

**APPENDIX  
11 APRIL 2024**

**THIS APPENDIX TO THE ANNUAL REPORT 2023 IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.**

**If you are in any doubt as to the contents herein or as to the course of action you should take, you should consult your legal, financial, tax or other independent adviser immediately.**

This Appendix is circulated to shareholders of Hosen Group Ltd. (the “**Company**”) together with the Annual Report 2023. Its purpose is to explain to shareholders of the Company the rationale and provide information for the proposed renewal of the Share Buyback Mandate to be tabled at the annual general meeting to be held physically at 267 Pandan Loop, Singapore 128439 on Tuesday, 30 April 2024, at 12.00 p.m..

The Notice of AGM and a Proxy Form are enclosed with the Annual Report 2023.

If you have sold or transferred all your ordinary shares in the capital of the Company, you should immediately forward the Annual Report 2023, this Appendix, the Notice of AGM and the enclosed Proxy Form immediately to the purchaser or the transferee, or to the bank, stockbroker or agent through whom the sale or the transfer was effected for onward transmission to the purchaser or the transferee.

This Appendix has been reviewed by the Company’s sponsor, PrimePartners Corporate Finance Pte. Ltd (the “**Sponsor**”). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the “**Exchange**”) and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

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**APPENDIX 1: PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE**

**APPENDIX 2: INFORMATION RELATING TO THE DIRECTORS WHO ARE SEEKING RE-ELECTION AS SET OUT IN APPENDIX 7F OF THE CATALIST RULES**

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## DEFINITIONS

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

“ACRA”	:	The Accounting and Corporate Regulatory Authority
“Appendix”	:	This Appendix dated 11 April 2024
“Catalist”	:	The sponsor-supervised listing platform of the SGX-ST
“Catalist Rules”	:	The Listing Manual Section B: Rules of Catalist, as amended or modified from time to time
“CDP”	:	The Central Depository (Pte) Limited
“Companies Act”	:	The Companies Act 1967 of Singapore, as amended or modified from time to time
“Constitution”	:	The Constitution of the Company
“Directors”	:	The directors of the Company for the time being
“FY”	:	Financial year ended or ending, as the case may be, 31 December
“Group”	:	The Company and its Subsidiaries
“Latest Practicable Date”	:	28 March 2024, being the latest practicable date prior to the date of this Appendix
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“SGXNET”	:	The corporate announcement system maintained by the SGX-ST for the submission of announcements by listed companies
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Buy-Back”	:	The purchase or acquisition of Shares by the Company pursuant to the Share Buy-Back Mandate
“Share Buy-Back Mandate”	:	The proposed general and unconditional mandate given by Shareholders that authorises the Directors to exercise all powers of the Company to purchase or acquire, on behalf of the Company, Shares in accordance with the terms set out in this Appendix as well as the rules and regulations set forth in the Companies Act and the Catalist Rules
“Shareholders”	:	Registered holders of the Shares in the Register of Members maintained by the Company, except that where the registered holder is CDP, the term “Shareholders” shall, where the context admits, mean the depositors in the Depository Register maintained by CDP whose Securities Accounts are credited with those Shares

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## DEFINITIONS

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<b>“Shares”</b>	:	Ordinary shares in the capital of the Company
<b>“SIC”</b>	:	Securities Industry Council of Singapore
<b>“Subsidiary”</b>	:	A company which is for the time being a subsidiary of the Company, as defined under Section 5 of the Companies Act
<b>“Substantial Shareholder”</b>	:	A person who has an interest or interests in one or more voting 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 in the Company
<b>“S\$”</b>	:	Singapore dollars
<b>“Take-over Code”</b>	:	The Singapore Code on Take-overs and Mergers, as amended or modified from time to time
<b>“Treasury Shares”</b>	:	Shares which:  (a) are purchased by the Company in circumstances in which Section 76H of the Companies Act applies; and  (b) held by the Company continuously since the Treasury Shares are so purchased
<b>“%”</b>	:	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 Securities and Futures Act 2001 of Singapore.

The expressions **“associated company”**, **“associate”**, **“controlling shareholder”** and **“subsidiary holdings”** shall have the meanings ascribed to them respectively in the Companies Act and/or the Catalist Rules.

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 gender and *vice versa*. References to persons shall include corporations.

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

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

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## APPENDIX 1: PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

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### 1. INTRODUCTION

At the annual general meeting of the Company (“**AGM**”) held on 29 April 2022, the Shareholders had approved the share buy-back mandate to enable the Company to purchase or otherwise acquire issued Shares (the “**Share Buy-Back Mandate**”). The Share Purchase Mandate was renewed at subsequent annual general meetings. The authority conferred on the Directors under the current Share Buy-Back Mandate will, unless renewed, expire on the date of the forthcoming AGM.

The purpose of this Appendix is to provide Shareholders with information relating to, and to seek their approval for, the proposed renewal of the Share Buy-Back Mandate at the AGM to be held on 30 April 2024. The Notice of the AGM is set out on page 104 of the Annual Report 2023.

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

#### 2.1 Shareholders’ Approval

Approval is being sought from Shareholders at the AGM for the proposed renewal of the Share Buy-Back Mandate for the purchase by the Company of its issued Shares. If approved, the Share Buy-Back Mandate will take effect from the date of the AGM and continue in force until the date of the next AGM or such date as the next AGM is required by law to be held, whichever is the earlier, unless prior thereto, share buy-backs are carried out to the full extent mandated or the Share Buy-Back Mandate is revoked or varied by the Company in a general meeting. The Share Buy-Back Mandate may be put to Shareholders for renewal at each subsequent AGM.

#### 2.2 Rationale

The Share Buy-Back Mandate will give the Directors the flexibility to purchase Shares if and when circumstances permit. The Directors believe that the Share Buy-Backs will provide the Company and its Directors with a mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements to Shareholders, in an expedient and cost-efficient manner. It also allows the Directors to exercise greater control over the Company’s share capital structure, dividend payout and cash reserves.

The Share Buy-Back Mandate will also give the Company the opportunity to buy back Shares when such Shares are deemed to be under-valued.

Share Buy-Backs will only be made when the Directors believe that such buy-back would be in the best interests of the Company and will not adversely affect the financial condition of the Company.

#### 2.3 Authority and Limits on the Share Buy-Back Mandate

The authority and limitations placed on purchases or acquisitions of Shares under the Share Buy-Back Mandate, if approved at the AGM, are as follows:

##### 2.3.1 *Maximum Number of Shares*

The total number of Shares which may be purchased or acquired by the Company pursuant to the Share Buy-Back Mandate is limited to that number of Shares representing not more than ten per cent. (10%) of the Shares (excluding Treasury Shares and subsidiary holdings) as at the date of the forthcoming AGM at which the Share Buy-Back Mandate is approved unless the Company has, at any time during the Relevant Period (as defined below), effected a reduction of its share capital in accordance with the applicable provisions of the Companies Act, in which event the total number of Shares shall be taken to be the total number of Shares as altered. Treasury Shares and subsidiary holdings will be disregarded for purposes of computing the 10% limit.

