APPENDIX TO THE NOTICE OF THE 2023 AGM DATED 13 APRIL 2023

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 THE 2023 AGM

in relation to

(I) THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE;

(II) 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; AND

(III) THE PROPOSED CHANGE OF AUDITORS FROM CLA GLOBAL TS PUBLIC ACCOUNTING CORPORATION TO PKF-CAP LLP

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 the 2023 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 Proposed Transactions, to be tabled at the 2023 AGM to be held by way of electronic means on Friday, 28 April 2023 at 9:30 a.m.

The Ordinary Resolutions proposed to be passed in relation to the Proposed Transactions are set out as Ordinary Resolutions 6, 9, 10, 11 and 12 in the Notice of the 2023 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 Catalist 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 Karen Soh, Managing Director, ZICO Capital Pte. Ltd. at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, telephone (65) 6636 4201.

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DEFINITIONS

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

"2023 AGM"	:	The AGM to be convened and held by way of electronic means on Friday, 28 April 2023 at 9:30 a.m., notice of which is set out on pages 180 to 192 of the Annual Report
"2021 Mandate"	:	Has the meaning ascribed to it in Section 2.1 of this Appendix
"2022 Mandate"	:	Has the meaning ascribed to it in Section 2.1 of this Appendix
"ACRA"	:	Accounting and Corporate Regulatory Authority of Singapore
"AGM"	:	The annual general meeting of the Company
"Annual Report"	:	Annual report of the Company for the FY ended 31 December 2022
"Appendix"	:	This appendix to the Notice of the 2023 AGM dated 13 April 2023
"Approval Date"	:	Has the meaning ascribed to it in Section 2.3(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
"Audit Committee"	:	The audit committee of the Company as at the date of this Appendix or from time to time, as the case may be

"Auditors"	:	The independent auditors of the Company from time to time
"Average Closing Price"	:	Has the meaning ascribed to it in Section 2.3(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
"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 2.3(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 Mr Tay Kiat Seng, Ms Soelistyo Dewi Soegiharto and Ms Rachel Kwok Xiu Jian, and their respective associates
"Latest Practicable Date"	:	3 April 2023, 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 2.3(d)(i) of this Appendix
"Maximum Price"	:	Has the meaning ascribed to it in Section 2.3(e) of this Appendix
"Maximum Percentage"	:	Has the meaning ascribed to it in Section 2.3(a) of this Appendix
"NTA"	:	Net tangible assets
"Notice of the 2023 AGM"	:	The notice of the 2023 AGM dated 13 April 2023 attached to the Annual Report
"Off-Market Purchase"	:	Has the meaning ascribed to it in Section 2.3(d)(ii) of this Appendix
"Ordinary Resolution(s)"	:	The ordinary resolution(s) as set out in the Notice of the 2023 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 Change of Auditors"	:	The proposed change of Auditors from CLA Global TS Public Accounting Corporation (formerly known as Nexia TS Public Accounting Corporation) to PKF-CAP LLP, further details of which are set out in Section 4 of this Appendix
"Proposed Transactions"	:	Has the meaning ascribed to it in Section 1.1 of this Appendix
"Proxy Form"	:	The proxy form accompanying the Notice of the 2023 AGM
"Register of Members"	:	The principal register of members (duly registered holders of Shares)
"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 AGM 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
"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 Companies Act, the Catalist 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

Unless the context otherwise requires:

(a) the terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the 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 and *vice versa*. 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 Transactions.

LETTER TO SHAREHOLDERS

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

Directors:	**Registered Office:**
Mr Jackson Chevalier Yap Kit Siong (*Independent Non-Executive Chairman*) Mr Tay Kiat Seng (*Executive Director and CEO*) Ms Soelistyo Dewi Soegiharto (*Managing Director*) Mr Hor Siew Fu (*Independent Director*) Mr Loh Eu Tse Derek (*Independent Director*)	20 Woodlands Link #04-30/31 Singapore 738733

13 April 2023

To: The Shareholders of Memiontec Holdings Ltd.

Dear Sir/Madam,

(I) THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE;

(II) 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; AND

(III) THE PROPOSED CHANGE OF AUDITORS FROM CLA GLOBAL TS PUBLIC ACCOUNTING CORPORATION TO PKF-CAP LLP

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1. INTRODUCTION

1.1 The Board is proposing to seek the approval of Shareholders at the forthcoming 2023 AGM in relation to:

(a) the proposed renewal of the Share Buyback Mandate;

(b) 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; and

(c) the Proposed Change of Auditors,

(collectively, the "**Proposed Transactions**").

