

APPENDIX DATED 13 OCTOBER 2023

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. This Appendix is issued by Yamanda Green Resources Limited (the “Company”). 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 professional adviser immediately.

This Appendix is circulated to the Shareholders (as defined herein) together with the Company’s Annual Report (as defined herein). Its purpose is to provide the Shareholders with information relating to and explaining to Shareholders the rationale for the proposed Share Purchase Mandate (as defined herein) to be tabled at the 2023 AGM (as defined herein) to be held on 30 October 2023 at 9:30 a.m..

If you have sold or transferred all your shares in the capital of the Company, you should immediately forward this Appendix and the Annual Report with the Notice of AGM and the accompanying proxy form to the purchaser, 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 correctness of any of the statements made, opinions expressed or reports contained in this Appendix.



YAMANDA GREEN RESOURCES LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 201002962E)

APPENDIX TO THE NOTICE OF ANNUAL GENERAL MEETING

IN RELATION TO

THE PROPOSED ADOPTION OF THE SHARE PURCHASE MANDATE

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DEFINITIONS

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

“2023 AGM”	:	The annual general meeting of the Company to be convened and held on 30 October 2023 at 9.30 a.m..
“Annual Report”	:	The annual report of the Company for FY2023.
“Appendix”	:	This appendix to Shareholders dated 13 October 2023.
“Associate”	:	(a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means: <ul style="list-style-type: none">(i) his immediate family;(ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of thirty per cent. (30.0%) or more; and (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 thirty per cent. (30.0%) or more.
“Average Closing Price”	:	Shall have the meaning ascribed to it in Section 2.4.4 of this Appendix.
“Board”	:	The board of Directors of the Company.
“CDP”	:	The Central Depository (Pte) Limited.
“Companies Act”	:	The Companies Act 1967 of Singapore, as may be amended, modified or supplemented from time to time.
“Company”	:	Yamada Green Resources Limited.
“Concert Party Group”	:	Shall have the meaning ascribed to it in Section 2.11.4 of this Appendix.
“Constitution”	:	The constitution of the Company, as may be amended, modified or supplemented from time to time.

DEFINITIONS

“Controlling Shareholder”	:	A person who: <ul style="list-style-type: none">(a) holds directly or indirectly fifteen per cent. (15.0%) or more of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the Company (unless the SGX-ST determines otherwise); or(b) in fact exercises control over the Company, as defined under the Listing Manual.
“day of the making of the offer”	:	Shall have the meaning ascribed to it in Section 2.4.4 of this Appendix.
“Directors”	:	The directors of the Company as at the date of this Appendix.
“EPS”	:	Earnings per Share.
“FY”	:	Financial year ended 30 June.
“Group”	:	The Company and its subsidiaries.
“Highest Last Dealt Price”	:	Shall have the meaning ascribed to it in Section 2.4.4 of this Appendix.
“Latest Practicable Date”	:	9 October 2023 being the latest practicable date prior to the uploading of this Appendix on SGXNet and the Company’s website.
“Listing Manual”	:	The listing manual of the SGX-ST, as may be amended, modified or supplemented from time to time.
“Market Day”	:	A day on which the SGX-ST is open for trading in securities.
“Market Purchase”	:	Shall have the meaning ascribed to it in Section 2.4.3(a) of this Appendix.
“Maximum Price”	:	Shall have the meaning ascribed to it in Section 2.4.4 of this Appendix.
“NAV”	:	Net asset value.
“Notice of AGM”	:	The notice of the 2023 AGM as set out on pages 118 to 122 of the Annual Report.
“Off-Market Purchase”	:	Shall have the meaning ascribed to it in Section 2.4.3(b) of this Appendix.
“Registrar”	:	The Accounting and Corporate Regulatory Authority of Singapore.
“related expenses”	:	Shall have the meaning ascribed to it in Section 2.4.4 of this Appendix.
“Relevant Period”	:	Shall have the meaning ascribed to it in Section 2.4.2 of this Appendix.

DEFINITIONS

“RMB”	:	Renminbi, the lawful currency of the People’s Republic of China.
“Sanwang”	:	Sanwang International Holdings Limited, a company incorporated in the British Virgin Island, and wholly owned by Mr. Chen Qiu Hai, the Executive Director and Chief Executive Officer of the Group.
“Securities Account”	:	Securities accounts maintained by depositors with CDP, but not including sub-securities accounts maintained with a depository agent.
“SFA”	:	The Securities and Futures Act 2001 of Singapore, as may be amended, modified or supplemented from time to time.
“SGX-ST”	:	Singapore Exchange Securities Trading Limited.
“Share Purchase”	:	The purchases or acquisitions of Shares by the Company pursuant to the terms of the Share Purchase Mandate.
“Share Purchase Mandate”	:	The general mandate given by Shareholders to authorise the Directors to purchase or otherwise acquire its issued Shares upon and subject to the terms of such mandate.
“Share Purchase Resolution”	:	Shall have the meaning ascribed to it in Section 2.11.5(i) of this Appendix.
“Shareholders”	:	Registered holders for the time being of Shares, except that where the registered holder is CDP, the term “Shareholders” shall, where the context admits, mean the depositors whose Securities Accounts are credited with the Shares.
“Shares”	:	Ordinary shares in the capital of the Company.
“SIC”	:	The Securities Industry Council of Singapore.
“Substantial Shareholder”	:	A person who has an interest in the voting Shares (excluding treasury shares) in the Company, and the total votes attached to that Share, or those Shares, represent not less than five per cent. (5.0%) of all the voting Shares of the Company.
“Take-over Code”	:	The Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time.
“S\$”	:	Singapore dollars.
“%” or “per cent.”	:	Per centum or percentage.

