to any such investment, purchase, acquisition or disposal; and
- (c) the Directors or any of them be and are hereby authorised to complete and do all acts and things as they or each of them deem desirable, necessary or expedient to give effect to the matters contemplated by this resolution as they or each of them may in their or each of their absolute discretion deem fit in the interests of the Company.

ORDINARY RESOLUTION 2 – THE PROPOSED RENEWAL OF SHARE BUYBACK MANDATE

That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act, Cap. 50 of Singapore (the “**Companies Act**”), the exercise by the Directors of the Company (the “**Directors**”) of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company (the “**Shares**”) not exceeding in aggregate the Maximum Percentage (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to but not exceeding the Maximum Price (as hereafter defined), whether by way of:
 - (i) on-market purchases, transacted through the SGX-ST’s trading system or on any other securities exchange on which the Shares may for the time being be listed and quoted, through one (1) or more duly licensed dealers appointed by the Company for the purpose of the Share Buyback (“**Market Purchases**”); and/or

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (ii) off-market purchases made in accordance with an equal access scheme as defined in Section 76C of the Companies Act (“**Off-Market Purchases**”).

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST or, as the case may be, as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Buyback Mandate**”);

- (b) unless revoked or varied by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:

- (i) the date on which the next annual general meeting of the Company is held;
- (ii) the date on which the next annual general meeting of the Company is required by law to be held; and
- (iii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated;

- (c) in this Resolution:

“**Average Closing Price**” means:

- (i) in the case of a Market Purchase, the average of the closing market prices of a Share over the last five (5) Market Days on which the Shares are transacted on the SGX-ST immediately preceding the date of the Market Purchase by the Company; or
- (ii) in the case of an Off-Market Purchase, the average of the closing market prices of a Share over the last five (5) Market Days on which the Shares are transacted on the SGX-ST immediately preceding the date of the making of the offer pursuant to the Off-Market Purchase,

and deemed to be adjusted in accordance with the listing rules of the SGX-ST for any corporate action that occurs after the relevant five (5) day period;

“**date of the making of the offer**” means the date on which the Company makes an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase;

“**Market Day**” means a day on which the SGX-ST is open for trading in securities;

“**Maximum Percentage**” means that number of issued Shares representing 10.0% of the issued Shares (excluding Treasury Shares and subsidiary holdings) as at the date of the passing of this Resolution; and

“**Maximum Price**” in relation to a Share to be purchased or acquired, means the purchase price (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) which shall not exceed:

- (i) in the case of a Market Purchase, 105.0% of the Average Closing Price of the Shares; and
- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 105.0% of the Average Closing Price of the Shares; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (d) the Directors and/or any of them be and are and/or is hereby authorised and empowered to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.

ORDINARY RESOLUTION 3 – THE PROPOSED RENEWAL OF THE SHAREHOLDERS’ GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

That:

- (a) approval be and is hereby given for the purposes of Chapter 9 of the Catalist Rules of the SGX-ST, for the Company, its subsidiaries and associated companies that are considered to be “entities at risk” (as that term is used in Chapter 9), or any of them to enter into any of the transactions falling within the types of Mandated Transactions described in the Circular with any Mandated Interested Persons described in the Circular, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such interested person transactions;
- (b) the approval given in paragraph (a) above shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next annual general meeting of the Company; and
- (c) the Directors and/or any of them be and are and/or is hereby authorised and empowered to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.

By Order of the Board of Directors

Hoon Chi Tern
Company Secretary
6 January 2020

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. A member (other than a Relevant Intermediary*) entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. A Relevant Intermediary may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified).
3. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 13 Woodlands Link, Singapore 738725, not less than 72 hours before the time appointed for holding the Extraordinary General Meeting.

* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Extraordinary General Meeting and/or any adjournment thereof, a member of the Company: (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Extraordinary General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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KIMLY LIMITED

(Incorporated in Singapore)
(Registration No. 201613903R)

PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT:

1. An investor who holds shares under the Supplementary Retirement Scheme ("SRS Investor") (as may be applicable) may attend and cast his vote(s) at the Meeting in person. SRS Investors who are unable to attend the Meeting but would like to vote, may inform their SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the SRS Investors shall be precluded from attending the Meeting.
2. This Proxy Form is not valid for use by SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We, _____ (Name) _____ (NRIC / Passport no.)
of _____ (Address)
being a member/members of KIMLY LIMITED (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or failing him/her (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

as my/our proxy/proxies to attend and vote for me/us on my/our behalf at the Extraordinary General Meeting ("EGM") of the Company to be held at The Grassroots' Club, 190 Ang Mo Kio Avenue 8, Singapore 568046 on 21 January 2020 at 3.00 p.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 2.00 p.m. on the same day and at the same place) and at any adjournment thereof.

The proxy/proxies shall vote on the Resolutions set out in the notice of the EGM in accordance with my/our directions as indicated hereunder. Where no such direction is given, the proxy/proxies may vote or abstain from voting at his/their discretion, on any matter at the EGM or at any adjournment thereof.

No.	ORDINARY RESOLUTIONS	For	Against
1.	The Proposed Diversification of the Group's Business to include the Outlet Investment Business (Resolution 1)		
2.	The Proposed Renewal of the Share Buyback Mandate (Resolution 2)		
3.	The Proposed Renewal of the Shareholders' General Mandate for Interested Person Transactions (Resolution 3)		

* If you wish to exercise all your votes "For" or "Against", please indicate with a tick (P) within the box provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____, 2020

Total Number of Shares held in:	
CDP Register	
Register of Members	

Signature(s) of member(s)
or Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF.



Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
2. A member of the Company (other than a Relevant Intermediary*), entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company.
3. The instrument appointing a proxy or proxies must be deposited at the Company's Registered Office at 13 Woodlands Link, Singapore 738725 not less than 72 hours before the time set for the meeting.
4. Where a member (other than a Relevant Intermediary*) appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.
5. A Relevant Intermediary* may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number or class of shares shall be specified).
6. Subject to note 9, completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the Meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
7. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its officer or attorney duly authorised. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Cap. 50 and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
9. An investor who hold shares under the Supplementary Retirement Scheme ("SRS Investor") (as may applicable) may attend and cast his vote(s) at the Meeting in person. SRS Investors who are unable to attend the Meeting but would like to vote, may inform their SRS Approved Nominees to appoint the Chairman of the Meeting to act as his proxy, in which case, the SRS Investors shall be precluded from attending the Meeting.

* A Relevant Intermediary is:

- (a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Extraordinary General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 6 January 2020.