

APPENDIX TO THE NOTICE OF 2022 AGM DATED 8 APRIL 2022

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

IF YOU ARE IN DOUBT ABOUT THE CONTENTS OF THIS APPENDIX OR THE ACTION THAT YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, TAX OR OTHER PROFESSIONAL ADVISER(S) IMMEDIATELY.



MEMIONTEC HOLDINGS LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 201305845W)

**APPENDIX TO THE NOTICE OF 2022 AGM
IN RELATION TO**

- (I) THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE;**
- (II) THE PROPOSED SHARE SPLIT OF EVERY ONE (1) EXISTING ORDINARY SHARE IN THE CAPITAL OF THE COMPANY INTO THREE (3) ORDINARY SHARES;**
- (III) THE PROPOSED PARTICIPATION OF MS RACHEL KWOK XIU JIAN, AN ASSOCIATE OF A CONTROLLING SHAREHOLDER, IN THE MEMIONTEC PERFORMANCE SHARE PLAN; AND**
- (IV) THE PROPOSED GRANT OF AWARDS TO MR TAY KIAT SENG AND MS SOELISTYO DEWI SOEGIHARTO, EACH A CONTROLLING SHAREHOLDER, AND MS RACHEL KWOK XIU JIAN, AN ASSOCIATE OF A CONTROLLING SHAREHOLDER, UNDER THE MEMIONTEC PERFORMANCE SHARE PLAN**

Unless otherwise defined, capitalised terms appearing on the cover of this Appendix bear the same meanings ascribed to them in the section entitled "Definitions" of this Appendix.

This Appendix is issued by the Company to Shareholders, together with the Annual Report (where the Notice of 2022 AGM and the Proxy Form are enclosed therein). Its purpose is to provide Shareholders with relevant information relating to, and to seek Shareholders' approval for the abovementioned Proposed Transactions, to be tabled at the 2022 AGM to be held by way of electronic means on 29 April 2022 at 9:00 a.m..

The Ordinary Resolutions proposed to be passed in relation to the abovementioned Proposed Transactions are set out as Ordinary Resolutions 9 to 14 in the Notice of 2022 AGM, enclosed in the Annual Report.

This Appendix has been prepared by the Company and its contents have been reviewed by the Sponsor in accordance with Rule 226(2)(b) of the Catalyst Rules.

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

The contact person for the Sponsor is Ms. Goh Mei Xian, Director, ZICO Capital Pte. Ltd. at 77 Robinson Road, #06-03, Robinson 77, Singapore 068896, telephone (65) 6636 4201.

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DEFINITIONS

DEFINITIONS

In this Appendix, except where the context otherwise requires, the following definitions shall apply throughout:

“2022 AGM”	:	The AGM to be convened and held by way of electronic means on Friday, 29 April 2022 at 9:00 a.m., notice of which is set out on pages 133 to 144 of the Annual Report
“ACRA”	:	Accounting and Corporate Regulatory Authority of Singapore
“Additional Shares”	:	440,514,000 new Shares arising from the Proposed Share Split
“AGM”	:	The annual general meeting of the Company
“Annual Report”	:	Annual report of the Company for the financial year ended 31 December 2021
“Appendix”	:	This appendix to the Notice of 2022 AGM dated 8 April 2022
“Approval Date”	:	Has the meaning ascribed to it in Section 2.2(a) of this Appendix
“associate”	:	(a) in relation to any Director, CEO, Substantial Shareholder or Controlling Shareholder (being an individual) means: (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; (b) in relation to a Substantial Shareholder or Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
“Average Closing Price”	:	Has the meaning ascribed to it in Section 2.2(e) of this Appendix
“Award”	:	The contingent award of Shares which may be granted pursuant to the Memiontec Performance Share Plan
“Board”	:	The board of Directors of the Company as at the date of this Appendix or from time to time, as the case may be
“Catalist”	:	The Catalist board of the SGX-ST
“Catalist Rules”	:	SGX-ST Listing Manual Section B: Rules of Catalist, as amended, modified or supplemented from time to time
“CDP”	:	The Central Depository (Pte) Limited
“CEO”	:	Chief Executive Officer of the Company as at the date of this Appendix
“Company”	:	Memiontec Holdings Ltd.
“Companies Act”	:	The Companies Act 1967 of Singapore, as amended or modified or supplemented from time to time
“Constitution”	:	The Constitution of the Company, as amended or modified or supplemented from time to time

DEFINITIONS

“Controlling Shareholder”	: A person who:
	(a) holds directly or indirectly 15% or more of the nominal of all voting shares in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or
	(b) in fact exercises control of a company
“Current Free Float”	: Has the meaning ascribed to it in Section 2.2(a) of this Appendix
“Director”	: A director of the Company as at the date of this Appendix or from time to time, as the case may be
“EPS”	: Earnings per Share
“FY”	: Financial year ended or, as the case may be, ending 31 December
“Group”	: The Company and its subsidiaries
“Independent Shareholders”	: Shareholders other than Shareholders and their respective associates who are eligible to participate in the Memiontec Performance Share Plan
“Latest Practicable Date”	: 1 April 2021, being the latest practicable date prior to the issue of this Appendix
“Market Day”	: A day on which the SGX-ST is open for securities trading
“Market Purchase”	: Has the meaning ascribed to it in Section 2.2(d)(i) of this Appendix
“Maximum Price”	: Has the meaning ascribed to it in Section 2.2(e) of this Appendix
“Maximum Percentage”	: Has the meaning ascribed to it in Section 2.2(a) of this Appendix
“NTA”	: Net tangible assets
“Notice of 2022 AGM”	: The notice of 2022 AGM dated 8 April 2022 attached to the Annual Report
“Off-Market Purchase”	: Has the meaning ascribed to it in Section 2.2(d)(ii) of this Appendix
“Ordinary Resolution(s)”	: The ordinary resolution(s) as set out in the Notice of 2022 AGM
“per cent” or “%”	: Percentage or per centum
“Plan” or “Memiontec Performance Share Plan”	: The performance share plan, known as the “Memiontec Performance Share Plan”, adopted by the Company on 30 December 2019, as may be modified or altered from time to time
“Proposed Share Split”	: The proposed share split of every one (1) existing Share in the capital of the Company into three (3) Shares
“Proxy Form”	: The proxy form accompanying the Notice of 2022 AGM
“Record Date”	: The time and date, to be determined by the Board, on which the Register of Members and the share transfer books of the Company will be closed to determine the entitlements of Shareholders under the Proposed Share Split
“Register of Members”	: The principal register of members (duly registered holders of Shares)

DEFINITIONS

“Relevant Period”	:	The period commencing from the date on which the resolution in relation to the proposed renewal of the Share Buyback Mandate is passed at a general meeting and expiring on the earliest of the date the next annual general meeting of the Company is held or is required by law to be held, or the date on which the Share Buyback is carried out to the full extent mandated, or the date the said mandate is revoked or varied by the Company in a general meeting
“Remuneration Committee”	:	The Remuneration Committee of the Company as at the date of this Appendix or from time to time, as the case may be
“S\$ and cents”	:	Singapore dollars and cents respectively, being the lawful currency of Singapore
“Securities Accounts”	:	The securities accounts maintained by Depositors with CDP, but not including the securities accounts maintained with a Depository Agent
“SFA”	:	The Securities and Futures Act 2001 of Singapore, as amended, modified or supplemented from time to time
“SFRS(I) 2”	:	Singapore Financial Reporting Standards (International) 2, Share-Based Payment
“SGXNet”	:	Singapore Exchange Network, a system network used by listed companies in sending information and announcements to the SGX-ST or any other system networks prescribed by the SGX-ST
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Buyback”	:	The purchase or acquisition of issued Share(s) by the Company pursuant to the Share Buyback Mandate
“Share Buyback Mandate”	:	A general mandate given by Shareholders to authorise the Directors to purchase or otherwise acquire, on behalf of the Company, Shares in accordance with, in the manner prescribed by, the terms set out in this Appendix, the Catalyst Rules, the Constitution and such other laws and regulations as may for the time being be applicable
“Shares”	:	Ordinary shares in the capital of the Company and “Share” shall be construed accordingly
“Shareholders”	:	Registered holder(s) of Shares in the register of members of the Company, except where the registered holder is CDP, in which case the term “Shareholders” shall, in relation to such shares, mean the Depositors who have Shares entered against their name in the Depository Register of CDP. Any reference to Shares held by or shareholdings of Shareholders shall include Shares standing to the credit of their respective Securities Accounts
“SIC”	:	Securities Industry Council
“Sponsor”	:	ZICO Capital Pte. Ltd.
“Substantial Shareholder”	:	A person who has an interest or interests in voting Shares (excluding Treasury Shares and subsidiary holdings), representing not less than 5% of all the voting Shares
“Take-over Code”	:	The Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time
“Treasury Shares”	:	Has the meaning ascribed to it in Section 4 of the Companies Act
“Unity Strength”	:	Unity Strength Pte. Ltd.

DEFINITIONS

Unless the context otherwise requires:

- (a) the terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the same meanings ascribed to them respectively in Section 81SF of the SFA;
- (b) the terms “**subsidiary**” and “**related corporations**” shall have the meanings ascribed to them respectively in Section 5 of the Companies Act;
- (c) the term “**subsidiary holdings**” shall have the meaning ascribed to it in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act;
- (d) words importing the singular shall, where applicable, include the plural and *vice versa* and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. Unless the context otherwise requires, any references to persons shall include individuals, corporate bodies (wherever incorporated), unincorporated associations and partnerships;
- (e) any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA, the Catalist Rules or any modification thereof and not otherwise defined in this Appendix shall, where applicable, have the same meaning ascribed to it under the Companies Act, the SFA, the Catalist Rules or such modification thereof, as the case may be, unless the context otherwise requires;
- (f) any reference to a time of a day in this Appendix shall be a reference to Singapore time unless otherwise stated;
- (g) any discrepancies between the figures listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Appendix may not be an arithmetic aggregation of the figures that precede them; and
- (h) the headings in this Appendix are inserted for convenience only and shall be ignored in construing this Appendix.

Harry Elias Partnership LLP has been appointed as the Singapore legal adviser to the Company in relation to the Proposed Share Split.

LETTER TO SHAREHOLDERS

MEMIONTEC HOLDINGS LTD.

