

## APPENDIX TO THE ANNUAL REPORT DATED 15 OCTOBER 2020

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

This Appendix is circulated to the shareholders of Sakae Holdings Ltd. (the “**Company**”) together with the Company’s annual report for the financial year ended 30 June 2020 (the “**Annual Report**”). Its purpose is to provide shareholders of the Company (the “**Shareholders**”) with information relating to, and to explain the rationale for, the proposed Renewal of the Disposal Mandate for the Proposed Disposal of the properties in Malaysia and the proposed Renewal of the Share Buyback Mandate (as defined in this Appendix) to be tabled at the annual general meeting (the “**AGM**”).

The notice of the AGM and a proxy form are enclosed with the Annual Report.

**If you are in doubt about the contents or the action you should take, you should consult your bank manager, stockbroker, solicitor, accountant or other professional adviser immediately.**

If you have sold or transferred all of your shares in the capital of the Company held through The Central Depository (Pte) Limited (“**CDP**”), you need not forward this Appendix with the Notice of Annual General Meeting and the attached Proxy Form to the purchaser or transferee as arrangements will be made by CDP for a separate Appendix with the Notice of Annual General Meeting and the attached Proxy Form to be sent to the purchaser or transferee. If you have sold or transferred all your ordinary shares in the capital of the Company represented by physical share certificate(s), you should immediately forward this Appendix, the Notice of Annual General Meeting and the attached Proxy Form to the purchaser or the transferee or to the bank, stockbroker or agent through whom the sale or transfer was effected, for onward transmission to the purchaser or the transferee.

The Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) assumes no responsibility for the accuracy, completeness or correctness of any statements or opinions made or reports contained in this Appendix.



### **SAKAE HOLDINGS LTD.**

(Company Registration No. 199604816E)  
(Incorporated in the Republic of Singapore)

#### **APPENDIX TO SHAREHOLDERS IN RELATION TO:**

- (1) THE PROPOSED RENEWAL OF THE DISPOSAL MANDATE FOR THE PROPOSED DISPOSAL OF THE PROPERTIES IN MALAYSIA**
- (2) THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE**

#### **IMPORTANT DATES AND TIMES**

Last date and time for lodgment of Proxy Form	:	28 October 2020 at 10.00 a.m.
Date and time of Annual General Meeting	:	30 October 2020 at 10.00 a.m. such date as may be announced by the Company.
Place of Annual General Meeting	:	28 Tai Seng Street, Sakae Building Level 7 Singapore 534106

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## DEFINITIONS

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

- “AGM”** : The annual general meeting of the Company, to be held on 30 October 2020 or such date as may be announced by the Company;
- “Approval Date”** : The date of the AGM at which the Share Buyback Mandate is approved
- “Associates”** : In the case of a company,
- (a) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:
    - (i) his immediate family;
    - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
    - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more;
  - (b) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- “Average Closing Price”** : 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 are made; and deemed to be adjusted for any corporate action that occurs during the relevant 5-day period and the day on which the purchases are made.
- “Board” or “Board of Directors”** : The board of directors of the Company as at the date of this Appendix.
- “Constitution”** : The constitution of the Company, as amended and modified from time to time
- “Controlling Shareholders”** : A person who:
- (a) holds directly or indirectly 15% or more of the total voting rights in the company. The Exchange may determine that a person who satisfies this paragraph is not a controlling shareholder;
  - (b) in fact exercises control over a company

