

APPENDIX DATED 15 JULY 2021

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

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

This Appendix is circulated to the Shareholders (as defined herein) of UnUsUaL Limited (the “**Company**”) together with the Company’s annual report for the financial year ended 31 March 2021 (the “**Annual Report**”). Its purpose is to explain to Shareholders the rationale and provide information relating to, and to seek Shareholders’ approval for the renewal of the Share Buyback Mandate (as defined herein) to be tabled at the virtual AGM (as defined herein) of the Company to be held on Friday, 30 July 2021 at 11.00 a.m on this site <https://conveneagm.com/sg/unusuallimited>.

The notice of AGM and the proxy form are enclosed with the Annual Report.

If you have sold or transferred all your shares in the capital of the Company held through The Central Depository (Pte) Limited (“**CDP**”), you need not forward this Appendix with the Annual Report to the purchaser or transferee as arrangements will be made by CDP for a separate Appendix with the notice of AGM and the accompanying proxy form to be sent to the purchaser or transferee. If you have sold or transferred all your shares in the capital of the Company represented by physical share certificate(s), you should immediately forward this Appendix, together with the Annual Report, the notice of AGM and the accompanying proxy form, to the purchaser or transferee, or to the bank, stockbroker or agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Appendix has been prepared by the Company and its contents have been reviewed by the Company’s Sponsor, Hong Leong Finance Limited. It has not been examined or approved by the Exchange and the Exchange assumes no responsibility for the contents of this Appendix, including the correctness of any of the statements or opinions made, or reports contained in this Appendix.

The contact person for the Sponsor is Mr. Kaeson Chui, Vice President, at 16 Raffles Quay, #01-05 Hong Leong Building, Singapore 048581, Telephone (65) 6415 9886.



(Company Registration Number 201611835H)
(Incorporated in the Republic of Singapore)

APPENDIX TO THE ANNUAL REPORT

IN RELATION TO

THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

DEFINITIONS

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

“ACRA”	:	Accounting and Corporate Regulatory Authority
“AGM”	:	The annual general meeting of the Company
“Appendix”	:	This Appendix to Shareholders dated 15 July 2021 in relation to the proposed renewal of the Share Buyback Mandate
“Associate”	:	(a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means: <ul style="list-style-type: none">(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; and (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any company which is its subsidiary or holding company or is a subsidiary of any 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
“Board”	:	The board of Directors of the Company for the time being
“Catalist”	:	The SGX-ST sponsor-supervised listing platform
“Catalist Rules”	:	The Listing Manual Section B: Rules of Catalist of the SGX-ST, as amended, modified or supplemented from time to time
“CDP”	:	The Central Depository (Pte) Limited
“Companies Act”	:	The Companies Act (Chapter 50) of Singapore, as amended, modified or supplemented from time to time
“Company”	:	UnUsUaL Limited
“Constitution”	:	The constitution of the Company, as amended, modified or supplemented from time to time
“Control”	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company
“Controlling Shareholder”	:	A person (including a corporation) who: <ul style="list-style-type: none">(a) holds directly or indirectly 15% or more of the total issued voting Shares; or(b) in fact exercises Control over the Company

“Directors”	:	The directors of the Company as at the date of this Appendix
“EPS”	:	Earnings per Share
“FY”	:	Financial year of the Company ended or ending 31 March (as the case may be)
“Group”	:	The Company and its subsidiaries
“Latest Practicable Date”	:	17 June 2021, being the latest practicable date prior to the printing of this Appendix
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“NAV”	:	Net asset value
“Ordinary Resolution”	:	A resolution passed by a simple majority of the Shareholders present and voting in person or by proxy at a general meeting of the Company
“Relevant Period”	:	The period commencing from the date on which the last AGM was held and expiring on the date the next AGM is held or is required by law to be held, whichever is the earlier
“Securities Account”	:	The securities account maintained by a Depositor with CDP (but does not include a securities sub-account)
“SFA”	:	The Securities and Futures Act (Chapter 289) of Singapore, as amended, modified or supplemented from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Buyback Mandate”	:	A general and unconditional mandate given by the Shareholders to authorise the Directors to purchase or otherwise acquire, on behalf of the Company, Shares in accordance with the terms set out in this Appendix and in compliance with the rules and regulations set forth in the Companies Act and the Catalist Rules
“Share Purchase”	:	The purchase or acquisition by the Company of its own Shares pursuant to the Share Purchase Mandate
“Shareholders”	:	The registered holders of the Shares in the register of members of the Company, except where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context so admits, mean the Depositors whose Securities Accounts are credited with such Shares
“Shares”	:	Ordinary shares in the issued share capital of the Company
“Substantial Shareholder”	:	A person (including a corporation) who holds directly or indirectly 5% or more of the total issued voting Shares
“Take-over Code”	:	The Singapore Code on Take-overs and Mergers, as amended or modified from time to time
“\$” and “cents”	:	Singapore dollars and cents respectively
“%” or “per cent.”	:	Percentage or per centum