The terms “**depositor**”, “**depository agent**” and “**depository register**” shall have the meanings ascribed to them respectively in Section 81SF of the SFA or any other statutory modification thereof, as the case may be. The term “**treasury shares**” shall have the meaning ascribed to it in Section 4 of the Companies Act. The term “**subsidiary**” shall have the same meaning ascribed to it in Section 5 of the Companies Act. The term “**subsidiary holdings**” shall mean the Shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act.

The term “**associated company**” shall have the meaning ascribed to it in the Listing Manual.

DEFINITIONS

Words importing the singular shall, where applicable, include the plural and *vice versa* and words importing one gender shall, where applicable, include the other gender and *vice versa*. References to persons shall, where applicable, include corporations.

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

Any reference to a time of day and date in this Appendix is made by reference to Singapore time and dates, unless otherwise stated.

Any discrepancies in this Appendix between the listed amounts and the totals thereof and/or the respective percentages are due to rounding.

RMB to S\$ Exchange Rate

Unless otherwise stated, the exchange rate between RMB and S\$ as at the Latest Practicable Date was RMB5.3333 to S\$1.00. This exchange rate should not be construed as a representation that the RMB amounts could have been, or could be, converted into S\$ at the rate stated, or at all, and vice versa.

LETTER TO SHAREHOLDERS



YAMADA GREEN RESOURCES LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 201002962E)

Directors:

Mr. Chen Qiu Hai (Executive Director and Chief Executive Officer)
Mr. Liu Yi (Independent Non-Executive Chairman)
Mr. Tan Kah Ghee (Lead Independent Non-Executive Director)
Mr. Chang Feng-chang (Non-Executive Director)
Ms. Goi Lang Ling (Non-Executive Director)
Ms. Chen Ying (Executive Director)

Registered Office:

7 Temasek Boulevard
#32-01 Suntec Tower One
Singapore 038987

13 October 2023

To: The Shareholders of Yamada Green Resources Limited

Dear Sir/Madam,

THE PROPOSED ADOPTION OF THE SHARE PURCHASE MANDATE

1. INTRODUCTION

- 1.1 We refer to the Notice of AGM dated 13 October 2023 to the Shareholders of the Company accompanying the Annual Report convening the 2023 AGM to be held on 30 October 2023 at 9.30 a.m. and Ordinary Resolution 8 under the heading "Special Business" set out in the Notice of AGM.
- 1.2 The purpose of this Appendix is to provide the Shareholders with information relating to the Share Purchase Mandate, and to seek Shareholders' approval of the proposed adoption of the Share Purchase Mandate.
- 1.3 The SGX-ST takes no responsibility for the accuracy of any statements or opinions made or reports contained in this Appendix.
- 1.4 Donaldson & Burkinshaw LLP is the legal adviser to the Company in relation to the proposed adoption of the Share Purchase Mandate.

2. THE PROPOSED ADOPTION OF THE SHARE PURCHASE MANDATE

2.1 Background

The Companies Act allows a Singapore-incorporated company to purchase or otherwise acquire its issued Shares if the purchase or acquisition is permitted under the company's constitution. Any purchase or acquisition of Shares by the Company must be made in accordance with, and in the manner prescribed by, the Companies Act, the Constitution and such other laws and regulations as may for the time being be applicable. As the Company is listed on the Mainboard of the SGX-ST, it is also required to comply with Part XIII of Chapter 8 of the Listing Manual, which relates to share buybacks.

Regulation 10(B) of the Constitution empowers the Company to purchase or otherwise acquire any of its issued Shares.

LETTER TO SHAREHOLDERS

It is a requirement under the Companies Act and Rule 881 of the Listing Manual that a company which wishes to purchase or otherwise acquire its own shares should obtain the approval of its shareholders to do so at a general meeting.

Accordingly, approval is being sought from Shareholders at the 2023 AGM for the proposed adoption of the Share Purchase Mandate. An ordinary resolution will be proposed, pursuant to which the Directors will be given the authority to exercise all powers of the Company to purchase its own Shares on the terms of the Share Purchase Mandate.

If approved by Shareholders at the 2023 AGM, the authority conferred by the Share Purchase Mandate will take effect from the date of the 2023 AGM and continue in force until the date on which the next annual general meeting of the Company is held or as required by law to be held, whichever is earlier, unless prior thereto, the Share Purchase have been carried out to the full extent mandated, or the authority conferred by the Share Purchase Mandate is revoked or varied by Shareholders in a general meeting.

2.2 Rationale for the Share Purchase Mandate.

The approval of the adoption of the Share Purchase Mandate authorising the Company to purchase or acquire its Shares would give the Company the flexibility to undertake share purchases or acquisitions up to the ten per cent. (10.0%) limit described in Section 2.4.1 below at any time, during the period when the Share Purchase Mandate is in force.