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## DEFINITIONS

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- “day of the making of the offer”** : the date on which the Company announces its intention to make an offer for the purchase or acquisition of the Shares from holders of the Shares, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.
- “Directors”** : The directors of the Company as at the date of this Appendix
- “Disposal Mandate”** : The mandate to authorise the Company to dispose certain properties in Malaysia, the terms of which are set out in paragraph 2.1 of this Appendix
- “EGM”** : The extraordinary general meeting of the Company that was held on 20 April 2020
- “EPS”** : Earnings per share
- “FY 2020”** : The financial year ended 30 June 2020
- “Group”** : The Company, its subsidiaries and its Associated Companies
- “KGV International”** : KGV International Property Consultants (M) Sdn Bhd, a property valuation and consulting firm in Malaysia with “Regulated by RICS” certification. Royal Institution of Chartered Surveyors (RICS) is an international professional body headquartered in the United Kingdom that represents, regulates and promotes the work of property professionals throughout 146 countries.
- “Latest Practicable Date”** : 30 September 2020, being the latest practicable date prior to the printing of this Appendix
- “Listing Rules”** : The listing rules of the SGX-ST, as set out in the Listing Manual
- “Listing Manual”** : The SGX-ST Listing Manual, as amended or modified from time to time
- “Major Transaction”** : A transaction where any of the relative figures as computed on the bases set out in Rule 1006 of the Listing Manual exceeds 20%
- “Malaysia Properties”** : (a) A freehold commercial boutique bungalow building (with lift) on freehold land located at No. 7, Jalan Udang Harimau 2, Medan Niaga Kepong, 51200 Kuala Lumpur, Malaysia (“Property 2”); and  
(b) A freehold condominium unit located at Surian Residence Condominium, Jalan PJU 7/15 Mutiara Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan, Malaysia (“Property 3”)

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## DEFINITIONS

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<b>“Market Day”</b>	:	A day on which the SGX-ST is open for trading in securities
<b>“Maximum Price”</b>	:	Has the meaning ascribed to it in paragraph 3.4 of this Appendix
<b>“Minimum Disposal Price”</b>	:	Being 90% of the value of the relevant Malaysia Property as determined by KGV International in their valuation reports dated 26 June 2020, which is S\$3,410,330 and S\$399,832 for Property 2 and Property 3, respectively
<b>“Notice of AGM”</b>	:	The notice of AGM is enclosed with the Annual Report on pages 130 to 135.
<b>“NTA”</b>	:	Net tangible assets
<b>“Off-Market Purchases”</b>	:	Off-market purchases (if effected otherwise than on the SGX-ST) pursuant to an equal access scheme(s) (as defined in Section 76C of the Companies Act), which scheme(s) shall satisfy all the conditions prescribed by the Listing Rules
<b>“On-Market Purchases”</b>	:	On-market purchases transacted through the SGX-ST’s trading system, or on any other securities exchange on which the Shares may for the time being be listed and quoted, or through one or more duly licensed dealers appointed by the Company for the purpose of the Share Buyback
<b>“Proposed Renewal of the Share Buyback Mandate”</b>	:	The proposed renewal of the Share Buyback Mandate to be approved by the Shareholders as set out in paragraph 3 of this Appendix
<b>“Share Buyback Mandate”</b>	:	approved by the Shareholders as set out in paragraph 3 of this Appendix
<b>“Proposed Disposal”</b>	:	The proposed disposal of certain properties in Malaysia as set out in paragraph 2.1 of this Appendix, by the Group, being the following: <ul style="list-style-type: none"><li>(i) A freehold commercial boutique bungalow building (with lift) on freehold land located at No. 3, Jalan Udang Harimau 2, Medan Niaga Kepong, 51200 Kuala Lumpur, Malaysia (“Property 1”);</li><li>(ii) A freehold commercial boutique bungalow building (with lift) on freehold land located at No. 7, Jalan Udang Harimau 2, Medan Niaga Kepong, 51200 Kuala Lumpur, Malaysia (“Property 2”);</li><li>(iii) A freehold condominium unit located at Surian Residence Condominium, Jalan PJU 7/15 Mutiara Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan, Malaysia (“Property 3”); and</li></ul>