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

The term “**subsidiary**” shall have the same meaning ascribed to it in Section 5 of the Companies Act. The term “**treasury shares**” shall have the same meaning ascribed to it in Section 4 of the Companies Act. The term “**subsidiary holdings**” is defined in the Catalist Rules to mean shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act.

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*.

References to persons shall, where applicable, include corporations and limited liability partnerships.

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

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

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

Any discrepancies in this Appendix between the sum of the figures stated and the total thereof are due to rounding. Accordingly, figures shown as totals in this Appendix may not be an arithmetic aggregation of the figures which precede them.

UnUsUaL LIMITED
(Company Registration Number 201611835H)
(Incorporated in the Republic of Singapore)

Directors

Melvin Ang (*Non-Executive Chairman and Non-Independent Director*)
Leslie Ong (*CEO and Executive Director*)
Johnny Ong (*COO and Executive Director*)
Loh Woon Yen (*Non-Executive Director*)
Kelvin Tan (*Lead Independent Director*)
William Tan (*Independent Director*)
Michael Tang (*Independent Director*)

Registered Office

45 Kallang Pudding Road
#01-01 Alpha Building
Singapore 349317

15 July 2021

To: The Shareholders of UnUsUaL Limited

Dear Sir/Madam

1. INTRODUCTION

- 1.1 The Directors propose to seek the approval of Shareholders at the forthcoming virtual AGM to be held on Friday, 30 July 2021 at 11.00 a.m. on this site <https://conveneagm.com/sg/unusuallimited> for the proposed renewal of the Share Buyback Mandate.
- 1.2 The proposed Resolution 10 in the Notice of AGM relates to the renewal of a share buyback mandate (the “**Share Buyback Mandate**”), which shareholders had previously approved at the AGM of the Company held on 23 July 2020, to authorise the directors of the Company (the “**Directors**”) to purchase or otherwise acquire issued ordinary shares in the capital of the Company (the “**Shares**”) on the terms of the Share Buyback Mandate. The authority conferred by the Share Buyback Mandate will expire on 30 July 2021, being the date of the AGM.
- 1.3 The purpose of this Appendix is to provide Shareholders with the relevant information relating to and to explain the rationale for the proposed renewal of the Share Buyback Mandate to be tabled at the AGM.
- 1.4 The SGX-ST assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Appendix.

2. PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

2.1 Authority and Limits of the Share Buyback Mandate

The Share Buyback Mandate, if renewed, will authorise the Directors, from time to time, to purchase Shares either through market purchases (the “**Market Purchases**”) or off-market purchases on an equal access scheme (the “**Off-Market Purchases**”) as defined in Section 76C of the Companies Act, Chapter 50 (the “**Companies Act**”) of up to a maximum of 10% of the total number of issued Shares as at the date of the AGM at which the Share Buyback Mandate is renewed, at such price up to but not exceeding the Maximum Price (as defined below). For the purpose of calculating the percentage of the total number of issued Shares above, any Shares which are held as treasury shares (“**Treasury Shares**”) and subsidiary holdings will be disregarded.

