

**LETTER TO SHAREHOLDERS DATED 12 NOVEMBER 2021**

**THIS LETTER IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

**If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, accountant, solicitor or other professional adviser immediately.**

If you have sold or transferred all your shares in the capital of A-Smart Holdings Limited (the “**Company**”), you should immediately inform the purchaser, transferee, bank, stockbroker or agent through whom the sale or transfer was effected for onward notification to the purchaser or transferee, that this Letter may be accessed on SGXNet.

The Singapore Exchange Securities Trading Limited (“**SGX-ST**”) assumes no responsibility for the correctness of any of the statements made, reports contained, or opinions expressed in this Letter.

This Letter has been made available on SGXNet. A printed copy of this Letter will NOT be despatched to shareholders.

Shareholders should note that the Company may make further changes to its AGM arrangement (including but not limited to any applicable alternative arrangements as may be prescribed or permitted (as the case may be) under the Covid-19 Act (as defined herein) and any regulations promulgated thereunder (including Covid-19 Order (as defined herein)) as well as other guidelines issued by the relevant authorities) as the Covid-19 situation in Singapore evolves. Shareholders are advised to keep abreast of any such changes as may be announced by the Company from time to time on SGXNet.



**A-SMART HOLDINGS LTD.**

(Incorporated in Singapore)  
(Company Reg. No. 199902058Z)

**LETTER TO SHAREHOLDERS**

in relation to

**THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE**

## DEFINITIONS

For the purpose of this Letter, the following definitions apply throughout unless the context otherwise requires or unless otherwise stated:

<b>ACRA</b>	:	The Accounting and Corporate Regulatory Authority of Singapore
<b>Act</b>	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
<b>AGM or Annual General Meeting</b>	:	Annual general meeting of the Company
<b>Annual Report</b>	:	The annual report of the Company for the financial year ended 31 July 2021
<b>Approval Date</b>	:	The date of the forthcoming AGM at which the proposed renewal of the Share Buy-Back Mandate is approved
<b>CDP</b>	:	The Central Depository (Pte) Limited
<b>Company</b>	:	A-Smart Holdings Limited
<b>Constitution</b>	:	The constitution of the Company as amended or modified from time to time
<b>Court</b>	:	The High Court of the Republic of Singapore or a judge thereof
<b>Covid-19 Act</b>	:	The Covid-19 (Temporary Measures) Act 2020 of Singapore, as amended, modified or supplemented from time to time
<b>Covid-19 Order</b>	:	The Covid-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 of Singapore, as amended, modified or supplemented from time to time
<b>Directors</b>	:	The directors of the Company as at the date of this Letter
<b>EPS</b>	:	Earnings per Share
<b>FY</b>	:	Financial year ended or ending 31 July 2021, as the case may be
<b>Group</b>	:	The Company and its subsidiaries
<b>Latest Practicable Date</b>	:	The latest practicable date prior to the finalisation of this Letter, being 25 October 2021
<b>Listing Manual</b>	:	SGX-ST Listing Manual
<b>Listing Rules</b>	:	The listing rules of the SGX-ST set out in the Listing Manual
<b>Market Day</b>	:	A day on which the SGX-ST is open for securities trading
<b>NAV</b>	:	Net asset value

<b>NTA</b>	:	Net tangible assets
<b>Notice</b>	:	Notice of AGM of the Company dated 12 November 2021 convening the AGM to be held on 29 November 2021
<b>per cent</b> or %	:	Per centum or percentage
<b>Relevant Period</b>	:	period commencing from the date on this resolution is passed and expiring on the date of the next AGM of the Company is held or is required by law to be held, or the date on which the purchases of the Shares are carried out to the full extent mandated, whichever is earlier, unless prior to that, it is varied or revoked by resolution of the shareholders of the Company in general meeting;
<b>S\$ and cents</b>	:	Singapore dollars and cents, respectively
<b>SGXNET</b>	:	The corporate announcement system maintained by the SGX-ST for the submission of announcements by listed companies
<b>SGX-ST</b>	:	Singapore Exchange Securities Trading Limited
<b>Shareholders</b>	:	Persons who are registered as holders of the Shares in the Register of Members of the Company, or where CDP is the registered holder, the term “ <b>Shareholders</b> ” shall in relation to such Shares, mean the Depositors who have Shares entered against their names in the Depository Register
<b>Shares</b>	:	Ordinary shares in the capital of the Company
<b>Share Buy-Back</b>	:	The buy-back of Shares by the Company in accordance with the terms set out in this Letter as well as the Act and the Listing Manual
<b>Share Buy-Back Mandate</b>	:	The general and unconditional mandate given by Shareholders to authorise the Directors to effect Share Buy-Back
<b>SIC</b>	:	Securities Industry Council
<b>Substantial Shareholder</b>	:	A person who has an interest of not less than 5% of the issued voting shares of the Company
<b>Take-over Code</b>	:	The Singapore Code on Take-overs and Mergers
<b>The Share Options</b>	:	Outstanding share options granted pursuant to the A-Smart Holdings Limited Employee Share Option Scheme

The terms “**Depositor**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 130A of the Act.

The terms “**associate**” and “**substantial shareholders**”, “**subsidiary**”, “**related corporations**” and “**treasury share**” shall have the meanings ascribed to them respectively in the Act

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

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

Any reference in this Letter to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act or any statutory modification thereof and not otherwise defined in this Letter shall have the same meaning assigned to it under the Act or any statutory modification thereof, as the case may be.

Any reference to a time of day in this Letter is made by reference to Singapore time unless otherwise stated.