1.2 The purpose of this Appendix is to provide Shareholders with information relating to the Proposed Transactions as well as the rationale thereof, and to seek Shareholders' approval for the same at the 2023 AGM to be held by the way of electronic means on Friday, 28 April 2023 at 9:30 a.m. The Notice of the 2023 AGM is found on pages 180 to 192 of the Annual Report.

1.3 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 Background

The adoption of the Share Buyback Mandate was approved by Shareholders at the AGM held on 12 April 2021 authorising the Directors to purchase or otherwise acquire its issued Shares on the terms of the Share Buyback Mandate ("**2021 Mandate**"). The 2021 Mandate was subsequently renewed at the AGM held on 29 April 2022 ("**2022 Mandate**"). The 2022 Mandate will expire on the date of the 2023 AGM. Accordingly, the Company proposes to seek the approval of Shareholders at the 2023 AGM for the renewal of the Share Buyback Mandate. If approved, the Share Buyback Mandate will take effect from the date of the 2023 AGM and continue in force until the conclusion of the next AGM of the Company or such date as the next AGM is held or required by law to be held, unless prior thereto, Share Buybacks are carried out to the full extent mandated or the Share Buyback Mandate is revoked or varied by Shareholders in a general meeting. It is intended that the Share Buyback Mandate will be put to Shareholders for renewal at each subsequent AGM of the Company.

Any Share Buyback by the Company has to be made in accordance with, and in the manner prescribed by, the terms set out in this Appendix, the Companies Act, the Catalist Rules, the Constitution and such other laws and regulations as may for the time being, be applicable.

2.2. 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 2.3 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 are of the view 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.

2.3. Terms of the Share Buyback Mandate

The authority and limitations placed on the Share Buybacks under the Share Buyback Mandate, if renewed at the 2023 AGM, are the same as those previously approved by Shareholders at the last AGM held on 29 April 2022, 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.

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 2.9(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 2023 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 660,771,000 Shares in issue (excluding Treasury Shares and subsidiary holdings) as at the Latest Practicable Date, and assuming that (i) no further new 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 66,077,100 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 2.9(c) of this Appendix. Based on the total number of issued Shares held by the public as at 3 April 2023 of 127,407,500 Shares (representing approximately 19.28% 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 66,077,100 Shares, representing not more than approximately 10% 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 allow 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 Catalist 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 19.28%), 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,

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;

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.

2.4. 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.

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.

2.5. Treasury Shares

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

(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 a 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

v. sell, transfer or otherwise use the Treasury Shares for such other purposes as may be prescribed by the Minster 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.

2.6. 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 are of the view 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.

2.7. 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 FY2022 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 2.9(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 FY2022, 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 FY2022 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 2022. 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.

As at the Latest Practicable Date, the issued and paid-up share capital of the Company is 660,771,000 Shares and the Company does not have any Treasury Shares and subsidiary holdings. Assuming that (i) no further new 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 33,038,550 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 2.9(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 33,038,550 Shares at the Maximum Price of S$0.313 (rounded down to 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$10,341,000; and

(b) in the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 33,038,550 Shares at the Maximum Price of S$0.358 (rounded down to 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$11,828,000.

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

(a) purchases or acquisitions of Shares took place on 1 January 2022 for the purpose of computing the financial effects on the EPS of the Company and the Group;

(b) purchases or acquisitions of Shares took place on 31 December 2022 for the purpose of computing financial effects on the NTA per Share, gearing ratio and current ratio of the Company and the Group;

(c) 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

(d) 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:

(a) 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

(b) 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 FY2022, are set out below:

2.7.1. Scenario A

As at 31 December 2022	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	2,551	2,551	2,551	445	445	445
Share Capital	12,092	1,751	264	12,092	1,751	264
Reserves	(2,330)	(2,330)	(2,330)	-	-	-
Treasury Shares	-	-	-	-	-	-
Retained Earnings	9,545	9,545	9,545	72	72	72
Total Equity	19,367	9,026	7,539	12,164	1,823	336
NTA[1]	19,307	8,966	7,479	12,164	1,823	336
Current Assets	33,142	22,801	21,314	8,332	8,332	8,332
Current Liabilities	15,890	15,890	15,890	2,210	12,551	14,038
Working Capital	17,252	6,911	5,424	6,122	(4,219)	(5,706)
Total Borrowings[2]	4,261	4,261	4,261	-	-	-
Cash and Bank Balances	13,334	2,993	1,506	261	261	261
Number of Shares ('000)	660,771	627,732	627,732	660,771	627,732	627,732
Number of Treasury Shares ('000)	-	-	-	-	-	-
Number of Shares excluding Treasury Shares ('000)	660,771	627,732	627,732	660,771	627,732	627,732
Weighted Average Number of Shares ('000)	660,771	627,732	627,732	660,771	627,732	627,732
Financial Ratios						
NTA per Share (cents)[1]	2.92	1.43	1.19	1.84	0.29	0.05
Gearing ratio (times)[3]	0.22	0.47	0.57	-	-	-

As at 31 December 2022	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)
Current Ratio (times)[4]	2.09	1.43	1.34	3.77	0.66	0.59
Basic EPS (cents)[5]	0.39	0.41	0.41	0.07	0.07	0.07

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 2022. The Company has no subsidiary holdings.

(2) Total borrowings comprise external bank borrowings and lease liabilities as at 31 December 2022.

(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 FY2022. The Company has no subsidiary holdings.

2.7.2. Scenario B

As at 31 December 2022	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	2,551	2,551	2,551	445	445	445
Share Capital	12,092	12,092	12,092	12,092	12,092	12,092
Reserves	(2,330)	(2,330)	(2,330)	-	-	-
Treasury Shares	-	(10,341)	(11,828)	-	(10,341)	(11,828)
Retained Earnings	9,545	9,545	9,545	72	72	72
Total Equity	19,367	9,026	7,539	12,164	1,823	336
NTA[1]	19,307	8,966	7,479	12,164	1,823	336
Current Assets	33,142	22,801	21,314	8,332	8,332	8,332
Current Liabilities	15,890	15,890	15,890	2,210	12,551	14,038
Working Capital	17,252	6,911	5,424	6,122	(4,219)	(5,706)
Total Borrowings[2]	4,261	4,261	4,261	-	-	-

As at 31 December 2022	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)
Cash and Bank Balances	13,334	2,993	1,506	261	261	261
Number of Shares ('000)	660,771	660,771	660,771	660,771	660,771	660,771
Number of Treasury Shares ('000)	-	33,039	33,039	-	33,039	33,039
Number of Shares excluding Treasury Shares ('000)	660,771	627,732	627,732	660,771	627,732	627,732
Weighted Average Number of Shares ('000)	660,771	627,732	627,732	660,771	627,732	627,732
Financial Ratios						
NTA per Share (cents)[1]	2.92	1.43	1.19	1.84	0.29	0.05
Gearing ratio (times)[3]	0.22	0.47	0.57	-	-	-
Current Ratio (times)[4]	2.09	1.43	1.34	3.77	0.66	0.59
Basic EPS (cents)[5]	0.39	0.41	0.41	0.07	0.07	0.07

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 2022. The Company has no subsidiary holdings.

(2) Total borrowings comprise external bank borrowings and lease liabilities as at 31 December 2022.

(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 FY2022. 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.

2.8. Tax Implications

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

2.9. Other Applicable Catalist Rules and Legislation

(a) Reporting Requirements

The Catalist 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 Catalist 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 Catalist 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.

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 FY 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, CEO, 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, 127,407,500 Shares, representing approximately 19.28% of the total number of issued and paid up share capital of the Company, being 660,771,000 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 66,077,100 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 61,330,400 Shares, representing approximately 10.31% 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 be very close to 10%.

Having regard to the Current Free Float of approximately 19.28%, the Company shall only undertake Share Buybacks up to the Maximum Percentage of 10% if the Company's level of free float allows 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 19.28%), 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.

2.10. 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;

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 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 if they acquire Shares after the Company's Share Buybacks. For the purpose of the Takeover 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.

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 2023 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.

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 532,656,000 Shares (both direct and deemed), representing 80.61% 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 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 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 in the event that the Company purchases the maximum number of 66,077,100 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.

2.11. 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.

3. 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

3.1 Rationale and Justification

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 eligible participants ("**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.

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 is of the view 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.

3.2 Terms of the Proposed Grant of Awards

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**
Proposed date of grant of the Awards	5 May 2023		
Number of Shares which are the subject of the Awards	Up to 900,000 Shares	Up to 540,000 Shares	Up to 48,750 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 FY2023, 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 FY2023, 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 FY2023, 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 2023 AGM.