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## DEFINITIONS

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	(iv)	A freehold intermediate four-storey shop-office building on freehold land located at No. B4, Garden Shoppe @ One City, Jalan USJ 25/1A, 47650 Subang Jaya, Selangor Darul Ehsan, Malaysia (“Property 4”).
“Proxy Form”	:	The proxy form in respect of the AGM as set out in this Appendix
“Registrar”	:	The Registrar of Companies appointed under the Companies Act
“Relevant Period”	:	The period commencing from the date on which the last AGM of the Company was held or was required by law to be held before the resolution relating to the Share Buyback Mandate is passed, and expiring on the date the next AGM is held or required by law to be held, whichever is the earlier, after the said resolution is passed
“RM”	:	Malaysia ringgit
“Securities Accounts”	:	The securities accounts maintained by Depositors with CDP, but not including the securities accounts maintained with a Depository Agent
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Buyback Mandate”	:	The proposed general mandate to be given by the Shareholders to authorise 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
“Share Purchases”	:	Off-Market Purchases or On-Market Purchases undertaken by the Company pursuant to the Share Buyback Mandate
“Shareholders”	:	The registered holders of Shares except that where the registered holder is CDP, the term “Shareholders” in relation to Shares held by CDP shall mean the persons named as Depositors in the Depository Register maintained by CDP and to whose Securities Accounts such Shares are credited
“Shares”	:	Ordinary shares in the capital of the Company
“SIC”	:	Securities Industry Council of Singapore
“Subsidiary”	:	A company (whether incorporated within or outside Singapore and wheresoever resident) being a subsidiary for the time being of the Company within the meaning of Section 5 of the Companies Act and “Subsidiaries” shall be construed accordingly

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## DEFINITIONS

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- “Subsidiary Holdings”** : as defined in the Listing Manual to mean shares held by the Company in its holding company referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act
- “Substantial Shareholder”** : A person who has an interest in one or more voting shares of a company, and the total votes attached to those shares are not less than 5% of the total votes attached to all the voting shares in the Company
- “Takeover Code”** : The Singapore Code on Take-overs and Mergers, as amended, varied or supplemented from time to time
- “Treasury Shares”** : A Share that was or is treated as having been acquired and held by the Company and has been held continuously by the Company since it was so acquired and has not been cancelled
- “S\$”** : Singapore dollars
- “%” or per cent** : Per centum or percentage

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them respectively in Section 130A of the Companies Act. The term **“treasury shares”** shall have the meaning ascribed to it in Section 4 of the Companies Act. The term **“subsidiary”** shall have the meaning ascribed to it in Section 5 of the Companies Act.

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 neutral genders and *vice versa*. References to persons shall include corporations where applicable.

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 Listing Manual or any statutory or regulatory modification thereof and used in this Appendix shall, where applicable, have the meaning assigned to it under the Companies Act or the Listing Manual or such statutory or regulatory modification thereof, as the case may be, unless otherwise provided. Summaries of the provisions of any laws and regulations (including the Listing Manual) contained in this Appendix are of such laws and regulations (including the Listing Manual) as at Latest Practicable Date.

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

Any reference to **“we”**, **“us”** and **“our”** in this Appendix is a reference to the Group or any member of the Group as the context requires.

Any discrepancies in this Appendix between the sum of figures stated and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Appendix may not be an arithmetic aggregation of the figures which precede them.



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## LETTER TO SHAREHOLDERS

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### SAKAE HOLDINGS LTD.

(Company Registration No. 199604816E)  
(Incorporated in the Republic of Singapore)

#### BOARD OF DIRECTORS

Douglas Foo Peow Yong (Executive Chairman)  
Foo Lilian (Executive Director and Chief Executive Officer)  
Loh Chee Peng (Independent Director)  
Ngho York Chao Nicholas (Independent Director)  
David Pang Kam Wei (Independent Director)