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**For illustrative purposes**, on the basis that there are 324,900,846 Shares (excluding Treasury Shares and subsidiary holdings) in issue as at the Latest Practicable Date and assuming that no further Shares are issued and no further Shares are purchased or acquired and held by the Company as Treasury Shares on or prior to the date of the AGM, not more than 32,490,084 Shares (representing ten per cent. (10%) of the total number of Shares as at the Latest Practicable Date, excluding Treasury Shares and subsidiary holdings) may be purchased by the Company pursuant to the Share Buy-Back Mandate.

As at the Latest Practicable Date, there are no Treasury Shares and subsidiary holdings. The number of Shares held as Treasury Shares cannot at any time exceed 10% of the total number of issued Shares. As such, the maximum number of Shares which can be purchased or acquired by the Company and be held as Treasury Shares is 32,490,084 Shares, representing 10% of the total number of Shares in issue (excluding Treasury Shares and subsidiary holdings) as at the Latest Practicable Date.

### 2.3.2 ***Duration of Authority***

Under the Share Buy-Back Mandate, the Company may buy back Shares, at any time and from time to time, on and from the date of the AGM at which the Share Buy-Back Mandate is approved 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 purchases or acquisitions of Shares pursuant to the Share Buy-Back Mandate are carried out to the full extent mandated; or
- (c) the date on which the authority conferred by the Share Buy-Back Mandate is revoked or varied by an ordinary resolution of shareholders of the Company in a general meeting,

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

### 2.3.3 ***Manner of Share Buy-Backs***

Share Buy-Backs may only be made by way of:–

- (a) an on-market Share Buy-Back transacted on the SGX-ST through the SGX-ST’s trading system and which may be transacted through one or more duly authorised stockbrokers appointed by the Company for the purpose (“**on-market Share Buy-Back**”); and/or
- (b) an off-market Share Buy-Back effected in accordance with an equal access scheme(s) as defined in Section 76C of the Companies Act (“**off-market Share Buy-Back**”).

The Directors may impose such terms and conditions which are not inconsistent with the Share Buy-Back Mandate, the Catalist Rules, the Constitution of the Company, the Companies Act and other applicable laws and regulations, as may for the time being be applicable as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes.

### 2.3.4 ***Off-market Share Buy-Backs***

Under the Companies Act, an off-market Share Buy-Back on an “**equal access scheme**” must satisfy all the following conditions:–

- (a) the offers under the scheme must be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;

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- (b) all of those persons shall have a reasonable opportunity to accept the offers made to them; and
- (c) the terms of all the offers are the same except that there shall be disregarded:–
  - (i) differences in consideration attributable to the fact that offers relate to Shares with different accrued dividend entitlements;
  - (ii) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid; and
  - (iii) differences in the offers introduced solely to ensure that each member is left with a whole number of Shares.

Pursuant to Rule 870 of the Catalist Rules, if the Company makes an off-market Share Buy-Back on an equal access scheme, the Company must issue an offer document to all Shareholders containing at least the following information:–

- (a) terms and conditions of the offer;
- (b) period and procedures for acceptances;
- (c) reasons for the proposed Share Buy-Back;
- (d) the consequences, if any, of share purchases by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (e) whether the Share Buy-Back, if made, could affect the listing of the Shares on Catalist;
- (f) details of any Share Buy-Back made by the Company in the previous twelve (12) months (whether on-market Share Buy-Back or off-market Share Buy-Back in accordance with an equal access scheme), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, 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.

### 2.3.5 **Maximum Purchase Price to be paid for the Shares**

The purchase price (excluding brokerage, commission, applicable goods and services tax and other purchase-related expenses) to be paid for the Shares purchased or acquired will be determined by the Directors. However, the purchase price for a Share shall not exceed:–

- (a) in the case of an on-market Share Buy-Back, five per cent. (5%) above the Average Closing Market Price (as defined below) of the Shares; and
- (b) in the case of an off-market Share Buy-Back pursuant to an equal access scheme, twenty per cent. (20%) above the Average Closing Market Price (as defined below) of the Shares.

For the above purposes:–

“**Average Closing Market 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 preceding the day on which an on-market Share Buy-Back was made by the Company or, as the case may be, the date of the making of the offer (as defined below) pursuant to an off-market Share Buy-Back on an equal access scheme, and deemed to be adjusted for any corporate action that occurs during the relevant five (5)-day period and the day on which the purchases are made; and

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“**date of the making of the offer**” means the date on which the Company announces its intention to make an offer for the purchase or acquisition of 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 Share Buy-Back.

The Catalist Rules restricts a listed company from purchasing shares by way of on-market share buy-back at a price per share which is more than five per cent. (5%) above the “**average closing market price**”, being the average of the closing market prices of the shares over the last five (5) Market Days on which transactions in the shares were recorded, before the day on which the purchases were made and deemed to be adjusted for any corporate action that occurs during the relevant five (5)-days period and the day on which the purchases are made.

Although the Catalist Rules does not prescribe a maximum price in relation to purchases of shares by way of off-market share buy-back, the Company has set a cap of twenty per cent. (20%) above the average closing market price of a Share as the maximum price for a Share to be purchased or acquired by way of off-market Share Buy-Back.

### 2.4 Funding of Share Buy-Back

In financing the Share Buy-Back, the Company may 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 Catalist for a consideration other than in cash or, in the case of an on-market Share Buy-Back, for settlement otherwise than in accordance with the trading rules of the SGX-ST.

The Company intends to use its internal funds and/or borrowings to finance the Share Buy-Back. In considering the use of external funding, the Company will take into consideration the availability of external financing and the resulting impact on the prevailing gearing level of the Company and the Group and the costs of such financing. The Company will only exercise the Share Buy-Back Mandate in the best interests of the Company and the Group without causing adverse financial impact to the Company and the Group. **In particular, the Company will have regard to any relevant financial covenants which are applicable to the Company and/or the Group under any agreements for banking and credit facilities which may be granted by a financial institution to the Company and/or the Group from time to time. The Company will not buy-back any Shares if such purchases would lead to any breaches of the relevant financial covenants.**

### 2.5 Status of Purchased Shares

The Shares purchased or acquired by the Company under the Share Buy-Back Mandate shall be deemed to be 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 in treasury in accordance with Section 76H of the Companies Act. The number of Shares held as Treasury Shares cannot at any time exceed ten per cent. (10%) of the total number of Shares. Any Shares in excess of this limit shall be disposed of or cancelled in accordance with the applicable provisions of the Companies Act or such further periods as ACRA may allow.