3.3 Rules of the Plan and Catalist Rules

3.3.1 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 99,115,650 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 24,778,912 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 1,488,750 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 900,000 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 540,000 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 48,750 Shares, representing approximately 0.05% of the Scheme Shares.

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

Pursuant to the Catalist 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).

3.3.3 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.

3.3.4 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.

3.4 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.

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.

4. THE PROPOSED CHANGE OF AUDITORS

4.1 Background

The Company's current Auditors, CLA Global TS Public Accounting Corporation (formerly known as Nexia TS Public Accounting Corporation) ("**CLA**"), has been the Auditors of the Company since FY2021. CLA was re-appointed as Auditors at the last AGM held on 29 April 2022 to hold office until the conclusion of the next AGM.

The Company is proposing to appoint PKF-CAP LLP ("**PKF**") to replace CLA as the Auditors for FY2023. Pursuant to Rule 712(3) of the Catalist Rules and Section 205AF of the Companies Act, the Proposed Change of Auditors is subject to the approval by Shareholders in a general meeting. Accordingly, the out-going Auditors, CLA will not be seeking re-appointment at the forthcoming 2023 AGM.

The retirement of CLA and the appointment of PKF as Auditors will take effect upon the approval of the Proposed Change of Auditors by Shareholders at the 2023 AGM and, if appointed, PKF will hold office until the conclusion of the next AGM scheduled to be held, when a new resolution will be proposed for the appointment of the Auditors for FY2024.

4.2 Rationale

The Proposed Change of Auditors is due to the Group's ongoing efforts to manage its overall business costs and expenses amidst the challenging business climate and given the Group's current level of activities and business, it would be an opportune time to review the appointment of Auditors and benchmark its audit fees and realise cost efficiencies.

The Board, in consultation with the Audit Committee, having considered the needs of the Group and the Company, together with various factors such as the fee proposal and credentials of the proposed audit team, nominated and recommended PKF to replace CLA as the Auditors.

In particular, PKF was selected amongst various other audit firms which provided proposals to the Company, after taking into account, amongst others, the adequacy of the resources and experience, the audit partner-in-charge assigned to the audit, the other audit engagements of PKF, the Group's audit requirements and the number and experience of supervisory and professional staff to be assigned to the audit. The Board and the Audit Committee have also considered (i) that PKF and the audit engagement partner assigned to the Group are registered with ACRA and is in compliance with Rule 712(2)(a) of the Catalist Rules; and (ii) the Audit Quality Indicators Disclosure Framework issued by ACRA in assessing the suitability of the proposed appointment, and are of the opinion that PKF will be able to fulfil the audit requirements of the Company and the Group without compromising the standard and effectiveness of the audit of the Company and the Group.

The Group does not expect the Proposed Change of Auditors to affect the quality of the audit to be undertaken as PKF is well versed and has experience in being auditors to various SGX-ST listed entities.

The Board had reviewed fee proposals from various audit firms, and in consultation with the Audit Committee, had determined that the fee proposal from PKF is the most competitive. The Proposed Change of Auditors will result in cost savings of approximately 16.67% (approximately S$20,000) in audit fees for FY2023 with no change in the scope of the audit to be undertaken by PKF.

In light of the above, the Company decided to change its Auditors and hence, CLA will not be seeking for re-appointment for FY2023 at the 2023 AGM. PKF has, on 13 April 2023, given their consent to act as Auditor, subject to the approval of the Shareholders at the 2023 AGM.

The Board wishes to highlight that the Proposed Change of Auditors is neither due to any disagreement with CLA or CLA declining to continue to serve as Auditors, or dismissal or resignation of CLA. The Directors wish to express their appreciation for the past services rendered by CLA.

4.3 Requirements under Rule 712 of the Catalist Rules

In accordance with Rule 712(3) of the Catalist Rules:

(a) CLA has confirmed, by way of its letter dated 13 April 2023 to PKF that they are not aware of any professional reasons why PKF, being the new Auditors, should not accept appointment as Auditors;

(b) the Board confirms that there were no disagreements with CLA, being the outgoing Auditors, on accounting treatments within the last 12 months preceding the date of this Appendix;

(c) the Board confirms that it is not aware of any circumstances connected with the Proposed Change of Auditors that should be brought to the attention of the Shareholders which has not been disclosed in this Appendix;

(d) the Company confirms that the specific reasons for the Proposed Change of Auditors are disclosed in Section 4.2 of this Appendix and that the Proposed Change of Auditors is not due to the dismissal or resignation of CLA, or CLA declining to continue to serve as Auditors, or was CLA dismissed or directed by the SGX-ST to be replaced under Rule 305(1)(e)(b) of the Catalist Rules; and

(e) the Company confirms that it is in compliance with Rule 712 and Rule 715 of the Catalist Rules in relation to the appointment of PKF as its new Auditors.