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

- (a) Share Purchase is an expedient, effective and cost-efficient way for the Company to return surplus funds in excess of the requirements of the Group to Shareholders.
- (b) Share Purchase is one of the ways through which the return on equity of the Group may be enhanced.
- (c) Share Purchases may help buffer short-term market volatility and offset the effects of short-term price speculation in the Shares.
- (d) Insofar as it is permitted by law, Share purchases will permit the Directors to undertake Share Purchases in order to satisfy options and awards granted or to be granted under any employee share scheme of the Company.
- (e) The Share Purchase Mandate will provide the Company with greater flexibility over, *inter alia*, the Company's capital structure, dividend policy and cash reserves by undertaking share repurchases at any time, subject to market conditions, during the Relevant Period.

The purchases or acquisitions of Shares pursuant to the Share Purchase Mandate will be made only as and when the Directors consider it to be in the best interests of the Company and/or Shareholders and in circumstances which they believe will not result in any material adverse effect on the financial position and/or liquidity of the Company or the Group and/or the orderly trading of the Shares. The Directors will use their best efforts to ensure that after a purchase or acquisition of Shares pursuant to the Share Purchase Mandate, the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect the orderly trading and listing status of the Shares on the SGX-ST.

2.3 Issued Shares as at the Latest Practicable Date

As at the Latest Practicable Date, the total number of issued Shares of the Company (excluding treasury shares and subsidiary holdings) is 176,798,164 Shares.

LETTER TO SHAREHOLDERS

2.4 Authority and Limits on the Share Purchase Mandate

The authority and limits placed on purchases or acquisitions of Shares by the Company under the Share Purchase Mandate are summarised below:

2.4.1 *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 which may be purchased or acquired pursuant to the Share Purchase Mandate during the Relevant Period is limited to that number of Shares representing not more than ten per cent. (10.0%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (ascertained as at the date of the resolution passed in relation to the Share Purchase Mandate), unless the Company has, at any time during the Relevant Period, reduced its share capital in accordance with the applicable provisions of the Companies Act, in which event the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be taken to be the total number of issued Shares (excluding treasury shares and subsidiary holdings) as altered. Any Shares which are held as treasury shares and subsidiary holdings will be disregarded for purposes of computing the ten per cent. (10.0%) limit.

For illustrative purposes only, on the basis of 176,798,164 Shares in issue (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date and assuming no further Shares are issued on or prior to the 2023 AGM, not more than 17,679,816 Shares (representing ten per cent. (10.0%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date) may be purchased or acquired by the Company pursuant to the Share Purchase Mandate during the period referred to in Section 2.4.2 below. As at the Latest Practicable Date, the Company does not hold any treasury shares and does not have any subsidiary holdings.

While the Share Purchase Mandate proposed to be adopted would authorise a purchase or acquisition of Shares up to the ten per cent. (10.0%) limit, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not necessarily be carried out up to the full ten per cent. (10.0%) limit as authorised. In particular, the Board will not effect the purchase or acquisition of the Shares to be made in circumstances which would have an adverse effect on the float, liquidity, orderly trading of the Shares and/or financial position of the Group.

2.4.2 *Duration of Authority*

Purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may be made, at any time and from time to time, on and from the date of the resolution passed in relation to the Share Purchase Mandate, up to:

- (a) the date on which the next AGM is held or required by law to be held, whichever is the earlier;
- (b) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by the Shareholders in a general meeting; or
- (c) the date on which the purchases or acquisitions of Shares pursuant to the Share Purchase Mandate has been carried out to the full extent mandated,

whichever is the earliest (the “**Relevant Period**”).

The authority conferred on the Directors by the Share Purchase Mandate may be renewed at the next annual general meeting of the Company. When seeking the approval of the Shareholders for the Share Purchase Mandate, the Company is required to disclose details pertaining to purchases or acquisitions of Shares pursuant to the Share Purchase Mandate made during the previous twelve (12) months, including the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such purchases of Shares, where relevant, and the total consideration paid for such purchases.

LETTER TO SHAREHOLDERS

2.4.3 *Manner of Purchases or Acquisitions of Shares*

The Company may purchase or acquire its Shares by way of:

- (a) an on-market purchase (“**Market Purchase**”) transacted on the SGX-ST, which may be transacted through one or more duly licensed stock brokers appointed by the Company for this purpose; and/or
- (b) an off-market purchase (“**Off-Market Purchase**”) (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme as may be defined in Section 76C of the Companies Act.

The Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Listing Manual, the Companies Act and the Constitution 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, however, 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 the abovementioned persons shall be given a reasonable opportunity to accept the offers made to them; and
- (iii) the terms of all the offers shall be the same, except that there shall be disregarded (1) differences in consideration attributable to the fact that the offers may relate to Shares with different accrued dividend entitlements; (2) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid (if applicable); and (3) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

Pursuant to the Listing Manual, if the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, it will issue an offer document to all Shareholders containing at least the following information:

- (A) the terms and conditions of the offer;
- (B) the period and procedures for acceptances;
- (C) the reasons for the proposed purchase or acquisition of Shares;
- (D) the consequences, if any, of the purchases or acquisitions of Shares by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (E) whether the purchases or acquisitions of Shares, if made, would have any effect on the listing of the Shares on the SGX-ST;
- (F) details of any purchases or acquisitions of Shares made by the Company in the previous twelve (12) months (whether 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 the purchases of Shares, where relevant, and the total consideration paid for the purchases; and
- (G) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

LETTER TO SHAREHOLDERS

2.4.4 *Maximum Purchase Price*

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

However, the purchase price to be paid for the Shares pursuant to the Share Purchase Mandate must not exceed:

- (a) in the case of a Market Purchase, one hundred and five per cent. (105.0%) of the Average Closing Price (as defined hereinafter); and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, one hundred and twenty per cent. (120.0%) of the Highest Last Dealt Price (as defined hereinafter),

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

For the above purposes:

“**Average Closing Price**” means the average of the closing market prices of the Shares over the last five (5) Market Days, on which transactions in the Shares were recorded, immediately before the day on which the purchase or acquisition of Shares is made, and deemed to be adjusted for any corporate action that occurs during the relevant five (5) Market Days and the day on which the purchase or acquisition of Shares is made.