(Incorporated in the Republic of Singapore)
(Company Registration No. 201305845W)

Directors:

Jackson Chevalier Yap Kit Siong (*Independent Non-Executive Chairman*)
Tay Kiat Seng (*Executive Director and CEO*)
Soelistyo Dewi Soegiharto (*Managing Director*)
Low Kian Beng (*Executive Director*)
Hor Siew Fu (*Independent Director*)
Loh Eu Tse Derek (*Independent Director*)

Registered Office:

20 Woodlands Link
#04-30/31 Singapore 738733

8 April 2022

To: The Shareholders of Memiontec Holdings Ltd.

Dear Sir/Madam,

- (I) **THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE;**
- (II) **THE PROPOSED SHARE SPLIT OF EVERY ONE (1) EXISTING ORDINARY SHARE IN THE CAPITAL OF THE COMPANY INTO THREE (3) ORDINARY SHARES;**
- (III) **THE PROPOSED PARTICIPATION OF MS RACHEL KWOK XIU JIAN, AN ASSOCIATE OF A CONTROLLING SHAREHOLDER, IN THE MEMIONTEC PERFORMANCE SHARE PLAN; AND**
- (IV) **THE PROPOSED GRANT OF AWARDS TO MR TAY KIAT SENG AND MS SOELISTYO DEWI SOEGIHARTO, EACH A CONTROLLING SHAREHOLDER, AND MS RACHEL KWOK XIU JIAN, AN ASSOCIATE OF A CONTROLLING SHAREHOLDER, UNDER THE MEMIONTEC PERFORMANCE SHARE PLAN**

1. INTRODUCTION

The Board is proposing to seek the approval of Shareholders at the forthcoming 2022 AGM in relation to:

- (a) the proposed renewal of the Share Buyback Mandate;
- (b) the Proposed Share Split;
- (c) the proposed participation of Ms Rachel Kwok Xiu Jian, an Associate of a Controlling Shareholder, in the Memiontec Performance Share Plan; and
- (d) the proposed grant of Awards to Mr Tay Kiat Seng and Ms Soelistyo Dewi Soegiharto, each a Controlling Shareholder, and Ms Rachel Kwok Xiu Jian, an Associate of a Controlling Shareholder, under the Memiontec Performance Share Plan,

(collectively, the “**Proposed Transactions**”).

The purpose of this Appendix is to provide Shareholders with information relating to the Proposed Transactions as well as the rationale therefor, and to seek Shareholders’ approval for the same at the 2022 AGM that is to be held by way of electronic means on Friday, 29 April 2022 at 9:00 a.m.. The Notice of 2022 AGM is found on pages 133 to 144 of the Annual Report.

LETTER TO SHAREHOLDERS

Shareholders are advised that the SGX-ST assumes no responsibility for the contents of this Appendix, including the correctness of any statements or opinions made, or reports contained in this Appendix. Shareholders who have any doubt as to the action they should take, should consult their stockbrokers or other professional advisors immediately.

2. THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

2.1. Rationale for the Share Buyback Mandate

The approval of the proposed renewal of the Share Buyback Mandate will give the Company the flexibility to undertake Share Buybacks, subject to the terms and limits described in Section 2.2 of this Appendix, during the period when the Share Buyback Mandate is in force. The rationale for the Share Buyback Mandate is as follows:

- (a) Share Buybacks allow the Directors greater flexibility over the Company's share capital structure with a view to enhancing the EPS and/or NTA per Share. Amongst other alternative corporate actions, share buybacks at the appropriate price level are one of the ways through which the return on equity of the Company may be enhanced;
- (b) Share Buybacks provide the Company and its Directors with an additional mechanism to facilitate the return of surplus cash over and above the Company's financial requirements, in an expedient and cost-efficient manner; and
- (c) Share Buybacks can help to militate against short-term market volatility, offset the effects of short-term speculation and bolster Shareholders' confidence.

The Directors will only engage in Share Buybacks when they believe that it would benefit the Company and Shareholders, taking into consideration factors such as the amount of surplus cash available and the prevailing market conditions. In addition, the Directors do not intend to engage in Share Buybacks to such extent that would, or in circumstances that might, result in a material adverse effect on the financial position/condition of the Company or the Group, the working capital requirements and capital adequacy position of the Company or the Group, or the gearing levels, which in the opinion of the Directors, are from time to time appropriate for the Company and the Group, the liquidity and orderly trading of the Shares, or the listing status of the Company on the SGX-ST. Shareholders should note that the Share Buybacks may not be carried out to the full extent mandated.

It should also be noted that there can be no assurance that the Share Buyback Mandate will achieve any desired effect, and there can be no assurance that such effect (if achieved) can be sustained in the longer term.

2.2. Terms of the Share Buyback Mandate

The authority and limitations placed on the Share Buybacks under the Share Buyback Mandate, if renewed at the 2022 AGM, are the same as those previously approved by Shareholders at the 2021 AGM, and are summarised as follows:

(a) Maximum number of Shares

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

LETTER TO SHAREHOLDERS

The total number of Shares that may be purchased or acquired by the Company pursuant to the Share Buyback Mandate is limited to that number of Shares representing not more than 10% of the issued and paid-up share capital of the Company, subject to the free float requirement as set out in Section 2.8(c) of this Appendix (the “**Maximum Percentage**”) as at the date of the approval of the proposed renewal of the Share Buyback Mandate at the 2022 AGM (the “**Approval Date**”). Any Shares which are held as Treasury Shares or as subsidiary holdings will be disregarded for the purposes of computing the Maximum Percentage.

For illustrative purposes only, on the basis of the 220,257,000 Shares in issue (excluding Treasury Shares and subsidiary holdings) as at the Latest Practicable Date, and assuming that (i) no further Shares are issued; (ii) no further Shares are purchased or acquired and held by the Company as Treasury Shares; and (iii) no Shares are held as subsidiary holdings, on or prior to the Approval Date, the purchase or acquisition by the Company of up to the Maximum Percentage of 10% of its issued Shares (excluding Treasury Shares and subsidiary holdings) will result in the purchase or acquisition of 22,025,700 Shares. As at the Latest Practicable Date, the Company does not have any Treasury Shares and subsidiary holdings.

Shareholders should note that this Maximum Percentage is subject further to the free float requirement as set out in Section 2.8(c) of this Appendix. Based on the total number of issued Shares held by the public as at the Latest Practicable Date of 40,647,000 Shares (representing approximately 18.45% of the total number of issued Shares of the Company, excluding Treasury Shares, subsidiary holdings, preference shares and convertible equity securities) (“**Current Free Float**”), the maximum number of Shares that the Company may acquire or purchase pursuant to the Share Buyback Mandate in order to remain compliant with the free float requirement (of not less than 10%) would be 20,690,333, representing not more than approximately 9.39% of the existing issued and paid-up share capital of the Company as at the Latest Practicable Date.

(b) **Rationale for the Maximum Percentage**

The Maximum Percentage gives the Company the flexibility to purchase or acquire its Shares up to the Maximum Percentage of 10%, should the Company’s free float subsequently allows for such Share Buybacks.

The Company shall at all times ensure that when undertaking any Share Buybacks, at least 10% of the Shares remains in the hands of the public in accordance with Rule 723 of the Catalyst Rules, and that such Share Buybacks will not (i) affect the listing status of the Company; (ii) cause market illiquidity of the Shares; or (iii) affect adversely the orderly trading of the Shares. To ensure that the Maximum Percentage is complied with, the Company will ensure that, during the Relevant Period, in the event the Company undertakes Share Buybacks up to 8% of the issued Shares as at the Approval Date (and assuming no change in the Current Free Float of 18.45%), any further Share Buybacks shall only be undertaken upon the prior approval and written confirmation of the Board that the Company has sufficient free float subsequent to such Share Buyback.

(c) **Duration of authority**

Under the Share Buyback Mandate, Share Buybacks may be made, at any time and from time to time, during the Relevant Period, being the period commencing from the Approval Date, up to:

- (i) the date on which the next AGM is held or required by law to be held; or
- (ii) the date on which Share Buybacks are carried out to the full extent mandated; or
- (iii) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied by the Company in a general meeting,

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whichever is the earliest.

The authority conferred on the Directors by the Share Buyback Mandate may be renewed by Shareholders in each subsequent AGM or other general meeting of the Company. When seeking the approval of Shareholders for the renewal of the Share Buyback Mandate, the Company is required to disclose details pertaining to the Share Buybacks pursuant to the Share Buyback Mandate made during the previous 12 months, including the total number of Shares purchased or acquired, the purchase or acquisition 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 of Shares, as well as any other requirements prescribed under the Catalist Rules.

(d) **Manner of Share Buybacks**

Share Buybacks may be made by way of:

- (i) on-market purchases ("**Market Purchase**") transacted through the SGX-ST through the ready market, and which may be transacted through one or more duly licensed stockbrokers appointed by the Company for the purpose of the Share Buybacks; and/or
- (ii) off-market purchases ("**Off-Market Purchase**"), otherwise than on a securities exchange, in accordance with an equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the Catalist Rules and other applicable laws and regulations.

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

- (i) the 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 issued Shares;
- (ii) all of those persons shall be given a reasonable opportunity to accept the offers made to them; and
- (iii) the terms of all the offers shall be the same, except that there shall be disregarded:
 - (1) differences in consideration attributable to the fact that the offers relate to Shares with different accrued dividend entitlements;
 - (2) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid; and
 - (3) differences in the offers introduced solely to ensure that each Shareholder is left with a whole number of Shares.

In addition, Rule 870 of the Catalist Rules provides that, in making an Off-Market Purchase in accordance with an equal access scheme, the Company must issue an offer document to all Shareholders which contain at least the following information:

- (i) the terms and conditions of the offer;
- (ii) the period and procedures for acceptances;
- (iii) the reasons for the proposed Share Buyback;

LETTER TO SHAREHOLDERS

- (iv) the consequences, if any, of the Share Buyback by the Company that will arise under the Take-over Code or other applicable take-over rules;
 - (v) whether the Share Buyback, if made, would have any effect on the listing of the Shares on the SGX-ST;
 - (vi) details of any Share Buybacks made by the Company in the previous twelve (12) months (whether by way of Market Purchases or Off-Market Purchases in accordance with an equal access scheme), giving the total number of Shares purchased or acquired, the purchase or acquisition price per Share or the highest and lowest prices paid for such Share Buybacks, where relevant, and the total consideration paid for such Share Buybacks; and
 - (vii) whether the Shares purchased or acquired by the Company will be cancelled or kept as Treasury Shares.
- (e) **Maximum purchase or acquisition price**

The purchase or acquisition price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) to be paid for a Share in the event of any Share Buyback shall be determined by the Directors.

