

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

This Appendix is circulated to the Shareholders of Dutech Holdings Limited (the “**Company**”) together with the Company’s Annual Report 2019 (as defined herein). Its purpose is to explain to the shareholders the rationale of and to provide information pertaining to the Proposed Renewal of the Share Buy-Back Mandate and to seek shareholders’ approval of the same at the Annual General Meeting to be held on 28 May 2020.

The Notice of Annual General Meeting and the Proxy Form are enclosed with the Annual Report 2019.

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

If you have sold or transferred all your shares in the share capital of the Company, you should immediately forward the Annual Report 2019 (including the Notice of Annual General Meeting and the Proxy Form) and this Appendix 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.

For investors who have used their Central Provident Fund (“**CPF**”) monies to buy shares in the share capital of the Company, this Appendix is forwarded to them at the request of their CPF approved nominees and is sent solely for information only.

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



**DUTECH HOLDINGS LIMITED**

(Company Registration No.: 200616359C)  
(Incorporated in the Republic of Singapore)

**APPENDIX TO THE NOTICE OF ANNUAL GENERAL MEETING**

**DATED 11 MAY 2020**

**IN RELATION TO**

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

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## DEFINITIONS

In this Appendix, the following definitions apply throughout unless the context otherwise requires or unless otherwise stated:

<b>“ACRA”</b>	:	Accounting and Corporate Regulatory Authority of Singapore.
<b>“AGM”</b>	:	Annual General Meeting of the Company.
<b>“Annual Report 2019”</b>	:	The Company’s Annual Report for the financial year ended 31 December 2019.
<b>“Appendix”</b>	:	This Appendix to the Notice of Annual General Meeting.
<b>“Associate”</b>	:	(a) In relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:–  (i) his immediate family;  (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and  (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more.  (b) In relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.
<b>“Board”</b>	:	The Board of Directors of the Company as at the date of this Appendix.
<b>“CDP”</b>	:	The Central Depository (Pte) Limited.
<b>“Company”</b>	:	Dutech Holdings Limited.
<b>“Companies Act”</b>	:	The Companies Act, Chapter 50 of Singapore, as amended, modified or supplemented from time to time.
<b>“Constitution”</b>	:	The Constitution of the Company, as amended, modified or supplemented from time to time.

<b>“Controlling Shareholder”</b>	:	A person who:–  (a) holds directly or indirectly 15% or more of the total number of issued shares excluding treasury shares and subsidiary holdings in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or  (b) in fact exercises control over a company.
<b>“CPF”</b>	:	Central Provident Fund.
<b>“Directors”</b>	:	The Directors of the Company as at the date of this Appendix.
<b>“EPS”</b>	:	Earnings per share.
<b>“FY” or “Financial Year”</b>	:	Financial year ended or ending 31 December, as the case may be.
<b>“Group”</b>	:	The Company and its subsidiaries, collectively.
<b>“Immediate family”</b>	:	In relation to a person, means the person’s spouse, child, adopted child, step-child, sibling and parent.
<b>“Latest Practicable Date”</b>	:	6 May 2020, being the latest practicable date prior to the printing of this Appendix.
<b>“Listing Manual”</b>	:	The listing manual of the SGX-ST, as amended, modified or supplemented from time to time.
<b>“Listing Rules”</b>	:	The listing rules of the SGX-ST, as set out in the Listing Manual.
<b>“Market Day”</b>	:	A day on which the SGX-ST is open for trading of securities.
<b>“Maximum Price”</b>	:	Has the meaning ascribed to it in paragraph 2.3(d).
<b>“Notice”</b>	:	The Notice of Annual General Meeting dated 11 May 2020.
<b>“NTA”</b>	:	Net tangible assets.
<b>“SFA”</b>	:	The Securities and Futures Act, Chapter 289 of Singapore, as amended, modified or supplemented from time to time.
<b>“SGX-ST”</b>	:	Singapore Exchange Securities Trading Limited.
<b>“Share Buy-Back”</b>	:	The purchase or acquisition of shares by the Company pursuant to the Share Buy-Back Mandate.

<b>“Share Buy-Back Mandate”</b>	:	A general mandate given by Shareholders to authorise the Directors to purchase, on behalf of the Company, Shares in accordance with the terms set out in this Appendix as well as the rules and regulations set forth in the Companies Act and the Listing Rules.
<b>“Shareholders”</b>	:	Registered holders of the Shares in the Register of Members of the Company or, where CDP is the registered holder, the term “Shareholders” shall in relation to such Shares mean the Depositors who have Shares entered against their names in the Depository Register.
<b>“Shares”</b>	:	Ordinary shares in the share capital of the Company.
<b>“SIC”</b>	:	Securities Industry Council.
<b>“subsidiary”</b>	:	A corporation which is deemed to be a subsidiary of another corporation within the meaning of Section 5 of the Companies Act.
<b>“subsidiary holdings”</b>	:	Shares held by subsidiaries of the Company in accordance with the Companies Act.
<b>“Substantial Shareholder”</b>	:	A person (including a corporation) who has an interest in not less than five per cent. (5%) of the total votes attached to all the voting shares of the Company.
<b>“Take-over Code”</b>	:	The Singapore Code on Take-overs and Mergers, as amended or modified from time to time.
<b>“S\$” and “cents”</b>	:	Singapore dollars and cents respectively, the lawful currency of the Republic of Singapore.
<b>“%”</b>	:	Per centum or percentage.