For illustrative purposes only, based on the number of Shares as at 17 June 2021, being the Latest Practicable Date prior to the printing of this Appendix of 1,029,179,292 Shares (excluding Treasury Shares), and assuming that no further Shares are issued or purchased and kept as Treasury Shares on or prior to the AGM, no more than 102,917,929 Shares representing 10% of the issued Shares (excluding Treasury Shares) as at the date of the AGM may be bought by the Company pursuant to the Share Buyback Mandate.

The purchase price (excluding applicable brokerage, stamp duties, commission, goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors or a committee of Directors that may be constituted for the purposes of effecting purchases or acquisitions of Shares by the Company under the Share Buyback Mandate.

However, the purchase price to be paid for the Shares pursuant to the purchases or acquisitions of the Shares must not exceed:

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

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

For the above purposes:

“**Average Closing Price**” means the average of the closing market prices of the Shares over the last five Market Days, on which transactions in the Shares were recorded, before the day on which the Market Purchase was made, or as the case may be, the day of making of the offer for an Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five Market Days period; and

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

If renewed, the Share Buyback Mandate will take effect from the date of the AGM and continue in force until the conclusion of the next AGM of the Company or the expiration of the period within which the next AGM is required by law to be held, whichever is earlier, unless prior thereto, share purchases are carried out to the full extent mandated or the Share Buyback is revoked or varied by the Company at a general meeting.

2.2 **Manner of purchase or acquisition of Shares**

Purchases or acquisitions of Shares can be effected by the Company by way of:

- (a) a Market Purchases transacted on the SGX-ST through the ready market, and which may be transacted through one or more duly licensed stockbrokers appointed by the Company for such purpose; and/or
- (b) an Off-Market Purchases effected otherwise than on the SGX-ST pursuant to an equal access scheme(s).

The Directors may impose such terms and conditions, which are consistent with the Share Buyback Mandate, the Companies Act, the Catalist Rules, and the Constitution, as they consider fit in the interests of the Company in connection with or in relation to an equal access scheme or schemes. Under the Companies Act, an equal access scheme must satisfy all the following conditions:

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

- (c) the terms of all the offers shall be the same, except that there shall be disregarded, where applicable:
 - (i) differences in consideration attributable to the fact that the offers may relate to Shares with different accrued dividend entitlements;
 - (ii) 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, if the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, the Company must, as required by the Catalyst Rules, issue an offer document to all Shareholders containing at least the following information:

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

2.3 **Rationale for the Share Buyback Mandate**

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

- (a) In managing the business of the Group, the management team strives to increase Shareholders' value by improving, *inter alia*, the return on equity of the Group. In addition to growth and expansion of the business, Share buybacks may be considered as one of the ways through which the return on equity of the Group may be enhanced.
- (b) The Share Buyback Mandate would provide the Company with the flexibility to purchase or acquire its Shares if and when circumstances permit, during the period when the Share Buyback Mandate is in force. It is an expedient, effective and cost efficient way for the Company to return surplus cash/funds over and above its ordinary capital requirements, if any, which are in excess of its financial requirements, taking into account its growth and expansion plans, to its Shareholders. In addition, the Share Buyback Mandate will allow the Company to have greater flexibility over, *inter alia*, the Company's share capital structure and its dividend policy.
- (c) Share purchases or acquisitions also allow the Directors to exercise control over the Company's share capital structure with a view of enhancing the EPS and/or NTA per Share.

- (d) The purchase or acquisition of Shares under the Share Buyback Mandate will help mitigate short-term share price volatility (by way of stabilising the supply and demand of Shares) and offset the effects of short-term share price speculation, supporting the fundamental value of the Shares, thereby bolstering Shareholders' confidence and employees' morale.
- (e) The Share Buyback Mandate also enables the Directors to purchase or acquire Shares, hold the repurchased Shares as treasury shares and utilise such treasury shares for the purpose of granting awards of Shares under the Company's Performance Share Plan, approved by Shareholders at an annual general meeting held on 23 July 2020 or in such manner as may be permitted by and in accordance with the Companies Act and such other applicable laws and regulations.
- (f) If and when the circumstances permit, the Directors will decide whether to effect the Share purchases or acquisitions via Market Purchases or Off-Market Purchases, after taking into account the amount of surplus cash available, the prevailing market conditions and the most cost-effective and efficient approach.