# A-SMART HOLDINGS LTD.

(Incorporated in Singapore)  
(Company Reg. No. 199902058Z)

## Directors:

Ma Wei Dong (Executive chairman and non-independent director)  
Lim Huan Chiang (Chief executive officer and non-independent director)  
Sam Chong Keen (Lead independent and non-executive director)  
Darlington Tseng Te Lin (Non-executive director)  
Chu Hong Tao (Independent non-executive director)  
Kenneth Loo (Non-executive and non-independent director)

## Registered Office:

61 Tai Seng Avenue  
Print Media Hub@  
Paya Lebar iPark #03-03  
Singapore 534167

12 November 2021

To: The Shareholders of A-SMART HOLDINGS LTD.

Dear Sir/Madam,

## THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

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### 1. INTRODUCTION

We refer to Resolution 10 in the Notice convening the AGM of the Company to be held on 29 November 2021. Resolution 10 relates to the renewal of the Company's Share Buy-Back Mandate and will be proposed as an ordinary resolution at the AGM.

The purpose of this Letter is to provide Shareholders with information relating to the proposal for the renewal of the Share Buy-Back Mandate, details of which are set out in paragraph 2 of this Letter and to be tabled at the AGM.

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

If any Shareholder is in doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

Avant Law LLC is the legal adviser to the Company in relation to the proposed renewal of the Share Buy-Back Mandate and for this Letter.

### 2. THE PROPOSED RENEWAL OF SHARE BUY-BACK MANDATE

#### 2.1 Background

Shareholders had approved the adoption of the Share Buy-Back Mandate at the Extraordinary General Meeting of the Company held on 27 November 2020 ("**2020 EGM**"). The authority and limitations of the Share Buy-Back Mandate were set out in the Company's Circular to Shareholders dated 4 November 2020 and the ordinary resolution relating to the Share Buy-Back Mandate in the notice of the 2020 EGM. The Share Buy-Back Mandate approved at the 2020 EGM was expressed to continue in force until the next AGM of the Company and, as such, will be expiring on 29 November 2021, being the date of the forthcoming AGM. It is proposed that the Share Buy-Back Mandate be renewed at the AGM. Accordingly, Resolution 10 will be tabled as an ordinary resolution for Shareholders' approval at the AGM, pursuant to which the Share Buy-Back Mandate will be given to the Directors to exercise all powers of the Company to purchase or otherwise acquire Shares according to the terms of the Share Buy-Back Mandate, as well as the rules and regulations set forth in the Act and the Listing Manual.

## 2.2 Rationale

The Company proposes to seek Shareholders' approval for the proposed renewal of the Share Buy-Back Mandate to give Directors the flexibility to purchase the Shares if and when circumstances permit, with the objective of increasing Shareholders' value and to improve, *inter alia*, the return on equity of the Group. Share Buy-Back are one of the ways through which Shareholders' value may be enhanced.

The Directors believe that the renewal of the Share Buy-Back provides the Company with a mechanism to facilitate the return of surplus cash over and above the Group's working capital requirements, in an expedient and cost-efficient manner. Share Buy-Back also allow the Directors to exercise control over the Company's capital structure, dividend pay-out and cash reserves and, depending on market conditions, may lead to an enhancement of the EPS and/ or NAV per Share. The Directors further believe that renewal of the Share Buy-Back may also help to buffer short-term market volatility and offset the effects of share price speculation.

If and when circumstances permit, the Directors will decide whether to effect the Share Buy-Back, after taking into account factors such as the amount of surplus cash available and the prevailing market conditions.

The Share Buy-Back will only be undertaken as and when the Directors consider it to be in the best interests of the Company and/ or Shareholders. No Share Buy-Back will be made in circumstances which the Directors believe will have or may have a material adverse effect on the financial position, liquidity and/ or listing status of the Company and the Group, and the working capital requirements and gearing level of the Company and the Group.

## 3. **TERMS OF THE SHARE BUY-BACK MANDATE**

The authority and limitations placed on the Share Buy-Back under the Share Buy-Back Mandate are summarised as follows:

### (a) Maximum number of Shares

Only Shares which are issued and fully paid-up may be purchased by the Company. The total number of Shares that may be purchased or acquired pursuant to the Share Buy-Back Mandate is limited to that number of Shares representing not more than 10% of the issued ordinary share capital of the Company as at the Approval Date (excluding treasury shares and subsidiary holdings) at which the renewal of the Share Buy-Back Mandate is approved, unless the Company has, at any time during the Relevant Period, reduced its share capital by a special resolution under Section 78C of the Companies Act, or the Court has, at any time during the Relevant Period, made an order under Section 78I of the Companies Act confirming the reduction of share capital of the Company, in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered by the special resolution of the Company or the order of the Court, as the case may be. Any Shares which are held as treasury shares or subsidiary holdings will be disregarded for the purposes of computing the 10% limit.

For illustrative purposes only, on the basis of 149,062,362 Shares issued as at the Latest Practicable Date, and assuming that no further Shares are issued on or prior to the forthcoming AGM, the purchase or acquisition by the Company pursuant to the Share Buy-Back Mandate during the relevant Period of up to ten per cent (10.0%) of its issued Shares will result in the purchase or acquisition of 14,906,236 Shares (excluding treasury shares and subsidiary holdings).

In the event that any of the Share Options that have vested are exercised during the period between the Latest Practicable Date and the date of the AGM, only those new Shares that are allotted and issued by the Approval Date pursuant to the exercise of such vested Share Options will be taken into account for the purposes of determining the total number of Shares as at the Approval Date.