“**Highest Last Dealt Price**” means the highest price transacted for a Share as recorded on the Market Day on which there were trades in the Shares immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase.

“**day of the making of the offer**” means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, 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 Company has adopted 120.0% of the Highest Last Dealt Price as the Maximum Price for Off-Market Purchases for the following reasons:

- (i) an Off-Market Purchase must be conducted pursuant to an equal access scheme, which means each shareholder will have the opportunity to participate in the Share Purchase on a pro-rata basis;
- (ii) the threshold represents the maximum price, and not the actual price that the Company will conduct its Off-Market Purchase;
- (iii) in carrying out any Share Purchase, the Company shall comply with the Companies Act and ensure that Company is solvent. Further, as stated in the Sections 2.4.1 and 2.9 of this Appendix, the Directors do not propose to exercise the Share Purchase Mandate to such an extent that it would have a adverse effect on the financial position and working capital requirements of the Group; and
- (iv) in view of the factors mentioned above, the Company is of the view that there are adequate safeguards against setting a price which will be detrimental to the Company and/or Shareholders, and such Maximum Price will provide the Company will more flexibility in determining the appropriate amount of capital or distributions to be made to shareholders.

LETTER TO SHAREHOLDERS

2.5 Status of Purchased Shares

A Share purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation) unless such Share is held by the Company as a treasury share. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares. At the time of each purchase of Shares by the Company, the Directors will decide whether the Shares purchased will be cancelled or kept as treasury shares, or partly cancelled and partly kept as treasury shares, depending on the needs of the Company at that time.

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 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 settlement of any such purchase or acquisition.

2.6 Treasury Shares

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

2.6.1 *Maximum Holdings*

The number of Shares held as treasury shares cannot at any time exceed ten per cent. (10.0%) of the total number of issued Shares. Where the aggregate number of Shares held as treasury shares exceeds ten per cent. (10.0%) of the total number of issued Shares, the Company shall dispose of or cancel the excess treasury shares before the end of the period of 6 months beginning with the day on which the aggregate number of Shares held as treasury shares exceeds ten per cent. (10.0%) of the total number of issued Shares, or such further period as the Registrar may allow.

2.6.2 *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. Also, a subdivision or consolidation of any treasury share into treasury shares of a smaller amount is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

2.6.3 *Disposal and Cancellation*

Where Shares are held as treasury shares, the Company may at any time:

- (a) sell the treasury shares for cash;
- (b) transfer the treasury shares for the purposes of or pursuant to an employees' share scheme (if applicable);
- (c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;

LETTER TO SHAREHOLDERS

- (d) cancel the treasury shares; or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

The Shares purchased or acquired under the Share Purchase Mandate will be held as treasury shares or cancelled by the Company taking into consideration the then prevailing circumstances and requirements of the Company at the relevant time. For details of the status of Shares purchased or acquired under the Share Purchase Mandate, please refer to Section 2.5 of this Appendix.

2.7 Reporting Requirements

Within thirty (30) days of the passing of a resolution to approve the purchases of Shares by the Company, the Board shall lodge a copy of such resolution with the Registrar.

The Board shall notify the Registrar within thirty (30) days of a purchase of Shares by the Company on the SGX-ST or otherwise. Such notification shall include details of the purchases including the date of the purchases, the total number of Shares purchased by the Company, the number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued share capital before and after the purchase of Shares, whether the Shares were purchased out of profits or the capital of the Company and the amount of consideration paid by the Company for the purchases, and such other information as required by the Companies Act.

The Listing Manual (Rule 886(1)) specifies that a listed company shall notify the SGX-ST of all purchases or acquisitions of its Shares not later than 9.00 a.m.:

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

The notification of such purchases or acquisitions 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 the Company in a timely fashion with the necessary information which will enable the Company to make the notifications to the SGX-ST.

The Company, upon undertaking any sale, transfer, cancellation and/or use of treasury shares, will comply with Rule 704(28) of the Listing Manual, which provides that an issuer must make an immediate announcement thereof, stating the following:

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

LETTER TO SHAREHOLDERS

2.8 Source of Funds

In buying back Shares, 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 Companies Act, subject to the Constitution, permits the Company to purchase its own Shares out of capital, as well as from its distributable profits, provided that at the date of payment with respect to the purchase of its own Shares:

- (a) there is no ground on which the Company could be found to be unable to pay its debts;
- (b) if (i) it is intended to commence winding up of the Company within the period of twelve (12) months immediately after the date of the payment, the Company will be able to pay its debts in full within the period of twelve (12) months after the date of commencement of the winding up; or (ii) if it is not intended so to commence winding up, the Company will be able to pay its debts as they fall due during the period of twelve (12) months immediately after the date of payment; and
- (c) the value of the Company's assets is not less than the value of its liabilities (including contingent liabilities) and will not after the purchase of its own Shares 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 internal sources of funds or external borrowings or a combination of both to finance the Company's purchase or acquisition of Shares pursuant to the Share Purchase Mandate.