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

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 gender and *vice versa*. References to persons shall, where applicable, include corporations and limited liability partnerships.

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

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

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

# LETTER TO SHAREHOLDERS

## DUTECH HOLDINGS LIMITED

(Company Registration No.: 200616359C)  
(Incorporated in the Republic of Singapore)

### Directors

Dr Johnny Liu, Executive Chairman and CEO  
Mr Liu Bin, Executive Vice Chairman  
Dr Hedda Juliana im Brahm-Droege, Non-Executive Director  
Mr Christoph Hartmann, Non-Executive Director  
Ms Tan Yee Peng, Lead Independent Director  
Mr Graham Macdonald Bell, Independent Director  
Mr Chen Zhaohui, George, Independent Director

### Registered Office

50 Raffles Place #32-01  
Singapore Land Tower  
Singapore 048623

**To: The Shareholders of Dutech Holdings Limited**

Dear Sir/Madam

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

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### 1. INTRODUCTION

Reference is made to the Notice, accompanying the Company's Annual Report 2019, convening the AGM of the Company, which is scheduled to be held on 28 May 2020 and the Ordinary Resolution 8 in relation to the Proposed Renewal of the Share Buy-Back Mandate, under the heading "Special Business" set out in the Notice.

The purpose of this Appendix is to provide Shareholders with information relating to, and explaining the rationale for, the Proposed Renewal of the Share Buy-Back Mandate, for the purposes of obtaining Shareholders' approval at the AGM.

This Appendix has been prepared solely for the purpose set out herein and may not be relied upon by any persons (other than the Shareholders to whom this Appendix is despatched by the Company) or for any other purpose.

The SGX-ST assumes no responsibility for the correctness of any statements made, opinions expressed or reports contained in this Appendix.

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

#### 2.1 Introduction

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

Rule 881 of the Listing Manual provides that a company may purchase its own shares if it has obtained the prior specific approval of its shareholders in a general meeting. Accordingly, approval is being sought from the Shareholders at the AGM for the Proposed Renewal of the Share Buy-back Mandate.

If approved by the Shareholders at the AGM, the authority conferred by the Share Buy-Back Mandate will take effect from the date of the AGM and continue in force until the date the next AGM is held or is required by law to be held, whichever is earlier (whereupon it will lapse, unless renewed at such meeting) or until it is varied or revoked by the Company in general meeting (if so varied or revoked prior to the date the next AGM is held or is required by law to be held, whichever is earlier).

## **2.2 Rationale for the Proposed Renewal of the Share Buy-Back Mandate**

The rationale for the Proposed Renewal of the Share Buy-Back Mandate is set out below:

- (a) The Share Buy-Back Mandate will provide the Company with greater flexibility in managing its capital, share capital structure and maximising returns to its Shareholders. To the extent that the Company has capital and surplus funds which are in excess of the Group's financial needs, taking into account its growth and expansion plans, the Share Buy-Back Mandate will facilitate the return to Shareholders of surplus funds in an expedient, effective and cost-efficient manner;
- (b) In managing the business, the Company will strive to increase Shareholders' value by improving, *inter alia*, the return on equity of the Group. In addition to growth and expansion of the business, a Share Buy-Back at the appropriate price level is one of the ways through which the return on equity of the Company may be enhanced;
- (c) A Share Buy-back may help to stabilise the demand for the Shares, mitigate short-term share price volatility, offset the effects of short-term speculation and bolster Shareholders' confidence;
- (d) Shares which are purchased or acquired by the Company pursuant to the Share Buy-Back Mandate and held as treasury shares may, *inter alia*, to the extent permitted by applicable law, be transferred for the purposes of or pursuant to the Dutech Group Performance Share Plan adopted by the Company, to enable the Company to take advantage of tax deductions under the current taxation regime. The use of treasury shares in lieu of issuing new Shares will also mitigate the dilution impact on existing Shareholders; and
- (e) The Proposed Renewal of the Share Buy-Back Mandate will provide the Directors the flexibility to undertake Share Buy-Backs at any time, subject to market conditions, during the period when the Share Buy-Back Mandate is in force.

The Company will only purchase or acquire Shares pursuant to the Share Buy-back Mandate if it can benefit the Company and the Shareholders. Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buy-back Mandate may not be carried out to the full limit as authorised. No purchase or acquisition of Shares will be made in circumstances which would have or may have a material adverse effect on the liquidity and capital adequacy position of the Group as a whole and/or affect the listing status of the Company on the SGX-ST.

Nonetheless, Shareholders should note that there is no assurance that the proposed Share Buy-back will achieve the desired effect, nor is there assurance that such effect (if achieved) can be sustained in the longer term.



## 2.3 Terms of the Share Buy-Back Mandate

The authority and limitations placed on purchases and acquisitions of Shares by the Company under 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-up may be purchased or acquired by the Company.

The total number of Shares that may be purchased or acquired under the Share Buy-Back Mandate shall not exceed 10% of the total number of issued Shares excluding treasury shares and subsidiary holdings of the Company as at the date of the AGM at which the Share Buy-Back Mandate is approved. Any Shares which are held as treasury shares and subsidiary holdings will be disregarded for purposes of computing the 10% limit.