While the Share Buyback Mandate would authorise a purchase or acquisition of Shares up to the 10% limit described in Section 2.1 above during the period referred to in Section 2.1 above, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buyback Mandate may not be carried out to the full 10% limit as authorised and the purchases or acquisitions of Shares pursuant to the Share Buyback Mandate will be made only as and when the Directors consider it to be in the best interests of the Company and/or the Shareholders and in circumstances which they believe will not result in any material adverse effect on the financial position of the Company or the Group, or result in the Company being delisted from the SGX-ST. The Directors will use their best efforts to ensure that after a purchase or acquisition of Shares pursuant to the Share Buyback Mandate, the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect the orderly trading and listing status of the Shares on the SGX-ST.

2.4 Sources of funds

The Company may only apply funds legally available for the purchase or acquisition of its Shares as provided in the Constitution and in accordance with the applicable laws in Singapore. The Company may not purchase or acquire its Shares for a consideration other than in cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the trading rules of the SGX-ST.

Under the Companies Act, the Company may purchase or acquire its Shares out of capital or profits so long as the Company is solvent. For this purpose, pursuant to the Companies Act, the Company is solvent if at the date of the relevant 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 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 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 of Shares, become less than the value of its liabilities (including contingent liabilities).

The Company intends to use internal sources of funds or borrowings or a combination of both to finance the Company's purchase or acquisition of Shares pursuant to the Share Buyback Mandate. In purchasing or acquiring Shares pursuant to the Share Buyback Mandate, the Directors will principally consider the availability of internal resources. In addition, the Directors will consider the availability of external financing. However, in considering the option of external financing, the Directors will consider particularly the prevailing gearing level of the Group and the costs of such financing.

The Directors will only make purchases or acquisitions of Shares pursuant to the Share Buyback Mandate in circumstances which they believe will not result in any material adverse effect to the financial position of the Company or the Group.

2.5 **Status of purchased or acquired Shares**

Shares purchased or acquired by the Company are deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to those Shares will expire on such cancellation) unless such Shares are held by the Company as treasury shares. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as Treasury Shares.

Shares purchased or acquired by the Company and cancelled will be automatically de-listed by the SGX-ST. Certificates in respect thereof will be cancelled by the Company as soon as reasonably practicable following settlement of any such purchase or acquisition.

2.6 **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 ("**Treasury Shares Limit**").

(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 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 or consolidation of any treasury share into treasury shares of a greater or smaller number is also 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 any 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 the Minister for Finance may by order prescribe.

Shares purchased or acquired under the Share Buyback Mandate will be held as treasury shares or cancelled by the Company taking into consideration the then prevailing circumstances and requirements of the Company at the relevant time.

In addition, under Rule 704(31) of the Catalist Rules, the Company must immediately announce any sale, transfer, cancellation and/or use of treasury shares held by it stating the following:

- (i) date of the sale, transfer, cancellation and/or use;
- (ii) purpose of such sale, transfer, cancellation and/or use;
- (iii) number of treasury shares sold, transferred, cancelled and/or used;
- (iv) number of treasury shares before and after such sale, transfer, cancellation and/or use;
- (v) 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
- (vi) value of the treasury shares if they are used for a sale or transfer, or cancelled.

2.7 **Reporting requirements**

2.7.1 Notification to Accounting and Corporate Regulatory Authority of Singapore (“ACRA”)

Within 30 days of the passing of a Shareholders’ resolution to approve the proposed renewal of the Share Buyback Mandate, the Company shall lodge a copy of such resolution with ACRA.

The Company shall lodge with ACRA a notice of purchase or acquisition of Shares within 30 days of such purchase or acquisition. Such notification shall include the date of purchase or acquisition, the number of Shares purchased or acquired, the number of Shares cancelled or held as treasury shares, the Company’s issued share capital before and after the purchase or acquisition, the amount of consideration paid for the purchase or acquisition and whether such consideration is paid out of profits or capital of the Company, and such other information as may be prescribed from time to time.

In addition, within 30 days of the cancellation or disposal of treasury shares in accordance with the provisions of the Companies Act, the Company shall lodge with ACRA a notice of cancellation or disposal of treasury shares with such information as may be prescribed from time to time.

