

LETTER TO SHAREHOLDERS DATED 10 APRIL 2019

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

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

If you have sold or transferred all your shares in the capital of Secura Group Limited (the "**Company**"), you should immediately forward this Letter (as defined herein), the Notice of Annual General Meeting and the enclosed Proxy Form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Letter has been prepared by the Company and its contents have been reviewed by the Company's sponsor, United Overseas Bank Limited (the "**Sponsor**"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"). The Sponsor has not independently verified the contents of this Letter.

This Letter has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Letter, including the correctness of any of the statements or opinions made, or reports contained in this Letter.

The contact person for the Sponsor is Mr. Chia Beng Kwan, Senior Director, Equity Capital Markets at 80 Raffles Place, #03-03 UOB Plaza 1, Singapore 048624, telephone (65) 6533 9898.



SECURA GROUP LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 201531866K)

LETTER TO SHAREHOLDERS

IN RELATION TO

THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE

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DEFINITIONS

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

- "AGM"** : The annual general meeting of the Company to be held on 25 April 2019.
- "Annual Report"** : The annual report of the Company for the financial year ended 31 December 2018.
- "Associate"** : (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; 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 30% or more.
- "Average Closing Price"** : Has the meaning ascribed to it in paragraph 2.3.4 of this Letter.
- "Board"** : The board of Directors.
- "Catalist"** : The Catalist Board of the SGX-ST.
- "Catalist Rules"** : The SGX-ST Listing Manual Section B: Rules of Catalist, as may be amended, modified or supplemented from time to time.
- "CDP"** : The Central Depository (Pte) Limited.
- "Companies Act"** : The Companies Act (Chapter 50 of Singapore), as amended, modified or supplemented from time to time.
- "Company"** : Secura Group Limited.
- "concert parties"** : Has the meaning ascribed to it in paragraph 2.9.2 of this Letter.
- "Constitution"** : The constitution of the Company, as amended, modified or supplemented from time to time.
- "Control"** : The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company.

<u>"Controlling Shareholder"</u>	: A person who:
	(a) holds directly or indirectly 15% or more of the nominal amount of all voting Shares (excluding treasury shares) 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 the Company.
<u>"Court"</u>	: The High Court of the Republic of Singapore or a judge thereof.
<u>"day of the making of the offer"</u>	: Has the meaning ascribed to it in paragraph 2.3.4 of this Letter.
<u>"Director"</u>	: A director of the Company for the time being.
<u>"EPS"</u>	: Earnings per Share.
<u>"Group"</u>	: The Company and its subsidiaries.
<u>"Kestrel Investments"</u>	: Kestrel Investments Pte. Ltd..
<u>"Latest Practicable Date"</u> or <u>"LPD"</u>	: 1 April 2019, being the latest practicable date prior to the printing of this Letter.
<u>"Letter"</u>	: This letter to Shareholders dated 10 April 2019.
<u>"Market Day"</u>	: A day on which the SGX-ST is open for trading in securities.
<u>"Market Purchases"</u>	: Has the meaning ascribed to it in paragraph 2.3.3 of this Letter.
<u>"Maximum Price"</u>	: Has the meaning ascribed to it in paragraph 2.3.4 of this Letter.
<u>"Mr. Peter Lim"</u>	: Mr. Lim Eng Hock.
<u>"Notice of AGM"</u>	: The notice of AGM as set out on pages 131 to 136 of the Annual Report.
<u>"NTA"</u>	: Net tangible assets.
<u>"Off-Market Purchases"</u>	: Has the meaning ascribed to it in paragraph 2.3.3 of this Letter.
<u>"Registrar"</u>	: The Registrar of Companies.
<u>"related expenses"</u>	: Has the meaning ascribed to it in paragraph 2.3.4 of this Letter.
<u>"Relevant Period"</u>	: The period commencing from the date on which the adoption of the Share Buyback Mandate is approved by Shareholders and expiring on the date the next annual general meeting is held or is required by law to be held, whichever is the earlier.
<u>"Relevant Persons"</u>	: Kestrel Investments, Mr. Peter Lim, Mr. Kan Kheong Ng and Mr. Lim Joey Matthias.
<u>"Securities Account"</u>	: A securities account maintained by a depositor with CDP but not including a securities sub-account maintained with a depository agent.