Where Shares purchased or acquired by the Company under the Share Buy-Back Mandate are held as Treasury Shares, the Company may at any time as the Directors deem fit in the best interests of the Company:–

- (a) sell the Treasury Shares for cash;
- (b) transfer the Treasury Shares for the purposes of or pursuant to an employees' share scheme;

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- (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 of Singapore.

In the event that the Treasury Shares purchased or acquired by the Company under the Share Buy-Back Mandate are subsequently sold, transferred, cancelled and/or used, the Company will, pursuant to Rule 704(31) of the Catalist Rules, immediately announce any sale, transfer, cancellation and/or use of the Treasury Shares, stating the following:–

- (a) date of the sale, transfer, cancellation and/or use;
- (b) purpose of such sale, transfer, cancellation and/or use;
- (c) number of Treasury Shares sold, transferred, cancelled and/or used;
- (d) number of Treasury Shares before and after such sale, transfer, cancellation and/or use;
- (e) percentage of the number of Treasury Shares against the total number of Shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use; and
- (f) value of the Treasury Shares if they are used for a sale or transfer, or cancelled.

Where Shares purchased or acquired by the Company under the Share Buy-Back Mandate are cancelled, such Shares will be automatically de-listed by the SGX-ST. Certificates in respect of such cancelled Shares will be cancelled and destroyed by the Company as soon as is reasonably practicable after the Shares have been acquired.

The Company shall not exercise any rights and privileges in respect of the Treasury Shares, including:–

- (a) the right to attend or vote at meetings; and
- (b) the right to receive dividends or any other distribution (in cash or otherwise) of its assets (including any distribution of assets to members of the Company on a winding up).

The Company may receive allotments of fully paid bonus shares in respect of the Treasury Shares and the Treasury Shares may be sub-divided or consolidated so long as the total value of the Treasury Shares after the subdivision or consolidation is the same as before the subdivision or consolidation, as the case may be.

Any Shares allotted as fully paid bonus shares in respect of the Treasury Shares shall be treated for the purposes of the Companies Act as if they were purchased by the Company at the time they were allotted, in circumstances in which Section 76H of the Companies Act applied.

### 2.6 Financial Effects of the Proposed Share Buy-Back

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. For this purpose, a company is "solvent" if:–

- (a) there is no ground on which the Company could be found to be unable to pay its debts;



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- (b) (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) 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 or acquisition, become less than the value of its liabilities (including contingent liabilities).

Where the consideration paid by the Company for the purchase or acquisition of Shares (including brokerage, commission, applicable goods and services tax and other purchase-related expenses) is made out of available profits, this will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

The actual impact of the Share Buy-Back on the financials of the Company and the Group will depend on the exact number of Shares purchased or acquired, the purchase prices at the relevant time of purchase, how the purchase or acquisition is funded, whether the Shares purchased or acquired are held in treasury or immediately cancelled on purchase or acquisition as well as how the Shares held in treasury are subsequently dealt with by the Company in accordance with Section 76K of the Companies Act.

### 2.6.1 **Information as at the Latest Practicable Date**

As at the Latest Practicable Date, the issued capital of the Company comprises 324,900,846 Shares (excluding Treasury Shares and subsidiary holdings).

**Purely for illustrative purposes**, on the basis of 324,900,846 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued and no Shares are purchased and held as Treasury Shares by the Company prior to the approval of the Share Buy-Back Mandate at the AGM, the purchase by the Company of ten per cent. (10%) of its issued Shares will result in the purchase or acquisition of 32,490,084 Shares.

As and when there are Treasury Shares held by the Company, the maximum amount of Shares available for Share Buy-Back would be reduced accordingly in accordance with Section 76I of the Companies Act.

### 2.6.2 **Illustrative Financial Effects**

**For illustrative purposes only** and based on the information set out in paragraph 2.6.1 above, assuming that the Share Buy-Back has been effected on 1 January 2023, the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Buy-Back Mandate on the audited financial statements of the Group for the financial year ended 31 December 2023 ("FY2023") are set out below:

#### (a) On-market Share Buy-Back

In the case of on-market Share Buy-Back and assuming that the Company buys back 32,490,084 Shares (if such Shares were to be held as Treasury Shares) at the maximum price of approximately S\$0.038 for one (1) Share (being the price equivalent to five per cent. (5%) above the Average Closing Market Prices 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 32,490,084 Shares is approximately S\$1.235 million.

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Shares purchased or acquired by way of on-market purchases are assumed to have been made equally out of capital and were either (i) cancelled (“**Scenario 1(A)**”) or (ii) held as Treasury Shares (“**Scenario 1(B)**”).

(b) Off-market Share Buy-Back

In the case of off-market Share Buy-Backs and assuming that the Company buys back 32,490,084 Shares (if such Shares were to be held as Treasury Shares) at the maximum price of approximately S\$0.043 for one (1) Share (being the price equivalent to twenty per cent. (20%) above the Average Closing Market Prices 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 32,490,084 Shares is approximately S\$1.397 million.

Shares purchased or acquired by way of off-market purchases are assumed to have been made equally out of capital and were either (i) cancelled (“**Scenario 2(A)**”) or (ii) held as Treasury Shares (“**Scenario 2(B)**”).

## APPENDIX 1: PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

The financial effects on the audited financial accounts of the Group for FY2023 would have been as follows:

### Scenario 1(A)

As at 31 December 2023

	Group		Company	
	Before Share Buy-Back S\$'000	After Share Buy-Back S\$'000	Before Share Buy-Back S\$'000	After Share Buy-Back S\$'000
Equity attributable to owners of the parent	33,745	32,510	22,178	20,943
Net Assets	33,446	32,211	22,178	20,943
Current Assets	34,881	33,646	11,027	9,792
Current Liabilities	15,273	15,273	233	233
Total Borrowings	7,141	7,141	0	0
Profit attributable to Shareholders	986	986	721	721
No. of issued and paid up shares (excluding Treasury Shares) ('000)	324,901	292,411	324,901	292,411
Weighted average number of Shares (excluding Treasury Shares) ('000)	324,901	292,411	324,901	292,411
<b>Financial Ratios</b>				
Net Assets Value attributable to shareholders per Share (in cents)	10.39	11.12	6.83	7.16
Gearing (times)	0.21	0.22	0.00	0.00
Earnings per Share (in cents)	0.30	0.34	0.22	0.25

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### Scenario 1(B)

As at 31 December 2023

	Group		Company	
	Before Share Buy-Back S\$'000	After Share Buy-Back S\$'000	Before Share Buy-Back S\$'000	After Share Buy-Back S\$'000
Equity attributable to owners of the parent	33,745	32,510	22,178	20,943
Net Assets	33,446	32,211	22,178	20,943
Current Assets	34,881	33,646	11,027	9,792
Current Liabilities	15,273	15,273	233	233
Total Borrowings	7,141	7,141	0	0
Profit attributable to Shareholders	986	986	721	721
No. of issued and paid up shares (excluding Treasury Shares) ('000)	324,901	292,411	324,901	292,411
Weighted average number of Shares (excluding Treasury Shares) ('000)	324,901	292,411	324,901	292,411
<b>Financial Ratios</b>				
Net Assets Value attributable to shareholders per Share (in cents)	10.39	11.12	6.83	7.16
Gearing (times)	0.21	0.22	0.00	0.00
Earnings per Share (in cents)	0.30	0.34	0.22	0.25