**For illustrative purposes only**, based on the Company's existing issued and paid-up share capital of 356,536,000 issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date, and assuming that no further Shares are issued, the Company can purchase or acquire up to a maximum of 35,653,600 Shares (representing 10% of the issued Shares excluding treasury shares and subsidiary holdings as at that date) pursuant to the Share Buy-Back Mandate.

However, purchases or acquisitions pursuant to the Share Buy-Back Mandate need not be carried out to the full extent mandated, and in any case, will not be carried out to such an extent that would result in the Company losing the minimum public float required to maintain the listing status of the Company's Shares on the SGX-ST.

### (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 is required by law to be held;
- (ii) the date on which the authority contained in the Share Buy-Back Mandate is varied or revoked by the Shareholders in a general meeting; or
- (iii) the date on which the Share Buy-Back is carried out to the full extent mandated.

The authority conferred on the Directors to purchase Shares pursuant to Share Buy-Back Mandate may be renewed by the Shareholders at each subsequent AGM or other general meeting of the Company.

### (c) Manner of purchases or acquisitions of Shares

Purchases or acquisitions of Shares may be made by way of, *inter alia*:

- (i) on-market purchases transacted on the SGX-ST or on any other stock exchange on which the Company's equity securities are listed ("**Market Purchases**"); or

- (ii) off-market purchases in accordance with an equal access scheme as defined in Section 76C of the Companies Act (“**Off-Market Purchases**”).

The Directors may impose such terms and conditions which are not inconsistent with the Share Buy-back Mandate, the Listing Manual, the SFA, the Companies Act, and all applicable laws and regulations as they consider fit in the interests of the Company, in connection with or in relation to any equal access scheme(s).

An Off-Market Purchase must satisfy all of the following conditions:

- (i) 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;
- (ii) all of those persons must have 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:
  - (aa) differences in consideration attributable to the fact that the offers relate to Shares with different accrued dividend entitlements;
  - (bb) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid; and
  - (cc) differences in the offers introduced solely to ensure that each Shareholder is left with a whole number of Shares.

In addition, the Listing Manual provides that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders. The offer document 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 Buy-Back by the Company;
- (iv) the consequences, if any, of Share Buy-Backs by the Company that will arise under the Take-over Code or any other applicable take-over rules;
- (v) whether the Share Buy-Back, if made, could affect the listing of the Company's equity securities on the SGX-ST;
- (vi) details of any Share Buy-Backs made by the Company in the previous 12 months whether through Market Purchases or Off-Market Purchases, giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such purchases, where relevant, and the total consideration paid for such purchases; and
- (vii) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

(d) Maximum purchase or acquisition price

The purchase price (excluding brokerage, commission, stamp duties, applicable goods and services tax, clearance fees and other related expenses) to be paid for the Shares will be determined by the Directors. The purchase price to be paid for the Shares as determined by the Directors must not exceed:

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

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

For the purposes of determining the Maximum Price:

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

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

The Listing Manual restricts a listed company from purchasing Shares by way of Market Purchases at a price per Share which is more than 5% above the Average Closing Price.

Although the Listing Manual does not prescribe a maximum price in relation to purchases of Shares by way of Off-Market Purchases, the Company has set a cap of 20% above the Average Closing Price of a Share as the maximum price for a Share to be purchased or acquired by way of Off-Market Purchases.

## 2.4 Status of Purchased or Acquired Shares

The Shares purchased or acquired by the Company pursuant to the Share Buy-Back Mandate shall be deemed to be cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Shares will expire on such cancellation) unless such Shares are held by the Company as treasury shares. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company which are cancelled and are not held as treasury shares.

All Shares purchased or acquired by the Company (other than treasury shares held by the Company to the extent permitted under the Companies Act) will be automatically delisted 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 settlement of any such purchase or acquisition.

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

## 2.5 Treasury Shares

Under the Companies Act, the 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 of the Company.

(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 smaller amount 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 purchased or acquired by the Company are held as treasury shares, the Company may at any time:

- (i) sell the treasury shares (or any of them) for cash;
- (ii) transfer the treasury shares (or any of them) for the purposes of or pursuant to an employees' share scheme;
- (iii) transfer the treasury shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (iv) cancel the treasury shares (or any of them); or
- (v) sell, transfer or otherwise use the treasury shares (or any of them) for such other purposes as may be prescribed by the Minister for Finance of Singapore.

## 2.6 Source of Funds

In purchasing or acquiring Shares, the Company may only apply funds legally available for such purchase or acquisition in accordance with its Constitution and the applicable laws in Singapore. The Companies Act provides that purchases or acquisitions of Shares by the Company may be made out of capital, as well as from profits, so long as the Company is solvent. Under the Companies Act, it is an offence for a Director or chief executive officer of the Company to approve or authorise the purchase or acquisition of Shares, knowing that the Company is not solvent. For this purpose, pursuant to the Companies Act, a company is solvent if at the date of the 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 12 months immediately after the date of the payment, the company will be able to pay its debts in full within the period of 12 months after the date of commencement of the winding up; or
  - (ii) it is not intended to commence winding up, the company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of the payment; and
- (c) the value of the company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the proposed purchase or acquisition, become less than the value of its liabilities (including contingent liabilities).