"Securities and Futures Act"	: The Securities and Futures Act (Chapter 289 of Singapore), as amended, modified or supplemented from time to time.
"SGX-ST"	: Singapore Exchange Securities Trading Limited.
"Share Buyback Mandate"	: General and unconditional mandate given by Shareholders to authorise the Directors to purchase Shares in accordance with the terms set out in the ordinary resolution, as more particularly described in this Letter and in accordance with the rules and regulations set forth in the Companies Act and the Catalist Rules.
"Shareholders"	: Persons who are registered as holders of Shares in the Register of Members of the Company except that where the registered holder is CDP, the term " Shareholders " shall mean the depositors who have Shares credited to their Securities Accounts.
"Shares"	: Ordinary shares in the capital of the Company.
"SIC"	: The Securities Industry Council of Singapore.
"Sponsor"	: United Overseas Bank Limited.
"subsidiary holdings"	: Shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act.
"Substantial Shareholder"	: A shareholder who has an interest or interests in one or more voting Shares (excluding treasury shares) in the Company, and the total votes attached to that Share, or those Shares, is not less than 5% of the total votes attached to all the voting Shares (excluding treasury shares) in the Company.
"Take-over Code"	: The Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time.
"year"	: Calendar year, unless otherwise stated.
"S\$" and "cents"	: Singapore dollars and cents, respectively.
"%"	: Per centum or percentage.

The terms "**depositor**" and "**depository agent**" shall have the meanings ascribed to them, respectively, in Section 81SF of the Securities and Futures Act or any statutory modification thereof, as the case may be.

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

Any reference in this Letter to any statute or enactment is a reference to that statute or enactment for the time being amended or re-enacted. Any term defined under the Companies Act, the Catalist Rules, the Take-over Code or any modification thereof and used in this Letter shall have the meaning assigned to it under the Companies Act, the Catalist Rules, the Take-over Code or any modification thereof, as the case may be, unless otherwise provided.

Summaries of the provisions of any laws and regulations (including the Take-over Code and the

Catalist Rules) contained in this Letter are of such laws and regulations (including the Take-over Code and the Catalist Rules) as at the Latest Practicable Date.

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

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

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

SECURA GROUP LIMITED

(Incorporated in the Republic of Singapore on 14 August 2015)
(Company Registration Number: 201531866K)

Directors:

Dr. Ho Tat Kin (Chairman and Independent Director)
Mr. Kan Kheong Ng (Executive Director and Chief Executive Officer)
Ms. Lim Siok Leng (Executive Director and Chief Financial Officer)
Mr. Lim Joey Matthias (Non-Executive and Non-Independent Director)
Mr. Gary Ho Kuat Foong (Independent Director)
Mr. Ong Pang Liang (Independent Director)
Ms. Christina Teo Tze Wei (Independent Director)

Registered Office:

38 Alexandra Terrace
Singapore 119932

10 April 2019

To: The Shareholders of Secura Group Limited

Dear Sir / Madam

THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE

1. INTRODUCTION

The purpose of this Letter is to provide Shareholders with information relating to, and to seek Shareholders' approval at the forthcoming AGM for the proposed adoption of the Share Buyback Mandate.

2. THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE

2.1 The Proposed Adoption of the Share Buyback Mandate

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

It is a requirement under Part XI of Chapter 8 of the Catalist Rules and the Companies Act that a company may purchase its own shares if it has obtained the prior specific approval of shareholders in a general meeting. Accordingly, approval is being sought from Shareholders at the AGM for the Share Buyback Mandate. An ordinary resolution will be proposed, pursuant to which the Share Buyback Mandate will be given to the Directors to exercise all powers of the Company to purchase or otherwise acquire Shares according to the terms of the Share Buyback Mandate.

If approved by Shareholders at the AGM, the authority conferred by the Share Buyback Mandate will take effect from the date of the AGM and continue in force until the earlier of the conclusion of the next annual general meeting or the date by which the next annual general meeting is required by law to be held, unless prior thereto, purchases or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate have been carried out to the full extent mandated, or the authority conferred by the Share Buyback Mandate is revoked or varied by Shareholders in a general meeting. It is currently intended that the Share Buyback Mandate shall be put to Shareholders for renewal at each subsequent annual general meeting of the Company.

2.2 Rationale for the Proposed Adoption of the Share Buyback Mandate

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

- (a) in managing the business of the Group, the management team strives to increase Shareholder value by improving, *inter alia*, the return on equity of the Group. A Share purchase is one of the ways in which the return on equity of the Group may be enhanced;
- (b) Shares purchased or acquired under the Share Buyback Mandate can also be held by the Company as treasury shares to satisfy the Company's obligations to furnish Shares to participants in any share-based incentive schemes it may implement from time to time, thus giving the Company greater flexibility to select the method of providing Shares to employees that is most beneficial to the Company and its Shareholders; and/or
- (c) the Share Buyback Mandate is an expedient, effective and cost-efficient way for the Company to return to Shareholders surplus cash/funds which is/are over and above its ordinary capital requirements and in excess of the financial and possible investment needs of the Group, if any. In addition, the Share Buyback Mandate will allow the Company to have greater flexibility over, *inter alia*, the Company's share capital structure.