However, the purchase or acquisition price to be paid for a Share must not exceed:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price (as defined herein) of the Shares; and
- (ii) in the case of an Off-Market Purchase in accordance with an equal access scheme, 120% of the Average Closing Price (as defined herein) of the Shares,

(the “**Maximum Price**”), in each case, excluding brokerage, stamp duties, applicable goods and services tax and other related expenses.

For the purposes of this Section:

- (1) “**Average Closing Price**” means the average of the closing market prices of a Share over the last five (5) Market Days on which transactions in the Shares were recorded immediately preceding the date of the Market Purchase by the Company or, as the case may be, the day of the making of the offer (as defined below) pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five (5) Market Day period and the day on which the Share Buybacks are made; and
- (2) “**day of the making of the offer**” means the day on which the Company announces its intention to make 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 calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.3. Status of Purchased or Acquired Shares under the Share Buyback Mandate

Any Share which is purchased or acquired by the Company shall, unless held as Treasury Shares in accordance with the Companies Act, be deemed to be cancelled immediately on purchase or acquisition, and all rights and privileges attached to that Share will expire on cancellation. The total number of Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as Treasury Shares.

LETTER TO SHAREHOLDERS

All Shares purchased or acquired by the Company (other than Treasury Shares held by the Company in accordance with the Companies Act) will be automatically delisted by the SGX-ST and certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following the settlement of any such purchase or acquisition.

At the time of each purchase or acquisition of Shares by the Company, the Directors will decide whether the Shares purchased or acquired will be cancelled or held as Treasury Shares, or partly cancelled and partly kept as Treasury Shares, depending on the needs of the Company and as the Directors deem fit in the interests of the Company at that time.

2.4. Treasury Shares

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

(a) Maximum holdings

The number of shares held as Treasury Shares cannot at any time exceed 10% of the total number of issued Shares. Any Shares in excess of this limit shall be disposed of or cancelled in accordance with Section 76K of the Companies Act within six (6) months or such further periods as ACRA may allow.

The Company has no Shares held as Treasury Shares as at the Latest Practicable Date.

(b) Voting and other rights

If the Company holds Shares as Treasury Shares, the Company shall be entered in the register of members as the member holding the Shares. 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.

A subdivision of any Treasury Shares into Treasury Shares of a larger amount, or a consolidation of any Treasury Shares into Treasury Shares of a smaller amount, is allowed so long as the total value of the Treasury Shares after the subdivision or consolidation is the same as before.

(c) Disposal and cancellation

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

- (i) sell the Treasury Shares (or any of them) for cash;
- (ii) transfer the Treasury Shares (or any of them) for the purposes of or pursuant to an share scheme, whether for employees, Directors or other persons;
- (iii) transfer the Treasury Shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (iv) cancel the Treasury Shares (or any of them); or

LETTER TO SHAREHOLDERS

- (v) sell, transfer or otherwise use the Treasury Shares for such other purposes as may be prescribed by the Minister for Finance.

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

2.5. Source of Funds

The Company may only apply funds for Share Buybacks as provided in the Constitution and in accordance with the applicable laws in Singapore. Only funds legally available for purchasing Shares in accordance with the Companies Act shall be utilised.

Under the Companies Act, any purchase or acquisition of the Shares may be made only if the Company is solvent and out of the Company's capital as well as distributable profits which are available for payment as dividends. Pursuant to Section 76F(4) of the Companies Act, a company is solvent if at the date of payment the following conditions are satisfied:

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

The Company will use internal resources or external borrowings or a combination of both to fund purchases of Shares pursuant to the Share Buyback Mandate. However, in considering the option of external financing, the Directors will consider particularly the prevailing gearing level of the Group.

The Directors will only make purchases or acquisitions pursuant to the Share Buyback Mandate in circumstances which they believe will not result in any material adverse effect to the financial position/condition of the Company or the Group the working capital requirements and capital adequacy position of the Company or the Group, or the gearing levels, which in the opinion of the Directors, are from time to time appropriate for the Company and the Group, the liquidity and orderly trading of the Shares, or the listing status of the Company on the SGX-ST, but rather will be undertaken if in the reasonable opinion of the Directors, it can benefit the Group and Shareholders.

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2.6. Financial Effects of the Share Buyback Mandate

Shareholders should note that the financial effects illustrated set out herein are based on certain assumptions and purely for illustrative purposes only. In particular, it is important to note that the financial analyses set out below are based on the audited accounts of the Company and the Group for FY2021 and is not necessarily representative of the future financial performance of the Company or the Group.

Although the Share Buyback Mandate would authorise the Company to buy back up to 10% of the Company's issued Shares, the Company may not necessarily buy back or be able to buy back the entire 10% of the issued Shares subject to the free float requirement as set out in Section 2.8(c) of this Appendix. In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased in treasury.

It is not possible for the Company to realistically calculate or quantify the financial effects of Share Buybacks made pursuant to the Share Buyback Mandate as the resultant effect would depend on, amongst others, the number of Shares purchased or acquired, the price paid for such Shares and the manner in which the purchase or acquisition is funded.

Under the Companies Act, any purchase or acquisition of Shares may only be made out of the Company's capital or profits so long as the Company is solvent. Where the consideration paid by the Company for a Share Buyback is made out of profits, such consideration (excluding related brokerage, goods and services tax, stamp duties and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for a Share Buyback is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

Share Buybacks will only be undertaken after assessing the relative impact of a Share Buyback taking into consideration both financial factors (such as cash surplus, debt position, availability of financial resources and working capital requirements) and non-financial factors (such as share market conditions, funding arrangements, expansion and investment plans of the Group and the performance of the Shares). 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 financial position/condition of the Company or the Group, the working capital requirements and capital adequacy position of the Company or the Group, or the gearing levels, which in the opinion of the Directors, are from time to time appropriate for the Company and the Group, the liquidity and orderly trading of the Shares, or the listing status of the Company on the SGX-ST. The Share Buybacks will only be effected after considering relevant factors such as the working capital requirement, availability of financial resources, and the prevailing market conditions.

The financial effects on the Group and the Company arising from the Share Buybacks which may be made pursuant to the Share Buyback Mandate, based on the audited consolidated financial statements of the Group for FY2021, are based on the assumptions set out below:

Number of Shares purchased or acquired

Based on the audited consolidated financial statements of the Group for FY2021 and assuming the Company purchases or acquires up to the maximum 10% of the total number of its Shares pursuant to the Share Buyback Mandate, the financial effects on the Company arising from such Share Buybacks would result in a negative Share Capital (if such Shares purchased or acquired are being cancelled) and/or negative Total Equity for the Company as at 31 December 2021. As such, for illustrative purposes, the financial effects of the Share Buyback Mandate shown below are prepared on the basis that the Company purchases or acquires 5% of the total number of its Shares.

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As at the Latest Practicable Date, the issued and paid-up share capital of the Company is 220,257,000 Shares and the Company does not have any Treasury Shares and subsidiary holdings. Assuming that (i) no further Shares are issued; (ii) no further Shares are purchased or acquired and held by the Company as Treasury Shares; and (iii) no Shares are held as subsidiary holdings, on or prior to the Approval Date, the purchase or acquisition by the Company of 5% of the total number of its Shares will result in the purchase or acquisition of 11,012,850 Shares.

For the avoidance of doubt, Shareholders should note that the total number of Shares that may be purchased or acquired by the Company pursuant to the Share Buyback Mandate is limited to that number of Shares representing not more than 10% of the issued Shares, subject to the free float requirement as set out in Section 2.8(c) of this Appendix, as at the Approval Date and/or if such Share Buybacks would, or in circumstances that might, result in a material adverse effect on the financial position/condition of the Company or the Group, the working capital requirements and capital adequacy position of the Company or the Group, or the gearing levels, which in the opinion of the Directors, are from time to time appropriate for the Company and the Group.

Maximum price paid for Shares purchased or acquired

- (a) in the case of Market Purchases by the Company and assuming that the Company purchases or acquires 11,012,850 Shares at the Maximum Price of S\$0.884 (rounded down to nearest three decimal points) for each Share (being the price equivalent to but not more than 105% 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 Share Buybacks is approximately S\$9,736,000; and
- (b) in the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 11,012,850 Shares at the Maximum Price of S\$1.010 (rounded down to nearest three decimal points) for each Share (being the price equivalent to but not more than 120% 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 Share Buybacks is approximately S\$11,127,000.

On the basis of the assumptions set out above and the following:

- (a) purchases or acquisitions of Shares are made based on 5% of the Shares as aforesaid;
- (b) purchases or acquisitions of Shares took place on 1 January 2021 for the purpose of computing the financial effects on the EPS of the Company and the Group;
- (c) purchases or acquisitions of Shares took place on 31 December 2021 for the purpose of computing financial effects on the NTA per Share, gearing ratio and current ratio of the Company and the Group;
- (d) purchases or acquisitions of Shares are funded solely by internal sources of funds of the Group (cash and bank balances entirely from the subsidiaries of the Company); and
- (e) transaction costs incurred during the Share Buybacks are assumed to be insignificant and have thus been ignored for the purpose of computing the financial effects.