## APPENDIX 1: PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

### Scenario 2(A)

As at 31 December 2023

	Group		Company	
	Before Share Buy-Back S\$'000	After Share Buy-Back S\$'000	Before Share Buy-Back S\$'000	After Share Buy-Back S\$'000
Equity attributable to owners of the parent	33,745	32,348	22,178	20,781
Net Assets	33,446	32,049	22,178	20,781
Current Assets	34,881	33,484	11,027	9,630
Current Liabilities	15,273	15,273	233	233
Total Borrowings	7,141	7,141	0	0
Profit attributable to Shareholders	986	986	721	721
No. of issued and paid up shares (excluding Treasury Shares) ('000)	324,901	292,411	324,901	292,411
Weighted average number of Shares (excluding Treasury Shares) ('000)	324,901	292,411	324,901	292,411
<b>Financial Ratios</b>				
Net Assets Value attributable to shareholders per Share (in cents)	10.39	11.06	6.83	7.11
Gearing (times)	0.21	0.22	0.00	0.00
Earnings per Share (in cents)	0.30	0.34	0.22	0.25

## APPENDIX 1: PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

### Scenario 2(B)

As at 31 December 2023

	Group		Company	
	Before Share Buy-Back S\$'000	After Share Buy-Back S\$'000	Before Share Buy-Back S\$'000	After Share Buy-Back S\$'000
Equity attributable to owners of the parent	33,745	32,348	22,178	20,781
Net Assets	33,446	32,049	22,178	20,781
Current Assets	34,881	33,484	11,027	9,630
Current Liabilities	15,273	15,273	233	233
Total Borrowings	7,141	7,141	0	0
Profit attributable to Shareholders	986	986	721	721
No. of issued and paid up shares (excluding Treasury Shares) ('000)	324,901	292,411	324,901	292,411
Weighted average number of Shares (excluding Treasury Shares) ('000)	324,901	292,411	324,901	292,411
<b>Financial Ratios</b>				
Net Assets Value attributable to shareholders per Share (in cents)	10.39	11.06	6.83	7.11
Gearing (times)	0.21	0.22	0.00	0.00
Earnings per Share (in cents)	0.30	0.34	0.22	0.25

**Shareholders should note that the financial effects illustrated above are for illustrative purposes only and the actual financial impact will depend on, *inter alia*, the number and price of the shares bought back. In particular, it is important to note that the above analyses are based on the latest audited accounts of the Company and the Group as at 31 December 2023, and is not necessarily representative of the future financial performance of the Group. Although the Share Buy-Back Mandate would authorise the Company to buy back up to ten per cent. (10%) of the Company's issued Shares as at the date that the Share Buy-Back Mandate is renewed, the Company may not necessarily buy back or be able to buy back ten per cent. (10%) of the issued Shares in full.**

The Company will take into account both financial and non-financial factors (for example, share market conditions and the performance of the Shares) in assessing the relative impact of a Share purchase before execution.

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## APPENDIX 1: PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

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### 2.7 Taxation

Shareholders who are in doubt as to their respective tax positions or any tax implications should consult their own tax advisors to take into account the tax law applicable, whether in or outside Singapore, to their particular situations.

### 2.8 Reporting Requirements

Within thirty (30) days of the passing of a Shareholders' resolution to approve or renew the Share Buy-Back Mandate, the Company shall lodge a copy of such resolution with the ACRA.

The Company shall lodge with the ACRA a notice of Share Buy-Back within thirty (30) days of such Share Buy-Back. Such notification shall include, *inter alia*, the date of the purchase or acquisition, the number of Shares purchased or acquired 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 or acquisition, the amount of consideration paid by the Company for the purchase or acquisition, whether the Shares were purchased or acquired out of profits or the capital of the Company and such other particulars as may be required in the prescribed form.

### 2.9 Announcement of Share Buy-Back

The Catalist Rules specifies that a listed company shall notify the SGX-ST of any on-market share purchases not later than 9.00 a.m. on the Market Day following the day on which the on-market share purchase was made, and of any off-market share purchases under an equal access scheme not later than 9.00 a.m. on the second (2nd) Market Day after the close of acceptances of the offer for the off-market share purchase. The notification of such share purchases 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 the necessary information which will enable the Company to make the notifications on the SGXNET.

### 2.10 Suspension of Buy-Back of Shares

As the Company would be considered an "insider" in relation to any Share Buy-Back, the Company will not buy Shares after a price sensitive development has occurred or has been the subject of a decision until such time as the price sensitive information has been publicly announced. In particular, the Company will not buy Shares during the period commencing one (1) month before the announcement of the Company's full-year and half-year financial results and until one (1) day after the announcement of the relevant results.

### 2.11 Interested Persons

The Company is prohibited from knowingly buying Shares on the SGX-ST from an interested person, that is, a Director, the chief executive officer of the Company or controlling shareholder of the Company or any of their associates, and an interested person is prohibited from knowingly selling his Shares to the Company.

### 2.12 Listing Status on SGX-ST

The Catalist Rules provides that a listed company shall ensure that at least ten per cent. (10%) of a class of its listed securities (excluding Treasury Shares, preference shares and convertible equity securities) are at all times held by the public.

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## APPENDIX 1: PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

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As at the Latest Practicable Date, approximately 49.40% of the issued share capital (excluding Treasury Shares and subsidiary holdings) of the Company is held in the hands of the public. Assuming that Share Buy-Back was carried out on the Latest Practicable Date, and the Company bought back a maximum number of 32,490,084 Shares, approximately 43.78% of the issued share capital of the Company (excluding Treasury Shares and subsidiary holdings) will be held in the hands of the public.

The Directors will not effect Share Buy-Back if it would result in the number of Shares remaining in the hands of the public falling to such a level as to adversely affect the listing status of the Company.

### 2.13 Take-over Implications under the Take-over Code

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.

#### Obligation to Make a Take-over Offer

**Pursuant to Appendix 2 of the Take-over Code, any increase in the percentage of voting rights held by a Shareholder and persons acting in concert with him resulting from a Share Buy-Back by the Company will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code.**

**Under Rule 14 of the Take-over Code, a Shareholder and persons acting in concert with the Shareholder will incur an obligation to make a mandatory take-over offer if, *inter alia*, he and persons acting in concert with him increase their voting rights in the Company to thirty per cent. (30%) or more or, if they, together holding between thirty per cent. (30%) and fifty per cent. (50%) of the Company's voting rights, increase their voting rights in the Company by more than one per cent. (1%) in any period of six (6) months.**

Consequently, depending on the number of Shares purchased or acquired by the Company and the number of issued Shares at that time, a Shareholder or group of Shareholders acting in concert with each other could obtain or consolidate effective control of the Company and could become obliged to make a take-over offer under Rule 14 of the Take-over Code.

