LETTER DATED 30 MARCH 2021

THIS LETTER IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

The purpose of this Letter is to provide to the Shareholders (as defined herein) information relating to the proposed renewal of the Share Buy Back Mandate (as defined herein) to be tabled at the Annual General Meeting of Roxy-Pacific Holdings Limited (the "**Company**") to be held on 16 April 2021 at 10:00 a.m. by way of electronic means.

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

If you have sold or transferred all your ordinary shares in the capital of the Company, you should immediately forward this Letter together with the Notice of Annual General Meeting and the accompanying Proxy Form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the accuracy of any of the statements made, reports contained or opinions expressed in this Letter.



ROXY-PACIFIC HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 196700135Z)

LETTER TO SHAREHOLDERS

IN RELATION TO

THE PROPOSED RENEWAL OF THE SHARE BUY BACK MANDATE

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DEFINITIONS

In this Letter, the following definitions apply throughout unless the context otherwise requires:-

"**Act**"	:	The Companies Act (Chapter 50) of Singapore
"**ACRA**"	:	The Accounting and Corporate Regulatory Authority of Singapore
"**AGM**"	:	Annual General Meeting
"**Annual Report**"	:	The annual report of the Company for the financial year ended 31 December 2020
"Constitution"	:	The constitution of the Company as amended or modified from time to time
"**CDP**"	:	The Central Depository (Pte) Limited
"**Company**"	:	Roxy-Pacific Holdings Limited
"**Directors**"	:	The directors of the Company for the time being
"**EPS**"	:	Earnings per Share
"**FY**"	:	The financial year ended or ending 31 December
"**Group**"	:	The Company and its subsidiaries
"**Latest Practicable Date**"	:	The latest practicable date prior to the printing of this Letter, being 15 March 2021
"**Letter**"	:	This letter dated 30 March 2021 issued by the Company
"**Listing Manual**"	:	The listing manual of the SGX-ST
"**Market Day**"	:	A day on which the SGX-ST is open for trading in securities
"**Maximum Price**"	:	In relation to a Share to be purchased or acquired, means the price paid per Share which does not exceed 105% of the average of the closing market prices of the Shares over the last 5 market days, on which transactions in the Shares were recorded, before the day on which the purchases are made and deemed to be adjusted for any corporate action which occurs during the relevant 5-day period and the day on which the purchases are made
"**NTA**"	:	Net tangible assets, being net assets less intangible assets (excluding non-controlling interest)
"**Notice of AGM**"	:	The notice of the AGM to be convened and held on 16 April 2021, set out on pages 185 to 190 of the Annual Report
"**Off-Market Purchase**"	:	Off-market share acquisition
"**On-Market Purchase**"	:	On-market share acquisition

"**Relevant Period**"	:	The period commencing from the date on which the AGM is held and the resolutions on the Share Buy Back Mandate are passed and expiring on the date the next annual general meeting of the Company is held or is required by law to be held, or the date on which the 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
"**Rule 14**"	:	Rule 14 of the Take-over Code
"**Securities Account**"	:	A securities account maintained by a Depositor with CDP (but does not include a securities sub-account)
"**SGXNET**"	:	The corporate announcement system maintained by the SGX-ST for the submission of announcements by listed companies
"**SGX-ST**"	:	The Singapore Exchange Securities Trading Limited
"**Share Buy Back Mandate**"	:	The proposed general and unconditional mandate to authorise the Directors to exercise all the powers of the Company to purchase, on behalf of the Company, Shares in accordance with the terms set out in this Letter
"**Share Purchase**"	:	The purchase of Shares by the Company pursuant to the Share Buy Back Mandate
"**Shareholders**"	:	The registered holders of the Shares, except that where the registered holder is CDP, the term "Shareholders" shall, in the relation to such Shares, mean the Depositors in the Depository Register and whose Securities Accounts maintained with CDP are credited with those Shares
"**Shares**"	:	Ordinary shares in the issued share capital of the Company
"**SIC**"	:	Securities Industry Council
"**S$**" and "**cents**"	:	Singapore dollars and cents respectively, being the lawful currency of Singapore
"**Take-over Code**"	:	The Singapore Code on Take-overs and Mergers
"**%**" or "**per cent.**"	:	Percentage or per centum

The terms "**Depositor**", "**Depository Register**" and "**Depository Agent**" shall have the meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act (Chapter 289) of Singapore.