When Shares are purchased or acquired, and cancelled:

- (a) if the Shares are purchased or acquired entirely out of capital of the Company, the Company shall reduce the amount of its share capital by the total number of the purchase price paid by the Company for the Shares (excluding brokerage, stamp duties, applicable goods and services tax, clearance fees and other related expenses) (the "**Purchase Price**");
- (b) if the Shares are purchased or acquired entirely out of profits of the Company, the Company shall reduce the amount of its profits available for the distribution of cash dividends by the total amount of the Purchase Price; or
- (c) where the Shares are purchased or acquired out of both the capital and the profits of the Company, the Company shall reduce the amount of its share capital and profit available for the distribution of cash dividends proportionately by the total amount of the Purchase Price.

The Company may use internal resources and/or external borrowings or a combination of both to fund the purchases or acquisitions of Shares pursuant to the Share Buy-Back Mandate. In purchasing or acquiring Shares pursuant to the Share Purchase Mandate, the Directors will principally consider the availability of internal resources. In addition, the Directors will also 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. The amount of financing required for the Company to purchase or acquire its Shares cannot be ascertained as at the Latest Practicable Date as this will depend on, among others, the number of Shares purchased or acquired and the price at which such Shares are purchased or acquired. The Directors will only make purchases or acquisitions pursuant to the Share Buy-Back Mandate in circumstances under which they believe will not result in any material adverse effect to the financial position of the Group or the Company.

## **2.7 Financial Effects**

The financial effects arising from purchases or acquisitions of Shares which may be made pursuant to the Share Buy-Back Mandate will depend on, *inter alia*, whether the Shares are purchased or acquired out of capital and/or profits of the Company, the number of Shares purchased or acquired, the consideration paid for such Shares and whether the Shares purchased or acquired are held as treasury shares or cancelled. The financial effect on the audited financial statements of the Group and the Company will depend, *inter alia*, on the factors set out below:

(a) Purchase or acquisition out of capital and/or profits

Under the Companies Act, purchases or acquisitions of Shares by the Company may be made out of the Company's profits and/or capital 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 (including brokerage, commission, applicable goods and services tax, and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

Where the consideration paid by the Company for 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.

(b) Number of Shares purchased or acquired

Based on the Company's issued Shares of 356,536,000 (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date, the exercise in full of the Share Buy-Back Mandate will result in the purchase or acquisition of 35,653,600 Shares, representing 10% of the issued Shares (excluding treasury shares and subsidiary holdings) of the Company.

(c) Maximum Price paid for Shares purchased or acquired

Assuming that the Company purchases or acquires the 35,653,600 Shares on the Latest Practicable Date, at the Maximum Price, the maximum amount of funds required is:

- (i) in the case of Market Purchases, S\$0.246 based on S\$0.234 for each Share (being the price equivalent to the 105% of the Average Closing Price); and
- (ii) in the case of an Off-Market Purchase, S\$0.281 based on S\$0.234 for each Share (being the price equivalent to the 120% of the Average Closing Price).

(d) Illustrative financial effects

It is not possible for the Company to realistically calculate or quantify the financial effects of Share Buy-Back that may be made pursuant to the Share Buy-Back Mandate as the resultant effect would depend on factors such as the aggregate number of Shares purchased or acquired, the purchase price paid at the relevant time, and the manner in which the purchase or acquisition is funded.

However, **for illustrative purposes only**, based on the audited financial statements of the Group and the Company for FY2019 and the basis of assumptions set out above as well as the following:

- (i) the Share Buy-Back Mandate has been effective on 31 December 2019;
- (ii) the purchases of Shares are funded solely by the Group's cash and cash equivalents;
- (iii) transaction costs incurred during the Share Buy-Back pursuant to the Share Buy-Back Mandate are assumed to be insignificant and have thus been ignored for the purpose of computing the financial effects,

the financial effects of:

- (aa) the purchases of 10% of the issued Shares of the Company by the Company in a Market Purchases or Off-Market Purchases pursuant to Share Buy-Back Mandate by way of purchases made entirely out of capital and held as treasury shares (“**Scenario A**”); and
- (bb) the purchases of 10% of the issued Shares of the Company by the Company in a Market Purchases or Off-Market Purchases pursuant to Share Buy-Back Mandate by way of purchases made entirely out of capital and cancelled (“**Scenario B**”),

on the audited financial statements of the Group and the Company for FY2019, are set out below:

**Scenario A – Purchases made entirely out of capital and held as treasury shares**

	The Group			
	As at 31 December 2019 RMB'000	Before Share Purchases RMB'000	After Share Purchases	
			After Market Purchase RMB'000	After Off-Market Purchase RMB'000
<b>As at 31 December 2019</b>				
Share capital	154,623	154,623	154,623	154,623
Accumulated profits	568,172	568,172	568,172	568,172
Other reserves	268,734	268,734	268,734	268,734
Treasury Shares	–	–	(43,800)	(50,058)
Shareholders' Funds	991,529	991,529	947,729	941,471
NTA	991,529	991,529	947,729	941,471
Current assets	1,163,567	1,163,567	1,119,767	1,113,509
Current liabilities	481,086	481,086	481,086	481,086
Cash & cash equivalents	448,421	448,421	404,621	398,363
Total borrowings	194,756	194,756	194,756	194,756
Net profit	79,109	79,109	79,109	79,109
<b>Number of Shares ('000)</b>	<b>356,536</b>	<b>356,536</b>	<b>320,882</b>	<b>320,882</b>
<b>Financial Ratios</b>				
NTA per Share (cents) <sup>(1)</sup>	278.10	278.10	295.35	293.40
Gearing ratio (times) <sup>(2)</sup>	0.20	0.20	0.21	0.21
Current ratio (times) <sup>(3)</sup>	2.42	2.42	2.33	2.31
Earnings per Share (cents) <sup>(4)</sup>	22.19	22.19	24.65	24.65