Based on the above assumptions, the financial effects of:

- (1) the acquisition of Shares representing 5% of the issued Shares by the Company in a Market Purchase or Off-Market Purchase pursuant to the Share Buyback Mandate by way of purchases made entirely out of capital, such Shares being thereafter cancelled ("**Scenario A**"); and

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- (2) the acquisition of Shares representing 5% of the issued Shares by the Company in a Market Purchase or Off-Market Purchase pursuant to the Share Buyback Mandate by way of purchases made entirely out of capital, such Shares being thereafter held by the Company as Treasury Shares (“**Scenario B**”),

on the audited consolidated financial results of the Group and the Company for FY2021, are set out below:

2.6.1. Scenario A

As at 31 December 2021	Group			Company		
	Before Share Buyback	After Market Purchase	After Off-Market Purchase	Before Share Buyback	After Market Purchase	After Off-Market Purchase
	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
Profit Attributable to Owners of the Company	1,533	1,533	1,533	481	481	481
Share Capital	12,092	2,356	965	12,092	2,356	965
Reserves	(1,377)	(1,377)	(1,377)	-	-	-
Treasury Shares	-	-	-	-	-	-
Retained Earnings	7,459	7,459	7,459	87	87	87
Total Equity	18,224	8,488	7,097	12,179	2,443	1,052
NTA ⁽¹⁾	18,174	8,438	7,047	12,179	2,443	1,052
Current Assets	30,101	20,365	18,974	8,727	8,727	8,727
Current Liabilities	13,048	13,048	13,048	2,456	12,192	13,583
Working Capital	17,053	7,317	5,926	6,271	(3,465)	(4,856)
Total Borrowings ⁽²⁾	5,226	5,226	5,226	-	-	-
Cash and bank balances	15,451	5,715	4,324	299	299	299
Number of Shares ('000)	220,257	209,244	209,244	220,257	209,244	209,244
Number of Treasury Shares ('000)	-	-	-	-	-	-
Number of Shares Excluding Treasury Shares ('000)	220,257	209,244	209,244	220,257	209,244	209,244
Weighted Average Number of Shares ('000)	220,257	209,244	209,244	220,257	209,244	209,244
Financial Ratios						
NTA per Share (cents) ⁽¹⁾	8.25	4.03	3.37	5.53	1.17	0.50
Gearing Ratio (times) ⁽³⁾	0.29	0.62	0.74	-	-	-
Current Ratio (times) ⁽⁴⁾	2.31	1.56	1.45	3.55	0.72	0.64
Basic EPS (cents) ⁽⁵⁾	0.70	0.73	0.73	0.22	0.23	0.23

Notes:

- (1) NTA equals total equity less intangible assets and non-controlling interests. NTA per Share equals NTA divided by the number of Shares (excluding Treasury Shares) as at 31 December 2021. The Company has no subsidiary holdings.
- (2) Total borrowings comprise of external bank borrowings and lease liabilities as at 31 December 2021.
- (3) Gearing ratio equals total borrowings divided by total equity.
- (4) Current ratio equals current assets divided by current liabilities.
- (5) Basic EPS equals profit attributable to owners of the Group and Company divided by the weighted average number of Shares (excluding Treasury Shares) for FY2021. The Company has no subsidiary holdings.

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2.6.2. Scenario B

As at 31 December 2021	Group			Company		
	Before Share Buyback	After Market Purchase	After Off-Market Purchase	Before Share Buyback	After Market Purchase	After Off-Market Purchase
	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
Profit Attributable to Owners of the Company	1,533	1,533	1,533	481	481	481
Share Capital	12,092	12,092	12,092	12,092	12,092	12,092
Reserves	(1,377)	(1,377)	(1,377)	-	-	-
Treasury Shares	-	(9,736)	(11,127)	-	(9,736)	(11,127)
Retained Earnings	7,459	7,459	7,459	87	87	87
Total Equity	18,224	8,488	7,097	12,179	2,443	1,052
NTA ⁽¹⁾	18,174	8,438	7,047	12,179	2,443	1,052
Current Assets	30,101	20,365	18,974	8,727	8,727	8,727
Current Liabilities	13,048	13,048	13,048	2,456	12,192	13,583
Working Capital	17,053	7,317	5,926	6,271	(3,465)	(4,856)
Total Borrowings ⁽²⁾	5,226	5,226	5,226	-	-	-
Cash and bank balances	15,451	5,715	4,324	299	299	299
Number of Shares ('000)	220,257	220,257	220,257	220,257	220,257	220,257
Number of Treasury Shares ('000)	-	11,013	11,013	-	11,013	11,013
Number of Shares Excluding Treasury Shares ('000)	220,257	209,244	209,244	220,257	209,244	209,244
Weighted Average Number of Shares ('000)	220,257	209,244	209,244	220,257	209,244	209,244
Financial Ratios						
NTA per Share (cents) ⁽¹⁾	8.25	4.03	3.37	5.53	1.17	0.50
Gearing Ratio (times) ⁽³⁾	0.29	0.62	0.74	-	-	-
Current Ratio (times) ⁽⁴⁾	2.31	1.56	1.45	3.55	0.72	0.64
Basic EPS (cents) ⁽⁵⁾	0.70	0.73	0.73	0.22	0.23	0.23

Notes:

- (1) NTA equals total equity less intangible assets and non-controlling interests. NTA per Share equals NTA divided by the number of Shares (excluding Treasury Shares) as at 31 December 2021. The Company has no subsidiary holdings.
- (2) Total borrowings comprise of external bank borrowings and lease liabilities as at 31 December 2021.
- (3) Gearing ratio equals total borrowings divided by total equity.
- (4) Current ratio equals current assets divided by current liabilities.
- (5) Basic EPS equals profit attributable to owners of the Group and Company divided by the weighted average number of Shares (excluding Treasury Shares) for FY2021. The Company has no subsidiary holdings.

The financial effects of the acquisitions of Shares by the Company pursuant to the Share Buyback Mandate by way of purchases made entirely out of profits are similar to that of purchases made entirely out of capital. Therefore, only the financial effects of the acquisitions of Shares by the Company pursuant to the Share Buyback Mandate by way of purchases made entirely out of capital are set out in this Appendix.

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2.7. Tax Implications

Shareholders who are in doubt as to their respective tax positions or any tax implications, or who may be subject to tax in a jurisdiction outside Singapore, should consult their own professional advisers.

2.8. Other Applicable Catalyst Rules and Legislation

(a) Reporting Requirements

The Catalyst Rules specifies that a listed company shall announce on the SGXNet all purchases or acquisitions of its shares no later than 9.00 a.m.:

- (i) in the case of a Market Purchase, on the Market Day following the day on which the Market Purchase was made; and
- (ii) in the case of an Off-Market Purchase in accordance with an equal access scheme, on the second Market Day after the close of acceptance of the offer for the Off-Market Purchase.

Such announcement shall be in the form of Appendix 8D (Daily Share Buyback Notice) prescribed by the Catalyst Rules. The Company shall make arrangements with its stockbrokers to ensure that they provide to the Company in a timely fashion the necessary information which will enable the Company to make the necessary announcements.

In addition to the above, within thirty (30) days of the passing of a Shareholders' ordinary resolution to approve any Share Buyback, the Company shall, pursuant to Section 76B(9)(a) of the Companies Act, lodge a copy of such resolution with ACRA.

The Company shall notify ACRA within thirty (30) days of a purchase or acquisition of Shares on the SGX-ST or otherwise. Such notification shall include, amongst others, details of the purchase, including the date of the purchase or acquisition, the total number of Shares purchased or otherwise acquired by the Company, the number of Shares cancelled, the number of Shares held as Treasury Shares, the Company's issued share capital before and after Share Buyback, the amount of consideration paid by the Company for the Share Buyback, whether the Shares were purchased or acquired out of profits or the capital of the Company and such other particulars as may be required by ACRA.

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

(b) Restrictions on Share Buybacks

While the Catalyst Rules do not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the 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.

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Further, in conformity with the best practices recommended in the Catalist Rules on securities dealings, the Company will not purchase or acquire any Shares through Market Purchases during the following periods:

- (i) if the Company announces its quarterly financial statements, whether required by the SGX-ST or otherwise, two (2) weeks immediately preceding the announcement of the Company's financial statements for each of the first three quarters of its financial year and one month before the announcement of the Company's full year financial statements; or
- (ii) if the Company does not announce its quarterly financial statements, one (1) month immediately preceding the announcement of the Company's half year and full year financial statements.

(c) **Free Float**

The Company will ensure that any Shares purchased or acquired by the Company under the Share Buyback Mandate will not result in a fall in the percentage of Shares held by the public (as defined in the Catalist Rules) to below 10% of the total number of issued Shares (excluding Treasury Shares, preference shares and convertible equity securities). For the purposes above, the Catalist Rules defines the public as persons other than the directors, chief executive officer, Substantial Shareholders or Controlling Shareholders of the issuer and its subsidiaries, as well as the associates of such persons.

The Company does not have any individual shareholding limit or foreign shareholding limit. As at the Latest Practicable Date, 40,647,000 Shares, representing approximately 18.45% of the total number of issued and paid up share capital of the Company, being 220,257,000 Shares are held by the public. For illustration purposes only, assuming that the Company purchases the Maximum Percentage of 10% of the issued Shares (excluding Treasury Shares and subsidiary holdings), being 22,025,700 Shares as at the Latest Practicable Date, and assuming that such Shares are held in public hands, the resultant number of Shares held by the public after the purchase of such Shares would be 18,621,300 Shares, representing approximately 9.39% of the remaining issued Shares of the Company (excluding Treasury Shares and subsidiary holdings), resulting in a fall in the percentage of Shares held by the public (as defined in the Catalist Rules) to below 10%.

Having regard to the Current Free Float of approximately 18.45%, the Company shall only undertake Share Buybacks up to the Maximum Percentage of 10% if and when the Company's level of free float subsequently increases to allow for the Company to maintain at least 10% of its listed securities in the hands of public Shareholders and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to affect orderly trading. The Directors will at all times ensure that when purchasing any Shares pursuant to the Share Buyback Mandate, the Company will not carry out any purchase or acquisition of Shares unless at least 10% of its listed securities can be maintained in the hands of public Shareholders and that the number of Shares remaining in the hands of the public will not fall to such a level as to affect the listing status of the Company, cause market illiquidity of the Shares or to affect orderly trading of the Shares. To ensure that the Maximum Percentage is complied with, the Company will ensure that, during the Relevant Period, in the event the Company undertakes Share Buybacks up to 8% of the issued Shares as at the Approval Date (and assuming no change in the Current Free Float of approximately 18.45%), any further Share Buybacks shall only be undertaken upon the prior approval and written confirmation of the Board that the Company has sufficient free float subsequent to such Share Buyback.

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2.9. Take-over Implications under the Take-over Code

Appendix 2 of the Take-over Code contains the Share Buyback Guidance Note. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

(a) **Obligation to make a take-over offer**

Rule 14 of the Take-over Code ("**Rule 14**") requires, amongst others, that except with the consent of SIC, where:

- (i) any person acquires, whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30% or more of the voting rights of a company; or
- (ii) any person who, together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights and such person, or any person acting in concert with him, acquires in any period of six (6) months additional shares carrying more than 1% of the voting rights,

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

(b) **Persons acting in concert**

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

Unless the contrary is established, the following persons will, amongst others, be presumed to be acting in concert under the Take-over Code:

- (i) a company with its parent company, its subsidiaries, its fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing for the purchase of voting rights;
- (ii) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trusts;
- (iii) a company with any of its pension funds and employee share schemes;
- (iv) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (v) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser;

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

For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status.

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

(c) Effect of Rule 14 and Appendix 2 of the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, the Directors and their concert parties will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code if, as a result of any purchase or acquisition by the Company of its Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or in the event that such Directors and their concert parties hold between 30% and 50% of the Company's voting rights, if the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six (6) months. In calculating the percentages of voting rights of such Directors and their concert parties, Treasury Shares shall be excluded.