While the Share Buyback Mandate would authorise a purchase or acquisition of Shares up to the said 10% limit during the period referred to in paragraph 2.3.2 below, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buyback Mandate may not be carried out to the full 10% limit as authorised and the purchases or acquisitions of Shares pursuant to the Share Buyback Mandate will be made only as and when the Directors consider it to be in the best interests of the Company and/or Shareholders and in circumstances which they believe will not result in any material adverse effect on the financial condition of the Company or the Group, or result in the Company being delisted from the SGX-ST. The Directors will use their best efforts to ensure that after a purchase or acquisition of Shares pursuant to the Share Buyback Mandate, the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect the orderly trading and listing status of the Shares on the SGX-ST.

2.3 Authority and Limits on the Share Buyback Mandate

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

2.3.1 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 Buyback Mandate is limited to that number of Shares representing not more than 10% of the total number of issued Shares as at the date of the AGM (excluding treasury shares and subsidiary holdings) at which the adoption of the Share Buyback Mandate is approved, unless the Company has, at any time during the Relevant Period, reduced its share capital by a special resolution under Section 78C of the Companies Act, or the Court has, at any time during the Relevant Period, made an order under Section 78I of the Companies Act confirming the reduction of share capital of the Company, in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered by the special resolution

of the Company or the order of the Court, as the case may be. Any Shares which are held as treasury shares or subsidiary holdings will be disregarded for the purposes of computing the 10% limit.

For illustrative purposes only, based on the general rule in the foregoing paragraph, on the basis of 400,002,000 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 AGM, and that the Company does not reduce its share capital, not more than 40,000,200 Shares (representing not more than 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at that date) may be purchased or acquired by the Company pursuant to the Share Buyback Mandate during the Relevant Period.

2.3.2 **Duration of Authority**

Purchases or acquisitions of Shares pursuant to the Share Buyback Mandate may be made, at any time and from time to time, on and from the date of the AGM, at which the adoption of the Share Buyback Mandate is approved, up to:

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

whichever is the earliest.

The authority conferred on the Directors by the Share Buyback Mandate to purchase or acquire Shares may be renewed by Shareholders in any general meeting of the Company, such as at the next annual general meeting or at an extraordinary general meeting to be convened immediately after the conclusion or adjournment of the next annual general meeting. When seeking the approval of Shareholders for the adoption of the Share Buyback Mandate, the Company is required to disclose details pertaining to purchases or acquisitions of Shares pursuant to the proposed Share Buyback Mandate made during the previous 12 months, including the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for such purchases or acquisitions of Shares, where relevant, and the total consideration paid for such purchases or acquisitions.

2.3.3 **Manner of Purchase or Acquisition**

Purchases or acquisitions of Shares may be made by way of:

- (a) on-market purchases ("**Market Purchases**"), transacted on the SGX-ST through one or more duly licensed stockbrokers appointed by the Company for the purpose, in accordance with Section 76E of the Companies Act; and/or
- (b) off-market purchases ("**Off-Market Purchases**") effected pursuant to an equal access scheme in accordance with Section 76C of the Companies Act.

The Directors may impose such terms and conditions which are not inconsistent with the Share Buyback Mandate, the Catalist Rules, 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 or schemes. 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 differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements, differences in consideration attributable to the fact that offers may relate to Shares with different amounts remaining unpaid, and differences in offers introduced solely to ensure that each Shareholder is left with a whole number of Shares.

Pursuant to the Catalist Rules, 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 12 months (whether by way of Market Purchases or Off-Market Purchases), giving the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for the purchases or acquisitions of Shares, where relevant, and the total consideration paid for the purchases or acquisitions; and
- (G) whether the Shares purchased or acquired by the Company will be cancelled or kept as treasury shares.

2.3.4 **Maximum Price**

The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses ("**related expenses**")) to be paid for a Share will be determined by the Directors. However, the purchase price to be paid for the Shares pursuant to the purchases or acquisitions of the Shares must not exceed:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price; and

- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price,

(the "**Maximum Price**"), in either case, excluding related expenses.

For the above purposes:

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

"**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.

2.4 **Status of Purchased or Acquired 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. At the time of each purchase or acquisition of Shares by the Company, the Directors will decide whether the Shares purchased or acquired 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. The total number of issued Shares will be diminished by the number of issued Shares purchased or acquired by the Company which are not held as treasury shares. It is presently intended by the Company that all or a significant portion of the Shares which are purchased or acquired by the Company under the Share Buyback Mandate will be held as treasury shares, up to the maximum number of treasury shares permitted by law to be held by the Company.

All Shares purchased or acquired by the Company (unless held as treasury shares by the Company to the extent permitted under the Companies Act) will be automatically delisted by the SGX-ST, and certificates (if any) in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following the settlement of any such purchase or acquisition.

2.5 **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:

2.5.1 **Maximum Holdings**

The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares.