**Notes:**

- (1) “NTA per Share” represents NTA divided by the number of Shares.
- (2) “Gearing ratio” represents total borrowings divided by Shareholders' equity.
- (3) “Current ratio” represents current assets divided by current liabilities.
- (4) “Earning per Share” represents net profit for FY2019 divided by the number of Shares.

**Scenario A – Purchases made entirely out of capital and held as treasury shares**

	The Company			
	As at 31 December 2019 RMB'000	Before Share Purchases RMB'000	After Share Purchases	
			After Market Purchase RMB'000	After Off-Market Purchase RMB'000
<b>As at 31 December 2019</b>				
Share capital	154,623	154,623	154,623	154,623
Accumulated profits	123,682	123,682	123,682	123,682
Other reserves	16,524	16,524	16,524	16,524
Treasury Shares	–	–	(43,800)	(50,058)
Shareholders' Funds	294,829	294,829	251,029	244,771
NTA	294,829	294,829	251,029	244,771
Current assets	114,259	114,259	70,459	65,996
Current liabilities	92,962	92,962	92,962	94,757
Cash & cash equivalents/ (Overdraft)	48,263	48,263	4,463	(1,795)
Total borrowings	–	–	–	–
Net profit	25,253	25,253	25,253	25,253
<b>Number of Shares ('000)</b>	<b>356,536</b>	<b>356,536</b>	<b>320,882</b>	<b>320,882</b>
<b>Financial Ratios</b>				
NTA per Share (cents) <sup>(1)</sup>	82.69	82.69	78.23	76.28
Gearing ratio (times) <sup>(2)</sup>	–	–	–	–
Current ratio (times) <sup>(3)</sup>	1.23	1.23	0.76	0.70
Earnings per Share (cents) <sup>(4)</sup>	7.08	7.08	7.87	7.87

**Notes:**

- (1) "NTA per Share" represents NTA divided by the number of Shares.
- (2) "Gearing ratio" represents total borrowings divided by Shareholders' equity.
- (3) "Current ratio" represents current assets divided by current liabilities.
- (4) "Earning per Share" represents net profit for FY2019 divided by the number of Shares.



## Scenario B – Purchases made entirely out of capital and cancelled

	The Group			
	As at 31 December 2019 RMB'000	Before Share Purchases RMB'000	After Share Purchases	
			After Market Purchase RMB'000	After Off-Market Purchase RMB'000
<b>As at 31 December 2019</b>				
Share capital	154,623	154,623	110,823	104,565
Accumulated profits	568,172	568,172	568,172	568,172
Other reserves	268,734	268,734	268,734	268,734
Shareholders' Funds	991,529	991,529	947,729	941,471
NTA	991,529	991,529	947,729	941,471
Current assets	1,163,567	1,163,567	1,119,767	1,113,509
Current liabilities	481,086	481,086	481,086	481,086
Cash & cash equivalents	448,421	448,421	404,621	398,363
Total borrowings	194,756	194,756	194,756	194,756
Net profit	79,109	79,109	79,109	79,109
<b>Number of Shares ('000)</b>	356,536	356,536	320,882	320,882
<b>Financial Ratios</b>				
NTA per Share (cents) <sup>(1)</sup>	278.10	278.10	295.35	293.40
Gearing ratio (times) <sup>(2)</sup>	0.20	0.20	0.21	0.21
Current ratio (times) <sup>(3)</sup>	2.42	2.42	2.33	2.31
Earnings per Share (cents) <sup>(4)</sup>	22.19	22.19	24.65	24.65

### Notes:

- (1) "NTA per Share" represents NTA divided by the number of Shares.
- (2) "Gearing ratio" represents total borrowings divided by Shareholders' equity.
- (3) "Current ratio" represents current assets divided by current liabilities.
- (4) "Earning per Share" represents net profit for FY2019 divided by the number of Shares.