4.4 Requirements under Rule 715 of the Catalist Rules

The Board confirms that Rule 715(1) of the Catalist Rules requiring for the Company to engage the same auditing firm based in Singapore to audit its accounts, and its Singapore-incorporated subsidiaries and significant associated companies will be complied with, as PKF will be the Auditors for the Company and all the Singapore-incorporated subsidiaries after the Proposed Change of Auditors. The Group does not have any Singapore-incorporated associated companies.

The Board also confirms that Rule 715(2) of the Catalist Rules requiring for the Company to engage a suitable auditing firm for its significant foreign-incorporated subsidiaries and associated companies will be complied with, as PKF will be appointed as auditors of the Company's subsidiaries in Singapore and Indonesia, particularly, Memiontec Pte. Ltd., M Water Resources Pte. Ltd., Memiontec Industrial Pte. Ltd., PT Memiontec Indonesia and PT Memindo Pratama. For the avoidance of doubt, PKF will not be appointed as the auditor of the Company's subsidiary in the People's Republic of China, MIT Water Technology Co. Ltd., which is insignificant. While different audit firms are appointed for MIT Water Technology Co. Ltd., the Board and the Audit Committee are satisfied that such appointment would not compromise the standard and effectiveness of the audit of the Group.

4.5 Information on PKF

4.5.1 Information on PKF

PKF is a firm of Chartered Accountants in Singapore and is registered with the ACRA. It is considered a mid-tier accounting firm in Singapore and, together with its affiliated firms, has 10 partners, 21 managers/ directors, and more than 130 professional staff servicing a wide array of auditing, accounting, taxation, corporate secretarial and advisory clients in diversified industries such as food and beverage, agriculture, statutory boards, education, trading and distribution, manufacturing, healthcare, shipping, hospitality, fund management, technology, mining and construction, and renewable segments. Its partners, managers and directors have significant experience acting as auditor for several companies listed on the SGX-ST, including recently being appointed by several SGX-ST companies.

PKF is a global network of accountancy firms with 220 members operate under the PKF brand in 150 countries across five regions, with over 20,000 professionals united under the PKF brand worldwide.

For more information on PKF, please visit its website at https://www.pkfsingapore.com/.

4.5.2 Information on the Audit Engagement Partner

Mr Lee Eng Kian ("**Mr Lee**"), the Managing Partner and Head of the Assurance Division of PKF, will be assigned as the audit engagement partner of the Group. Mr Lee has 28 years of experience in providing audit and advisory services to a variety of clients, including public companies listed on the SGX-ST. He is also experienced in the review of business and process risks and related controls. Mr Lee is a practicing member of the Institute of Singapore Chartered Accountants (ISCA), a public accountant registered with the ACRA, and an ASEAN Chartered Professional Accountant.

The Audit Committee has noted that Mr Lee had previously been subject to the Practice Monitoring Programme ("**PMP**") review in year 2020 by ACRA and the Audit Committee noted there is no adverse feedback from ACRA on Mr Lee, and Mr Lee has passed the PMP review by ACRA from previous exercises. Mr Lee will be supported by an Engagement Quality Control Reviewer, who is an experienced partner to ensure that the engagement team is provided additional objective viewpoints on the audit and an audit team of professionals, comprising managers, senior associates and associates.

4.6 Audit Committee Statement

The Audit Committee adopted the Audit Quality Indicators Disclosure Framework issued by ACRA in assessing the suitability of potential Auditors – these are audit partner, firm experience, reputation, audit quality indicators and fee consideration.

The Audit Committee has reviewed and deliberated on the Proposed Change of Auditors and after taking into consideration the suitability and independence of PKF in meeting the audit requirements of the Group, has recommended the Proposed Change of Auditors for approval by the Board. The factors considered by the Audit Committee have been set out in Section 4.2 of this Appendix and is in compliance with the requirements of the relevant Catalist Rules.