(b) Duration of authority

Purchases or acquisitions of Shares pursuant to the Share Buy-Back may be made, at any time and from time to time, on and from the Approval Date, up to the earliest of:

- (i) the date on which the next AGM of the Company is held or required by law to be held whichever is earlier;
- (ii) the date on which the authority conferred by the Share Buy-Back Mandate is revoked or varied by the Company in general meeting, whichever is the earlier; or
- (iii) the date on which purchases or acquisitions of Shares pursuant to the Share Buy-Back are carried out to the full extent mandated.

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

(c) Manner of Share Buy-Back

Share Buy-Back may be made by way of:

- (i) an on-market purchase (**On-Market Purchase**) transacted on the SGX-ST trading system, through one or more duly licensed stockbrokers appointed by the Company for such purpose; and/or
- (ii) an off-market purchase (**Off-Market Purchase**) effected pursuant to an equal access scheme (as defined in Section 76C of the Act) as may be determined or formulated by the Directors of the Company in their discretion, which scheme shall satisfy all the conditions prescribed by the Act, and otherwise be in accordance with all other laws, the Listing Manual and other regulations and rules of the SGX-ST.

Under the Act, an Off-Market Purchase effected in accordance with an equal access scheme must satisfy all of the following conditions:

- (i) offers for the purchase or acquisition of Shares shall be made to every person who hold issued 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 are the same except that there shall be disregarded:
  - (i) differences in consideration attributable to the fact that the offers relate to Shares with different accrued dividend entitlements;
  - (ii) if applicable, differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid; and
  - (iii) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

In addition, the Listing Manual requires that in the making an Off-Market Purchase, 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 Buy-Back;
- (iv) the consequences, if any, of Share Buy-Back that will arise under the Take-over Code or other applicable takeover rules;
- (v) whether the Share Buy-Back, if made, could affect the listing of the Shares on the SGX-ST;
- (vi) details of any Share Buy-Back made by the Company in the previous 12 months (whether On-Market Purchases or Off-Market Purchases in accordance with an equal access scheme), specifying the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (vii) Whether the Share Buy-Back will be cancelled or kept as treasury shares.

(d) Maximum purchase price

The purchase price (excluding brokerage, stamp duties, applicable goods and services tax, clearance fees and other related expenses) to be paid for the Shares in the event of any Share Buy-Back shall be determined by the Directors.

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

- (i) in the case of an On-Market Purchase, 105% of the Average Closing Price (as defined herein) of the Shares; and
- (ii) in the case of an Off-Market Purchase, 120% of the Average Closing Price of the Shares,

in each case, excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses of the purchase or acquisition (the "**Maximum Price**").

For the purpose of determining the Maximum Price:-

**"Average Closing Price"** means the average of the closing market prices of the Shares over the last five (5) Market Days on which transactions in the Shares were recorded, immediately preceding the date of the On-Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action which occurs after the relevant 5-day period and the day on which the purchases are made.

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



#### 4. STATUS OF PURCHASED SHARES

Any Share which is purchased or acquired by the Company shall, unless held as treasury shares in accordance with the 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 Act) will be automatically de-listed by the SGX-ST and certificates (if any) 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 of Shares by the Company, the Directors will decide whether the Shares purchased will be cancelled or kept as treasury shares, or partly cancelled and partly kept as treasury shares, as the Directors deem fit in the interest of the Company at the time.

Under the 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 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 within six (6) months from the day the aforesaid limit is first exceeded or such further periods as Accounting and Corporate Regulatory Authority of Singapore (“ACRA”) may allow.

(b) Voting and other rights

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

In addition, no dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company’s assets (including any distribution of assets to members of the Company on a winding-up) may be made, to the Company in respect of treasury shares. However, the allotment of Shares as fully paid bonus Shares in respect of treasury shares is allowed. Also, a subdivision of any treasury share into treasury shares of a greater amount or consolidation of 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:

- (i) sell the treasury shares (or any of them) for cash;
- (ii) transfer the treasury shares (or any of them) for the purposes of or pursuant to an employees’ share scheme;
- (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 (or any of them) for such other purposes as may be prescribed by the Minister for Finance of Singapore.

As at the Latest Practicable Date, the Company does not hold any of its Shares as treasury shares.

Under Rule 704(28) of the Listing Manual, the Company must make an immediate announcement via SGXNet if there is any sale, transfer, cancellation and/ or use of treasury shares. Such announcement must state the following:-

- (a) date of the sale, transfer, cancellation and/ or use;
- (b) purpose of such sale, transfer, cancellation and/ or use;
- (c) number of treasury shares sold, transferred, cancelled and/ or used;
- (d) number of treasury shares before and after such sale, transfer, cancellation and/ or use;
- (e) percentage of the number of treasury shares against the total number of shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/ or use; and
- (f) value of the treasury shares if they are used for a sale or transfer, or cancelled.

Pursuant to the Act, Shares bought back by the Company, unless kept as treasury shares, shall be cancelled. Where the Shares are cancelled, the Company shall:-

- (a) reduce the amount of its share capital where the Shares were purchased or acquired out of the capital of the Company;
- (b) reduce the amount of its profits where the Shares were purchased or acquired out of profits of the Company; or
- (c) reduce the amount of its share capital and profits proportionately where the Shares were purchased or acquired out of both the capital and the profits of the Company,

by the total amount of the purchase price paid by the Company for the Shares cancelled. Where the purchased Shares are held in treasury, the total issued Shares of the Company will remain unchanged.

Any Shares purchased or acquired by the Company (other than treasury shares held by the Company to the extent permitted by the Act) and cancelled will be automatically de-listed by the SGX-ST and (where applicable) all certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following the settlement of any such purchase. At the time where the Shares purchased or acquired by the Company the Directors will decide whether the Shares purchased or acquired will be cancelled or kept as treasury shares, depending on the needs of the Company at that time.