2.7.2 Notification to the SGX-ST

The Company shall notify the SGX-ST of all purchases or acquisitions of its Shares not later than 9.00 a.m.:

- (a) in the case of a Market Purchase, on the Market Day following the day on which the Market Purchase was made, and
- (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptance of the offer.

Such announcement shall include the number of Shares authorised for purchase or acquisition, the date of purchase or acquisition, the number of Shares purchased or acquired, the purchase price per Share or (in the case of Market Purchases) the purchase price per Share or the highest price and lowest price per Share, the total consideration paid for the Shares, the number of issued Shares after purchase or acquisition and such other information as may be prescribed under the Catalist Rules, from time to time.

In addition, under 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 the date of usage, the purpose of 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 before and after the usage, the value of the treasury shares comprised in the usage and such other information as may be prescribed from time to time.

2.8 Financial Impact

Shareholders should note that the financial effects illustrated below are for illustration purposes only. In particular, it is important to note that the financial analysis set out below are based on the audited consolidated financial statements for the financial year ended 31 March 2021 (“FY2021”) and are not necessarily representative of future financial performance of the Group. Although the proposed Share Buyback Mandate would authorise the Company to buy back up to 10% of the Company’s issued Shares (excluding Treasury Shares), the Company may not necessarily buy back or be able to buy back 10% of the issued Shares (excluding Treasury Shares) in full.

2.8.1 Financial effects

It is not possible for the Company to realistically calculate or quantify the impact of purchases or acquisitions of Shares that may be made pursuant to the Share Buyback Mandate on the NAV and EPS of the Company and the Group as the resultant effect would depend on, *inter alia*, the aggregate number of Shares purchased or acquired, whether the purchase or acquisition is made out of capital or profits, the purchase prices paid for such Shares, the amount (if any) borrowed by the Company to fund such purchases or acquisitions and whether the Shares purchased or acquired are cancelled or held as treasury shares.

The repurchased Shares may be cancelled or held as treasury shares. Any Share buyback will:

- (a) reduce the amount of the Company’s share capital where the Shares were purchased or acquired out of the capital of the Company;
- (b) reduce the amount of the Company’s profits where the Shares were purchased or acquired out of the profits of the Company; or
- (c) reduce the amount of the Company’s 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 such Shares.

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company’s capital or profits so long as the Company is solvent. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

The Directors do not propose to exercise the Share Buyback Mandate to such an extent that it would have a material adverse effect on the working capital requirements of the Group. The purchase or acquisition of Shares will only be effected after considering relevant factors such as the working capital requirements, the availability of financial resources, the expansion and investment plans of the Group and the prevailing market conditions. The Share Buyback Mandate will be exercised with a view to enhancing the EPS and/or the NAV per Share of the Group.

The financial effects presented below are based on the following assumptions:

(a) *Information as at the Latest Practicable Date*

As at the Latest Practicable Date, the Company has 1,029,179,292 issued Shares (excluding Treasury Shares).

(b) *Illustrative Financial Effects*

Purely for illustrative purposes, on the basis of 1,029,179,292 Shares in issue as at the Latest Practicable Date and having taken into consideration the Group's financial position as at 31 March 2021, the purchase or acquisition by the Company of 3% of its Shares will result in the purchase of 30,875,379 Shares.

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 30,875,379 Shares at the Maximum Price of \$0.1877 for each Share (being the price equivalent to 105% of the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 30,875,379 Shares is approximately \$5.8 million.

In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 30,875,379 Shares at the Maximum Price of \$0.2146 for each Share (being the price equivalent to 120% of the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 30,875,379 Shares is approximately \$6.6 million.