#### Persons Acting in Concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of that company. Unless the contrary is established, the following persons, *inter alia*, will be presumed to be acting in concert, namely:

- (a) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the aforesaid companies, any company whose associated companies include any of the aforesaid companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the aforesaid 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 clients in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser;



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## APPENDIX 1: PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

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- (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, and any person who is accustomed to act according to his instructions and companies controlled by any of the aforesaid persons, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the aforesaid persons or companies for the purchase of voting rights.

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

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

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

- (a) unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring its ordinary shares, the voting rights of such Directors and their concert parties would increase to thirty per cent. (30%) or more, or if the voting rights of such Directors and their concert parties fall between thirty per cent. (30%) and fifty per cent. (50%) of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than one per cent. (1%) 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; and
- (b) a Shareholder who is 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 ordinary shares, the voting rights of such Shareholder in the Company would increase to thirty per cent. (30%) or more, or if such Shareholder holds between thirty per cent. (30%) and fifty per cent. (50%) of the Company's voting rights, the voting rights of such Shareholder would increase by more than one per cent. (1%) in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buy-Back Mandate.

Based on Substantial Shareholders' notifications received by the Company as at the Latest Practicable Date (which is set out in paragraph 3 of this Appendix), Mr Lim Hai Cheok, Ms Lim Kim Eng and Mdm Chong Poh Soon are Substantial Shareholders of the Company. Mr Lim Hai Cheok and Ms Lim Kim Eng are also Directors. Further, based on the Register of Directors' Shareholding as at the Latest Practicable Date (which is set out in paragraph 3 of this Appendix), Mr Lim Hock Chye Daniel is a Shareholder and Director. Accordingly, Mr Lim Hai Cheok, Ms Lim Kim Eng, Mr Lim Hock Chye Daniel and Mdm Chong Poh Soon, could become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code as a result of the purchase by the Company of the maximum limit of ten per cent. (10%) of its issued Shares.

### 2.14 Previous Purchases of Shares

The Company has not undertaken any purchase or acquisition of Shares in the last twelve (12) months immediately preceding the Latest Practicable Date.

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## APPENDIX 1: PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

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### 2.15 Exemption under Appendix 2 of the Take-Over Code

#### 2.15.1 *The Concert Parties*

Mr Lim Hai Cheok and Mdm Chong Poh Soon are spouses and are presumed to be acting in concert with each other with respect to the Company. As at the Latest Practicable Date, Mr Lim Hai Cheok and Mdm Chong Poh Soon have an aggregate interest (direct and deemed) in 129,843,750 Shares, comprising 65,000,000 Shares held directly by Mr Lim Hai Cheok and 64,843,750 Shares held directly by Mdm Chong Poh Soon.

Ms Lim Kim Eng is the sister of Mr Lim Hai Cheok and sister-in-law of Mdm Chong Poh Soon. They are presumed to be acting in concert with each other with respect to the Company. Ms Lim Kim Eng has a direct interest in 17,812,500 Shares.

Mr Lim Hock Chye Daniel is the son of Mr Lim Hai Cheok and Mdm Chong Poh Soon, and nephew of Ms Lim Kim Eng. They are presumed to be acting in concert with each other with respect to the Company. Mr Lim Hock Chye Daniel has a direct interest in 6,613,000 Shares.

As illustrated below, Mr Lim Hai Cheok, Ms Lim Kim Eng, Mr Lim Hock Chye Daniel and Mdm Chong Poh Soon have an aggregate interest (direct and deemed) in 154,269,250 Shares representing about 47.48% of the total issued share capital of the Company as at the Latest Practicable Date (being 324,900,846 Shares excluding Treasury Shares and subsidiary holdings).

	<u>Direct Interest</u>		<u>Deemed Interest</u>		<u>Total Interest</u>	
	<u>Number of Shares</u>	<u>%</u>	<u>Number of Shares</u>	<u>%</u>	<u>Number of Shares</u>	<u>%</u>
<b>Directors</b>						
Lim Hai Cheok	65,000,000	20.00	64,843,750	19.96	129,843,750	39.96
Lim Kim Eng	17,812,500	5.48	–	–	17,812,500	5.48
Lim Hock Chye Daniel	6,613,000	2.04	–	–	6,613,000	2.04
<b>Substantial Shareholder</b>						
Chong Poh Soon	64,843,750	19.96	65,000,000	20.00	129,843,750	39.96

In the event the Company acquires up to ten per cent. (10%) of its Shares pursuant to the Share Buy-Back Mandate, the aggregate holdings of Mr Lim Hai Cheok, Ms Lim Kim Eng, Mr Lim Hock Chye Daniel and Mdm Chong Poh Soon may increase by more than one per cent. (1%) in any period of six (6) months. Under the Take-over Code, Mr Lim Hai Cheok, Ms Lim Kim Eng, Mr Lim Hock Chye Daniel and Mdm Chong Poh Soon and their concert parties will incur a mandatory take-over obligation for the Shares, unless exempted under Section 3(a) of Appendix 2 of the Take-over Code. Save as disclosed above, the Directors are not aware of any facts or factors which suggest or imply that any particular person(s) and/or Shareholder(s) are, or may be regarded as, parties acting in concert such that their respective interests in voting shares in the capital of the Company should or ought to be consolidated, and consequences under the Take-over Code would ensue as a result of a purchase of shares by the Company pursuant to the Share Buyback Mandate.

Assuming that pursuant to the Share Buy-Back Mandate, the Company purchases 32,490,084 Shares under this proposed Share Buy-Back Mandate and assuming that there are no Treasury Shares as at the Latest Practicable Date, the aggregate voting rights of Mr Lim Hai Cheok, Ms Lim Kim Eng, Mr Lim Hock Chye Daniel and Mdm Chong Poh Soon will increase from 47.48% to 52.76%.