2.5.2 **Voting and Other Rights**

The Company cannot exercise any rights 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 (whether in cash or otherwise) 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 greater or smaller number is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

2.5.3 **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, any share scheme, whether for employees, Directors or other persons;
- (c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (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.

In addition, under the Catalist Rules, 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 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.

2.6 **Reporting Requirements**

Within 30 days of the passing of a Shareholders' resolution to approve the purchase or acquisition of Shares by the Company, the Directors shall lodge a copy of such resolution with the Registrar.

The Directors shall notify the Registrar within 30 days of a purchase or acquisition of Shares on the SGX-ST or otherwise. Such notification shall include details of the purchase or acquisition including the date of the purchase or acquisition, the total number of Shares purchased or acquired by the Company, the number of Shares cancelled and the number of Shares held as treasury shares, the Company's issued share capital before and after the

purchase or acquisition, the amount of consideration paid by the Company for the purchase or acquisition, and such other information as required by the Companies Act.

The Catalist Rules specify that a listed company shall announce all purchases or acquisitions of shares to the SGX-ST 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, on the second Market Day after the close of acceptances of the offer for the Off-Market Purchase.

Such announcement (which must be in the form of Appendix 8D to the Catalist Rules) must include, *inter alia*, the details of the date of the purchase, the total number of shares purchased, the number of shares cancelled, the number of shares held as treasury shares, the purchase price per share or the highest and lowest prices paid for such shares, as applicable, and the total consideration (including stamp duties and clearing charges) paid or payable for the shares, the number of shares purchased as at the date of announcement (on a cumulative basis), the number of issued shares excluding treasury shares and the number of treasury shares held after the purchase.

The Company, upon undertaking any sale, transfer, cancellation and/or use of treasury shares, will comply with Rule 704(31) of the Catalist Rules, 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 in a class that is listed before and after such sale, transfer, cancellation and/or use; and
- (vi) value of the treasury shares if they are used for a sale or transfer, or cancelled.

2.7 Source of Funds

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

The Company may 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 Buyback Mandate. The Directors do not propose to exercise the Share Buyback Mandate to such an extent that it would have a material adverse effect on the working capital requirements of the Group.

2.8 Illustrative Financial Effects

It is not possible for the Company to realistically calculate or quantify the impact of purchases or acquisitions of Shares that may be made pursuant to the Share Buyback Mandate on the NTA per Share 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, the amount (if any) borrowed by the Company to fund the purchase or acquisition and whether the Shares purchased or acquired are cancelled or held as treasury shares.

The Company's total number of issued Shares will be diminished by the total number of Shares purchased by the Company and which are not held as treasury shares. The NTA of the Group will be reduced by the aggregate purchase price (including any expenses such as brokerage and commission) 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 profits, such consideration will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

The purchase or acquisition of Shares will only be effected by the Company after the Directors have considered relevant factors such as the working capital requirements, the availability of financial resources, the expansion and investment plans of the Group, and the prevailing market conditions.

For illustrative purposes only, the financial effects of the Share Buyback Mandate on the Company and the Group, based on the audited financial statements of the Group for the financial year ended 31 December 2018 ("**FY2018**") are based on the assumptions set out below:

- (a) based on 400,002,000 Shares in issue (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date and assuming no further Shares are issued and no reduction of share capital of the Company takes place, not more than 40,000,200 Shares (representing 10% of the total number of issued Shares as at the date of the AGM (excluding treasury shares and subsidiary holdings)) may be purchased by the Company pursuant to the Share Buyback Mandate (if adopted);
- (b) in the case of Market Purchases by the Company and assuming that the Company purchases or acquires 40,000,200 Shares at the Maximum Price of S\$0.075 for one (1) Share (being 105% of the Average Closing Price of the Shares for the five (5) 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 40,000,200 Shares (excluding related expenses) is approximately S\$3.0 million; and
- (c) in the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 40,000,200 Shares at the Maximum Price of S\$0.085 for one (1) Share (being the price equivalent to 120% of the Average Closing Price of the Shares for the five (5) 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 40,000,200 Shares (excluding related expenses) is approximately S\$3.4 million.