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

However, Shareholders will be subject to the provisions of Rule 14 of the Take-over Code if they acquire Shares after the Company's Share Buybacks. For the purpose of the Take-over Code, an increase in the percentage of voting rights as a result of the Share Buyback will be taken into account in determining whether a Shareholder and persons acting in concert with him have increased their voting rights by more than 1% in any period of six (6) months.

Shareholders (including Directors) and their concert parties who hold more than 50% of the Company's voting rights are under no obligation to make a take-over offer if the voting rights of such Shareholders and their concert parties were to increase as a result of the Company purchasing or acquiring Shares.

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

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If the Company decides to cease the Share Buybacks before it has purchased in full such number of Shares authorised by its Shareholders at the 2022 AGM, the Company will promptly inform its Shareholders of such cessation. This will assist Shareholders to determine if they can buy any more Shares without incurring an obligation under Rule 14 of the Take-over Code.

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 Share Buybacks by the Company are advised to consult their professional advisers and/or the SIC and/or other relevant authorities at the earliest opportunity.

(d) **Application of the Take-over Code**

Mr Tay Kiat Seng (Executive Director and CEO of the Company) and his spouse, Ms Soelistyo Dewi Soegiharto (Managing Director of the Company) being Controlling Shareholders of the Company, are deemed parties acting in concert with each other, and hold in aggregate 179,610,000 Shares, representing 81.55% of the of the Company's voting rights. As set out above, under the Take-over Code, Shareholders (including Directors) and their concert parties who hold more than 50% of the Company's voting rights are under no obligation to make a take-over offer if the voting rights of such Shareholders and their concert parties were to increase as a result of the Company purchasing or acquiring Shares. Accordingly, based on the shareholdings of the foregoing parties acting in concert as at the Latest Practicable Date, Rule 14 of the Take-over Code will not be triggered and no take-over offer is required to be made pursuant to any acquisition or purchases of Shares under the Share Buyback Mandate.

Save as disclosed above and to the best of their knowledge, the Directors are not aware of any fact(s) or factor(s) 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 Rule 14 of the Take-over Code would ensue as a result of a purchase of Shares by the Company pursuant to the Share Buyback Mandate.

Based on the Register of Members and the Register of Substantial Shareholders of the Company as at the Latest Practicable Date, the Directors are not aware of any Director or Substantial Shareholder (together with persons acting in concert with them) who may become obliged to make a mandatory offer under Rule 14 of the Take-over Code in the event that the Company purchases the maximum number of 22,025,700 Shares (based on the Maximum Percentage) under the Share Buyback Mandate.

Shareholders should note that the statements in this Appendix do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Take-over Code. Shareholders who are in any doubt as to whether they would incur any obligations to make a take-over offer as a result of any purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate are advised to consult their professional advisers and/or the SIC at the earliest opportunity before they purchase or acquire any Shares in the Company during the period when the Share Buyback Mandate is in force.

2.10. Details of Shares Bought by the Company in the Previous Twelve (12) Months

The Company has not made any Share Buybacks during the twelve (12) months immediately preceding the Latest Practicable Date.

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3. THE PROPOSED SHARE SPLIT

3.1. Terms of the Proposed Share Split

The Company has proposed to split every one (1) existing Share in the capital of the Company held by Shareholders into three (3) Shares. As at the Latest Practicable Date, the Company has an issued and paid-up share capital of S\$12,634,009 (as per the business profile of the Company filed with ACRA) comprising 220,257,000 issued Shares. Following the completion of the Proposed Share Split and assuming that no further new Shares are issued by the Company on or prior to the Record Date, 440,514,000 Additional Shares will be allotted and issued, and the Company shall have an issued and paid-up share capital of S\$12,634,009 (as per the business profile of the Company filed with ACRA) comprising 660,771,000 issued Shares.

Shareholders are not required to make any payment to the Company in respect of the Proposed Share Split. All Shares after the Proposed Share Split shall rank *pari passu* with one another, except that the Additional Shares will not be entitled to any dividends, rights, allotments or other distributions, the record date of which falls before the date of issue of the Additional Shares. For this purpose, “**record date**” means the date fixed by the Company in relation to any dividends, rights, allotments or other distributions on which Shareholders must be registered with the Company or the CDP in order to participate in such dividends, rights, allotments or other distributions.

The Additional Shares will be issued to Shareholders whose names appear in the Register of Members of the Company or who have Shares entered against their names in the CDP on the Record Date to be determined in due course in accordance with Rule 837 of the Catalist Rules, on the basis of the number of Shares registered in their names or standing to the credit of their securities accounts on the Record Date. The Company will make a further announcement regarding the Record Date after obtaining all the necessary approvals for the Proposed Share Split.

3.2. Rationale for the Proposed Share Split

The Board believes that the Proposed Share Split will be beneficial to the Company and its Shareholders for the following reasons:

- (a) the reduced price of each Share after the Proposed Share Split will make each Share more affordable to investors, thus encouraging greater participation by investors and providing greater flexibility in terms of the size of the trades to investors with different investment profiles. Furthermore, the reduced price of each board lot of Shares may make the Shares more accessible and attractive to both existing and potential investors and hence enhance the trading liquidity of the Shares over time; and
- (b) the number of Shareholders after the Proposed Share Split may increase with the increase in the number of Shares available for trading purposes. As such, the Proposed Share Split may broaden the Shareholder base of the Company given that an investment in the Shares would be made more accessible to investors with varying investment profiles.

Shareholders should, however, note that there can be no assurance that the intended effect of the Proposed Share Split as abovementioned can or will be achieved, nor is there any assurance that such effect can be sustained in the longer term. Shareholders should also note that there can be no assurance that the market price of the Shares after the completion of the Proposed Share Split would be equal to or higher than the theoretical price per Share following the completion of the Proposed Share Split. Please refer to Section 3.5 of this Appendix for further details on the theoretical price.

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3.3. Conditions for the Proposed Share Split

The Proposed Share Split is subject to approval from Shareholders by way of an ordinary resolution at the 2022 AGM pursuant to Rule 836A of the Catalist Rules.

The Proposed Share Split is also subject to the approval-in-principle by the SGX-ST for the listing of, and the quotation for, the Additional Shares arising from the Proposed Share Split. The SGX-ST had, by way of a listing and quotation notice issued on 30 March 2022 (“**LQN**”), granted its in-principle approval for the listing of, and the quotation for the Additional Shares on the Catalist board of the SGX-ST, subject to the following conditions:

- (a) the Company’s compliance with the SGX-ST’s listing requirements; and
- (b) Shareholders’ approval being obtained for the Proposed Share Split at the 2022 AGM.

The LQN is not to be taken as an indication of the merits of the Proposed Share Split and the Additional Shares, the Company, its subsidiaries and their securities.

The terms of the Proposed Share Split do not contravene any laws and regulations governing the Company and the Constitution.

3.4. Post Proposed Split Share Capital

None of the existing Shares are subject to a moratorium. As at the Latest Practicable Date, the Company does not have any outstanding or existing warrants or other convertibles.

Following the completion of the Proposed Share Split and assuming that no further new Shares are issued by the Company on or prior to the Record Date, the Company will have an issued and paid-up share capital of approximately S\$12,634,009 (as per the business profile of the Company filed with ACRA) comprising 660,771,000 issued Shares.

3.5. Theoretical Price of the Shares and compliance with Rule 838 of the Catalist Rules

Based on the lowest daily weighted average price per Share of S\$0.7211 for trades done from 1 March 2022 to 31 March 2022, being the period commencing one (1) month prior to the Latest Practicable Date, the theoretical Share price after the completion of the Proposed Share Split will be S\$0.2403 (rounded down to nearest four (4) decimal points).

Shareholders should note that while there can be no assurance that the price of the Shares after the completion of the Proposed Share Split would be equal to or higher than the theoretical Share price of S\$0.2403, the Company has no reason to believe that the theoretical price of the Shares after the Proposed Share Split is likely to fall below S\$0.20.

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3.6. Financial Effects of the Proposed Share Split

3.6.1. Share Capital

For illustration purposes only, the financial effects of the Proposed Share Split on the Company's issued and paid-up share capital as at the Latest Practicable Date, are set out below:

	Before the Proposed Share Split	After the Proposed Share Split
Issued and paid-up share capital (S\$)	12,634,009	12,634,009
Number of Shares	220,257,000	660,771,000

3.6.2. NTA per Share

For illustration purposes only, the financial effects of the Proposed Share Split on the Group's NTA per Share, based on the latest audited consolidated financial statements of the Group for FY2021 and assuming that the Proposed Share Split had been completed on 31 December 2021, are set out below:

As at 31 December 2021	Before the Proposed Share Split	After the Proposed Share Split
NTA (S\$)	18,174,000	18,174,000
Number of Shares	220,257,000	660,771,000
NTA per Share (cents)	8.25	2.75

3.6.3. EPS

For illustration purposes only, the financial effects of the Proposed Share Split on the EPS of the Group, based on the latest audited consolidated financial statements of the Group for FY2021, and assuming that the Proposed Share Split had been completed on 1 January 2021, are set out below:

For FY2021	Before the Proposed Share Split	After the Proposed Share Split
Net profit attributable to Shareholders (S\$)	1,533,000	1,533,000
Weighted average number of Shares	220,257,000	660,771,000
EPS (cents)	0.70	0.23

3.6.4. Gearing

The Proposed Share Split will not have any effect on the gearing of the Group.

3.7. Dividends

The Board refers to the Company's full year financial statements and dividend announcement for FY2021 made on 22 February 2022, wherein the Board had recommended a first and final ordinary one-tier tax exempt cash dividend of S\$0.00209 per Share for FY2021 (the "**First and Final Dividend**") amounting to a total amount of approximately S\$460,000, subject to Shareholders' approval at the 2022 AGM.

For avoidance of doubt and clarity, it is the intention of the Board to fix the Record Date for the Proposed Share Split at a date subsequent to the record date of the First and Final Dividend, and as such, the Additional Shares will not be entitled to the First and Final Dividend.

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The Directors are of the opinion that:

- (a) the Share Split will not have any effect on the ability of the Company to make dividend payments in the future; and
- (b) barring any unforeseen circumstances which may affect the financial performance of the Group and subject to market conditions, the performance and the funding requirements of the Group, the Company expects to maintain the abovementioned quantum of total dividends payable in respect of FY2021.