Based on the voting rights of the Company held by Mr Lim Hai Cheok, Ms Lim Kim Eng, Mr Lim Hock Chye Daniel and Mdm Chong Poh Soon as at the Latest Practicable Date and assuming that:

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## APPENDIX 1: PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

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- (a) the Company undertakes Share Buy-Backs under the Share Buy-Back Mandate up to the maximum of ten per cent. (10%) of the issued share capital of the Company as permitted by the Share Buy-Back Mandate;
- (b) there is no change in the holding of Shares between the Latest Practicable Date and the date of the AGM;
- (c) no new Shares are issued following approval being received from Shareholders at the AGM for the Share Buy-Back Mandate; and
- (d) Mr Lim Hai Cheok, Ms Lim Kim Eng, Mr Lim Hock Chye Daniel and Mdm Chong Poh Soon do not sell or otherwise dispose of all or part of their shareholding of Shares in the Company,

the voting rights of Mr Lim Hai Cheok, Ms Lim Kim Eng, Mr Lim Hock Chye Daniel and Mdm Chong Poh Soon as at the AGM and after the purchase by the Company of ten per cent. (10%) of the issued share capital of the Company pursuant to the Share Buy-Back Mandate are as follows:

Name	Voting Rights in the Company (%)	
	Before Share Buy-Back	After Share Buy-Back
Lim Hai Cheok	20.00	22.23
Lim Kim Eng	5.48	6.09
Lim Hock Chye Daniel	2.04	2.26
Chong Poh Soon	19.96	22.18
<b>Total Voting Rights</b>	<b>47.48</b>	<b>52.76</b>

### 2.15.2 *Conditions for exemption from having to make a general offer under Rule 14 of the Take-over Code*

Pursuant to Appendix 2 of the Take-over Code, Mr Lim Hai Cheok, Ms Lim Kim Eng, Mr Lim Hock Chye Daniel and Mdm Chong Poh Soon (collectively, the “**Concert Parties**”) will be exempted from the requirement to make an offer under Rule 14 in the event that the Concert Parties’ aggregate percentage of voting rights in the Company increases by more than one per cent. (1%) in any six (6)-month period as a result of the Company buying back its Shares pursuant to the Share Buy-Back Mandate, subject to the following conditions:–

- (a) the circular to Shareholders seeking their approval for the Share Buy-Back Mandate contains advice to the effect that by voting for the resolution to approve the Share Buy-Back Mandate, Shareholders are waiving their rights to a general offer at the required price from the Concert Parties and their concert parties, if any, who, as a result of the Company buying back its Shares would increase their voting rights by more than one per cent. (1%) in any six (6)-month period; the names of the Concert Parties, as well as parties acting in concert with them, if any, and their voting rights at the time of the resolution and after the Company purchases up to ten per cent. (10%) of its issued Shares in full are disclosed in the same circular;
- (b) the resolution to approve the Share Buy-Back 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 as a result of the Share Buy-Backs;
- (c) the Concert Parties and their concert parties, if any, abstain from voting for, and/or abstain from recommending the Shareholders to vote in favour of the resolution to approve the Share Buy-Back Mandate;

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## APPENDIX 1: PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

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- (d) within seven (7) days after the passing of the resolution to approve the Share Buy-Back Mandate, each of the Concert Parties is to submit to the SIC a duly signed form as prescribed by the SIC; and
- (e) the Concert Parties and their concert parties, if any, have not acquired and will not acquire any Shares between the date on which they know the announcement of the Share Buy-Back Mandate is imminent and the earlier of:–
  - (i) the date the authority of the Share Buy-Back Mandate expires; and
  - (ii) the date on which the Company announces it has bought back such number of Shares authorised by the Share Buy-Back Mandate or it has decided to cease buying back its Shares, as the case may be,

if such acquisitions, taken together with the Share Buy-Back, would cause their aggregate voting rights in the Company to increase by more than one per cent. (1%) in any six (6)-month period.

As such, if the aggregate voting rights held by the Concert Parties and their concert parties, if any, increase by more than one per cent. (1%) solely as a result of the Share Buy-Back, and none of them has acquired any Shares during the relevant period, then the Concert Parties, and their concert parties, if any, would be eligible for an exemption from the requirement to make a general offer under Rule 14 of the Take-over Code, or where such exemption had been granted, would continue to enjoy the exemption.

If the Company ceases to buy back Shares and the increase in the aggregate voting rights held by the Concert Parties and their concert parties, if any, as a result of Share Buy-Back at the time of such cessation is less than one per cent. (1%) in any six (6)-month period, the Concert Parties and their concert parties, if any, will be allowed to acquire Shares in the Company. However, any increase in the percentage of voting rights of the Concert Parties and their concert parties, if any, as a result of the Share Buy-Backs will be taken into account together with Shares acquired by the Concert Parties and their concert parties, if any, (by whatever means) in determining whether the Concert Parties and their concert parties, if any, have increased their aggregate voting rights in the Company by more than one per cent. (1%) in any six (6)-month period.

**Shareholders are advised that by voting in favour of the Ordinary Resolution relating to the approval of the renewal of the Share Buy-Back Mandate, they will be waiving their rights to a general offer at the required price from Mr Lim Hai Cheok, Ms Lim Kim Eng, Mr Lim Hock Chye Daniel and Mdm Chong Poh Soon and other persons acting in concert with them who, as a result of the purchase or acquisition of Shares by the Company pursuant to the Share Buy-Back Mandate, would increase their aggregate interest in the Shares by more than one per cent. (1%) in any period of six (6) months.**

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

### 2.15.3 **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 the Concert Parties, and their concert parties, if any, pursuant to the conditions for exemption (please refer to condition (d) of paragraph 2.15.2 above) from the requirement to make a take-over offer under Rule 14 of the Take-over Code as a result of the Share Buy-Back Mandate.

## APPENDIX 1: PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

As at the Latest Practicable Date, the Concert Parties have informed the Company that they will be submitting Form 2 to the SIC within seven (7) days after the passing of the resolution approving the renewal of the Share Buy-Back Mandate.

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

The interests of the Directors and Substantial Shareholders, direct or indirect, in the Shares as recorded in the Register of Directors' Shareholding and the Register of Substantial Shareholders respectively as at the Latest Practicable Date are set out below:–

	<u>Direct Interest</u>		<u>Deemed Interest</u>		<u>Total Interest</u>	
	<u>Number of Shares</u>	<u>%<sup>(1)</sup></u>	<u>Number of Shares</u>	<u>%<sup>(1)</sup></u>	<u>Number of Shares</u>	<u>%<sup>(1)</sup></u>
<b>Directors</b>						
Lim Hai Cheok <sup>(2)</sup>	65,000,000	20.00	64,843,750	19.96	129,843,750	39.96
Lim Kim Eng	17,812,500	5.48	–	–	17,812,500	5.48
Lim Hock Chye Daniel	6,613,000	2.04	–	–	6,613,000	2.04
Yau Thiam Hwa	–	–	–	–	–	–
Wee Piew	–	–	–	–	–	–
Leong Ka Yew	–	–	–	–	–	–
<b>Substantial Shareholders (other than Directors)</b>						
Chong Poh Soon <sup>(2)</sup>	64,843,750	19.96	65,000,000	20.00	129,843,750	39.96

**Notes:–**

- (1) The percentage shareholding interest is based on the issued share capital of 324,900,846 Shares (excluding Treasury Shares and subsidiary holdings) as at the Latest Practicable Date.
- (2) Mr Lim Hai Cheok and Mdm Chong Poh Soon are spouses. Both Mr Lim and Mdm Chong are deemed interested in the Shares held by their spouse.