## **5. SOURCE OF FUNDS**

In undertaking the Share Buy-Back, the Company shall only apply funds legally available in accordance with its Constitution and the applicable laws in Singapore.

The Company may not purchase or acquire its Shares on the SGX-ST for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the SGX-ST.

The Act provides that purchases and acquisitions of Shares may be made out of the Company's capital or profits so long as the Company is solvent (as defined in Section 76F(4) of the Act).

Any purchases or acquisitions of Shares may be made only if the Company is solvent and out of the Company's capital or profits. For this purpose, pursuant to the Act, a company is solvent if at the date of payment made by the Company in consideration of acquiring any right with respect to the purchase or acquisition of its own Shares:-

- (a) There is no ground on which the Company could be found to be unable to pay its debts;
- (b) If –
  - (i) It is intended to commence winding up of the company within the period of 12 months immediately after the date of payment, the company will be able to pay its debts in full within the period of 12 months after the date of commencement of the winding up; or
  - (ii) It is not intended so to commence winding up, the company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of the payment; and
- (c) the value of the company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the proposed purchase, 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 and/ or external borrowings or a combination of both to fund purchases of Shares pursuant to the Share Buy-Back Mandate. To effect the purchase of Shares pursuant to the Share Buy-Back Mandate, the Directors will consider, *inter alia*, the working capital requirements of the Company, the expansion and investment plans of the Company, the availability of internal resources, the rationale for the purchase or acquisition of Shares and the prevailing market conditions.

The Directors do not propose to exercise the Share Buy-Back Mandate to such an extent as would have a material adverse effect on the financial position of the Group. The purchase or acquisition of Shares pursuant to the Share Buy-Back Mandate will only be undertaken if, in the reasonable opinion of the Directors, it can benefit the Group and Shareholders.

## 6. FINANCIAL EFFECTS

The financial effects on the Group and the Company arising from purchases or acquisitions of Shares which may be made pursuant to the Share Buy-Back Mandate will depend on, *inter alia*, whether the Shares are purchased or acquired out of capital and/ or profits of the Company, the number of Shares purchased or acquired, the consideration paid for at the relevant time. The financial effects on the Group and Company based on the unaudited financial statements of the Group and Company for the financial year ended 31 July 2021 are based on the assumptions set out below.

### (a) Purchase or acquisition out of capital or profits

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

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, such consideration (excluding brokerage, commission, stamp duties, clearance fees, applicable goods and services tax and any other related expenses) will not affect the amount available for the distribution of cash dividends by the Company.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding brokerage, commission, stamp duties, clearance fees, applicable goods and services tax and any other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

**(b) Maximum Price paid for Shares purchased or acquired**

Based on 149,062,362 issued shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date, the purchase of 10% of such issued shares will result in the purchase of 14,906,236 shares.

Assuming the Company purchases the 14,906,236 shares at the Maximum Price on the Latest Practicable Date, the maximum amount of funds required is approximately:

- i) in the case of Market Purchases of Shares, S\$2,981,247 based on S\$0.20 for each Share (being the price equivalent to 5% above the Average Closing Price of the Shares traded on the SGX-ST for the last five (5) market days preceding the Latest Practicable Date); and
- ii) in the case of Off-Market Purchases of Shares, S\$3,428,434 based on S\$0.23 for each Share.(being the price equivalent to 120% of the Average Closing Price of the Shares traded on the SGX-ST for the five (5) consecutive Market Days immediately preceding the Latest Practicable Date).

**For illustrative purposes only**, on the basis of the assumptions set out above as well as the following:

- (1) The purchase of Shares took place at the beginning of the financial year on 1 August 2020; and
- (2) There was no issuance of Shares after the Latest Practicable Date; and
- (3) the Share purchases were funded entirely by internal resources,,

the financial effects on the unaudited financial statements of the Group and Company for the financial year ended 31 July 2021 would have been as follows:

**MARKET PURCHASE <sup>(1)</sup>**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>Before Share Purchase S\$'000</b>	<b>After Share Purchase S\$'000</b>	<b>Before Share Purchase S\$'000</b>	<b>After Share Purchase S\$'000</b>
<b>At 31 July 2021</b>				
Share capital	147,360	147,360	147,360	147,360
Treasury shares	-	(2,981)	-	(2,981)
Foreign Currency Translation Reserve	(38)	(38)	-	-
Share option reserve	25	25	25	25
Accumulated losses	(131,512)	(131,512)	(143,559)	(143,559)
Equity Attributable to Owners of the Company	15,835	12,854	3,826	845
Non-Controlling Interests	191	191	-	-
<b>Total Equity</b>	<b>16,026</b>	<b>13,045</b>	<b>3,826</b>	<b>845</b>
Current Assets	17,784	14,803	10,682	7,701
Current liabilities	2,160	2,160	18,161	18,161
Borrowings	3,374	3,374	55	55
Cash and Cash Equivalents	7,511	4,530	5,828	2,847
Net Tangible Assets (NTA) <sup>(2)</sup>	15,835	12,854	3,826	845
Net loss after tax	(701)	(701)	(905)	(905)
Loss attributable to Owners of the Company	(701)	(701)	(905)	(905)
Number of Shares ('000)	149,062	134,156	149,062	134,156
<b>Financial Ratios</b>				
NTA per share (cents)	10.6	9.6	2.6	0.6
Gearing (times) <sup>(3)</sup> (Net D/E)	n.a.	n.a.	n.a.	n.a.
Current Ratio (times) <sup>(4)</sup>	8.2	6.9	0.6	0.4
Earnings Per Share (cents) <sup>(5)</sup>	(0.47)	(0.52)	(0.61)	(0.67)