4. PROCEDURES FOR THE PROPOSED SHARE SPLIT

Persons registered in the Register of Members of the Company and Depositors whose Securities Accounts are credited with Shares as at the Record Date will be included for the purpose of the Proposed Share Split on the basis of the number of such Shares registered in their names or standing to the credit of their Securities Accounts as at the Record Date.

The Record Date for the purpose of determining the Shareholders' entitlements under the Proposed Share Split will be announced by the Company in due course.

4.1. Deposit of share certificates with CDP

Shareholders who hold physical share certificates for the Shares in their own names ("**Existing Share Certificates**") and who wish to deposit the same with CDP for the purposes of the Proposed Share Split, must deposit their Existing Shares Certificates, together with the duly executed instruments of transfer in favour of CDP, not later than twelve (12) Market Days prior to the Record Date.

After the Record Date, Shareholders who wish to deposit their physical share certificates must first deliver their Existing Share Certificates to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632, for cancellation and issue of the new share certificates which reflects the number of Shares after the Proposed Share Split ("**New Share Certificates**") in replacement of their Existing Share Certificates. CDP will only accept for deposit of New Share Certificates after the Record Date.

The New Share Certificates will then be sent by ordinary mail to the registered addresses of the Shareholders at their own risk within ten (10) Market Days from the date of receipt of the Existing Share Certificates. Upon receipt of the New Share Certificates, Shareholders may then proceed to deposit these New Share Certificates with CDP.

4.2. Shareholders' Entitlement and New Share Certificates

Depositors whose Securities Accounts are credited with Shares as at the Record Date will be attributed the number of Shares pursuant to the Proposed Share Split based on the number of Shares standing to the credit of their Securities Accounts as at the Record Date.

Shareholders who have not deposited their Existing Share Certificates as aforesaid or who do not wish to deposit their Existing Share Certificates with CDP are advised to forward all their Existing Share Certificates to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632, as soon as possible after the AGM for cancellation and exchange for the New Share Certificates.

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New Share Certificates to be issued pursuant to the Proposed Share Split will be sent within ten (10) Market Days of the Record Date to:

- (a) Shareholders who are Depositors, by sending the same to CDP; and
- (b) Shareholders who are not Depositors, by ordinary post at their respective address shown in the Register of Members of the Company or in the case of joint holders, to the first name holder at this registered address, at the sole risk of the holders.

No receipt will be issued by the Share Registrar for the physical share certificates tendered.

Shareholders who hold physical share certificates are reminded that their Existing Share Certificates are no longer good for settlement of trading in the Shares on the Catalist (as the Company is under a book-entry (scripless) settlement system) but will continue to be accepted for cancellation and issue of New Share Certificates in replacement thereof for an indefinite period by the Share Registrar. The Existing Share Certificates and the New Share Certificates will not be valid for delivery pursuant to trades done on the Catalist although they will continue to be *prima facie* evidence of legal title.

Shareholders who have lost any of their Existing Share Certificates or whose addresses have been changed from those reflected in the Company's Register of Members should notify the Share Registrar immediately.

Shareholders being Depositors whose addresses have been changed from those reflected with CDP should notify CDP immediately.

4.3. Trading of Shares Arising from the Proposed Share Split

Trading of the Shares (on a sub-divided basis) will commence prior to the Record Date on account of the fact that trades on the SGX-ST are settled on a "**T+2**" settlement cycle, that is, a purchase or sale of Shares on a particular day (T) will be settled two (2) Market Days later (T+2). Accordingly, for trading purposes:

- (a) trading in the Shares (prior to the sub-division pursuant to the Proposed Share Split) will cease at 5.00 p.m. on the day falling two (2) Market Days before the Record Date ("**Cessation Date**"); and
- (b) trading in the Shares (on a sub-divided basis following completion of the Proposed Share Split) will commence from 9.00 a.m. on the day falling one (1) Market Day before the Record Date (the "**Effective Trading Date**").

The Cessation Date and the Effective Trading Date will be announced in due course.

For the purpose of trading on the SGX-ST following the Proposed Share Split, each board lot of Shares will comprise 100 Shares. Shareholders who hold odd lots of Shares (that is, lots other than board lots of 100 Shares) and who wish to trade in odd lots on the SGX-ST are able to trade odd lots of Shares in board lots of one Share on the unit share market of the SGX-ST. The Company notes that the Proposed Share Split will not result in odd lots.

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5. THE PROPOSED PARTICIPATION OF MS RACHEL KWOK XIU JIAN, AN ASSOCIATE OF A CONTROLLING SHAREHOLDER, IN THE MEMIONTEC PERFORMANCE SHARE PLAN

5.1. Introduction

The Memiontec Performance Share Plan was adopted by the Company pursuant to the approval of its Shareholders on 30 December 2019. The Plan provides eligible participants (“**Participants**”) with an opportunity to participate in the equity of the Company and to motivate them towards better performance through increased dedication and loyalty. The Plan forms an integral and important component of the Company’s compensation plan and is designed primarily to reward and retain employees whose services are vital to the growth and performance of the Company and/or the Group.

Under the Catalyst Rules and the rules of the Plan, Controlling Shareholders and their associates are eligible to participate in the Plan at the absolute discretion of the Remuneration Committee if their participation and the terms of each grant of Award and the actual number of Shares to be granted to them have been approved by the Independent Shareholders at a general meeting in separate resolutions for each such person PROVIDED ALWAYS that it shall not be necessary to obtain the approval of the Independent Shareholders for the participation in the Plan of a Controlling Shareholder or an associate thereof who is, at the relevant time, already a Participant.

Pursuant to Rule 852 of the Catalyst Rules, Independent Shareholders’ approval is being sought for the participation of Ms Rachel Kwok Xiu Jian, an associate of a Controlling Shareholder, in the Plan, by way of Ordinary Resolution 11, as set out in the Notice of 2022 AGM.

5.2. Rationale for Participation by an Associate of a Controlling Shareholder

The Company acknowledges that the services and contributions of employees, who are associates of Controlling Shareholders, are important to the development and success of the Group. The extension of the Plan to confirmed employees who are associates of Controlling Shareholders allows the Group to have a fair and equitable system to reward employees who have actively contributed to the progress and success of the Group. The participation of associates of Controlling Shareholders in the Plan will serve both as a reward to them for their dedicated services to the Group and as a motivation for them to take a long-term view of the Group.

The extension of the Plan to include associates of Controlling Shareholders ensures that they are equally entitled as the other employees of the Group to take part and benefit from this system of remuneration. The Board is of the view that a person who would otherwise be eligible should not be excluded from participating in the Plan solely by reason that he or she is an associate of a Controlling Shareholder.

The Board is of the view that there are sufficient safeguards against any abuse of the Plan resulting from the participation of employees who are associates of Controlling Shareholders.

5.3. Rationale and Justification for Participation by Ms Rachel Kwok Xiu Jian

Ms Rachel Kwok Xiu Jian is the Information Technology (“IT”) Manager of Memiontec Pte Ltd (wholly-owned subsidiary of the Company), who is also the sister of Ms Soelistyo Dewi Soegiharto (Managing Director and Controlling Shareholder of the Company), and the sister-in-law of Mr Tay Kiat Seng (Executive Director and Chief Executive Officer, and Controlling Shareholder of the Company). As such, Ms Rachel Kwok Xiu Jian is an associate of Ms Soelistyo Dewi Soegiharto.

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As the IT Manager, Ms Rachel Kwok Xiu Jian plays a supporting role in the management of IT operations. Ms Rachel Kwok Xiu Jian is responsible for the IT related matters of the Group's Singapore operations, including the Group's website. The extension of the Plan to Ms Rachel Kwok Xiu Jian is consistent with the Company's objective to motivate its employees to achieve and maintain a high level of performance and contribution in their area of work, which is vital to the success of the Company.

Due to the above reasons, the Directors believe that although Ms Rachel Kwok Xiu Jian is an associate of a Controlling Shareholder, she deserves and should be allowed to participate in the Plan – her participation will ensure that she is equally entitled, with the other employees who are not Controlling Shareholders or associates thereof, to take part in and benefit from this system of remuneration, thereby enhancing her long-term commitment to the Company.

For avoidance of doubt:

- (a) Ms Soelistyo Dewi Soegiharto and her spouse, Mr Tay Kiat Seng, had abstained from the decision-making process of the Board in relation to the above; and
- (b) subject to the approval of the Independent Shareholders of her participation in the Plan, as and when the Remuneration Committee decides to grant an Award to Ms Rachel Kwok Xiu Jian, pursuant to the Catalyst Rules and the rules of the Plan, further approval by the Independent Shareholders at a general meeting will be sought PROVIDED ALWAYS that it shall not be necessary to obtain the approval of the Independent Shareholders for her participation in the Plan again.

6. THE PROPOSED GRANT OF AWARDS TO MR TAY KIAT SENG AND MS SOELISTYO DEWI SOEGIHARTO, EACH A CONTROLLING SHAREHOLDER, AND MS RACHEL KWOK XIU JIAN, AN ASSOCIATE OF A CONTROLLING SHAREHOLDER, UNDER THE MEMIONTEC PERFORMANCE SHARE PLAN

6.1. Rationale and Justification for the Proposed Grant of Awards to Mr Tay Kiat Seng and Ms Soelistyo Dewi Soegiharto, each a Controlling Shareholder, and Ms Rachel Kwok Xiu Jian, an Associate of a Controlling Shareholder, under the Memiontec Performance Share Plan

The Directors (save for Mr Tay Kiat Seng and Ms Soelistyo Dewi Soegiharto) are of the view that the proposed grant of Awards to Mr Tay Kiat Seng and Ms Soelistyo Dewi Soegiharto, each a Controlling Shareholder, and Ms Rachel Kwok Xiu Jian, an associate of a Controlling Shareholder, under the Memiontec Performance Share Plan is fair given their respective contributions to the Group, and is consistent with the objective of the Memiontec Performance Share Plan to motivate Participants to perform at an optimal level of efficiency and to maintain a high level of contribution to the Group. The Directors (save for Mr Tay Kiat Seng and Ms Soelistyo Dewi Soegiharto) also recognise that it is crucial to retain key employees whose contributions are important to the long-term growth and prosperity of the Group.