For illustrative purposes only, and based on the assumptions set out in sub-paragraphs (a), (b) and (c) above and assuming that:

- (i) such purchase or acquisition of Shares is made entirely out of capital and financed solely by internal sources of funds;
- (ii) the Share Buyback Mandate had been effective on 1 January 2018;
- (iii) the Company had purchased or acquired 40,000,200 Shares on 1 January 2018; and
- (iv) related expenses incurred directly in the purchases or acquisitions by the Company of the Shares at the relevant time are not taken into account,

the financial effects of:

- (A) the purchase or acquisition of 40,000,200 Shares by the Company in a Market Purchase or Off-Market Purchase, where such Shares are held as treasury shares; and
- (B) the purchase or acquisition of 40,000,200 Shares by the Company in a Market Purchase or Off-Market Purchase, where such Shares are cancelled,

on the audited financial statements of the Group and the Company for FY2018 pursuant to the Share Buyback Mandate, are summarised in the following tables:

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

As at 31 December 2018	Group			Company		
	Before Share Buyback	After Share Buyback assuming Market Purchase	After Share Buyback assuming Off-Market Purchase	Before Share Buyback	After Share Buyback assuming Market Purchase	After Share Buyback assuming Off-Market Purchase
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Share capital ⁽¹⁾	61,644	61,644	61,644	61,644	61,644	61,644
Merger reserve	(16,291)	(16,291)	(16,291)	-	-	-
Retained earnings	352	352	352	(15,918)	(15,918)	(15,918)
Foreign currency translation reserve	(87)	(87)	(87)	-	-	-
Employee share option reserve	347	347	347	337	337	337
Treasury shares	-	(3,000)	(3,400)	-	(3,000)	(3,400)
Total shareholders' funds	45,965	42,965	42,565	46,063	43,063	42,663
Non-controlling interests	115	115	115	-	-	-
Total equity	46,080	43,080	42,680	46,063	43,063	42,663
Current assets	26,671	23,671	23,271	9,629	6,629	6,229
Current liabilities	7,484	7,484	7,484	1,935	1,935	1,935
Cash and cash equivalents	13,853	10,853	10,453	7,752	4,752	4,352
Total borrowings ⁽²⁾	11,001	11,001	11,001	10,753	10,753	10,753
NTA ⁽³⁾	44,648	41,648	41,248	46,063	43,063	42,663
Net profit after tax attributable to owners of the Company	1,866	1,866	1,866	1,416	1,416	1,416
Number of Shares ('000) (excluding treasury shares)	400,002	360,002	360,002	400,002	360,002	360,002
Financial Ratios						
NTA per Share (cents) ⁽⁴⁾	11.16	11.57	11.46	11.52	11.96	11.85
Gearing (%) ⁽⁵⁾	23.87	25.54	25.78	23.34	24.97	25.20
Current ratio (times) ⁽⁶⁾	3.56	3.16	3.11	4.98	3.43	3.22
EPS (cents) ⁽⁷⁾	0.47	0.52	0.52	0.35	0.39	0.39

Notes:

- (1) Share capital for the Group and the Company does not include consideration from issue of new Shares pursuant to the exercise of 2,000 warrants which was announced by the Company on 17 January 2019. As at the Latest Practicable Date, there are no outstanding warrants.
- (2) Total borrowings pertain to finance leases and bank loans.
- (3) NTA equals total shareholders' funds less intangible assets.
- (4) NTA per Share equals NTA divided by number of shares (excluding treasury shares).
- (5) Gearing equals total borrowings divided by total equity.
- (6) Current ratio equals current assets divided by current liabilities.
- (7) EPS equals net profit after tax attributable to owners of the Company divided by the number of Shares (excluding treasury shares).

(2) Purchases made entirely out of capital and cancelled

As at 31 December 2018	Group			Company		
	Before Share Buyback	After Share Buyback assuming Market Purchase	After Share Buyback assuming Off-Market Purchase	Before Share Buyback	After Share Buyback assuming Market Purchase	After Share Buyback assuming Off-Market Purchase
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Share capital ⁽¹⁾	61,644	58,644	58,244	61,644	58,644	58,244
Merger reserve	(16,291)	(16,291)	(16,291)	-	-	-
Retained earnings	352	352	352	(15,918)	(15,918)	(15,918)
Foreign currency translation reserve	(87)	(87)	(87)	-	-	-
Employee share option reserve	347	347	347	337	337	337
Treasury shares	-	-	-	-	-	-
Total shareholders' funds	45,965	42,965	42,565	46,063	43,063	42,663
Non-controlling interests	115	115	115	-	-	-
Total equity	46,080	43,080	42,680	46,063	43,063	42,663
Current assets	26,671	23,671	23,271	9,629	6,629	6,229
Current liabilities	7,484	7,484	7,484	1,935	1,935	1,935
Cash and cash equivalents	13,853	10,853	10,453	7,752	4,752	4,352
Total borrowings ⁽²⁾	11,001	11,001	11,001	10,753	10,753	10,753
NTA ⁽³⁾	44,648	41,648	41,248	46,063	43,063	42,663
Net profit after tax attributable to owners of the Company	1,866	1,866	1,866	1,416	1,416	1,416
Number of Shares ('000) (excluding treasury shares)	400,002	360,002	360,002	400,002	360,002	360,002
Financial Ratios						
NTA per Share (cents) ⁽⁴⁾	11.16	11.57	11.46	11.52	11.96	11.85
Gearing (%) ⁽⁵⁾	23.87	25.54	25.78	23.34	24.97	25.20
Current ratio (times) ⁽⁶⁾	3.56	3.16	3.11	4.98	3.43	3.22
EPS (cents) ⁽⁷⁾	0.47	0.52	0.52	0.35	0.39	0.39