## Scenario B – Purchases made entirely out of capital and cancelled

	The Company			
	As at 31 December 2019 RMB'000	Before Share Purchases RMB'000	After Share Purchases	
			After Market Purchase RMB'000	After Off-Market Purchase RMB'000
<b>As at 31 December 2019</b>				
Share capital	154,623	154,623	110,823	104,565
Accumulated profits	123,682	123,682	123,682	123,682
Other reserves	16,524	16,524	16,524	16,524
Shareholders' Funds	294,829	294,829	251,029	244,771
NTA	294,829	294,829	251,029	244,771
Current assets	114,259	114,259	70,459	65,996
Current liabilities	92,962	92,962	92,962	94,757
Cash & cash equivalents/ (Overdraft)	48,263	48,263	4,463	(1,795)
Total borrowings	–	–	–	–
Net profit	25,253	25,253	25,253	25,253
<b>Number of Shares ('000)</b>	356,536	356,536	320,882	320,882
<b>Financial Ratios</b>				
NTA per Share (cents) <sup>(1)</sup>	82.69	82.69	78.23	76.28
Gearing ratio (times) <sup>(2)</sup>	–	–	–	–
Current ratio (times) <sup>(3)</sup>	1.23	1.23	0.76	0.70
Earnings per Share (cents) <sup>(4)</sup>	7.08	7.08	7.87	7.87

### Notes:

- (1) "NTA per Share" represents NTA divided by the number of Shares.
- (2) "Gearing ratio" represents total borrowings divided by Shareholders' equity.
- (3) "Current ratio" represents current assets divided by current liabilities.
- (4) "Earning per Share" represents net profit for FY2019 divided by the number of Shares.

**Shareholders should note that the financial effects set out above, based on the respective aforementioned assumptions, are for illustrative purposes only. In particular, it is important to note that the above analysis is based on the audited financial statements of the Group and the Company for FY2019 and is not necessarily representative of the future financial performance of the Group.**

It should also be noted that the purchase or acquisition of Shares by the Company pursuant to the Share Buy-back Mandate would only be made in circumstances where it is considered to be in the best interests of the Company. Although the Share Buy-back Mandate would authorise the Company to purchase or acquire up to 10% of the issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of the issued Shares of the Company. In addition, the Directors would emphasise that they do not propose to purchase or acquire Shares pursuant to the Share Buy-back Mandate to such an extent that would, or in circumstances that might, materially and adversely affect the financial condition of the Company or the Group, or result in the Company being delisted from the SGX-ST. The Company will take into account both financial and non-financial factors (for example, share market conditions and the performance of the Shares) in assessing the relative impact of a purchase or acquisition of Shares before execution.

## 2.8 Taxation Implications

Shareholders who are in doubt as to their respective tax positions or the tax implications of a Share Buy-Back by the Company, or, who may be subject to tax, whether in or outside Singapore, should consult their own professional advisers.

## 2.9 Listing Manual

The Listing Manual provides that the price for the purchase of Shares by way of Market Purchases must not be more than 5% above the Average Closing Price as stated in paragraph 2.3(d) of this Appendix.

The Listing Manual also specifies that the Company must report all purchases of its Shares to the SGX-ST not later than 9:00 a.m.:

- (1) in the case of a Market Purchase, on the market day following the day of purchase of any of its Shares; and
- (2) in the case of an Off-Market Purchase, on the second market day after the close of acceptances of the offer.

The notification of such purchases and acquisition of Shares to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe. The Company shall make arrangements with its stockbrokers to ensure that they provide to the Company in a timely fashion the necessary information which will enable the Company to make necessary notifications to the SGX-ST.

The Listing Manual does not expressly prohibit a listed company from purchasing or acquiring its own Shares during any particular time or times. However, as the Company will be regarded as an “insider” in relation to any proposed purchase or acquisition of shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Buy-Back Mandate in any of the following circumstances:

- (a) at any time after any matter or development of a price-sensitive nature has occurred or has been the subject of consideration and/or decision of the Board until the price-sensitive information has been publicly announced and disseminated in accordance with the requirements of the Listing Manual; and
- (b) during the period commencing two (2) weeks before the announcement of the Company’s half year financial statements and one (1) month before the announcement of the Company’s full year financial statements.

Under the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares. Such announcement must include details such as the date of the sale, transfer, cancellation and/or use of such treasury shares, the purpose of such sale, transfer, cancellation and/or use of such treasury shares, the number of treasury shares which have been sold, transferred, cancelled and/or used, the number of treasury shares before and after such sale, transfer, cancellation and/or use, the percentage of the number of treasury shares against the total number of issued shares (of the same class as the treasury shares) which are listed on the SGX-ST before and after such sale, transfer, cancellation and/or use, and the value of the treasury shares if they are used for a sale or transfer, or cancelled.

The Listing Manual provides that the Company must ensure that at least 10% of the total number of issued shares excluding treasury shares in a class that is listed is at all times held by the public. Under the Listing Manual, if the percentage of such securities held in public hands falls below 10%, the Company must, as soon as practicable, announce that fact, and the SGX-ST may suspend trading of the class, or all the securities of the Company. The Listing Manual also provides that the SGX-ST may allow the Company a period of three (3) months, or such longer period as the SGX-ST may agree, to raise the percentage of securities in public hands to at least 10%.

As at the Latest Practicable Date, the percentage of issued Shares (excluding treasury shares and subsidiary holdings) held in public hands is approximately 23.41%. In the event that the Company purchases a maximum of 10% of its Shares from such public Shareholders, the resultant percentage of the issued Shares held by the public Shareholders would be reduced to approximately 14.89%.

Accordingly, the Company is of the view that there is a sufficient number of shares in issue held by public Shareholders which will permit the Company to undertake purchases or acquisitions of Shares through Market Purchases up to the full 10% limit pursuant to the Share Buy-Back Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market liquidity or to affect orderly trading.

## 2.10 Companies Act

Within 30 days of the passing of the Ordinary Resolution relating to the Proposed Renewal of the Share Buy-Back Mandate, the Company shall lodge a copy of such resolution with ACRA.