**OFF-MARKET PURCHASE <sup>(1)</sup>**

	<b>GROUP</b>		<b>COMPANY</b>	
	<b>Before Share Purchase S\$'000</b>	<b>After Share Purchase S\$'000</b>	<b>Before Share Purchase S\$'000</b>	<b>After Share Purchase S\$'000</b>
<b>At 31 July 2021</b>				
Share capital	147,360	147,360	147,360	147,360
Treasury shares	-	(3,428)	-	(3,428)
Foreign Currency Translation Reserve	(38)	(38)	-	-
Share option reserve	25	25	25	25
Accumulated losses	(131,512)	(131,512)	(143,559)	(143,559)
Equity Attributable to Owners of the Company	15,835	12,407	3,826	398
Non-Controlling Interests	191	191	-	-
<b>Total Equity</b>	<b>16,026</b>	<b>12,598</b>	<b>3,826</b>	<b>398</b>
Current Assets	17,784	14,356	10,682	7,254
Current liabilities	2,160	2,160	18,161	18,161
Borrowings	3,374	3,374	55	55
Cash and Cash Equivalents	7,511	4,083	5,828	2,400
Net Tangible Assets (NTA) <sup>(2)</sup>	15,835	12,407	3,826	398
Net loss after tax	(701)	(701)	(905)	(905)
Profit attributable to Owners of the Company	(701)	(701)	(905)	(905)
Number of Shares ('000)	149,062	134,156	149,062	134,156
<b>Financial Ratios</b>				
NTA per share (cents)	10.6	9.2	2.6	0.3
Gearing (times) <sup>(3)</sup> (Net D/E)	n.a.	n.a.	n.a.	n.a.
Current Ratio (times) <sup>(4)</sup>	8.2	6.6	0.6	0.4
Earnings Per Share (cents) <sup>(5)</sup>	(0.47)	(0.52)	(0.61)	(0.67)

Notes to the foregoing tables:

- (1) The disclosed financial effects remain the same irrespective of whether:
  - (a) the purchase of the Shares is effected out of capital or profits; or
  - (b) the purchased Shares are held in treasury or are cancelled.
- (2) NTA equals to Total Equity less Non-Controlling Interests.
- (3) Gearing is defined as Borrowings (net of Cash and Cash Equivalents) divided by Equity Attributable to Owners of the Company. Hence, the Gearing Ratio is not applicable (n.a.) when it is negative.
- (4) Current Ratio equals Current Assets divided by Current Liabilities.
- (5) Earnings per Share is based on 149,062,362 Shares and 134,156,125 Shares respectively.

**SHAREHOLDERS SHOULD NOTE THAT THE FINANCIAL EFFECTS SET OUT ABOVE ARE FOR ILLUSTRATIVE PURPOSES ONLY. IN PARTICULAR, IT IS IMPORTANT TO NOTE THAT THE ABOVE ANALYSIS IS BASED ON THE UNAUDITED FINANCIAL STATEMENTS OF THE GROUP AND THE COMPANY FOR THE FINANCIAL YEAR ENDED 31 JULY 2021 AND ARE FOR ILLUSTRATION ONLY. THE RESULTS OF THE GROUP AND COMPANY FOR THE FINANCIAL YEAR ENDED 31 JULY 2021 MAY NOT BE REPRESENTATIVE OF THE GROUP'S FUTURE FINANCIAL PERFORMANCE.**

It should be noted that although the Share Buy-Back Mandate will authorise the Company to purchase or acquire up to 10% of the issued Shares (excluding any treasury shares and subsidiary holdings), the Company may not necessarily purchase or acquire the entire 10%. In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased in treasury. The Company will take into account both financial and non-financial factors (for example, stock market conditions and the performance of the Shares) in assessing the relative impact of a share buyback before execution.

## **7. TAX IMPLICATIONS**

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

## **8. LISTING RULES**

### **8.1 Reporting requirements**

The Act and the Listing Manual require the Company to make the following reports in relation to the Share Buy-Back Mandate:-

- (a) To lodge a copy of the Shareholders' resolution approving the Share Buy-Back Mandate with ACRA within 30 days of the passing of such resolution;
- (b) To notify ACRA of an acquisition or purchase of Shares on the SGX-ST or otherwise within 30 days, such notification shall be in the prescribed form and shall include:-
  - (i) The date of the acquisition or purchase of Shares;
  - (ii) The total number of Shares acquired or purchased;
  - (iii) The number of Shares cancelled;
  - (iv) The number of Shares held as treasury shares;
  - (v) The Company's issued share capital before the acquisition or purchase and after such acquisition or purchase;
  - (vi) The amount of consideration paid by the Company for the acquisition or purchase;
  - (vii) Whether the Shares were purchased or acquired out of the profits or the capital of the Company; and
  - (viii) Such other information as required by the Act

- (c) Pursuant to the Listing Manual, the Company will report purchases of Shares to the SGX-ST in the forms prescribed which shall include details including, *inter alia*, the date of purchase, the price paid and the number of issued shares remaining in the share capital of the Company after the Share Buy-Back, and to make an announcement to the public:-
  - (A) in the case of an On-Market Purchase, no later than 9.00 a.m. on the Market Day following the day on which it makes an On-Market Purchase; and
  - (B) in the case of an Off-Market Purchase under an equal access scheme, not later than 9.00 a.m. on the second Market Day following the close of acceptances of the offer.

Such announcement should be made in compliance with Appendix 8.3.1 of the Listing Manual and must include details, *inter alia*, the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such Shares, as applicable.