Notes:

- (1) Share capital for the Group and the Company does not include consideration from issue of new Shares pursuant to the exercise of 2,000 warrants which was announced by the Company on 17 January 2019. As at the Latest Practicable Date, there are no outstanding warrants.
- (2) Total borrowings pertain to finance leases and bank loans.
- (3) NTA equals total shareholders' funds less intangible assets.
- (4) NTA per Share equals NTA divided by number of shares (excluding treasury shares)
- (5) Gearing equals total borrowings divided by total equity.
- (6) Current ratio equals current assets divided by current liabilities.
- (7) EPS equals net profit after tax attributable to owners of the Company divided by the number of Shares (excluding treasury shares).

Shareholders should note that the financial effects set out above are purely for illustrative purposes only and based on the abovementioned assumptions. In particular, it is important to note that the above financial analysis is based on historical numbers for FY2018, and is not necessarily representative of future financial performance.

Although the Share Buyback Mandate (if adopted) would authorise the Company to purchase up to 10% 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 10% 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 purchased Shares or hold all or part of the purchased Shares in treasury.

Shareholders who are in doubt as to their tax positions or any tax implications in their respective jurisdictions should consult their own professional tax advisers.

2.9 Take-over Implications

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

2.9.1 Obligation to Make a Take-over Offer

If, as a result of any purchase or acquisition by the Company of the Shares, the percentage of voting rights in 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. Consequently, a Shareholder or a group of Shareholders acting in concert with a Director could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14 of the Take-over Code.

2.9.2 Persons Acting in Concert

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

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

- (a) a company with its parent company, its subsidiaries, its fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing for the purchase of voting rights;
- (b) a company with any of its directors, together with their close relatives, related trusts and any 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;
- (f) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where they 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 the instructions of the individual, companies controlled by any of the foregoing persons, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons and/or entities for the purchase of voting rights.

For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status.

The circumstances under which Shareholders, including Directors and their concert parties 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 to the Take-over Code.

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

In general terms, the effect of Rule 14 of and Appendix 2 to the Take-over Code is that, unless exempted, Directors and their concert parties 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 Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or if such Directors and their concert parties hold between 30% and 50% of the Company's voting rights, if the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six (6) months.

Under Appendix 2 to 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 of the Take-over Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buyback Mandate.

2.9.4 **Application of the Take-over Code**

As at the Latest Practicable Date, Kestrel Investments is a Controlling Shareholder, holding approximately 40.54% of the issued Shares of the Company. The Company has been informed by Kestrel Investments that Mr. Peter Lim has a direct interest in the entire issued share capital of Kestrel Investments. Accordingly, Mr. Peter Lim has a deemed interest in all of Kestrel Investments' shareholding in the Company and is a

Controlling Shareholder. The Company has also been informed that the following Directors should be considered to be acting in concert with Kestrel Investments and Mr. Peter Lim in respect of the latter's shareholdings in the Company:

- (a) Mr. Kan Kheong Ng, an Executive Director and Chief Executive Officer of the Company, is currently a director of Fastrack Iskandar Sdn Bhd, a private company which is indirectly owned by Mr. Peter Lim through his wholly-owned company, Fastrack Autosports (Iskandar) Pte. Ltd.. As at the Latest Practicable Date, Mr. Kan Kheong Ng holds approximately 0.01% of the issued Shares of the Company; and
- (b) Mr. Lim Joey Matthias, a Non-Executive Non-Independent Director of the Company, was nominated to the Board by Kestrel Investments and is a senior vice president of Kestrel Capital Pte. Ltd., a private company which is wholly-owned by Mr. Peter Lim. As at the Latest Practicable Date, Mr. Lim Joey Matthias holds approximately 0.01% of the issued Shares of the Company.

Accordingly, the Company has been informed that Kestrel Investments, Mr. Peter Lim, Mr. Kan Kheong Ng and Mr. Lim Joey Matthias (collectively, the "**Relevant Persons**") shall be considered to be acting in concert with each other in relation to the Company for the purposes of the Take-over Code in respect of their combined direct and deemed holdings of approximately 40.56% of the issued Shares of the Company.

Assuming that there is no change in the number of Shares held or deemed to be held by the Relevant Persons, the purchase or acquisition by the Company of the maximum amount of 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, which the Company does not have as at the Latest Practicable Date) will result in an increase in the combined direct and deemed shareholding interests of the Relevant Persons from the present approximately 40.56% to approximately 45.07%. Accordingly, the Relevant Persons may *prima facie* be required to make a take-over offer for the Shares held by the other Shareholders pursuant to Rule 14 of the Take-over Code if the Share Buyback Mandate was exercised in full.