### 4. DIRECTORS' RECOMMENDATIONS

#### 4.1 The Proposed Renewal of the Share Buy-Back Mandate

The Directors (save for Mr Lim Hai Cheok, Ms Lim Kim Eng and Mr Lim Hock Chye Daniel) are of the opinion that the Share Buy-Back Mandate is in the best interest of the Company and accordingly recommend that Shareholders vote in favour of the Ordinary Resolution relating to the renewal of the Share Buy-Back Mandate at the AGM.

### 5. ABSTENTION FROM VOTING

Pursuant to paragraph 3(a)(iii) of Appendix 2 of the Take-over Code, Mr Lim Hai Cheok, Ms Lim Kim Eng, Mr Lim Hock Chye Daniel and Mdm Chong Poh Soon and their concert parties, if any, shall abstain from voting at the AGM on the Ordinary Resolution in respect of the renewal of the Share Buy-Back Mandate.

Mr Lim Hai Cheok, Ms Lim Kim Eng, Mr Lim Hock Chye Daniel and Mdm Chong Poh Soon shall also decline to accept nomination as proxies for any Shareholder to vote in respect of the Ordinary Resolution unless the Shareholder concerned shall have given instructions in his proxy form as to the manner in which his votes are to be cast in respect of the Ordinary Resolution.

Shareholders should note that the Ordinary Resolution in respect of the renewal of the Share Buy-Back Mandate shall be voted on by way of a poll among Shareholders who could not become obliged to make a general offer under the Take-over Code as a result of the Share Buy-Back.

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# APPENDIX 1: PROPOSED RENEWAL OF THE SHARE BUY-BACK 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 1 and confirm after having made all reasonable enquiries, that to the best of their knowledge and belief, this Appendix 1 contains full and true disclosure of all material facts about the proposed renewal of the Share Buy-Back Mandate, the Company and its Subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix 1 misleading. Where information in this Appendix 1 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 1 in its proper form and context.

## APPENDIX 2: INFORMATION RELATING TO THE DIRECTORS WHO ARE SEEKING RE-ELECTION AS SET OUT IN APPENDIX 7F OF THE CATALIST RULES

The purpose of this Section is to provide Shareholders with the information relating to the directors who are seeking re-election at the forthcoming annual general meeting of the Company to be held on 30 April 2024 (“AGM”) pursuant to Catalyst Rule 720(5). The notice of the AGM is set out on page 104 of the Annual Report 2023.

Please refer to the table below for additional information on Directors, Mr Lim Hai Cheok, Mr Wee Piew and Mr Yau Thiam Hwa, to be re-elected at the forthcoming AGM:

	Name of Director to be Re-elected at the AGM		
	Lim Hai Cheok	Wee Piew	Yau Thiam Hwa
<b>Designation</b>	Executive Director	Non-Executive Independent Chairman, upon re-election, Mr Wee will be redesignated as a Non-Executive Non-Independent Director	Non-Executive Independent Director, upon re-election, Mr Yau will be redesignated as Non-Executive Independent Chairman
<b>Date of appointment</b>	15 March 2004	Mr Wee was first appointed as Non-Executive Independent Director on 5 July 2004 and was subsequently redesignated as Non-Executive Independent Chairman on 3 April 2017	10 August 2023
<b>Date of last re-appointment</b>	29 April 2021	29 April 2022	Not applicable, Mr Yau was first appointed as Non-Executive Independent Director on 10 August 2023
<b>Age</b>	75	60	60
<b>Country of principal residence</b>	Singapore	Singapore	Singapore
<b>Academic qualifications</b>	Completed secondary education	Bachelor of Accountancy (Honours)	Bachelor of Business Admin Association of Certified Chartered Accountants
<b>Professional memberships/ qualifications</b>	Nil	Fellow of the Institute of Singapore Chartered Accountants (2004 – 2017)	Member of the Institute of Singapore Chartered Accountants

**APPENDIX 2: INFORMATION RELATING TO THE DIRECTORS WHO ARE SEEKING RE-ELECTION AS SET OUT IN  
APPENDIX 7F OF THE CATALIST RULES**

	Name of Director to be Re-elected at the AGM		
	Lim Hai Cheok	Wee Piew	Yau Thiam Hwa
<b>Current directorships</b>			
– <b>Public companies (Other than Hosen Group Ltd)</b>			Megachem Thailand Public Co Ltd
– <b>Private companies</b>	<p>Nii</p> <p>1. Hock Seng Food Pte Ltd  2. Hock Seng Food (M) Sdn Bhd  3. Hock Seng Worldwide Sdn Bhd  4. Hock Seng Food (Shanghai) Co., Ltd  5. Hosen Chocolate Sdn Bhd  6. Fortune Melinka Pte Ltd</p>	<p>Nii</p>	<p>C.N. Chemicals Sdn Bhd  Megachem Manufacturing Pte Ltd  Megachem Phils Inc  Megachem Raya Pte Ltd  Megachem (Shanghai) Pte Ltd  Megachem (UK) Ltd  Megachem Middle East FZE  Megachem Specialty Chemicals (I) Pvt Ltd  Megachem Vietnam Co Ltd  Megachem Australia Pty Ltd  Megachem International Trading (Shanghai) Co Ltd  PT Mega Kemiraya  Megachem Plus Ltd.</p>



**APPENDIX 2: INFORMATION RELATING TO THE DIRECTORS WHO ARE SEEKING RE-ELECTION AS SET OUT IN  
APPENDIX 7F OF THE CATALIST RULES**

	Name of Director to be Re-elected at the AGM		
	Lim Hai Cheok	Wee Piew	Yau Thiam Hwa
<b>Past directorships (in the last 5 years)</b>			
– <b>Public companies</b>	Nil	1. Beijing Gas Blue Sky Holdings Limited 2. Miyoshi Limited	Abundance International Ltd Advancer Global Ltd
– <b>Private companies</b>	1. Hosen Chocolate Marketing Sdn Bhd 2. Shi Chen (Shanghai) Trading Co. Ltd	Nil	Nil
<b>Principal commitments<sup>1</sup></b>	See Directorships above	Nil	CFO, Megachem Ltd
<b>Shareholding interest in the Company and its subsidiaries</b>	Direct interest in 65,000,000 ordinary shares of the Company and deemed interest in 64,843,750 ordinary shares of the Company held by his spouse, Mdm Chong Poh Soon	Nil	Nil
Date of appointment announcement (“ <b>Previous Announcement</b> ”)	Refer to the Company’s offer document dated 3 September 2004.	5 July 2004	10 August 2023
Any changes to the Previous Announcement?	Yes. Please see below.	Yes. Please see below.	No

<sup>1</sup> Include all commitments which involve significant time commitment such as full-time occupation, consultancy work, committee work, non-listed company board representations and directorships and involvement in non-profit organisations. Where a director sits on the boards of non-active related corporations, those appointments should not normally be considered principal commitments.