5 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]
Directors						
Tay Kiat Seng[2, 3, 4]	348,861,099	52.80	79,369,662	12.01	428,230,761	64.81
Soelistyo Dewi Soegiharto[2, 5]	104,425,239	15.80	-	-	104,425,239	15.80
Jackson Chevalier Yap Kit Siong	-	-	-	-	-	-
Hor Siew Fu	-	-	-	-	-	-
Loh Eu Tse Derek	-	-	-	-	-	-
Substantial Shareholder (other than Directors)						
Unity Strength Pte. Ltd.[3]	79,369,662	12.01	-	-	79,369,662	12.01

Notes:

(1) Based on the total issued and paid-up share capital of the Company of 660,771,000 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 Pte. Ltd. by virtue of his controlling interest in Unity Strength Pte. Ltd. pursuant to Section 7 of the Companies Act.

(4) Mr Tay Kiat Seng holds 348,861,099 Shares through a nominee account with HSBC (Singapore) Nominees Pte Ltd.

(5) Ms Soelistyo Dewi Soegiharto holds 99,425,239 Shares and 5,000,000 Shares through nominee accounts with United Overseas Bank Nominees (Private) Limited and Citibank Nominees Singapore Pte Ltd respectively.

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).

6 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 2023 AGM in respect of the Ordinary Resolutions 10, 11 and 12 as set out in the Notice of the 2023 AGM (in respect of 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 2023 AGM in respect of Ordinary Resolutions 10, 11 and 12 unless specific instructions have been given in the proxy instrument on how the Shareholders wish their votes to be casted for Ordinary Resolutions 10, 11 and 12.

Unity Strength Pte. Ltd., 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 2023 AGM in respect of the Ordinary Resolutions 10, 11 and 12 as set out in the Notice of the 2023 AGM (in respect of 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 2023 AGM in respect of Ordinary Resolutions 10, 11 and 12 unless specific instructions have been given in the proxy instrument on how the Shareholders wish their votes to be casted for Ordinary Resolutions 10, 11 and 12.

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.

7 DIRECTORS' RECOMMENDATIONS

7.1 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 the 2023 AGM.

7.2 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

Mr Tay Kiat Seng (Executive Director and CEO of the Company) and Ms Soelistyo Dewi Soegiharto (Managing Director of the Company), who are interested in Ordinary Resolutions 10, 11 and 12 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 10, 11 and 12 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 the 2023 AGM.

7.3 Proposed Change of Auditors

Having considered and reviewed, amongst others, the adequacy of the resources, experience and reputation of PKF, the rationale for and benefits of the Proposed Change of Auditors, the recommendation of the Audit Committee and all the other relevant information as set out in this Appendix, the Directors are of the opinion that the Proposed Change of Auditors is in the best interests of the Company and accordingly recommend that Shareholders vote in favour of the Ordinary Resolution 6 in respect of the Proposed Change of Auditors as set out in the Notice of the 2023 AGM.

8 ANNUAL GENERAL MEETING

The 2023 AGM, notice of which is set out in the Annual Report, will be conducted by way of electronic means on Friday, 28 April 2023 at 9:30 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 Resolutions 10, 11 and 12 relating to the proposed grant of Awards to the Controlling Shareholders and an associate of a Controlling Shareholder under the Memiontec Performance Share Plan, and the Ordinary Resolution 6 relating to the Proposed Change of Auditors, as set out in the Notice of the 2023 AGM.

9 ACTION TO BE TAKEN BY SHAREHOLDERS

The 2023 AGM will be conducted only by way of electronic means and Shareholders will not be able to physically attend the 2023 AGM. Instead, alternative arrangements have been put in place to allow Shareholders who pre-registered to participate at the 2023 AGM by (a) observing and/or listening to the 2023 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 2023 AGM or during the 2023 AGM; and/or (c) appointing proxies (including the Chairman of the 2023 AGM) to attend, speak and vote on their behalf at the 2023 AGM.

Please refer to the Notice of the 2023 AGM set out on pages 180 to 192 of the Annual Report for further details.

10 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.

11 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 renewed Share Buyback Mandate will be utilised. 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 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.

12 DOCUMENTS AVAILABLE FOR INSPECTION

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 2023 AGM:

(a) the Constitution;

(b) the Annual Report;

(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;

(d) the letter of professional clearance dated 13 April 2023 issued by CLA to PKF referred to in Section 4.3(a) of this Appendix; and

(e) the letter of consent to act as Auditors dated 13 April 2023 from PKF.

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

Mr Tay Kiat Seng
Executive Director and CEO