The Directors (save for Mr Tay Kiat Seng and Ms Soelistyo Dewi Soegiharto) are of the view that granting of Awards to Mr Tay Kiat Seng, Ms Soelistyo Dewi Soegiharto and Ms Rachel Kwok Xiu Jian will motivate them to continue to achieve superior performance, and create greater Shareholders' value in order to realise the benefits of the Awards in due course. This will enhance Mr Tay Kiat Seng, Ms Soelistyo Dewi Soegiharto and Ms Rachel Kwok Xiu Jian's long-term commitment to the Group, and promote the long-term growth and development of the Group, as well as to provide them with an increased sense of ownership in, and encourage greater dedication to, the Group, which would align Mr Tay Kiat Seng, Ms Soelistyo Dewi Soegiharto and Ms Rachel Kwok Xiu Jian's interests with the interests of Shareholders.

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In arriving at the value of the Awards to Mr Tay Kiat Seng, Ms Soelistyo Dewi Soegiharto and Ms Rachel Kwok Xiu Jian and the number of Shares proposed to be granted, the Remuneration Committee took into consideration, *inter alia*, Mr Tay Kiat Seng, Ms Soelistyo Dewi Soegiharto and Ms Rachel Kwok Xiu Jian's scope of responsibilities, their respective performance and contributions to the Group, the Group's financial performance and comparable industry benchmarks for executive remuneration.

The Remuneration Committee believes that the proposed grant of Awards to Mr Tay Kiat Seng, Ms Soelistyo Dewi Soegiharto and Ms Rachel Kwok Xiu Jian under the Memiontec Performance Share Plan is fair and not excessive, and is in line with share awards granted by other issuers to individuals with comparable seniority.

6.2. Proposed grant of Awards to Mr Tay Kiat Seng and Ms Soelistyo Dewi Soegiharto, each a Controlling Shareholder, and Ms Rachel Kwok Xiu Jian, an associate of a Controlling Shareholder, under the Memiontec Performance Share Plan

The terms of the proposed grant of Awards to Mr Tay Kiat Seng, Ms Soelistyo Dewi Soegiharto and Ms Rachel Kwok Xiu Jian under the Memiontec Performance Share Plan are as follows:

	Mr Tay Kiat Seng	Ms Soelistyo Dewi Soegiharto	Ms Rachel Kwok Xiu Jian
Date of grant of the Awards	6 May 2022		
Number of Shares which are the subject of the Awards¹	Up to 300,000 Shares	Up to 180,000 Shares	Up to 16,250 Shares
Vesting period of the Awards	One (1) year from the date of grant of the Awards		
Vesting condition of the Awards	Subject to the Group achieving certain predetermined financial and performance targets for the financial year ending 31 December 2022, as determined by the Remuneration Committee administering the Memiontec Performance Share Plan		

The aggregate number of Shares to be awarded to each of Mr Tay Kiat Seng, Ms Soelistyo Dewi Soegiharto and Ms Rachel Kwok Xiu Jian will be based on the Group achieving certain predetermined financial and performance targets for the financial year ending 31 December 2022, as determined by the Remuneration Committee administering the Memiontec Performance Share Plan.

The Shares which are the subject of the Awards will be released to each of Mr Tay Kiat Seng, Ms Soelistyo Dewi Soegiharto and Ms Rachel Kwok Xiu Jian after the vesting period if the Group achieves certain predetermined financial and performance targets for the financial year ending 31 December 2022, as determined by the Remuneration Committee administering the Memiontec Performance Share Plan.

The proposed grant of Awards to each of Mr Tay Kiat Seng, Ms Soelistyo Dewi Soegiharto and Ms Rachel Kwok Xiu Jian under the Memiontec Performance Share Plan shall be subject to Independent Shareholders' approval by separate resolutions pursuant to Rule 852 of the Catalist Rules at the 2022 AGM.

¹ The number of Shares which are the subject of the Awards are determined by the Remuneration Committee administering the Memiontec Performance Share Plan based on the existing issued ordinary share capital of the Company as at the Latest Practicable Date. In the event the Proposed Share Split is approved by Shareholders at the 2022 AGM, the number of Shares which are the subject of the Awards to the extent not yet vested shall be adjusted in accordance with Rule 9 of the Memiontec Performance Share Plan. Please refer to Section 6.3.4 of this Appendix below for more information on the adjustment events. The Company will make further announcement(s) regarding such adjustments (if any) as and when appropriate.

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6.3. Catalyst Rules and the rules of the Memiontec Performance Share Plan

6.3.1 Limitation on the size of the Memiontec Performance Share Plan

Under the rules of the Memiontec Performance Share Plan:

- (a) the aggregate number of Shares which may be issued and/or transferred pursuant to Awards granted under the Plan on any date, when aggregated with the total number of new Shares allotted and issued and/or Shares issuable and/or transferred or transferable in respect of all Awards granted under the Plan and the aggregate number of Shares issued or issuable and/or transferred or transferable in respect of all options or awards granted under any other share option schemes or share schemes of the Company ("**Scheme Shares**"), shall not exceed 15.0% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) on the day immediately preceding such grant of Awards;
- (b) the aggregate number of Shares which may be issued and/or transferred pursuant to all Awards granted under the Plan to Participants who are Controlling Shareholders and their associates (including adjustments made in accordance with Rule 9 of the Plan) shall not exceed 25.0% of the total number of Shares available under the Plan; and
- (c) the aggregate number of Shares which may be issued and/or transferred pursuant to all Awards granted under the Plan to each Participant who is a Controlling Shareholder or his/her associate (including adjustments made in accordance with Rule 9 of the Plan) shall not exceed 10.0% of the total number of Shares available under the Plan.

As at the Latest Practicable Date:

- (i) there are 33,038,550 Scheme Shares in total;
- (ii) the Company has not granted any Awards under the Plan or issued any Shares pursuant to the vesting of an Award granted under the Plan;
- (iii) the aggregate number of Shares which may be issued and/or transferred pursuant to all Awards granted under the Plan to Participants who are Controlling Shareholders and their associates, is 8,259,637 Shares, representing 25% of the Scheme Shares;
- (iv) the aggregate number of Shares to be issued and/or transferred pursuant to the vesting of the Awards to Mr Tay Kiat Seng, Ms Soelistyo Dewi Soegiharto and Ms Rachel Kwok Xiu Jian is up to 496,250 Shares, representing approximately 1.50% of the Scheme Shares;
- (v) the aggregate number of Shares to be issued and/or transferred pursuant to the vesting of the Awards to Mr Tay Kiat Seng is up to 300,000 Shares, representing approximately 0.91% of the Scheme Shares;
- (vi) the aggregate number of Shares to be issued and/or transferred pursuant to the vesting of the Awards to Ms Soelistyo Dewi Soegiharto is up to 180,000 Shares, representing approximately 0.54% of the Scheme Shares; and
- (vii) the aggregate number of Shares to be issued and/or transferred pursuant to the vesting of the Awards to Ms Rachel Kwok Xiu Jian is up to 16,250 Shares, representing approximately 0.05% of the Scheme Shares.

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6.3.2 Announcement relating to the Awards to Mr Tay Kiat Seng, Ms Soelistyo Dewi Soegiharto and Ms Rachel Kwok Xiu Jian

Pursuant to the Catalyst Rules, the Company will make an announcement in relation to each Award to Mr Tay Kiat Seng, Ms Soelistyo Dewi Soegiharto and Ms Rachel Kwok Xiu Jian, if approved by Independent Shareholders, on the date of grant of the Award and provide details, including (i) the date of grant; (ii) the number of Shares comprised in the Award granted; (iii) the market price of its Shares on the date of grant; and (iv) the number of Shares granted to each Director and Controlling Shareholder (and each of their associates).

6.3.3 Right of Shares

The new Shares allotted and issued pursuant to the grant of Awards under the Plan shall be subject to all provisions of the Constitution and shall rank *pari passu* in all respects with the then existing issued Shares in the capital of the Company except for any dividends, rights, allotments or other distributions, the record date of which is prior to the vesting date of such Award.

6.3.4 Adjustment Events

If a variation in the issued ordinary share capital of the Company (whether by way of a capitalisation of profits or reserves or rights issue, capital reduction, subdivision of Shares, consolidation of Shares, distribution, or otherwise howsoever) shall take place, then:

- (a) the class and/or number of Shares which is/are the subject of an Award to the extent not yet vested; and/or
- (b) the class and/or number of Shares in respect of which future Awards may be granted under the Plan,

shall be adjusted in such manner as the Remuneration Committee may determine to be appropriate, provided that no adjustment shall be made if as a result, the Participant receives a benefit that a Shareholder does not receive.

Any adjustment (except in relation to a capitalisation issue) must be confirmed in writing by the auditors of the Company (acting only as experts and not as arbitrators) to be in their opinion, fair and reasonable.

6.4. **Potential Cost of Awards**

SFRS(I) 2 offers guidance on the accounting treatments for share-based payments. The Memiontec Share Performance Plan is considered a share-based payment that falls under the scope of SFRS(I) 2. The Awards, if settled by way of issuance of new Shares or the purchase of Treasury Shares, would be accounted for as equity-settled share-based transactions, as described in the following paragraphs.

The fair value of employee services received in exchange for the grant of the Awards would be recognised as a charge to the Group's consolidated statement of comprehensive income over the period between the date of grant and the date of vesting of an Award. The total amount of the charge over the vesting period is determined by reference to the fair value of each Award granted at the date of grant and the number of Shares vested at the date of vesting, with a corresponding credit to reserve account. Market conditions, such as a target share price upon which vesting (or exercisability) is conditioned, shall be taken into account when estimating the fair value of the equity instruments granted.

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At each reporting date, the number of Awards that are expected to be vested are estimated. The impact on the revision of original estimates is recognised as an expense in the statement of comprehensive income and as a corresponding adjustment to the reserve account over the remaining performance period, unless the revision to original estimates is due to market conditions. No adjustment is made if the revision or actual outcome differs from the original estimate due to market conditions. No expense is recognised for Awards that do not ultimately vest, except for Awards where vesting is conditional upon a market condition, which are treated as vested irrespective of whether or not the market condition is satisfied, provided that all other performance and/or service conditions are satisfied.

After the date of vesting, no adjustment to the charge to the statement of comprehensive income is made. In the event that the Participants have the right to receive the aggregate market price of the Shares in cash in lieu of the allotment or transfer of Shares, the Company shall measure the fair value of the liability as a cash-settled share-based payment transaction. Until the liability is settled, the Company shall re-measure the fair value of the liability at the end of each reporting period and at the date of settlement, with any changes in fair value recognised in the statement of comprehensive income.

7. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Based on the Register of Directors and Register of Substantial Shareholders, as at the Latest Practicable Date, the shareholdings of the Directors and Substantial Shareholders in the Shares are as follows:

	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
<u>Directors</u>						
Tay Kiat Seng ⁽²⁾⁽³⁾⁽⁴⁾	118,345,033	53.73	26,456,554	12.01	144,801,587	65.74
Soelistyo Dewi Soegiharto ⁽²⁾	34,808,413	15.80	-	-	34,808,413	15.80
Low Kian Beng	-	-	-	-	-	-
Jackson Chevalier Yap Kit Siong	-	-	-	-	-	-
Hor Siew Fu	-	-	-	-	-	-
Loh Eu Tse Derek	-	-	-	-	-	-
<u>Substantial Shareholder (other than Directors)</u>						
Unity Strength ⁽³⁾	26,456,554	12.01	-	-	26,456,554	12.01

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Notes:

- (1) Based on the total issued and paid-up share capital of the Company of 220,257,000 Shares as at the Latest Practicable Date. The Company does not have Treasury Shares or subsidiary holdings as at the Latest Practicable Date.
- (2) Mr Tay Kiat Seng and Ms Soelistyo Dewi Soegiharto are spouses.
- (3) Mr Tay Kiat Seng has deemed interests in the Shares held by Unity Strength by virtue of his controlling interest in Unity Strength pursuant to Section 7 of the Companies Act.
- (4) Mr Tay Kiat Seng holds 118,345,033 Shares through a nominee account with HSBC (Singapore) Nominees Pte Ltd.

Save as disclosed in this Appendix, none of the Directors, and to the best of the Directors' knowledge, none of the Substantial Shareholders or their respective associates, has any interest, whether direct or indirect, in the Proposed Transactions (other than through their respective shareholdings and/or directorships in the Company, if any).

8. ABSTENTION FROM VOTING

Mr Tay Kiat Seng, Ms Soelistyo Dewi Soegiharto and Ms Rachel Kwok Xiu Jian, and their respective associates, shall abstain from voting in respect of their holdings of Shares at the 2022 AGM in respect of the Ordinary Resolutions 11, 12, 13 and 14 as set out in the Notice of 2022 AGM (in respect of the proposed participation of Ms Rachel Kwok Xiu Jian in the Plan and the proposed grant of Awards to Mr Tay Kiat Seng, Ms Soelistyo Dewi Soegiharto and Ms Rachel Kwok Xiu Jian under the Plan, respectively) and shall not accept appointments as proxies for voting at the AGM in respect of the aforesaid Ordinary Resolutions, unless specific instructions have been given in the proxy instrument on how the Shareholders wish their votes to be casted for the aforesaid Ordinary Resolutions.

Unity Strength, being an associate of Mr Tay Kiat Seng and Ms Soelistyo Dewi Soegiharto, shall also abstain from voting in respect of its holdings of Shares at the 2022 AGM in respect of the Ordinary Resolutions 11, 12, 13 and 14 as set out in the Notice of 2022 AGM (in respect of the proposed participation of Ms Rachel Kwok Xiu Jian in the Plan and the proposed grant of Awards to Mr Tay Kiat Seng, Ms Soelistyo Dewi Soegiharto and Ms Rachel Kwok Xiu Jian under the Plan, respectively) and shall not accept appointment as proxy for voting at the AGM in respect of the aforesaid Ordinary Resolutions, unless specific instructions have been given in the proxy instrument on how the Shareholders wish their votes to be casted for the aforesaid Ordinary Resolutions.

The Company will disregard any votes cast by the aforementioned persons who are required to abstain from voting, and by any persons who are required to abstain by a Catalist Rule or pursuant to a court order where such court order is served on the issuer.

9. DIRECTORS' RECOMMENDATIONS

9.1 Proposed renewal of Share Buyback Mandate

Having fully considered, amongst others, the rationale for and benefit of the proposed renewal of the Share Buyback Mandate, the Directors are of the opinion that the proposed renewal of the Share Buyback Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the Ordinary Resolution 9 in respect of the proposed renewal of the Share Buyback Mandate as set out in the Notice of 2022 AGM.

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9.2 Proposed Share Split

Having fully considered, amongst others, the rationale for and benefit of the Proposed Share Split, the Directors are of the opinion that the Proposed Share Split is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the Ordinary Resolution 10 in respect of the Proposed Share Split as set out in the Notice of 2022 AGM.

9.3 Proposed participation of Ms Rachel Kwok Xiu Jian, an associate of a Controlling Shareholder, in the Memiontec Performance Share Plan

Mr Tay Kiat Seng (Executive Director and Chief Executive Officer of the Company) and Ms Soelistyo Dewi Soegiharto (Managing Director of the Company), who are related to Ms Rachel Kwok Xiu Jian, have abstained from the Board's review and determination, and from making any recommendation to Shareholders in relation to the proposed participation of Ms Rachel Kwok Xiu Jian, an associate of a Controlling Shareholder, in the Memiontec Performance Share Plan.

Having fully considered, amongst others, the rationale for and benefit of the proposed participation of Ms Rachel Kwok Xiu Jian, an associate of a Controlling Shareholder, in the Memiontec Performance Share Plan, the Directors (save for Mr Tay Kiat Seng and Ms Soelistyo Dewi Soegiharto) are of the opinion that the proposed participation of Ms Rachel Kwok Xiu Jian, an associate of a Controlling Shareholder, in the Memiontec Performance Share Plan is in the best interests of the Company. Accordingly, the Directors (save for Mr Tay Kiat Seng and Ms Soelistyo Dewi Soegiharto) recommend that Independent Shareholders vote in favour of the Ordinary Resolution 11 in respect of the proposed participation of Ms Rachel Kwok Xiu Jian, an associate of a Controlling Shareholder, in the Memiontec Performance Share Plan, as set out in the Notice of 2022 AGM.

9.4 Proposed grant of Awards to Mr Tay Kiat Seng and Ms Soelistyo Dewi Soegiharto, each a Controlling Shareholder, and Ms Rachel Kwok Xiu Jian, an associate of a Controlling Shareholder, under the Memiontec Performance Share Plan

Mr Tay Kiat Seng (Executive Director and Chief Executive Officer of the Company) and Ms Soelistyo Dewi Soegiharto (Managing Director of the Company), who are interested in Ordinary Resolutions 12 and 13 respectively and who are related to Ms Rachel Kwok Xiu Jian, have abstained from the Board's review and determination, and from making any recommendation to Shareholders in relation to the proposed grant of Awards to Mr Tay Kiat Seng and Ms Soelistyo Dewi Soegiharto, each a Controlling Shareholder, and Ms Rachel Kwok Xiu Jian, an associate of a Controlling Shareholder, under the Memiontec Performance Share Plan.

Having fully considered, amongst others, the rationale for and the terms of the proposed grant of Awards to Mr Tay Kiat Seng and Ms Soelistyo Dewi Soegiharto, each a Controlling Shareholder, and Ms Rachel Kwok Xiu Jian, an associate of a Controlling Shareholder, under the Memiontec Performance Share Plan, the Directors (save for Mr Tay Kiat Seng and Ms Soelistyo Dewi Soegiharto) are of the opinion that the proposed grant of Awards to Mr Tay Kiat Seng, Ms Soelistyo Dewi Soegiharto and Ms Rachel Kwok Xiu Jian under the Memiontec Performance Share Plan is in the best interests of the Company. Accordingly, the Directors (save for Mr Tay Kiat Seng and Ms Soelistyo Dewi Soegiharto) recommend that Independent Shareholders vote in favour of the Ordinary Resolutions 12, 13 and 14 in respect of the proposed grant of Awards to Mr Tay Kiat Seng and Ms Soelistyo Dewi Soegiharto, each a Controlling Shareholder, and Ms Rachel Kwok Xiu Jian, an associate of a Controlling Shareholder, under the Memiontec Performance Share Plan, as set out in the Notice of 2022 AGM.

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10. ANNUAL GENERAL MEETING

The 2022 AGM, notice of which is set out in the Annual Report, will be conducted by way of electronic means on Friday, 29 April 2022 at 9:00 a.m. for the purpose of, amongst others, considering and, if thought fit, passing with or without modifications, the Ordinary Resolution 9 relating to the proposed renewal of the Share Buyback Mandate, the Ordinary Resolution 10 relating to the Proposed Share Split, the Ordinary Resolution 11 relating to the proposed participation of an associate of a Controlling Shareholder in the Memiontec Performance Share Plan and Ordinary Resolutions 12, 13 and 14 relating to the proposed grant of Awards to the Controlling Shareholders and an associate of a Controlling Shareholder under the Memiontec Performance Share Plan, as set out in the Notice of 2022 AGM.

11. ACTION TO BE TAKEN BY SHAREHOLDERS

Due to the current COVID-19 situation in Singapore, the 2022 AGM will be conducted only by way of electronic means and Shareholders will not be able to physically attend the 2022 AGM. Instead, alternative arrangements have been put in place to allow Shareholders who pre-registered to participate at the 2022 AGM by (a) observing and/or listening to the 2022 AGM proceedings via “live” audio-visual webcast or “live” audio-only stream; (b) submitting questions related to the resolutions tabled for approval, in advance of the 2022 AGM; and/or (c) appointing the Chairman of the 2022 AGM as proxy to attend, speak and vote on their behalf at the 2022 AGM.

Please refer to the Notice of 2022 AGM set out on pages 133 to 144 of the Annual Report for further details.

12. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this letter constitutes full and true disclosure of all material facts about the Proposed Transactions, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

13. CAUTIONARY STATEMENT

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company. There is no certainty or assurance that the proposed renewal of the Share Buyback Mandate will be utilised and/or the Proposed Share Split will be completed. The Company will make the necessary announcements, in compliance with the requirements of the Catalist Rules, as and when there are material developments in respect of the proposed renewal of the Share Buyback Mandate and the Proposed Share Split and any other matter contemplated in this Appendix. Shareholders are advised to read this Appendix and any further announcements by the Company carefully. Shareholders and potential investors of the Company should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they have any doubt about the actions they should take.

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14. DOCUMENTS AVAILABLE FOR INSPECTION

Subject to prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be issued by the relevant authorities, copies of the following documents may be inspected at the registered office of the Company at 20 Woodlands Link #04-30/31 Singapore 738733 during normal office hours from the date of this Appendix up to the date of the 2022 AGM:

- (a) the Constitution;
- (b) the Annual Report; and
- (c) the offer document dated 21 February 2020 issued by the Company in respect of its initial public offering on Catalist, containing the Rules of the Plan.

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

Low Kian Beng
Executive Director