**APPENDIX 2: INFORMATION RELATING TO THE DIRECTORS WHO ARE SEEKING RE-ELECTION AS SET OUT IN APPENDIX 7F OF THE CATALIST RULES**

Name of Director to be Re-elected at the AGM	
Lim Hai Cheok	Yau Thiam Hwa
Changes to the Previous Announcement, if applicable	
<p>The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)</p>	<p>The Board of Directors of the Company (the "Board") having considered, among others, the recommendation of the Nominating Committee ("NC") and having reviewed and considered the contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Lim Hai Cheok ("Mr Lim") for re-appointment as Executive Director of the Company pursuant to Regulation 106 of the Company's Constitution and Rule 720(4) of the Catalist Rules.</p> <p>Following the Board's review, the Board has concluded that Mr Lim possesses the experience, expertise, knowledge and skills to continue to contribute towards the core competencies of the Board.</p>
<p>The Board of Directors of the Company have considered, among others, the recommendation of the NC and have reviewed and considered the contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Wee Piew ("Mr Wee") for re-appointment as Non-Executive Non-Independent Director of the Company pursuant to Regulation 106 of the Company's Constitution and Rule 720(4) of the Catalist Rules.</p> <p>Following the Board's review, the Board has concluded that Mr Wee possesses the experience, expertise, knowledge and skills to continue to contribute towards the core competencies of the Board.</p>	<p>The Board of Directors of the Company having considered, among others, the recommendation of the NC and having reviewed and considered the contribution and performance, attendance, preparedness, participation, candour, independence and suitability of Mr Yau Thiam Hwa ("Mr Yau") for re-appointment as Non-Executive Independent Director of the Company pursuant to Regulation 110 of the Company's Constitution Rule and 720(4) of the Catalist Rules.</p> <p>Following the Board's review (bases of which have been detailed under Provision 2.1 of the Corporate Governance Report), the Board has concluded that Mr Yau continues to be independent, possesses the experience, expertise, knowledge and skills to continue to contribute towards the core competencies of the Board.</p> <p>The Board considers Mr. Yau to be independent for the purpose of Rule 704(7) of Catalist Rules.</p>

**APPENDIX 2: INFORMATION RELATING TO THE DIRECTORS WHO ARE SEEKING RE-ELECTION AS SET OUT IN  
APPENDIX 7F OF THE CATALIST RULES**

	Name of Director to be Re-elected at the AGM		
	Lim Hai Cheok	Wee Piew	Yau Thiam Hwa
Whether the appointment has changed from non-executive to executive. If so, please state the area of responsibility	Not applicable	Not applicable	Not applicable
Working experience and occupation(s) during the past 10 years	Director of Hosen Group Ltd and certain of its subsidiaries as stated above	Non-Executive Independent Director of Beijing Gas Blue Sky Holdings Limited from 26 March 2007 to 29 November 2021.  Non-Executive Independent Director of Miyoshi Limited from 1 May 2014 to 30 December 2021.  Executive Director and CEO of PSL Holdings Ltd from 23 August 2016 to 31 December 2016.	2007 – Present, CFO, Megachem Ltd
Any relationship (including immediate family member relationships) with any existing director, existing executive officer, the Company and/or substantial shareholder of the Company or any of its principal subsidiaries	Spouse of Chong Poh Soon, Senior Director and Substantial Shareholder.  Father of Lim Hock Chye Daniel, Executive Director.  Brother of Lim Kim Eng, Executive Director and Substantial Shareholder	Nil	Nil
Conflict of Interest (including any competing business)	Nil	Nil	Nil

**APPENDIX 2: INFORMATION RELATING TO THE DIRECTORS WHO ARE SEEKING RE-ELECTION AS SET OUT IN  
APPENDIX 7F OF THE CATALIST RULES**

		Name of Director to be Re-elected at the AGM	
		Lim Hai Cheok	Yau Thiam Hwa
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) submitted to the Company?	Yes	Yes	Yes
<b><i>Declaration under Paragraph 8, Part VII of the Fifth Schedule, Securities and Futures Act (Offers of Investments) (Securities and Securities-Based Derivatives Contracts) Regulation 2018</i></b>			
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No

**APPENDIX 2: INFORMATION RELATING TO THE DIRECTORS WHO ARE SEEKING RE-ELECTION AS SET OUT IN APPENDIX 7F OF THE CATALIST RULES**

	Name of Director to be Re-elected at the AGM		
	Lim Hai Cheok	Wee Piew	Yau Thiam Hwa
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No

**APPENDIX 2: INFORMATION RELATING TO THE DIRECTORS WHO ARE SEEKING RE-ELECTION AS SET OUT IN  
APPENDIX 7F OF THE CATALIST RULES**

Name of Director to be Re-elected at the AGM			
	Lim Hai Cheok	Wee Piew	Yau Thiam Hwa
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No

**APPENDIX 2: INFORMATION RELATING TO THE DIRECTORS WHO ARE SEEKING RE-ELECTION AS SET OUT IN  
APPENDIX 7F OF THE CATALIST RULES**

	Name of Director to be Re-elected at the AGM		
	Lim Hai Cheok	Wee Piew	Yau Thiam Hwa
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No

**APPENDIX 2: INFORMATION RELATING TO THE DIRECTORS WHO ARE SEEKING RE-ELECTION AS SET OUT IN  
APPENDIX 7F OF THE CATALIST RULES**

	Name of Director to be Re-elected at the AGM		
	Lim Hai Cheok	Wee Piew	Yau Thiam Hwa
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No
(i) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-	No	No	No
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No	No



**APPENDIX 2: INFORMATION RELATING TO THE DIRECTORS WHO ARE SEEKING RE-ELECTION AS SET OUT IN  
APPENDIX 7F OF THE CATALIST RULES**

	Name of Director to be Re-elected at the AGM		
	Lim Hai Cheok	Wee Piew	Yau Thiam Hwa
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No

**APPENDIX 2: INFORMATION RELATING TO THE DIRECTORS WHO ARE SEEKING RE-ELECTION AS SET OUT IN APPENDIX 7F OF THE CATALIST RULES**

	Name of Director to be Re-elected at the AGM		
	Lim Hai Cheok	Wee Piew	Yau Thiam Hwa
	<b>Prior Experience as a Director of a Listed Company on the Exchange</b>		
Any prior experience as a director of an issuer listed on the Exchange?	Not applicable. This is a re-election of a director	Not applicable. This is a re-election of a director	Not applicable. This is a re-election of a director
Attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange?	Not applicable. This is a re-election of a director	Not applicable. This is a re-election of a director	Not applicable. This is a re-election of a director
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Not applicable. This is a re-election of a director	Not applicable. This is a re-election of a director	Not applicable. This is a re-election of a director

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