The term "**associate**" and "**controlling shareholders**" shall have the meaning ascribed to it in the Listing Manual.

The terms "**subsidiaries**", "**Substantial Shareholders**" and "**related corporations**" shall have the meanings ascribed to them respectively in the Act. The term "**subsidiary holdings**" shall mean shares held by subsidiaries of the Company in accordance with Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Act.

Except where specifically defined, the terms "**we**", "**us**" and "**our**" in this Letter refer to Roxy-Pacific Holdings Limited.

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

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

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

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, where applicable, 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 and date in this Letter is made by reference to Singapore time and date unless otherwise stated.

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ROXY-PACIFIC HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number 196700135Z)

Directors:

Mr. Teo Hong Lim
(Executive Chairman and Chief Executive Officer)

Mr. Chris Teo Hong Yeow
(Executive Director and Deputy Chief Executive Officer)

Mr. Koh Seng Geok
(Executive Director and Deputy Chief Executive Officer)

Mr. Tong Din Eu
(Lead Independent Director)

Mr. Winston Tan Tien Hin
(Independent Director)

Ms. Cecilia Tan Hong Lye
(Independent Director)

Mr. Yeo Wee Kiong
(Independent Director)

Registered Office:

50 East Coast Road
#B1-18
Roxy Square
Singapore 428769

30 March 2021

To: The Shareholders of Roxy-Pacific Holdings Limited

Dear Sir/Madam

THE PROPOSED RENEWAL OF THE SHARE BUY BACK MANDATE

1. INTRODUCTION

We refer to item 8 of the Notice of AGM of the Company which is an ordinary resolution to be proposed at the AGM for the renewal of the Company's share buyback mandate. The purpose of this Letter is to provide Shareholders with information relating to the Share Buy Back Mandate.

Approval of Shareholders for the proposed renewal of the Share Buy Back Mandate will be sought at the AGM to be held on 16 April 2021 at 10:00 a.m. by electronic means, notice of which is set out in the Notice of AGM.

Shook Lin & Bok LLP is the legal adviser to the Company as to Singapore law in relation to the Proposed Renewal of the Share Buyback Mandate.

The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Letter. If any Shareholder is in doubt as to the action he should take, he should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

2. THE PROPOSED RENEWAL OF THE SHARE BUY BACK MANDATE

2.1 Introduction

Any purchase or acquisition of Shares by the Company would have to be made in accordance with and in the manner prescribed by, the Act and the rules of the Listing Manual and such other laws and regulations as may, for the time being, be applicable.

It is also a requirement that a company which wishes to purchase or acquire its own shares should obtain approval from its shareholders to do so at a general meeting of its shareholders. Shareholders had approved the Share Buy Back Mandate at the AGM of the Company held on 4 May 2020. Accordingly, Shareholders' approval is being sought for the renewal of the Share Buy Back Mandate.

If the renewal of the Share Buy Back Mandate is approved by Shareholders, it will remain in force during the Relevant Period. The Share Buy Back Mandate may be put to Shareholders for renewal at each subsequent AGM or other general meetings of the Company.

2.2 Rationale for the Share Buy Back Mandate

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 Purchases are one of the ways through which Shareholders' value may be enhanced.

The Directors believe that the Share Buy Back Mandate 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 Purchases 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 NTA per Share. The Directors further believe that Share Purchases may also help to mitigate 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 Purchases, after taking into account factors such as the amount of surplus cash available and the prevailing market conditions.