2.9 Financial Effects

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

The Company's total number of issued Shares and total issued share capital will be diminished by the total number of Shares purchased by the Company and cancelled. The NAV of the Group will be reduced by the aggregate purchase price paid by the Company for the Shares.

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

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such consideration (excluding related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. For the purposes of the Share Purchase Mandate, it is intended that purchases or acquisitions of Shares by the Company, if any, will be made out of the Company's capital, and the Company has assumed the foregoing in preparing the financial effects illustrated below.

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

For illustrative purposes only, the financial effects of the Share Purchase Mandate on the Group, based on the audited financial accounts of the Group for the financial year ended 30 June 2023, are based on the assumptions set out below:

- (a) based on 176,798,164 Shares in issue (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date and assuming no further Shares are issued or purchased by the Company on or prior to the AGM, not more than 17,679,816 Shares (representing ten per cent. (10.0%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date) may be purchased by the Company pursuant to the Share Purchase Mandate;
- (b) in the case of Market Purchases by the Company and assuming that the Company purchases or acquires the 17,679,816 Shares at the Maximum Price of S\$0.126 for one (1) Share (being the price equivalent to five per cent. (5.0%) above the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 17,679,816 Shares (excluding related expenses) is approximately S\$2,227,657;
- (c) in the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires the 17,679,816 Shares at the Maximum Price of S\$0.144 for one (1) Share (being the price equivalent to twenty per cent. (20.0%) above the Highest Last Dealt Price of the Shares as recorded on the Market Day on which Shares were traded immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 17,679,816 Shares (excluding related expenses) is approximately S\$2,545,894; and
- (d) there were no expenses (including brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) incurred in relation to the Share Purchases.

For illustrative purposes only, and based on the assumptions set out in sub-sections (a), (b), (c) and (d) above and assuming that (i) the purchase or acquisition of Shares is financed by internal sources of funds; (ii) the Share Purchase Mandate had been effective on 1 July 2022; and (iii) the Company had purchased or acquired 17,679,816 Shares (representing ten per cent. (10.0%) of the issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date), the financial effects of the purchase or acquisition of such number of Shares:

- (i) made entirely out of capital and held as treasury shares; and
- (ii) made entirely out of capital and cancelled;

or as summarised for ease of reference in the following table:

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Scenario	Purchased out of:	Type of purchase	Held as Treasury Shares or Cancelled	Maximum Price per Share (S\$)
1(A)	Capital	Market Purchase	Held as treasury shares	0.126
1(B)	Capital	Off-Market Purchase	Held as treasury shares	0.144
2(A)	Capital	Market Purchase	Cancelled	0.126
2(B)	Capital	Off-Market Purchase	Cancelled	0.144

on the audited financial statements of the Group for the financial year ended 30 June 2023, are set out below:

(1) Purchases made entirely out of capital and held as treasury shares

	Per Consolidated Financial Statements as at 30 June 2023 RMB'000	Pro-forma Financial Effects as at 30 June 2023 for the following scenarios as described above	
		1(A) Market Purchase RMB'000	1(B) Off-Market Purchase RMB'000
Share capital	322,210	322,210	322,210
Treasury shares	–	(11,881)	(13,578)
Other reserves	148,949	148,949	148,949
Accumulated losses	(178,806)	(178,806)	(178,806)
Share capital and reserves	292,353	280,472	278,775
Non-controlling interests	–	–	–
Total Equity	292,353	280,472	278,775
Cash and bank balances	27,984	16,103	14,406
Current Assets	13,502	13,502	13,502
Current Liabilities	10,095	10,095	10,095
Number of Shares ⁽¹⁾	176,798,164	159,118,348	159,118,348
Financial Ratios			
NAV per Share (RMB cents)	165.4	176.3	175.2
Current ratio (times)	4.1	2.9	2.8
Basic EPS (RMB cents)	4.2	3.5	3.5

Note:

(1) Number of issued Shares excluding treasury shares

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(2) Purchases made entirely out of capital and cancelled

	Per Consolidated Financial Statements as at 30 June 2023 RMB'000	Pro-forma Financial Effects as at 30 June 2023 for the following scenarios as described above	
		2(A) Market Purchase RMB'000	2(B) Off-Market Purchase RMB'000
Share capital	322,210	310,329	308,632
Treasury shares	–	–	–
Other reserves	148,949	148,949	148,949
Accumulated losses	(178,806)	(178,806)	(178,806)
Share capital and reserves	292,353	280,472	278,775
Non-controlling interests	–	–	–
Total Equity	292,353	280,472	278,775
Cash and bank balances	27,984	16,103	14,406
Current Assets	13,502	13,502	13,502
Current Liabilities	10,095	10,095	10,095
Number of Shares ⁽¹⁾	176,798,164	159,118,348	159,118,348
Financial Ratios			
NAV per Share (RMB cents)	165.4	176.3	175.2
Current ratio (times)	4.1	2.9	2.8
Basic EPS (RMB cents)	4.2	3.5	3.5

Note:

(1) Number of issued Shares excluding treasury shares

Shareholders should note that the financial effects set out above are purely for illustrative purposes only based on the abovementioned assumptions. Although the Share Purchase Mandate would authorise the Company to purchase or acquire up to ten per cent. (10.0%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as determined in accordance with the applicable provisions of the Companies Act, the Company may not necessarily purchase or be able to purchase the entire ten per cent. (10.0%) of the total number of its issued Shares (excluding treasury shares and subsidiary holdings). In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased in treasury.