Within 30 days of the Share Buy-Back on the SGX-ST or otherwise, the Company shall lodge with ACRA the notice of the purchase in the prescribed form, such notification including, *inter alia*, the details of the purchase, the total number of Shares purchased by the Company, the total number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued ordinary share capital before the purchase and after the purchase of Shares, the amount of consideration paid by the Company for the Share Buy-Back, and whether the Shares were purchased out of the profits or the capital of the Company.

## 2.11 Take-over Implications

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

### (a) Obligations to make a Take-over Offer

If, as a result of any purchase or acquisition by the Company of its Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code ("**Rule 14**"). If such increase results in a change of effective control, or, as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a mandatory take-over offer for the Company under Rule 14.

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

In relation to Directors and persons acting in concert with them, Rule 14 provides that unless exempted (or if exempted, such exemption is subsequently invalidated), Directors and persons acting in concert with them will incur an obligation to make a take-over offer if, as a result of a purchase or acquisition of Shares by the Company:

- (i) the percentage of voting rights held by such Directors and their concert parties in the Company increases to 30% or more; or
- (ii) if they together hold between 30% and 50% of the Company's voting rights, their voting rights are increased by more than 1% in any period of six (6) months.

(b) Persons acting in concert

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

Unless the contrary is established, the following persons will, *inter alia*, be presumed to be acting in concert with each other:

- (i) a company, its parent company, its subsidiaries, its fellow subsidiaries, any associated companies of the above companies, any companies whose associated companies include any of the above companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights. For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status.
- (ii) a company with any of its directors, together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts;
- (iii) a company with any of its pension funds and employee share schemes;
- (iv) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (v) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of (a) 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 10% or more of the client's equity share capital;
- (vi) directors of a company (together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent;

(vii) partners; and

(viii) an individual, his close relatives; his related trusts; any person who is accustomed to act in accordance with the instructions and companies controlled by any of the above, and 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.

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

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

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that:

- (i) unless exempted, Directors 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 more than 1% in any period of six (6) months; and
- (ii) a Shareholder who is not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Shareholder in the Company would increase to 30% or more, or, if such Shareholders holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholders would increase by more than 1% in any period of six (6) months. Such a Shareholder need not abstain from voting in respect of the resolution authorising the Share Buy-back Mandate unless so required under the Companies Act.

The statements in this Appendix do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Take-over Code. Shareholders who are in 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 their professional advisers and/or the SIC and/or other relevant authorities at the earliest opportunity.

(d) Application of the Take-over Code

Based on the interests of the Directors and the Substantial Shareholders as at the Latest Practicable Date set out in paragraph 3. below:

- (i) Spectacular Bright Corp ("**Spectacular**") holds 152,438,956 Shares, representing approximately 42.76% of the total issued Shares (excluding treasury shares and subsidiary holdings) of the Company. Dr Johnny Liu, the Executive Chairman and CEO of the Company, is deemed to be interested in the 152,438,956 Shares, held by Spectacular, by virtue of his controlling interest in Spectacular.

- (ii) Mr Liu Bin, an Executive Director of the Company, holds 56,282,864 Shares, representing approximately 15.79% of the total issued Shares (excluding treasury shares and subsidiary holdings) of the Company.

Dr Johnny Liu and Mr Liu Bin are siblings. Accordingly, Spectacular, Dr Johnny Liu and Mr Liu Bin (collectively the “**Relevant Shareholders**”) are presumed to be parties acting in concert pursuant to the Take-over Code.

As at the Latest Practicable Date, the Relevant Shareholders hold an aggregate of 208,721,820 Shares representing 58.55% of the total issued Shares (excluding treasury shares and subsidiary holdings) of the Company.

**For illustrative purposes only**, based on the Register of Directors’ Shareholdings and the Register of Substantial Shareholders of the Company as at the Latest Practicable Date and on the assumption that:

- (i) The Company exercises the power under the Share Buy-Back Mandate in full and purchases or acquires 35,653,600 Shares, being a maximum limit of 10% of the total issued Shares (excluding treasury shares and subsidiary holdings) of the Company; and
- (ii) There is no change in the number of Shares held or deemed to be held by the Relevant Shareholders,

the interest of each of the Relevant Shareholders in the Shares before and after such purchase or acquisition of Shares by the Company will be as follows:

Relevant Shareholders	Before Share Purchase (Number of Shares)			Before Share Purchase % <sup>(1)</sup>	After Share Purchase % <sup>(2)</sup>
	Direct Interest	Deemed Interest	Total Interest		
Spectacular Bright Corp	152,438,956	–	152,438,956	42.76	47.51
Dr Johnny Liu <sup>(3)</sup>	–	152,438,956	152,438,956	42.76	47.51
Liu Bin <sup>(4)</sup>	56,282,864	–	56,282,864	15.79	17.54

**Notes:**

- (1) Based on 356,536,000 issued Shares (excluding treasury shares and subsidiary holdings) of the Company as at the Latest Practicable Date.
- (2) Based on 320,882,400 issued Shares (excluding treasury shares and subsidiary holdings) of the Company, assuming the Company purchases 35,653,600 Shares under the Share Buy-Back Mandate.
- (3) Dr Johnny Liu is deemed to be interested in the Shares of the Company held by Spectacular Bright Corp, by virtue of his shareholding in Spectacular Bright Corp.
- (4) Mr Liu Bin is the beneficial owner of the shares of the Company held through OCBC Securities Private Ltd.