The Share Purchases 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 Purchases 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.

2.3 Authority and Limits of the Share Buy Back Mandate

The authority and limitations placed on the purchases or acquisitions of Shares by the Company pursuant to the Share Buy Back Mandate, if approved at the AGM, are summarised below:-

(a) Maximum Number of Shares

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

The total number of Shares which may be purchased or acquired by the Company pursuant to the Share Buy Back Mandate during the Relevant Period or within any one financial year of the Company, whichever is the earlier, is limited to that number of Shares representing not more than 10% of the issued shares of the Company (excluding treasury shares and subsidiary holdings) as at the date on which the resolution authorising the Share Buy Back Mandate is passed, unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Act at any time during the Relevant Period, in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered (excluding treasury shares and subsidiary holdings). Any of the Shares held by the Company as treasury shares and subsidiary holdings shall be disregarded for purposes of computing the 10% limit.

As an illustration, based on the Company's existing issued and paid-up share capital as at the Latest Practicable Date, comprising 1,303,979,944 Shares (excluding 8,924,900 Shares held in treasury and subsidiary holdings) and assuming that no further Shares are issued on or prior to the AGM, not more than 130,397,994 Shares (representing not more than 10% of the issued ordinary shares of the Company as at that date excluding treasury shares and subsidiary holdings) may be bought or acquired by the Company pursuant to the proposed renewal of the Share Buy Back Mandate.

(b) Duration of Authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on or from the date of the AGM, at which the Share Buy Back Mandate is approved 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;

(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 the Share Purchases are carried out to the full extent of the Share Buy Back Mandate.

(c) Manner of Purchase or Acquisition of Shares

The Shares may be purchased or acquired by way of:–

(i) an 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 pursuant to an equal access scheme(s) as may be determined or formulated by the Directors in their discretion, which scheme(s) 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.

(d) Information on Off-Market Purchases

As prescribed by the Act, an equal access scheme must satisfy all the following conditions:–

(i) offers for the purchase or acquisition of Shares shall be made to every person who holds 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 must be the same, except that there shall be disregarded:-

(A) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;

(B) if applicable, differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid; and

(C) 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 of an Off-Market Purchase, the Company must issue an offer document to all Shareholders which must 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 Purchase;

(iv) the consequences, if any, of share buy backs by the Company that will arise under the Take-over Code or other applicable take-over rules;

(v) whether the share buy back, if made, would have any effect on the listing of the Shares on the SGX-ST;

(vi) details of any Share Purchase made by the Company in the previous 12 months (whether On-Market Purchases or Off-Market Purchases), specifying the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such Share Purchases, where relevant, and the total consideration paid for such Share Purchases; and

(vii) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

(e) Maximum Price to be Paid for the Shares

The Directors may determine the purchase price to be paid per Share for any Share Purchase, provided that the price paid per Share shall be subject to a maximum price, which shall be a price which does not exceed 105% of the average of the closing market prices of the Shares over the last 5 Market Days, on which transactions in the Shares were recorded, before the day on which the purchases are made and deemed to be adjusted for any corporate action which occurs during the relevant 5-day period and the day on which the purchases are made.

The Maximum Price shall apply to both On-Market Purchases and Off-Market Purchases and shall exclude brokerage fees, commission, stamp duties payable, applicable goods and services tax, clearance fees and other related expenses.

2.4 Status of Purchased Shares

The Shares purchased by the Company may be held in treasury as treasury shares. Upon the purchase of the treasury shares, the Company will be registered as a member in respect of the treasury shares but will not have the right to attend or vote at meetings or receive dividends in respect to them. However, the allotment of shares as fully paid bonus shares in respect of treasury shares is allowed. Also, a subdivision or consolidation of any treasury share into treasury shares of a smaller or larger amount is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

The Act currently restricts the maximum permitted holding, as treasury shares, of the number of Shares of the relevant class of shares to 10% of the total number of issued Shares. Any treasury share which exceeds this must either be disposed of or cancelled within 6 months after the limit is first exceeded.