#### REGISTERED OFFICE:

28 Tai Seng Street  
Sakae Building Level 7  
Singapore 534106

15 October 2020

#### To: The Shareholders of Sakae Holdings Ltd.

Dear Sir/Madam

#### (I) PROPOSED RENEWAL OF DISPOSAL MANDATE

#### (II) PROPOSED RENEWAL OF SHARE BUYBACK MANDATE

#### 1. INTRODUCTION

- 1.1 The Directors are convening an AGM of the Company to be held on 30 October 2020 to seek Shareholders' approval, among other matters (i) for the proposed renewal of the Disposal Mandate and (ii) the proposed renewal of the Share Buyback Mandate.
- 1.2 The purpose of this Appendix is to provide Shareholders with relevant information pertaining to and to explain the rationale for the proposed renewal of the Disposal Mandate and the proposed renewal of the Share Buyback Mandate. Particulars of the Disposal Mandate and the Share Buyback Mandate are set out at paragraphs 2 and 3 of this Letter respectively.
- 1.3 This Appendix has been prepared solely for the purposes outlined above and may not be relied upon by any persons (other than the Shareholder to whom this Appendix is despatched to by the Company) or for any other purpose.
- 1.4 If a Shareholder is in any doubt as to the action he should take, he should consult his stockbroker, bank manager, solicitor, account or other professional adviser immediately.

#### 2. THE PROPOSED RENEWAL OF DISPOSAL MANDATE

##### 2.1 Introduction

- (a) Reference is made to the Company's Appendix dated 3 April 2020 in relation to certain Major Transactions under Chapter 10 of the Listing Manual where the Company proposed to seek approval from the Shareholders for the Proposed Disposal of the following properties in Malaysia:
  - (i) A freehold commercial boutique bungalow building (with lift) on freehold land located at No. 3, Jalan Udang Harimau 2, Medan Niaga Kepong, 51200 Kuala Lumpur, Malaysia ("**Property 1**");

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## LETTER TO SHAREHOLDERS

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- (ii) A freehold commercial boutique bungalow building (with lift) on freehold land located at No. 7, Jalan Udang Harimau 2, Medan Niaga Kepong, 51200 Kuala Lumpur, Malaysia (“**Property 2**”); and
- (iii) A freehold condominium unit located at Surian Residence Condominium, Jalan PJU 7/15 Mutiara Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan, Malaysia (“**Property 3**”); and
- (iv) A freehold intermediate four-storey shop-office building on freehold land located at No. B4, Garden Shoppe @ One City, Jalan USJ 25/1A, 47650 Subang Jaya, Selangor Darul Ehsan, Malaysia (“**Property 4**”).

at prices no lower than the following minimum disposal price of each of the above Property 1, Property 2, Property 3 and Property 4, respectively<sup>1</sup>.

	Minimum Disposal Price (S\$)
Property 1	1,822,763
Property 2	3,410,330
Property 3	458,631
Property 4	823,183

- (b) The Shareholders approved and adopted the Disposal Mandate for the Proposed Disposal of the above properties at the EGM held on 20 April 2020.
- (c) Property 1 and Property 4 are in the process of being disposed, and the Board shall keep the Shareholders updated on material developments on the disposal of Property 1 and Property 4 via subsequent announcements, as and where appropriate to do so. The Company had made an announcement on 12 June 2020 and 3 July 2020 in relation to the execution of a sales and purchase agreement and the salient terms of the proposed disposal with respect to Property 1 and Property 4, respectively. The price at which Property 1 is sold is RM6,500,000 (equivalent to approximately S\$2,123,290) and RM2,600,000 (equivalent to approximately S\$849,316) for Property 4, as disclosed in the respective announcements.
- (d) Accordingly, the Company is seeking approval from the Shareholders for the proposed renewal of the Disposal Mandate to authorise the Company and/or the Group to dispose of the following Malaysia Properties:
  - (i) A freehold commercial boutique bungalow building (with lift) on freehold land located at No. 7, Jalan Udang Harimau 2, Medan Niaga Kepong, 51200 Kuala Lumpur, Malaysia (“**Property 2**”); and
  - (ii) A freehold condominium unit located at Surian Residence Condominium, Jalan PJU 7/15 Mutiara Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan, Malaysia (“**Property 3**”),

(the “**Renewal of Disposal Mandate**”) at prices no lower than the following Minimum Disposal Price of each Malaysia Property<sup>2</sup>

<sup>1</sup> The minimum disposal price is calculated as 90% of the value of the relevant property as determined by KGV International in their valuation reports dated 28 June 2019.