2.10 Taxation

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

2.11 Take-over Implications

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

2.11.1 *Obligation to make a Take-over Offer*

If, as a result of any purchase or acquisition by the Company of the Shares, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. If such increase results in a change of effective control, or, as a result of such increase, a Shareholder or a group of Shareholders acting

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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 take-over offer for the Company under Rule 14 of the Take-over Code.

2.11.2 *Persons Acting in Concert*

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

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

- (a) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights;
- (b) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total ten per cent. (10%) or more of the client's equity share capital;
- (f) directors of a company (together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a *bona fide* offer for their company may be imminent;
- (g) partners; and
- (h) an individual, his close relatives, his related trusts, any person who is accustomed to act according to his instructions, companies controlled by any of the foregoing persons and/or entities, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons and/or entities for the purchase of voting rights.

For this purpose, ownership or control of at least twenty per cent. (20.0%) but not more than fifty per cent. (50.0%) of the voting rights of a company will be regarded as the test of associated company status.

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 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.

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2.11.3 *Effect of Rule 14 and Appendix 2*

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Directors and their concert parties would increase to thirty per cent. (30.0%) or more, or in the event that such Directors and their concert parties hold between thirty per cent. (30.0%) and fifty per cent. (50.0%) of the Company's voting rights, if the voting rights of such Directors and their concert parties would increase by more than one per cent. (1.0%) in any period of six (6) months. In calculating the percentages of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to thirty per cent. (30.0%) or more, or, if such Shareholder holds between thirty per cent. (30.0%) and fifty per cent. (50.0%) of the Company's voting rights, the voting rights of such Shareholder would increase by more than one (1) per cent. in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the ordinary resolution authorising the Share Purchase Mandate.

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 whether an obligation to make a take-over offer under the Take-over Code would arise as a result of any purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate should consult the SIC and/or their professional advisers and/or the relevant authorities at the earliest opportunity.

2.11.4 *Concert Party Group*

Mr. Chen Qiu Hai, the Executive Director and Chief Executive Officer of the Company is the sole shareholder of Sanwang, a company incorporated in British Virgin Island. Accordingly Mr. Chen Qiu Hai and Sanwang (collectively, "**Concert Party Group**") are presumed to be concert parties under the Take-over Code.

As at the Latest Practicable Date, Sanwang is deemed to be interested in 62,931,015 Shares held under the nominee account with UOB Kay Hian Private Limited representing approximately 35.59% of the total issued shares of the Company. Mr. Chen Qiu Hai is deemed to be interested in the 62,931,015 Shares held by Sanwang by virtue of Section 4 of the SFA.

Based on the above information and for illustration purpose only, as at the Latest Practicable Date, in the event that the Company purchases 17,679,816 Shares, being ten per cent. (10%) of its issued Shares (excluding treasury shares and subsidiary holdings), the aggregate shareholdings and voting rights of the Concert Party Group will increase from approximately 35.59% to 39.55%. Accordingly, if such Share Purchases were to occur over any 6-month period, the shareholding of the Concert Party Group would have increased by more than one per cent. (1.0%) within a 6-month period. In such event, Mr. Chen Qiu Hai, Sanwang and parties presumed to be acting in concert with them under the Take-over Code will, unless exempted, be obliged to make a mandatory general offer under Rule 14.1(b) of the Take-Over Code.

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2.11.5 *Exemption under Section 3(a) of Appendix 2 of the Take-over Code*

Pursuant to section 3(a) of Appendix 2 of the Take-over Code, Mr. Chen Qiu Hai, Sanwang and persons acting in concert with them will be exempted from the requirement to make a general offer for the Company under Rule 14 of the Take-over Code due to an increase of their aggregate voting rights to 30.0% or more / increase of their voting rights by more than 1.0% in any period of 6 months as a result of Share Purchases by the Company, subject to the following conditions:

- (i) the Appendix seeking Shareholders' approval for the Share Purchase Mandate will contain advice to the effect that by voting in favour of the resolution to approve the proposed adoption of the Share Purchase Mandate (the "**Share Purchase Resolution**"), Shareholders are waiving their right to a general offer at the required price from Mr. Chen Qiu Hai, Sanwang and persons acting in concert with them who as a result of Share Purchases by the Company, would increase their voting rights to 30.0% or more/ would increase their voting rights by more than 1.0% in any period of 6 months; and the aforesaid Appendix discloses the names and voting rights of Mr. Chen Qiu Hai, Sanwang and persons acting in concert with them (a) as of the time of the Share Purchase Resolution, and (b) after Share Purchases up to the maximum limit under the Share Purchase Mandate;
- (ii) the Share Purchase Resolution is approved by a majority of the Shareholders who are present and voting at the 2023 AGM on a poll who could not become obliged to make a general offer for the Company as a result of Share Purchases by the Company pursuant to the Share Purchase Mandate;
- (iii) Mr. Chen Qiu Hai, Sanwang and persons acting in concert with them will abstain from (a) voting on the Share Purchase Resolution, and/or (b) recommending Shareholders to vote in favour of the Share Purchase Resolution;
- (iv) within seven (7) days after the passing of the Share Purchase Resolution, Mr. Chen Qiu Hai submits to the SIC a duly signed form as prescribed by the SIC; and
- (v) Mr. Chen Qiu Hai, Sanwang and persons acting in concert with them have not acquired and will not acquire any Shares between the date on which they know that the announcement of the proposed adoption of the Share Purchase Mandate is imminent and the earlier of:
 - (a) the date on which the authority for the Share Purchase Mandate expires; and
 - (b) the date on which the Company announces that it has (1) bought back such number of Shares as authorised by Shareholders at the 2023 AGM; or (2) decided to cease buying back the Shares, as the case may be,

if any such acquisitions, taken together with the Share Purchases, would cause their aggregate voting rights in the Company to increase to 30.0% or more / increase by more than 1.0% in the preceding 6 months.