Disposal options (exercisable at any time) available to the Company holding treasury shares are as follows:-

(a) sell the treasury shares (or any of them) for cash;

(b) transfer the treasury shares (or any of them) for the purposes of or pursuant to an employee's share scheme;

(c) transfer the treasury shares (or any of them) as consideration for acquisitions of shares or other assets;

(d) cancel the treasury shares (or any of them); or

(e) sell, transfer or otherwise use the treasury shares for such other purposes as the Minister of Finance may by order prescribe.

As at the Latest Practicable Date, the Company holds 8,924,900 Shares as treasury shares and does not have any subsidiary holdings.

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. 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 the 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 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.

2.5 Source of Funds

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

The Company may not buy back 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 respectively.

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. For this purpose, the Company is "solvent" if:-

(a) it is able to pay its debts in full at the time that payment is made for Shares under the Share Buy Back Mandate, and will be able to pay its debts as they fall due in the normal course of business during the period of 12 months immediately following the date of such payment; and

(b) the value of the Company's assets is not less than the value of its liabilities (including contingent liabilities) and will not after the proposed purchase or acquisition become less than the value of its liabilities (including contingent liabilities).

In determining, for the above purposes, whether the value of the Company's assets is less than the value of its liabilities (including contingent liabilities), the Directors or the Company's management (a) must have regard to the most recent financial statements of the Company and all other circumstances that the Directors or the management know or ought to know affect, or may affect, the value of the Company's assets and the value of the Company's liabilities (including contingent liabilities); and (b) may rely on valuations of assets or estimates of liabilities that are reasonable in the circumstances. Where the value of contingent liabilities are required to be determined, the Directors or management may take into account the likelihood of the contingency occurring and any claim that the Company is entitled to make and can reasonably expect to be met to reduce or extinguish the contingent liability.

The Company intends to use its internal funds and/or external borrowings to undertake its Share Purchases.

2.6 Financial effects of the Share Buy Back Mandate

Pursuant to the Act, Shares bought back by the Company, unless kept as treasury shares, are cancelled immediately on purchase or acquisition. All rights and privileges attached to the purchased Shares shall expire upon cancellation.

Where the consideration paid by the Company for the purchase or acquisition of the Shares (excluding related brokerage, goods and services tax, stamp duties and clearance fees) is paid for using:-

(a) the Company's capital and/or profits, it will reduce the amount available for the Company's operations permitted under the Act; or

(b) the Company's profits, it will reduce the amount available for distribution of dividends by the Company,

the net tangible assets of the Company and the consolidated net tangible assets of the Group will be reduced by the dollar value of the Shares bought. The Directors believe that even if the Company exercises the Share Buy Back Mandate in full and acquires up to 130,397,994 Shares, it will not have any material impact on the earnings of the Company and the consolidated earnings of the Group for the current financial year.

For illustrative purposes only, assuming the Company had exercised the Share Buy Back Mandate in full and purchased 130,397,994 Shares at the Maximum Price of S$0.36225 for each Share (based on the average of the last dealt prices of the Shares for the 5 Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the financial effects of the purchase or acquisition of the Shares by the Company pursuant to the Share Buy Back Mandate by way of purchases made:-

(a) entirely out of capital and held as treasury shares;

(b) entirely out of profits and held as treasury shares;

(c) entirely out of capital and cancelled; and

(d) entirely out of profits and cancelled,

based on the latest audited financial statements of the Company for FY2020 are set out below:-

Purchases or Acquisitions Made Entirely out of Capital and Held as Treasury Shares