<sup>2</sup> Please refer to Paragraph 2.4(b) on the breakdown of the Minimum Disposal Price.

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## LETTER TO SHAREHOLDERS

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	<b>Minimum Disposal Price (S\$)</b>
Property 2	3,410,330
Property 3	399,832

The Minimum Disposal Price for Property 2 is the same as disclosed in the Company's Appendix dated 3 April 2020, whereas the Minimum Disposal Price for Property 3 was S\$458,631 as disclosed in the Company's Appendix dated 3 April 2020. The Minimum Disposal Price has been reduced to S\$399,832 based on the Updated Valuation Report (as defined below).

The Company is seeking approval from the Shareholders for the Renewal Disposal Mandate as the Disposal Mandate expires at the Company's forthcoming AGM.

- (e) The Renewal Disposal Mandate, when renewed by way of approval by Shareholders will (unless revoked or varied by the Company at a general meeting) continue in force until the next AGM is held or required by law to be held, whichever is earlier.
- (f) There are no modifications in the proposed renewal of the Renewal Disposal Mandate for Property 2 and Property 3, to the existing Disposal Mandate in relation to the scope and nature of the Major Transactions.
- (g) The Malaysia Properties are intended to be sold separately and distinct, each as a parcel comprising the land and building thereon (where applicable), to prospective buyers to be identified and selected by the Company, with the highest indicative price stated in their expression of interest, through an interest exercise conducted by the Company's marketing agents. The marketing agents engaged by the Company to undertake the advertising and the sales of the Malaysia Properties are CiD Realtors Sdn Bhd, Starcity Property Sdn Bhd, Dahongye Realty (Ara) Sdn Bhd, Techrealtors Properties Sdn Bhd, IQI Realty, Fortress Real Estate Sdn Bhd and Chester Properties Sdn Bhd. The Directors, Controlling Shareholders and their Associates do not have any connection (including business dealings) with these marketing agents.
- (h) The Malaysia Properties will be disposed off subject to the terms set out in paragraph 2 of this Appendix. Upon successful completion of a sale transaction, the following fees will be payable:
  - (i) commission of up to three per cent (3%) of the sale price of the relevant Malaysia Property would be payable to the marketing agent(s) in line with market practice in the Malaysia property market
  - (ii) legal costs and disbursements of up to one per cent (1%) of the sale price would be payable to the solicitors;
  - (iii) real property gains tax payments, if any, to Lembaga Hasil Dalam Negeri (LHDN) or Inland Revenue Board (IRB); and
  - (iv) applicable sales and service tax would be payable to the Malaysia Government under the Sales and Service Tax Act Malaysia.

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## LETTER TO SHAREHOLDERS

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- (i) Valuation had been conducted by KGV International on the Malaysia Properties for purposes of financial reporting and the Proposed Disposal in relation to Property 2 and Property 3.
- (j) If approved by the Shareholders at the AGM, the authority conferred by the Renewal Disposal Mandate will continue in force for a period of twelve (12) months commencing from and including the day following the day of the AGM or until the next annual general meeting of the Company (whereupon at the end of the period it will lapse, unless renewed) or until it is varied or revoked by the Company in a general meeting, whichever is the earliest.
- (k) During the period when the Renewal Disposal Mandate is in force, the Group may enter into memorandums of agreement, including but not limited to sale and purchase agreements, with any prospective purchaser(s) of the Malaysia Properties and such agreements shall not be subject to the specific approval of the Shareholders, notwithstanding that the completion date of the relevant transaction may fall on a date after the Renewal Disposal Mandate has lapsed.