As shown in the table above, the total interest of Spectacular and Dr Johnny Liu which is between 30% and 50% of the Company’s issued Shares, would be increased by more than 1% within a period of six (6) months as a result of the Share Buy-Back undertaken by the Company, and the aggregate interest of all the Relevant Shareholders would be increased from 58.55% to 65.05%.

As the Relevant Shareholders hold an aggregate of more than 50% of the issued shares (excluding treasury shares and subsidiary holdings) of the Company, the purchase or acquisition of Shares by the Company pursuant to the Share Buy-Back Mandate would not result in the Relevant Shareholders incurring an obligation to make a general offer under Rule 14 of the Take-over Code.

Save as disclosed above, the Directors are not aware of any facts or factors which suggest or imply that any particular person(s) and/or Shareholder(s) are, or may be regarded as, parties acting in concert such that their respective interests in voting Shares in the share capital of the Company should or ought to be consolidated, and consequences under the Take-over Code would ensue as a result of a purchase or acquisition of Shares by the Company pursuant to the Share Buy-Back Mandate.

**Shareholders who are in doubt as to whether they would incur any obligation to make a take-over offer as a result of any purchase or acquisition of Shares by the Company pursuant to the Share Buy-Back Mandate are advised to consult their professional advisers and/or the Securities Industry Council before they purchase or acquire any Shares in the Company during the period when the Share Buy-Back Mandate is in force.**

(e) Share purchased by the Company

The Company has not made any Share Buy-Back in the 12 months (whether Market Purchases or Off-Market Purchases) before the date of this Appendix.

### 3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

Based on the Company's Register of Directors' Shareholdings and Register of Substantial Shareholders respectively, the interests of the Directors and the Substantial Shareholders of the Company in the Shares as at the Latest Practicable Date are as follows:

	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
<b><u>Directors</u></b>				
Dr Johnny Liu <sup>(1)</sup>	–	–	152,438,956	42.76
Liu Bin <sup>(2)</sup>	–	–	56,282,864	15.79
Tan Yee Peng	–	–	–	–
Graham Macdonald Bell <sup>(3)</sup>	–	–	17,000	0.00
Chen Zhaohui, George	–	–	–	–
Dr Hedda Juliana im Brahm-Droege	–	–	28,749,700	8.06
Christoph Hartmann	–	–	–	–



	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
<b>Substantial Shareholders</b>				
Spectacular Bright Corp.	152,438,956	42.76	–	–
Dr Johnny Liu <sup>(1)</sup>	–	–	152,438,956	42.76
Liu Bin <sup>(2)</sup>	–	–	56,282,864	15.79
Droege Capital GmbH	28,749,700	8.06	–	–
Droege Group AG <sup>(4)</sup>	–	–	28,749,700	8.06
Droege Holding GmbH & Co. KG <sup>(5)</sup>	–	–	28,749,700	8.06
Walter P.J. Droege <sup>(6)</sup>	–	–	28,749,700	8.06
Stone Robert Alexander	23,059,900	6.47	–	–

**Notes:**

- (1) Dr Johnny Liu is deemed to be interested in the shares of the Company held by Spectacular Bright Corp (“**Spectacular**”), by virtue of his shareholding in Spectacular. Spectacular is an investing holding company and 60% of its profit will be distributed to the Tri Star Inc. management team, who don’t have share voting right.
- (2) Mr Liu Bin is the beneficial owner of the shares of the Company held through DBS Nominees Pte Ltd.
- (3) Mr Graham Macdonald Bell is the beneficial owner of the shares of the Company held through Graham Bell and Associates.
- (4) Droege Group AG (“**Droege Group**”), being the sole shareholder of Droege Capital GmbH (“**Droege Capital**”), is deemed to be interested in the shares of the Company held by Droege Capital.
- (5) Droege Holding GmbH & Co. KG (“**Droege Holding**”), being the sole shareholder of Droege Group, is deemed to be interested in the shares of the Company held by Droege Capital.
- (6) Mr Walter P.J. Droege is deemed to be interested in the shares of the Company held by Droege Capital, by virtue of his shareholding in Droege Holding.

#### 4. DIRECTORS’ RECOMMENDATIONS

The Directors are of the opinion that the Proposed Renewal of the Share Buy-Back Mandate is in the best interests of the Company, and accordingly, the Directors recommend that Shareholders vote in favour of the Ordinary Resolution relating to the Proposed Renewal of the Share Buy-Back Mandate as set out in the Notice.

#### 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 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 Appendix misleading. Where information in the 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 the Appendix in its proper form and context.

## **6. DOCUMENTS FOR INSPECTION**

The following documents may be inspected at the registered office of the Company at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, during normal business hours from the date of this Appendix up to and including the date of the AGM:

- (i) the Constitution of the Company; and
- (ii) the Annual Report of the Company for FY2019.

Yours faithfully

For and on behalf of the Board of Directors of  
**Dutech Holdings Limited**

**Dr Johnny Liu**

Executive Chairman and CEO

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