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

- (i) the Share Buyback Mandate had been effective on 1 April 2020; and
- (ii) such Share purchases are funded solely by internal resources,

the financial effects of the Share buyback on the audited consolidated financial results of the Group for FY2021, are set out below:

(i) **PURCHASES MADE ENTIRELY OUT OF CAPITAL AND HELD AS TREASURY SHARES**

(a) **Market Purchases**

<u>As at 31 March 2021</u>	Before Share Purchase	After Share Purchase	Before Share Purchase	After Share Purchase
	Group (\$'000)	Group (\$'000)	Company (\$'000)	Company (\$'000)
Shareholders' Funds	49,635	43,839	21,856	16,060
NAV ⁽¹⁾	49,635	43,839	21,856	16,060
Current Assets	42,585	36,789	26,251	20,455
Current Liabilities	18,893	18,893	4,692	4,692
Total Borrowings	18,341	18,341	3,987	3,987
Number of Shares ('000)	1,029,179	998,304	1,029,179	998,304
<u>Financial Ratios</u>				
NAV per Share (cents) ⁽²⁾	4.82	4.39	2.12	1.61
Current Ratio (times) ⁽³⁾	2.25	1.95	5.60	4.36
Basic EPS (cents)	(0.83)	(0.86)	0.09	0.10

(b) **Off-Market Purchases**

<u>As at 31 March 2021</u>	Before Share Purchase	After Share Purchase	Before Share Purchase	After Share Purchase
	Group (\$'000)	Group (\$'000)	Company (\$'000)	Company (\$'000)
Shareholders' Funds	49,635	43,010	21,856	15,231
NAV ⁽¹⁾	49,635	43,010	21,856	15,231
Current Assets	42,585	35,960	26,251	19,626
Current Liabilities	18,893	18,893	4,692	4,692
Total Borrowings	18,341	18,341	3,987	3,987
Number of Shares ('000)	1,029,179	998,304	1,029,179	998,304
<u>Financial Ratios</u>				
NAV per Share (cents) ⁽²⁾	4.82	4.31	2.12	1.53
Current Ratio (times) ⁽³⁾	2.25	1.90	5.60	4.18
Basic EPS (cents)	(0.83)	(0.86)	0.09	0.10

(ii) PURCHASES MADE OUT OF CAPITAL AND CANCELLED**(a) Market Purchases**

<u>As at 31 March 2021</u>	Before Share Purchase	After Share Purchase	Before Share Purchase	After Share Purchase
	Group (\$'000)	Group (\$'000)	Company (\$'000)	Company (\$'000)
Shareholders' Funds	49,635	43,839	21,856	16,060
NAV ⁽¹⁾	49,635	43,839	21,856	16,060
Current Assets	42,585	36,789	26,251	20,455
Current Liabilities	18,893	18,893	4,692	4,692
Total Borrowings	18,341	18,341	3,987	3,987
Number of Shares ('000)	1,029,179	998,304	1,029,179	998,304
<u>Financial Ratios</u>				
NAV per Share (cents) ⁽²⁾	4.82	4.39	2.12	1.61
Current Ratio (times) ⁽³⁾	2.25	1.95	5.60	4.36
Basic EPS (cents)	(0.83)	(0.86)	0.09	0.10

(b) Off-Market Purchases

<u>As at 31 March 2021</u>	Before Share Purchase	After Share Purchase	Before Share Purchase	After Share Purchase
	Group (\$'000)	Group (\$'000)	Company (\$'000)	Company (\$'000)
Shareholders' Funds	49,635	43,010	21,856	15,231
NAV ⁽¹⁾	49,635	43,010	21,856	15,231
Current Assets	42,585	35,960	26,251	19,626
Current Liabilities	18,893	18,893	4,692	4,692
Total Borrowings	18,341	18,341	3,987	3,987
Number of Shares ('000)	1,029,179	998,304	1,029,179	998,304
<u>Financial Ratios</u>				
NAV per Share (cents) ⁽²⁾	4.82	4.31	2.12	1.53
Current Ratio (times) ⁽³⁾	2.25	1.90	5.60	4.18
Basic EPS (cents)	(0.83)	(0.86)	0.09	0.10

Notes:

(1) NAV represents total assets less total liabilities.

(2) NAV per Share is calculated based on NAV and 1,029,179,292 Shares in issue as at 31 March 2021.

(3) Current ratio equals current assets divided by current liabilities.

Shareholders should note that the financial effects illustrated above are based on certain assumptions and purely for illustrative purposes only. In particular, it is important to note that the above analysis is based on the audited financial statements of the Company and the Group for the financial year ended 31 March 2021, and is not necessarily representative of the future financial performance of the Company or the Group.