Pursuant to Section 3(a) of Appendix 2 of the Take-over Code, the Relevant Persons and their concert parties shall be exempted from the requirement to make a take-over offer for the Shares held by the other Shareholders pursuant to Rule 14 of the Take-over Code as a result of the Company purchasing or acquiring the Shares pursuant to the Share Buyback Mandate, subject to the following conditions:

- (i) this Letter in relation to the resolution to authorise the Share Buyback Mandate contains advice to the effect that by voting for the approval of the Share Buyback Mandate, Shareholders are waiving their right to a general offer at the required price from the Relevant Persons and their concert parties who, as a result of the Company buying back its Shares, would increase their voting rights by more than 1% in any period of six (6) months;
- (ii) this Letter discloses the names of the Relevant Persons and their concert parties, their voting rights at the time of the resolution to authorise the proposed Share Buyback Mandate and after the proposed purchase or acquisition of Shares by the Company under the Share Buyback Mandate;
- (iii) the resolution to authorise the proposed Share Buyback Mandate is approved by a majority of those Shareholders present and voting at the AGM on a poll

who could not become obliged to make an offer for the Company as a result of the Company purchasing or acquiring Shares under the Share Buyback Mandate;

- (iv) the Relevant Persons and their concert parties shall abstain from voting for, and Mr. Kan Kheong Ng and Mr. Lim Joey Matthias shall abstain from recommending Shareholders to vote in favour of, the resolution to authorise the proposed Share Buyback Mandate;
- (v) within seven (7) days after the passing of the resolution authorising the proposed Share Buyback Mandate, Mr. Kan Kheong Ng and Mr. Lim Joey Matthias shall submit to SIC a duly signed form as prescribed by SIC; and
- (vi) the Relevant Persons and their concert parties have not acquired and will not acquire any Shares between the date on which they know that the announcement of the proposal for the adoption of the Share Buyback Mandate is imminent and the earlier of:
 - (A) the date on which the authority of the Share Buyback Mandate expires; and
 - (B) the date on which the Company announces it has bought back such number of Shares as authorised by Shareholders at the AGM or it has decided to cease buying back its Shares, as the case may be,

if such acquisitions, taken together with those purchased or acquisition of Shares by the Company under the Share Buyback Mandate, would cause their aggregate voting rights to increase by more than 1% in the preceding six (6) months.

If the Company ceases to buy back its Shares and the increase in the aggregate voting rights held by the Relevant Persons and their concert parties, as a result of the purchase or acquisition of Shares at such time is less than 1%, the Relevant Persons and their concert parties will be allowed to acquire voting Shares in the Company. However, any increase in their percentage voting rights in the Company as a result of the Company buying back its Shares under the Share Buyback Mandate will be taken into account together with any Shares acquired by the Relevant Persons and their concert parties (by whatever means) in determining whether the Relevant Persons have increased their aggregate voting rights in the Company by more than 1% in any six (6) month period.

Save as set out above, based on substantial shareholding notifications received by the Company under Part VII of the Securities and Futures Act as at the Latest Practicable Date, none of the Substantial Shareholders would become obliged to make a mandatory offer for the Company under Rule 14 of the Take-over Code as a result of the purchase or acquisition by the Company of the maximum limit of 10% of its issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date.

2.9.5 Waiver of Rights to General Offer

Shareholders should note that by voting in favour of the resolution to approve the Share Buyback Mandate to be tabled at the AGM, Shareholders are waiving their rights to a general offer at the required price from the Relevant Persons and their concert parties.

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 SIC and/or their professional advisers at the earliest opportunity.

2.10 Listing Rules

The Catalist Rules does not expressly prohibit any purchase or acquisition of its own shares by a listed company during any particular time or times. However, as the Company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its issued Shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Buyback Mandate at any time after a price-sensitive development has occurred or has been the subject of a decision of the Directors until such time as the price-sensitive information has been publicly announced or disseminated in accordance with the requirements of the Catalist Rules.

In particular, the Company, in line with Rule 1204(19)(c) of the Catalist Rules, will not purchase or acquire any Shares through Market Purchases during the period of:

- (a) one (1) month immediately preceding the announcement of the Company's full year results; and
- (b) two (2) weeks immediately preceding the announcement of the Company's quarterly results in respect of the first, second and third quarters of the financial year.

The Company's decision to purchase or acquire Shares would only be made with an arrangement that could reasonably be expected to ensure that information that is not generally available would not be communicated or informed to the person within the Company who makes the decision to transact.