If the Company ceases to purchase Shares and the increase in Shares held by Mr. Chen Qiu Hai, Sanwang and persons acting in concert with them as a result of Share Purchases at such time is less than one per cent. (1.0%), Mr. Chen Qiu Hai, Sanwang and persons acting in concert with them may acquire further Shares. However, any increase in percentage voting rights of Mr. Chen Qiu Hai, Sanwang and persons acting in concert with them as a result of Share Purchases will be taken into account together with any Shares acquired by Mr. Chen Qiu Hai, Sanwang and persons acting in concert with them (by whatever means) in determining whether the director and his concert parties have increased their aggregate voting rights in the company by more than one per cent. (1.0%) in any 6-month period.

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The voting rights of the Concert Party Group as at the Latest Practicable Date and in the event of Share Purchases up to the maximum number of Shares which the Company may purchase as permitted by the Share Purchase Mandate are set out above in Section 3 of this Appendix.

Appendix 2 of the Take-over Code requires that the resolution to authorise the Share Purchase Mandate be approved by a majority of those Shareholders present and voting at the meeting on a poll who could not become obliged to make an offer under the Take-over Code as a result of the Share Purchases. Accordingly the Share Purchase Resolution is proposed to be taken on a poll and the Concert Party Group shall abstain from (a) voting on the Share Purchase Mandate; and/or (b) recommending Shareholders to vote in favour of the Share Purchase Mandate.

2.11.6 *Advice to Shareholders*

Shareholders are advised that by voting in favour of Ordinary Resolution 8 relating to the proposed adoption of the Share Purchase Mandate, they will be waiving their rights to a general offer at the required price from Mr. Chen Qiu Hai, Sanwang and persons acting in concert with them who, as a result of the purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate, would increase their aggregate voting rights in the Company would increase their aggregate voting rights in the Company by more than one (1) per cent. in any period of six (6) months.

2.11.7 *Form 2 submission to the SIC*

Form 2 (Submission by directors and their concert parties pursuant to Appendix 2 of the Take-over Code) is the prescribed form to be submitted to the SIC by a director and persons acting in concert with him pursuant to the conditions for exemption (see condition (v) of paragraph 2.11.5 above) from the requirement to make a take-over offer under Rule 14 of the Take-over Code as a result of the buy-back of shares by a listed company under its share purchase mandate.

As at the Latest Practicable Date, Mr. Chen Qiu Hai has informed the Company that he will be submitting a Form 2 to the SIC within seven (7) days after the passing of the Ordinary Resolution 8 relating to the proposed adoption of the Share Purchase Mandate.

2.12 **Listing Manual**

While the Listing Manual does not expressly prohibit purchase of shares by a listed company during any particular time or times, because a listed company would be considered an “insider” in relation to any proposed purchase or acquisition of its issued shares, the Company will not purchase any Shares pursuant to the Share Purchase Mandate after a development which could have a material effect on the price of the Shares has occurred or has been the subject of a consideration and/or a decision of the Board until such time as such information has been publicly announced. In particular, in line with Rule 1207(19)(c) of the Listing Manual, the Company will not purchase or acquire any Shares during the period of two weeks before the announcement of the Company financial statements for each of the first three (3) quarters of its financial year and one (1) month before the announcement of the Company’s full year financial statements.

To maintain its listing status, the Company is required under Rule 723 of the Listing Manual to ensure that at least ten per cent. (10.0%) of its Shares (excluding treasury shares) are in the hands of the public. The “public”, as defined under the Listing Manual, are persons other than the directors, chief executive officer, Substantial Shareholders or Controlling Shareholders of the Company or its subsidiaries, as well as the Associates of such persons.

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Based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders maintained by the Company as at the Latest Practicable Date, 47,560,155 Shares, representing approximately twenty six point nine per cent. (26.90%) of the 176,798,164 issued Shares (excluding treasury shares), are in the hands of the public (as defined in the Listing Manual). Assuming that the Company purchases its Shares from the public up to the full ten per cent. (10.0%) limit pursuant to the Share Purchase Mandate, the Company would be able to purchase a maximum of 17,679,816 Shares from public Shareholders and the number of Shares in the hands of the public not taking into account treasury shares would be reduced to 29,880,339 Shares, representing approximately eighteen point seven eight per cent. (18.78%) of the reduced total number of issued Shares (excluding treasury shares).

In undertaking any purchases or acquisitions of Shares through Market Purchases, the Directors will use their best efforts to ensure that, notwithstanding such purchases, a sufficient float in the hands of the public will be maintained so that the purchases or acquisitions of Shares will not adversely affect the listing status of the Shares on the SGX-ST, cause market illiquidity or adversely affect the orderly trading of the Shares. Any purchases or acquisitions of Shares will not be carried out if it will adversely affect the financial condition of the Company.