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 purchase or acquisition before execution. Although the Share Buyback Mandate would authorise the Company to purchase or acquire up to 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings), the Company may not necessarily purchase or be able to purchase the entire 10% of the total number of its issued Shares. In addition, the Company may cancel all or part of the Shares purchased or hold all or part of the Shares purchased in treasury.

2.9 Take-over Code implications

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

2.9.1 Obligations to make a Take-over Offer

If, as a result of any purchase or acquisition by the Company of the Shares, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition of the Shares for the purposes of Rule 14 of the Take-over Code. Consequently, a Shareholder or a group of Shareholders acting in concert with a Director could obtain or consolidate effective control of the Company and become obliged to make a mandatory take-over offer under Rule 14 of the Take-over Code.

2.9.2 Persons acting in concert

Under the Take-over Code, persons acting in concert (“**concert parties**”) 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 the company.

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

- (a) 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;
- (b) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (e) 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, and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total ten percent (10%) or more of the client’s equity share capital;
- (f) directors of a company (together with their close relatives, related trusts and companies controlled by any of 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;

- (g) partners; and
- (h) an individual, his close relatives, his related trusts, any person who is accustomed to act in accordance 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 each of them, 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.

2.9.3 Effect of Rule 14 and Appendix 2 of the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, a Shareholder and his concert parties will incur an obligation to make a mandatory take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder and his concert parties would increase to thirty percent (30%) or more, or in the event that such Shareholder and his concert parties hold between thirty percent (30%) and fifty percent (50%) of the Company's voting rights, if the voting rights of such Shareholder and his concert parties would increase by more than one percent (1%) in any period of six (6) months. In calculating the percentages of voting rights of such Shareholder and his 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 mandatory 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 months. Such Shareholder need not abstain from voting in respect of the resolution authorising the proposed renewal of the Share Buyback Mandate.

Based on the information in the Company's register of members as at the Latest Practicable Date, none of the Directors or Substantial Shareholders are obliged to make a mandatory take-over offer under Rule 14 of the Take-over Code as a result of a purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate.

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

2.10 **Tax Implications**

Pursuant to Section 10J of the Income Tax Act, Chapter 134 of Singapore, where a company buys back its own shares and makes payment out of its contributed capital, it will not be regarded as a payment of dividend. Where a company buys back its own shares using its distributable profits, it is deemed as having paid a dividend to the shares from whom the shares are purchased or acquired.

Shareholders who are in doubt as to their respective tax positions or the tax implications of purchase or acquisition of Shares by the Company or who may be subject to tax, whether in or outside Singapore, should consult their professional advisors.

2.11 **Catalist Rules**

- 2.11.1 While the Catalist Rules do not expressly prohibit any purchase or acquisition of shares by a listed company during any particular time, because the listed company would be regarded as an “insider” in relation to any purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares at any time after any matter or development of a price-sensitive nature has occurred or has been the subject of consideration and/or a decision of the Board until such price-sensitive information has been publicly announced. Further, in line with the best practices on dealing with securities stipulated in the Catalist Rules, the Company will not purchase or acquire any Shares through Market Purchases or Off Market Purchases during the period of one month immediately preceding the announcement of the Company’s half-year and full year financial statements for the financial year.
- 2.11.2 The Company does not have any individual shareholding limit or foreign shareholding limit. The Catalist Rules require a listed company to ensure that at least 10% of the total number of issued shares (excluding preference shares, convertible equity securities and treasury shares) in a class that is listed must be held by public Shareholders. Where such percentage falls below 10%, the SGX-ST may at any time suspend trading of the shares of the listed company. The term “public”, as defined under the Catalist Rules, are persons other than (i) the Directors, chief executive officer, Substantial Shareholders or Controlling Shareholder of the Company and its subsidiaries; and (ii) Associates of the persons in (i).