## 8.2 Insider trading

As the Company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its Shares, the Company will not engage in any Share Buy-Back pursuant to the proposed Share Buy-Back Mandate at any time after a price sensitive matter or development has occurred or has been the subject of a decision until the price sensitive information has been announced. In particular, in line with the best practices on securities dealings in the Listing Manual, the Company will not engage in any Share Buy-Back pursuant to the proposed Share Buy-Back Mandate during the period of one month immediately preceding the announcement of the Company’s half year (if applicable) and full year results and the period of two weeks before the announcement of the financial results of the company for each of the first, second and third quarter of its financial years (if applicable).

## 8.3 Listing status

The Listing Rules require a listed company to ensure that at least 10% of its shares (excluding preference shares and convertible equity securities) in a class that is listed are at all times held by the public. As defined in the Listing Rules, the “public” refers to persons other than the directors, chief executive officer, substantial shareholders or controlling shareholders of the Company and its subsidiaries, as well as the associates (as defined in the Listing Rules) of such persons.

As at the Latest Practicable Date, approximately 65,006,863 Shares representing 43.6% of the issued share capital are held in the hands of the public. Assuming that the Company purchases the maximum of 10% of the issued Shares from such public Shareholders and the Shares bought back are cancelled, the resultant percentage of the issued Shares held by the public would be reduced to approximately 37.34%. Accordingly, the Company is of the view that there is a sufficient number of Shares in issue held by the public which would permit the Company to undertake Share Buy-Back up to the full 10% limit pursuant to the proposed Share Buy-Back Mandate without affecting the listing status of the Shares on the SGX-ST.

Notwithstanding the current level of the public float, the Company believes that having the flexibility to conduct the Share Buy-Back pursuant to the Share Buy-Back Mandate (if renewed) under appropriate circumstances will be beneficial to the Company. It is also possible that the public float may also change from time to time and such flexibility will be reduced if the Company seeks a lower limit based on the current level of the public float. Accordingly, for greater flexibility, the Company is seeking Shareholders’ approval to enable the Company to purchase or acquire up to a maximum of 10% of the total number of Shares of the Company (excluding treasury shares and subsidiary holdings). Nevertheless, the Director will ensure that the Company will not undertake any Share Buy-Back if the public float is below 10%, or if this result in the public float falling below 10%.



## 9. TAKEOVER IMPLICATIONS UNDER THE TAKE-OVER CODE

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

Pursuant to Appendix 2 of the Take-over Code, any increase in the percentage of voting rights held by a shareholder and persons acting in concert with him resulting from a Share Buy-Back by the Company will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code.

Under Rule 14 of the Take-over Code, a Shareholder and persons acting in concert with the Shareholder will incur an obligation to make a mandatory takeover offer if, *inter alia*, he and persons acting in concert with him increase their voting rights in the Company to 30% or more or, if they, together holding between 30% and 50% of the Company's voting rights, increase their voting rights in the Company by more than 1% in any period of 6 months.

Consequently, depending on the number of Shares purchased or acquired by the Company and the number of issued Shares at that time, a Shareholder or group of Shareholders acting in concert with each other could obtain or consolidate effective control of the Company and could become obliged to make a take-over offer under Rule 14 of the Take-over Code.

### (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, *inter alia*, will be presumed to be acting in concert with each other, namely:

- (i) the following companies:-
  - (a) A company;
  - (b) The parent company of (a);
  - (c) The subsidiaries of (a);
  - (d) The fellow subsidiaries of (a);
  - (e) The associated companies of any of (a), (b), (c) or (d);
  - (f) Companies whose associated companies include any of (a), (b), (c), (d) or (e); and
  - (g) Any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.
- (ii) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts). Close relatives include immediate family (i.e. parents, siblings, spouse and children), siblings of parents (i.e. uncles and aunties) as well as their children (i.e. cousins) and children of siblings (i.e. nephews and nieces).;

- (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 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 such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a *bona fide* offer for their company may be imminent;
- (vii) partners; and
- (viii) the following persons and entities:-
  - (a) An individual;
  - (b) The close relatives of (a);
  - (c) The related trusts of (a);
  - (d) Any person who is accustomed to act in accordance with the instructions of (a); and
  - (e) Companies controlled by any of (a), (b), (c) or (d); and
  - (f) Any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.

For this purpose, 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 takeover offer under Rule 14 after a purchase 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 Appendix 2 of the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a takeover offer under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring its ordinary shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or if the voting rights of such Directors and their concert parties fall between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six 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 who is not acting in concert with the Directors will not be required to make a takeover offer under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring its ordinary shares, the voting rights of such Shareholder in the Company would increase to 30% or more, or if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such

Shareholder would increase by more than 1% in any period of six months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buy-Back Mandate.

**SHAREHOLDERS WHO ARE IN DOUBT AS TO THEIR OBLIGATIONS, IF ANY, TO MAKE A MANDATORY TAKE-OVER OFFER UNDER THE TAKE-OVER CODE AS A RESULT OF ANY PURCHASE OR ACQUISITION OF SHARES BY THE COMPANY SHOULD CONSULT THE SECURITIES INDUSTRY COUNCIL (“SIC”) AND/OR THEIR PROFESSIONAL ADVISERS AT THE EARLIEST OPPORTUNITY.**

**(d) The Relevant Director and his concert parties**

As at the Latest Practicable Date, in respect of Mr Ma Wei Dong, the Non-Independent and Non-Executive Chairman/Director of the Company (the “Relevant Director”) who is also the controlling shareholder of the Company, Madam Jin Liyan is presumed to be acting in concert with the Relevant Director under the Take-over Code, who collectively with the Relevant Director, are hereafter referred to as the “Relevant Parties”.