	Company		Group	
	As at FY2020 S$'000	After share buy back S$'000	As at FY2020 S$'000	After share buy back S$'000
Share Capital	47,399	47,399	47,399	47,399
Reserves	-	-	(7,329)	(7,329)
Accumulated profits	210,531	210,531	445,974	445,974
Treasury shares	(3,954)	(51,191)	(3,954)	(51,191)
	253,976	206,739	482,090	434,853
Non-controlling Interests	-	-	(4,620)	(4,620)
Total Equity	253,976	206,739	477,470	430,233
Net Tangible Assets[(1)]	253,938	206,701	481,971	434,734
Current Assets	748,389	701,152	935,637	888,400
Current Liabilities	632,306	632,306	758,304	758,304
Total borrowings	102,899	102,899	972,294	972,294
Cash and cash equivalents	113,421	66,184	236,905	189,668
Working capital	116,083	68,846	177,333	130,096
Total liabilities	632,924	632,924	1,138,786	1,138,786
Profits attributable to shareholders	(47,777)	(47,777)	(29,489)	(29,489)
Total number of Shares ('000) [(2)]	1,303,980	1,173,582	1,303,980	1,173,582
Net Tangible Assets per Share (Cents)	19.47	17.61	36.96	37.04
Gearing ratio (%)[(3)]	(0.04)	0.18	1.53	1.80
Working Capital Ratio (times)[(4)]	1.18	1.11	1.23	1.17
Earnings per Share (cents)	(3.66)	(4.07)	(2.26)	(2.51)

Notes:-

(1) Net Tangible Assets and shareholders' funds have excluded non-controlling interests.

(2) Based on 1,303,979,944 issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date.

(3) Gearing ratio is calculated based on total borrowings less cash and cash equivalents divided by the shareholders' funds.

(4) Working Capital Ratio is calculated based on current assets divided by current liabilities.

Purchases or Acquisitions Made Entirely out of Profits and Held as Treasury Shares

	Company		Group	
	As at FY2020 S$'000	After share buy back S$'000	As at FY2020 S$'000	After share buy back S$'000
Share Capital	47,399	47,399	47,399	47,399
Reserves	-	-	(7,329)	(7,329)
Accumulated profits	210,531	210,531	445,974	445,974
Treasury shares	(3,954)	(51,191)	(3,954)	(51,191)
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Notes:-

(1) Net Tangible Assets and shareholders' funds have excluded non-controlling interests.

(2) Based on 1,303,979,944 issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date.

(3) Gearing ratio is calculated based on total borrowings less cash and cash equivalents divided by the shareholders' funds.

(4) Working Capital Ratio is calculated based on current assets divided by current liabilities.

Purchases or Acquisitions Made Entirely out of Capital and Cancelled

	Company		Group	
	As at FY2020 S$'000	After share buy back S$'000	As at FY2020 S$'000	After share buy back S$'000
Share Capital	47,399	(3,792)	47,399	(3,792)
Reserves	-	-	(7,329)	(7,329)
Accumulated profits	210,531	210,531	445,974	445,974
Treasury shares	(3,954)	-	(3,954)	-
	253,976	206,739	482,090	434,853
Non-controlling Interests	-	-	(4,620)	(4,620)
Total Equity	253,976	206,739	477,470	430,233
Net Tangible Assets[(1)]	253,938	206,701	481,971	434,734
Current Assets	748,389	701,152	935,637	888,400
Current Liabilities	632,306	632,306	758,304	758,304
Total borrowings	102,899	102,899	972,294	972,294
Cash and cash equivalents	113,421	66,184	236,905	189,668
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Total liabilities	632,924	632,924	1,138,786	1,138,786
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Notes:-

(1) Net Tangible Assets and shareholders' funds have excluded non-controlling interests.

(2) Based on 1,303,979,944 issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date.

(3) Gearing ratio is calculated based on total borrowings less cash and cash equivalents divided by the shareholders' funds.

(4) Working Capital Ratio is calculated based on current assets divided by current liabilities.