As at the Latest Practicable Date, approximately 208,292,887 Shares, representing 20.24% of the total number of issued Shares are held by public Shareholders. **For illustrative purposes only**, assuming the Company exercises the Share Buyback Mandate in full and purchases 10% of the total number of issued Shares through Market Purchases from the public, the public float would be reduced to approximately 105,374,958 Shares, representing approximately 11.38% of the total number of issued Shares.

The Directors will use their best efforts to ensure that the Company does not effect a purchase or acquisition of Shares if the purchase or acquisition of Shares would result in the number of issued Shares remaining in the hands of the public falling to such a level as to cause market illiquidity or adversely affect the listing status of the Company. Before deciding to effect a purchase or acquisition of Shares, the Directors will ensure that, notwithstanding such purchase, a sufficient float in the hands of the public will be maintained to provide for an orderly market for trading in the Shares.

- 2.11.3 Under the Catalist Rule, a listed company may only purchase shares by way of a market acquisition at a price which is not more than 5% above the average closing market price. The term average closing market price is defined as the average of the closing market prices of shares over the last five (5) market days, on which transactions in the shares were recorded, before the day on which purchases are made. The Maximum Price for a Share in relation to Market Purchases by the Company, referred to in Section 2.1 of this Appendix, conforms to this restriction.

2.12 **Share buybacks in the previous 12 months**

Pursuant to the Share Buyback Mandate, the Company has not purchased or acquired any Shares during the 12-month period immediately preceding the Latest Practicable Date.

3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

The interests of the Directors and the Substantial Shareholders in the issued share capital of the Company, as recorded in the register of Directors' shareholdings and the register of Substantial Shareholders of the Company respectively, as at the Latest Practicable Date, are as follows:

	Direct Interest		Deemed Interest	
	Number of Shares	% ⁽¹⁾	Number of Shares	% ⁽¹⁾
Directors				
Melvin Ang ⁽²⁾	–	–	791,203,041	76.88
Leslie Ong ⁽³⁾	27,845,664	2.71	791,443,041	76.90
Johnny Ong ^{(3) (4)}	–	–	792,560,741	77.01
Loh Woon Yen	–	–	–	–
Kelvin Tan	80,000	0.01	–	–
William Tan	80,000	0.01	–	–
Michael Tang	80,000	0.01	–	–
Substantial Shareholder				
UnUsUaL Management Pte. Ltd.	791,203,041	76.88	–	–
mm2 Asia Ltd. ⁽⁵⁾	–	–	791,203,041	76.88

Notes:

- (1) Based on the issued share capital of the Company of 1,029,179,292 Shares as at the Latest Practicable Date.
- (2) Melvin Ang is deemed to be interested in the Shares held by mm2 Asia Ltd. ("mm2") by virtue of Section 7 of the Companies Act as he holds 26.43% of the shareholdings in mm2.
- (3) Leslie Ong and Johnny Ong are deemed to be interested in the 791,203,041 Shares held by UnUsUaL Management Pte. Ltd. ("UnUsUaL Management") by virtue of Section 7 of the Companies Act as they each hold 24.5% of the shareholdings in UnUsUaL Management, and 240,000 Shares held by their respective spouses.
- (4) Johnny Ong is deemed to be interested in 1,117,700 ordinary shares held under the nominee account with Maybank Kim Eng Securities Pte. Ltd. and DBS Nominees Pte. Ltd.
- (5) mm2 is deemed to be interested in the Shares held by UnUsUaL Management by virtue of Section 7 of the Companies Act as it holds 51% of the shareholdings in UnUsUaL Management.

4. DIRECTORS' RECOMMENDATION

After having considered the rationale and the information relating to 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, and accordingly, recommend that Shareholders vote in favour of the Ordinary Resolution in respect of the proposed renewal of the Share Buyback Mandate as set out in the notice of AGM.

5. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed renewal of the Share Buyback Mandate and the Group, 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.

6. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the registered office of the Company at 45 Kallang Pudding Road #01-01 Alpha Building Singapore 349317, during normal business hours from the date of this Appendix up to and including the date of the AGM:

- (a) the Constitution; and
- (b) the annual report of the Company for FY2021.

Yours faithfully
For and on behalf of the Board of Directors
UnUsUaL Limited

Leslie Ong Chin Soon
Executive Director and Chief Executive Officer