As at the Latest Practicable Date, the Relevant Parties have an aggregate interest (direct and deemed) in 75,353,000 Shares, representing approximately 50.55% of the total number of issued Shares (excluding treasury shares). The interests of the Relevant Parties in the issued Shares as at the Latest Practicable Date are set out in Section 9(h) of this Letter.

In the event that the Company should, pursuant to the Share Buy-Back Mandate, purchase or acquire up to 10% of its issued Shares (excluding treasury shares and subsidiary holdings) (“Full Buy-back”), the aggregate shareholding interest of approximately 50.55% held by the Relevant Parties may increase by more than 1% in any 6-month period. If the shareholding interest held by the Relevant Parties should fall to between 30% to 50%, the Relevant Director and other members of the Relevant Parties could incur a mandatory take-over obligation for the issued Shares under the Take-over Code.

**(e) Conditions for exemption from having to make a take-over offer**

The Relevant Director and persons acting in concert with him will be exempted from the requirement to make a general offer for the Company under Rule 14, when read with Appendix 2 of the Take-over Code, following an increase in the aggregate percentage of total voting rights in the Company held by the Relevant Director and persons acting in concert with him by more than 1% in any 6-month period as a result of the Company purchasing its Shares under the Share Buy-Back Mandate, subject to the following conditions:

- (i) the Letter to Shareholders seeking their approval for the Share Buy-Back Mandate will contain advice to the effect that by voting in favour of the resolution to approve the renewal of the Share Buy-Back Mandate (the “Buy-back Resolution”), Shareholders are waiving their right to a general offer at the required price from any of the Relevant Director and persons acting in concert with him;
- (ii) the aforesaid Letter discloses the names and voting rights of the Relevant Director and persons acting in concert with him (a) as of the time of the Buy-back Resolution, and (b) after a Full Buy-back;
- (iii) the Buy-back Resolution is approved by a majority of the Shareholders who are present and voting at the meeting on a poll who could not become obliged to make a general offer for the Company as a result of the buy-back of Shares by the Company pursuant to the Share Buy-Back Mandate;
- (iv) within 7 days after the passing of the Buy-back Resolution, the Relevant Director is to submit to the SIC a duly signed form as prescribed by the SIC;

(v) the Relevant Director and persons acting in concert with him abstain from (a) voting on the Buy-back Resolution, and (b) recommending Shareholders to vote in favour of the Buy-back Resolution; and

(vi) the Relevant Director and persons acting in concert with him have not acquired and will not acquire any Shares between the date on which they know that the announcement of the proposal for the renewal of the Share Buy-Back Mandate is imminent and the earlier of:

(a) the date on which the authority of the Share Buy-Back Mandate expires; and

(b) the date on which the Company announces that it has (1) bought back such number of Shares as authorised by the shareholders at the latest general meeting, or (2) decided to cease buying back the Shares, as the case may be,

if any such acquisitions, taken together with the Share buy-back, would cause the aggregate voting rights in the Company of the Relevant Director and persons acting in concert with him to increase by more than 30% or more; and

(vii) the Relevant Director and persons acting in concert with him, together holding between 30% and 50% of the Company's voting rights, not to have acquired and not to acquire any shares between the date on which they know that the announcement of the Share Buy-Back Mandate is imminent and the earlier of:

(a) the date on which the authority of the Share Buy-Back Mandate expires; and

(b) the date on which the Company announces that it has (1) bought back such number of Shares as authorised by shareholders at the latest general meeting or (2) decided to cease buying back the Shares, as the case may be,

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

It follows that where the aggregate voting rights held by the Relevant Director and persons acting in concert with him increase by more than 1% solely as a result of the buy-back of Shares and none of them has acquired any Shares during the relevant period defined above, then the Relevant Director and/or persons acting in concert with him would be eligible for the SIC's exemption from the requirement to make a general offer under Rule 14 of the Take-over Code, or where such exemption had been granted, would continue to enjoy the exemption.

If the Company ceases to buy-back Shares pursuant to the Share Buy-Back Mandate and the increase in the aggregate voting rights held by the Relevant Director and the persons acting in concert with him is less than 1%, the Relevant Director and persons acting in concert with him may acquire further voting rights in the Company. However, any increase in their percentage voting rights as a result of the buy-back of Shares pursuant to the Share Buy-Back Mandate will be taken into account together with any voting rights acquired by the Relevant Director and persons acting in concert with him (by whatever means) in determining whether they have increased their voting rights by more than 1% in any 6-month period.

**(f) Advice to Shareholders**

**Shareholders should note that by voting in favour of the ordinary resolution relating to the Renewal of Share Buy-Back Mandate, they will be waiving their rights to a take-over offer at the required price by the Concert Parties who, as a result of the purchase or acquisition of Shares by the Company pursuant to the Share Buy-Back Mandate, would increase their collective interest in the Shares by more than 1% in any period of 6 months. Such a take-over offer, if required to be made and had not been exempted by SIC, would have to be made in cash or be accompanied by a cash alternative at not less than the highest price (excluding stamp duty and commission) paid by the Concert Parties for any Share within the preceding six (6) months.**

**(g) Form 2 submission to the SIC**

Form 2 (Submission by directors and their concert parties pursuant to Appendix 2) is the prescribed form to be submitted to the SIC by a director and persons acting in concert with him pursuant to the conditions for exemption (see condition (iv) of sub-paragraph (e) above headed “*Conditions for exemption from having to make a take-over offer*”) from the requirement to make a take-over offer under Rule 14 of the Take-over Code as a result of the buy-back of shares by a listed company under its Share Buy-Back Mandate.