2.13 Previous Share Purchases

No Share purchase has been made by the Company in the twelve (12) months preceding the Latest Practicable Date.

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

3.1 Directors' Interests

Based on information in the Register of Directors' Shareholdings maintained by the Company pursuant to Section 173(1) of the Companies Act, as at the Latest Practicable Date, the direct and deemed interests and voting rights of the Directors before and after the purchase of Shares pursuant to the Share Purchase Mandate, assuming (a) the Company purchases the maximum amount of ten per cent. (10.0%) of the total number of issued Shares; and (b) there is no change in the number of Shares held by the Directors or which they are deemed interested in, will be as follows:

Directors	Before Share Purchase (Number of Shares)			Before Share Purchase	After Share Purchase
	Direct Interest	Deemed Interest	Total Interest	% ⁽¹⁾	% ⁽²⁾
Mr. Chen Qiu hai ⁽³⁾	–	62,931,015	62,931,015	35.59	39.55
Mr. Liu Yi	–	–	–	–	–
Mr. Tan Kah Ghee	–	–	–	–	–
Mr. Chang Feng-chang	270,000	–	270,000	0.15	0.17
Ms. Goi Lang Ling	–	–	–	–	–
Ms. Chen Ying	–	–	–	–	–

Notes:

- (1) Based on 176,798,164 Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date.
- (2) Based on 159,118,348 Shares (excluding treasury shares and subsidiary holdings) assuming the Company purchases 17,679,816 Shares under the Share Purchase Mandate.
- (3) Sanwang is deemed to be interested in 62,931,015 Shares held under a nominee account with UOB Kay Hian Private Limited. Mr Chen Qiu hai is the sole shareholder of Sanwang. Accordingly, Mr Chen Qiu hai is deemed to be interested in the 62,931,015 Shares held by Sanwang by virtue of Section 4 of the SFA.

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3.2 Substantial Shareholders' Interests

Based on information in the Register of Substantial Shareholders maintained by the Company, as at the Latest Practicable Date, the direct and deemed interests and voting rights of the Substantial Shareholders (other than Directors) before and after the purchase of Shares pursuant to the Share Purchase Mandate, assuming (a) the Company purchases the maximum amount of ten per cent. (10.0%) of the total number of issued Shares; and (b) there is no change in the number of Shares held by the Substantial Shareholders or which they are deemed interested in, will be as follows:

Substantial Shareholders (other than Directors)	Before Share Purchase (Number of Shares)			Before Share Purchase	After Share Purchase
	Direct Interest	Deemed Interest	Total Interest	% ⁽¹⁾	% ⁽²⁾
Sanwang ⁽³⁾	–	62,931,015	62,931,015	35.59	39.55
Goi Seng Hui	32,966,661	–	32,966,661	18.65	20.72
Envictus International Holdings Limited	18,450,320	–	18,450,320	10.44	11.60
Wang Haihua ⁽⁴⁾	–	14,620,013	14,620,013	8.27	9.19

Notes:

- (1) Based on 176,798,164 Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date.
- (2) Based on 159,118,348 Shares (excluding treasury shares and subsidiary holdings) assuming the Company purchases 17,679,816 Shares under the Share Purchase Mandate.
- (3) Sanwang is deemed to be interested in 62,931,015 Shares held under a nominee account with UOB Kay Hian Private Limited.
- (4) Mr Wang Haihua is deemed to be interested in 14,620,013 Shares held under a nominee account with Phillip Securities Pte. Ltd..

4. **ABSTENTION FROM VOTING**

In accordance with the conditions referred to in paragraph 2.11.5 above, Mr. Chen Qiuhai, Sanwang and persons acting in concert with them will abstain from voting at the 2023 AGM on Ordinary Resolution 8 relating to the proposed adoption of the Share Purchase Mandate with regards to their respective holdings of Shares. Mr. Chen Qiuhai, Sanwang and persons acting in concert with them will also decline to accept appointment as proxies for any Shareholder to vote in respect of Ordinary Resolution 8 relating to the proposed adoption of the Share Purchase Mandate unless the Shareholder concerned shall have given specific instructions in his proxy form as to the manner in which his votes are to be cast in respect of the said resolution.

5. **DIRECTORS' RECOMMENDATIONS**

The Directors (save for Mr. Chen Qiuhai who had abstained from making any recommendation) are of the opinion that the proposed adoption of the Share Purchase Mandate is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of Ordinary Resolution 8 relating to the proposed adoption of the Share Purchase Mandate (set out in the Notice) to be proposed at the 2023 AGM.

Mr. Chen Qiuhai (in accordance with the conditions referred to in paragraph 2.11.5 above) had abstained from making any recommendation to the Shareholders on Ordinary Resolution 8 relating to the proposed adoption of the Share Purchase Mandate.

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6. **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 adoption of the Share Purchase Mandate, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading. Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Appendix in its proper form and context.

7. **DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the registered office of the Company during normal business hours on any weekday (public holidays excepted) up to and including the date of the EGM:

- (a) the Constitution; and
- (b) the Annual Report.

Yours faithfully,

For and on behalf of the Directors of
Yamada Green Resources Limited

Mr. Liu Yi
Independent Non-Executive Chairman