Purchases or Acquisitions Made Entirely out of Profits and Cancelled

	Company		Group	
	As at FY2020 S$'000	After share buy back S$'000	As at FY2020 S$'000	After share buy back S$'000
Share Capital	47,399	47,399	47,399	47,399
Reserves	-	-	(7,329)	(7,329)
Accumulated profits	210,531	159,340	445,974	394,783
Treasury shares	(3,954)	-	(3,954)	-
	253,976	206,739	482,090	434,853
Non-controlling Interests	-	-	(4,620)	(4,620)
Total Equity	253,976	206,739	477,470	430,233
Net Tangible Assets[(1)]	253,938	206,701	481,971	434,734
Current Assets	748,389	701,152	935,637	888,400
Current Liabilities	632,306	632,306	758,304	758,304
Total borrowings	102,899	102,899	972,294	972,294
Cash and cash equivalents	113,421	66,184	236,905	189,668
Working capital	116,083	68,846	177,333	130,096
Total liabilities	632,924	632,924	1,138,786	1,138,786
Profits attributable to shareholders	(47,777)	(47,777)	(29,489)	(29,489)
Total number of Shares ('000) [(2)]	1,303,980	1,173,582	1,303,980	1,173,582
Net Tangible Assets per Share (Cents)	19.47	17.61	36.96	37.04
Gearing ratio (%)[(3)]	(0.04)	0.18	1.53	1.80
Working Capital Ratio (times)[(4)]	1.18	1.11	1.23	1.17
Earnings per Share (cents)	(3.66)	(4.07)	(2.26)	(2.51)

Notes:-

(1) Net Tangible Assets and shareholders' funds have excluded non-controlling interests.

(2) Based on 1,303,979,944 issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date.

(3) Gearing ratio is calculated based on total borrowings less cash and cash equivalents divided by the shareholders' funds.

(4) Working Capital Ratio is calculated based on current assets divided by current liabilities.

The financial impact is the same whether the Shares are purchased via On-Market Purchases or Off-Market Purchases. The Group had a balance of S$236.7 million in cash and cash equivalents as at 31 December 2020. Assuming the buy back of up to 130,397,994 Shares at the Maximum Price of S$0.36225 per Share, the Company's cash reserves would be reduced by S$47,236,673 and, all other things remaining the same, the working capital and net tangible assets of the Group and the Company would be reduced by the dollar value of the Shares purchased. The consolidated net tangible assets value per Share after the buy back of 130,397,994 Shares would be increased to 37.04 cents.

As illustrated in the tables above, the purchase of the Shares would reduce the current assets and shareholders' funds of the Group and the Company accordingly. This would result in an increase in the gearing ratio of the Company and the Group. The consolidated EPS as a result of the buy back of 130,397,994 Shares would be increased from a loss of -2.26 cents to -2.51 cents.

The actual impact on the gearing and working capital ratio of the Company would depend on the number of Shares purchased and the price or prices at which the Shares are purchased. The actual impact on the respective ratios will depend on the number and price of the Shares bought back. The Directors do not propose to exercise the Share Buy Back Mandate to such an extent that it would have a material adverse effect on the working capital requirements of the Company and the Group.

The acquisition and purchase of Shares will only be effected after considering relevant factors such as the working capital requirements, availability of surplus cash and other financial resources, the expansion and investment plans of the Group, and the prevailing market conditions. The Share Buy Back Mandate will be exercised with a view to enhancing the EPS of the Group.

Shareholders should note that the financial effects illustrated above are for illustrative purposes only. In particular, it is important to note that the above analysis is based on the latest audited financial statements of the Company and the Group as at 31 December 2020, and are not representative of the Group's future financial performance.

Although the Share Buy Back Mandate would authorise the Company to buy back up to 10% of the Company's issued Shares, the Company may not necessarily buy back all 10% of the issued Shares in full.

In particular, the maximum number of Shares that the Company may purchase under the Act is limited by the solvency requirements set out in the Act.

2.7 Taxation

Shareholders are advised to obtain independent professional advice if they are uncertain about the impact of share buy backs on their overall tax position, whether in Singapore or in other jurisdictions in the world.