As at the Latest Practicable Date, the Relevant Director has informed the Company that he will be submitting a Form 2 to the SIC within 7 days after the passing of the ordinary resolution authorising the renewal of the Share Buy-Back Mandate at the AGM.

**(h) Voting rights of the Relevant Parties before and after share purchase**

Based on the direct holdings of Shares of the Relevant Parties as at the Latest Practicable Date, and assuming that:

- (i) there is no change in their direct holdings of Shares between the Latest Practicable Date and the date of the AGM;
- (ii) no new Shares are issued to the Relevant Director and/or the Relevant Parties by the Company following the approval being received from Shareholders at the AGM for the renewal of the Share Buy-Back Mandate; and
- (iii) the Relevant Parties do not sell or otherwise dispose of their holding of Shares, the aggregate interest (direct and deemed) of the Relevant Parties in the issued Shares as at the date of the AGM and after the purchase by the Company of 10% of the issued Shares (excluding treasury shares and subsidiary holdings) pursuant to the Share Buy-Back Mandate are as follows:

Relevant Parties	Before Share Buy-Back (as at date of AGM)		After Share Buy-Back (as at date of AGM)	
	No. of shares	% <sup>(1)</sup>	No. of shares	% <sup>(1)</sup>
<b>Relevant Director</b>				
Ma Weidong	75,000,000	50.31	75,000,000	55.90
<b>Concert parties</b>				
Jin Liyan	353,000	0.24	353,000	0.26

Notes:

- (1) “%” Before Share Buy-Back is rounded to 2 decimal places and is based on 149,062,362 issued Shares (excluding treasury shares) as at the Latest Practicable date, and “%” after Share Buy-Back is rounded to 2 decimal places and is based on 134,156,125 issued Shares (excluding treasury shares). There were no subsidiary holdings as at the Latest Practicable date.

## 10. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of our Directors and Substantial Shareholders as at the Latest Practicable Date were as follows:

	Direct Interest		Deemed Interest	
	Number of Shares	% <sup>(1)</sup>	Number of Shares	% <sup>(1)</sup>
<b>Interests of Directors</b>				
Ma Weidong <sup>(2)</sup>	75,000,000	50.31	353,000	0.24
Lim Huan Chiang	897,000	0.602	-	-
Darlington Tseng Te-Lin	278,825	0.19	-	-
<b>Interests of substantial shareholders</b>				
Tseng An Hsiung Andy <sup>(3)</sup>	-	-	7,879,674	5.29

Notes:

- (1) “%” is based on 149,062,362 issued Shares (excluding treasury shares) as at the Latest Practicable date.
- (2) Mr. Ma Weidong is deemed interested in 353,000 ordinary shares held by his spouse, Mrs Jin Li Yan by virtue of Section 7 of the Companies Act, Chapter 50 (“Act”).
- (3) Mr. Tseng An Tsiung Andy is deemed interested in:
  - a) 3,822,842 ordinary shares held by Wellspring Investment Ltd by virtue of Section 7 of the Act;
  - b) 44,800 ordinary shares held by his spouse, Mrs Tseng Shu Eng Eng by virtue of Section 7 of the Act; and
  - c) 4,012,032 ordinary shares held by Dai Dai Development International Holdings Limited by virtue of Section 7 of the Act.

## 11. SHARES PURCHASED BY THE COMPANY

The Company has not made any Share Buy-Back in the 12 months preceding the date of this Letter.

## 12. ACTION TO BE TAKEN BY SHAREHOLDERS

The AGM of the Company, notice of which is sent to shareholders’ by electronic means via publication on the SGX website as well as the Company’s website at [www.a-smart.sg](http://www.a-smart.sg), will be convened and held at 61 Tai Seng Avenue #05-14 Print Media Hub@Paya Lebar iPark Singapore 534167 on Monday, 29 November 2021 at 10.00 a.m. for the purpose of, *inter alia*, considering and if thought fit, passing with or without modifications, the resolution on the renewal of the Share Buy-back Mandate as set out in the Notice of AGM.

A Depositor shall not be regarded as a Shareholder of the Company entitled to attend the AGM and to speak and vote thereat unless his name appears on the Depository Register maintained by CDP not less than 72 hours before the time fixed for the AGM or any adjournment thereof.

In addition, Shareholders should note that the Company may make further changes to its AGM arrangements (including but not limited to any applicable alternative arrangements as may be prescribed or permitted (as the case may be) under the Covid-19 Act and any regulations promulgated thereunder (including under the Covid-19 Order) as well as other guidelines issued by the relevant authorities) as the situation evolves. Shareholders are advised to keep abreast of any such changes as may be announced by the Company from time to time on SGXNet.

### 13. DIRECTORS' RECOMMENDATION

**Proposed Renewal of Share Buy-Back Mandate:** The Directors are of the opinion that the proposed renewal of the Share Buy-Back Mandate will be in the interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the Ordinary Resolution relating to the proposed renewal of the Share Buy-Back Mandate.

Shareholders are advised to read this Letter in its entirety and for any Shareholder who may require advice in the context of his specific investment, to consult his bank manager, stockbroker, solicitor, accountant or other professional adviser.

### 14. DIRECTORS' RESPONSIBILITY STATEMENT

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

### 15. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at 61 Tai Seng Avenue #03-03 Print Media Hub@Paya Lebar iPark Singapore 534167 during normal office hours from the date of this Letter up to and including the date of the AGM:

- (1) the Constitution of the Company; and
- (2) Annual Report.

Yours faithfully  
For and on behalf of  
the Board of Directors of  
**A-SMART HOLDINGS LTD.**

**LIM HUAN CHIANG**  
Executive Director and Chief Executive Officer