The Company is required under Rule 723 of the Catalist Rules to ensure that at least 10% of any class of its listed securities (excluding treasury shares, preference shares and convertible equity securities) must be held by public Shareholders. The "public", as defined in the Catalist Rules, are persons other than the Directors, chief executive officer, Substantial Shareholders or Controlling Shareholders and its subsidiaries, as well as the Associates of such persons.

As at the Latest Practicable Date, 210,451,500 Shares, representing approximately 52.61% of the total number of issued Shares (excluding treasury shares and subsidiary holdings), are in the hands of the public. Assuming that the Company purchases the aggregate of 40,000,200 Shares through Market Purchases (being the full 10% limit pursuant to the proposed Share Buyback Mandate) from the public, and such Shares are not held as treasury shares and are cancelled, the number of Shares held in the hands of the public would be reduced to 170,451,300 Shares, representing approximately 47.35% of the total number of issued Shares (excluding treasury shares and subsidiary holdings).

Accordingly, the Company is of the view that there is a sufficient number of Shares in issue held by public Shareholders which would permit the Company to undertake purchases or acquisitions of its Shares up to the full 10% limit pursuant to the Share Buyback Mandate (if adopted) 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 illiquidity or to affect orderly trading.

In purchasing or acquiring any Shares, the Directors will use their best efforts to ensure that the Company does not effect a purchase or acquisition which would result in the number of Shares remaining in the hands of the public falling to such a level as to (i) cause market

illiquidity; (ii) adversely affect the orderly trading of the Shares; or (iii) adversely affect the listing status of the Shares on the SGX-ST.

2.11 Previous Share Buy-backs

The Company has not made any Share buy-backs in the 12 months preceding the Latest Practicable Date.

2.12 Limits on Shareholdings

There are no limits on shareholdings.

3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

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

Director	Direct Interest		Deemed Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Dr. Ho Tat Kin	-	-	-	-
Mr. Kan Kheong Ng	50,000	0.01	-	-
Ms. Lim Siok Leng	-	-	-	-
Mr. Lim Joey Matthias	60,000	0.01	-	-
Mr. Gary Ho Kuat Foong	-	-	-	-
Mr. Ong Pang Liang	-	-	-	-
Ms. Christina Teo Tze Wei	-	-	-	-

Substantial Shareholder	Direct Interest		Deemed Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Kestrel Investments	162,145,600	40.54	-	-
Mr. Peter Lim ⁽²⁾	-	-	162,145,600	40.54
City Developments Limited	27,294,900	6.82	-	-
Hong Leong Investment Holdings Pte. Ltd. ⁽³⁾	-	-	27,294,900	6.82

Notes:

- (1) Based on the total number of issued Shares of 400,002,000 (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date.
- (2) Mr. Peter Lim has a direct interest in the entire issued share capital of Kestrel Investments and is deemed interested in the 162,145,600 Shares held by Kestrel Investments by virtue of Section 4 of the Securities and Futures Act.
- (3) Hong Leong Investment Holdings Pte. Ltd. is deemed interested in the 27,294,900 Shares held by City Developments Limited by virtue of Section 4 of the Securities and Futures Act.

4. DIRECTORS' RECOMMENDATION

The Directors, other than Mr. Kan Kheong Ng and Mr. Lim Joey Matthias, are of the opinion that the proposed adoption of the Share Buyback Mandate is in the best interests of the Company, and accordingly, recommend that Shareholders vote in favour of ordinary resolution 9 as set out in the Notice of AGM in respect of the adoption of the Share Buyback Mandate to be proposed at the AGM.

5. ANNUAL GENERAL MEETING

The AGM, notice of which is set out on pages 131 to 136 of the Annual Report, will be held at 38 Alexandra Terrace, Level 2, Singapore 119932 on 25 April 2019 at 10.30 a.m. for the purpose of considering and, if thought fit, passing the resolutions set out in the Notice of AGM.

6. ABSTENTIONS FROM VOTING

The Relevant Persons and their concert parties (if any) will abstain from voting at the AGM in respect of the ordinary resolution relating to the Share Buyback Mandate in view of Note 3(a)(iii) of Appendix 2 of the Take-over Code. The Relevant Persons shall not, and shall procure that their concert parties shall not, accept appointment as proxies for voting on the ordinary resolution relating to the Share Buyback Mandate unless specific instructions have been given on the Proxy Form(s) on how the votes are to be cast in respect of the ordinary resolution relating to the Share Buyback Mandate and that they inform their concert parties accordingly. The Company will disregard any votes cast in contravention of this abstention requirement.

7. DIRECTORS' RESPONSIBILITY STATEMENT

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

8. INSPECTION OF DOCUMENTS

Copies of the following documents are available for inspection at the registered office of the Company during normal business hours from the date of this Letter up to and including the date of the AGM:

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

Yours faithfully,
For and on behalf of the Board of Directors of
SECURA GROUP LIMITED

Dr. Ho Tat Kin
Chairman and Independent Director