2.8 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, to 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 Purchases, and to make an announcement to the public:-

(i) in the case of On-Market Purchases, not later than 9:00 a.m. on the trading day following any day on which the Company makes an On-Market Purchase; and

(ii) in the case of Off-Market Purchases, not later than 9:00 a.m. on the second trading day following the close of acceptance of offers made by the Company.

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

2.9 Suspension of buy back of Shares

As the Company would be considered an "insider" in relation to any buy back of Shares, the Company will not buy Shares after a price sensitive development has occurred or has been the subject of a decision until such time as the price sensitive information has been publicly announced. In particular, the Company will not purchase or acquire any of its Shares during the period commencing one month before the announcement of the Company's half year and full year financial results.

2.10 Listing Status on SGX-ST

The Listing Manual requires a listed company to ensure that at least 10% of the total number of issued shares excluding treasury shares (excluding preference shares and convertible equity securities) in a class that is listed is at all times held by the public. As defined in the Listing Manual, 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 Manual) of such persons.

As at the Latest Practicable Date, there are 264,490,478 Shares held in the hands of the public (as defined above), representing 20.28% of the issued share capital of the Company (excluding treasury shares). Assuming the Company exercises the Share Buy Back Mandate in full and purchases the maximum of 10% of its issued share capital from such public Shareholders, the number of Shares in the hands of the public would be reduced to 134,092,484 Shares, representing 11.43% of the issued share capital of the Company (excluding treasury shares).

Accordingly, as at the Latest Practicable Date, the Company will be able to undertake the Share Purchase up to the full 10% limit pursuant to the Share Buy Back Mandate without affecting the listing status of the Shares on the Main Board of the SGX-ST.

2.11 Take-over Implications under the Take-over Code

Pursuant to Appendix 2 of the Take-over Code, an increase of a Shareholder's proportionate interest in the voting rights of the Company resulting from a share buy back by the Company will be treated as an acquisition for the purposes of Rule 14.

Under Rule 14, a Shareholder and persons acting in concert with the Shareholder will incur an obligation to make a mandatory take-over 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.

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 individuals and companies will be presumed to be acting in concert with each other:-

(a) the following companies:-

(i) a company;

(ii) the parent company of (i);

(iii) the subsidiaries of (i);

(iv) the fellow subsidiaries of (i);

(v) the associated companies of any of (i), (ii), (iii) or (iv);

(vi) companies whose associated companies include any of (i), (ii), (iii), (iv) or (v); and

(vii) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights; and

(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).

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.

Consequently, a Director and persons acting in concert (as such term is defined in the Take-over Code) with him could, depending on the level of increase in his or their interest in the Company, become obliged to make a mandatory offer in accordance with Rule 14 as a result of the Company's buy back of Shares.

Unless exempted, Directors of the Company and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring its 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 1% in any period of 6 months. In calculating the percentages of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors of the Company will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder in the Company would increase to 30% or more, or, if the voting rights of such Shareholder fall 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 renewal of the Share Buy Back Mandate.

Based on the shareholdings of the Directors and the substantial Shareholders in the Company as at the Latest Practicable Date, none of the Directors or the substantial Shareholders will become obligated to make a mandatory offer by reason only of the buy back of 130,397,994 Shares by the Company pursuant to the Share Buy Back Mandate.

The Directors are not aware of any Shareholder or group of Shareholders acting in concert who may become obligated to make a mandatory offer in the event that the Directors exercise the power to buy back Shares pursuant to 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 share buy backs by the Company are advised to consult their professional advisers and/or the SIC and/or other relevant authorities at the earliest opportunity before they acquire any Shares during the period when the Share Buy Back Mandate is in force.

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.

2.12 Details of Share Purchases

Under the existing mandate as approved at the AGM of the Company held on 4 May 2020, the Shareholders authorised the purchase of up to 130,397,994 Shares. No Shares have been bought back by the Company under the existing mandate since approval of the existing mandate up to the Latest Practicable Date.

2.13 Limits on Shareholdings

The Company does not have any limits on the shareholding of any Shareholder.

3. INTERESTS OF SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, the interests of the Directors and substantial Shareholders of the Company (that is, persons whose direct and indirect interests in the Company's issued share capital are equal to or more than 5%) are as follows:-

Name	Before Share Buy Back (Number of Shares)			Before Share Buy Back (%)[1]	After Share Buy Back (%)[2]
	Direct Interest	Deemed Interest	Total Interest		
Kian Lam Investment Pte Ltd[3]	521,760,945	146,293,125	668,054,070	51.23%	56.92%
Sen Lee Development Private Limited[4]	146,293,125	-	146,293,125	11.22%	12.47%
Teo Hong Lim	130,295,687	692,257,480	822,553,167	63.08%	70.09%
Sutantio	39,100,875	37,046,625	76,147,500	5.84%	6.49%
Tjandrawati[5]	37,046,625	39,100,875	76,147,500	5.84%	6.49%

Notes:-

(1) As a percentage of the issued share capital of the Company comprising 1,303,979,944 Shares (excluding Shares held in treasury and subsidiary holdings) as at the Latest Practicable Date.

(2) As a percentage of the issued share capital of the Company comprising 1,173,581,950 Shares (excluding Shares held in treasury), assuming that the Company purchases the maximum number of 130,397,994 Shares under the Share Buy Back Mandate.

(3) Teo Hong Lim holds 32.5% direct interest in Kian Lam Investment Pte Ltd.

(4) Kian Lam Investment Pte Ltd holds 93.1% direct interest in Sen Lee Development Private Limited. Teo Hong Lim holds 1.7% direct interest in Sen Lee Development Private Limited.

(5) Tjandrawati is the wife of Sutantio.

None of the Directors or substantial Shareholders of the Company has any interest, direct or indirect, in the Share Buy Back Mandate, save for their interests by virtue of their shareholdings and/or directorships, as the case may be, in the Company.

4. DIRECTORS' RECOMMENDATION

Having fully considered the rationale, the benefit and the information relating to the Share Buy Back Mandate, the Directors are of the opinion that the Share Buy Back Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the ordinary resolution in respect of the renewal of the Share Buy Back Mandate to be proposed at the AGM.

5. ANNUAL GENERAL MEETING

The AGM, notice of which is set out in the Notice of AGM, will be held by way of electronic means on 16 April 2021 at 10:00 a.m. for the purpose of, *inter alia*, considering and, if thought fit, passing, with or without any modifications, ordinary resolution item 8 on the renewal of the Share Buy Back Mandate as set out in the Notice of AGM.

As detailed in the Notice of AGM, there will be no physical meeting for the AGM in light of the COVID-19 situation in Singapore and the Company is arranging for a live webcast of the AGM proceedings. Shareholders will be able to participate in the AGM in the manner as set out in the Notice of AGM. In particular, it is highlighted that Shareholders will not be able to vote through the live webcast of the AGM proceedings, and that Shareholders can only vote with their proxy forms which are required to be submitted in advance of the AGM in the manner as set out in the Notice of AGM.

6. DIRECTORS' RESPONSIBILITY STATEMENT

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 proposed renewal of the Share Buy Back Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Letter misleading. Where information in this 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 this Letter in its proper form and context.

7. INSPECTION OF DOCUMENTS

Subject to the prevailing laws and guidelines relating to safe distancing measures, the following documents may be inspected at the registered office of the Company during normal business hours from the date of this Letter up to and including the date of the AGM:-

(a) the Constitution of the Company; and

(b) the Annual Report of the Company.

Yours faithfully
For and on behalf of
the Board of Directors of
ROXY-PACIFIC HOLDINGS LIMITED

Teo Hong Lim
Executive Chairman and Chief Executive Officer