### 2.2 Requirement of Shareholders' approval

- (a) Chapter 10 of the Listing Manual governs the continuing listing obligations of a listed issuer in respect of acquisitions and realisations. Under Rule 1014 of the Listing Manual, Shareholders' approval must be obtained for Major Transactions. Rule 1006 of the Listing Manual sets out the computation for relative figures for acquisitions and disposals of assets by a listed issuer. Shareholders' approval is required if any of the relative figures as computed on the bases set out in Rule 1006 of the Listing Manual exceeds 20% and such transaction is classified as Major Transaction. In determining whether a disposal transaction or a series of disposal transactions is considered a Major Transaction, the SGX-ST may aggregate separate transactions completed within a 12-month period and treat these transactions as one transaction under Rule 1005 of the Listing Manual.
- (b) If the Group disposes all or some of its Malaysia Properties over a 12-month period, SGX-ST may aggregate and consider the disposal of the Malaysia Properties as a single transaction whereupon the applicable relative figures computed on bases set out in Rule 1006 of the Listing Manual may exceed 20%. As such, the Company is seeking the prior approval of the Shareholders for the Renewal Disposal Mandate.

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## LETTER TO SHAREHOLDERS

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### 2.3 Information on the Malaysia Properties

- (a) Property 2 - A freehold commercial boutique bungalow building (with lift) on freehold land located at No. 7, Jalan Udang Harimau 2, Medan Niaga Kepong, 51200 Kuala Lumpur, Malaysia

Apex-Pal (M) Sdn Bhd, an indirect wholly-owned subsidiary of the Company, has a 100% freehold interest in Property 2.

Property 2 is approximately six (6) years of age, comprising a freehold land measuring approximately 1,604 square metres (17,265.9 square feet) and building on freehold land is a 2<sup>1</sup>/<sub>2</sub> storey commercial boutique bungalow building (with lift) of gross floor area of 1,702.25 square meters (18,323 square feet), located at No. 7, Jalan Udang Harimau 2, Medan Niaga Kepong, 51200 Kuala Lumpur, Malaysia. Access to Property 2 is via Jalan Kepong, turning onto Jalan Kelapa Bulan, Jalan 44/31B, Jalan Udang Gantung, Jalan Udang Harimau 1 and finally onto Jalan Udang Harimau 2. Its immediate surrounding properties comprise terrace houses, shop-offices, apartments and terrace factories. Medan Niaga Kepong is a small commercial scheme comprising 35 units of detached commercial buildings. The surrounding developments include Taman Cuepac, Taman Sri Segambut, Taman Pusat Kepong and Kepong Baru.

Property 2 has been charged to the CIMB Bank Berhad as security for banking facilities. As at the Latest Practicable Date, the amount of outstanding banking facilities is RM1,729,125 (equivalent to approximately S\$564,836). The banking facilities will be fully paid after the sale and accordingly the charge would be discharged upon the completion of the sale.

Property 2 was purchased by the Group in 2011 to house its operations of Apex-Pal (M) Sdn Bhd. Pursuant to, and prior to the completion of the sale of Property 2, the entire operation and staff of Apex-Pal (M) Sdn Bhd will be relocated. The Group has identified potential sites for the relocation within Kuala Lumpur, Malaysia. The Group expects to relocate the entire operation and its staff as soon as practicable before the signing of any sale and purchase agreement with the identified purchaser of Property 2. With streamlining of Malaysia operations, Apex-Pal (M) Sdn Bhd will take the chance to optimise and better utilise the Group's resources. The Group estimates that the monthly rental expense in the new location will be in the range of RM4,000 to RM6,000 (equivalent to approximately S\$1,307 to S\$1,960) and the relocation costs of its operation and staff to be in the range of RM60,000 to RM80,000 (equivalent to approximately S\$19,600 to S\$26,133)

Based on a previous valuation report dated 28 June 2019 ("**Previous Report**") issued by KGV International, the market value of Property 2 was RM11,600,000 (equivalent to approximately S\$3,789,256). The Group has since sought an updated valuation for Property 2, as part of its annual property valuation. Based on the letter of update of valuation dated 26 June 2020 ("**Updated Valuation Report**") issued by KGV International, the date of valuation is taken to be 26 June 2020 and the present market value is the same as the Previous Report, which is, RM11,600,000 (equivalent to approximately S\$3,789,256). While KGV International has not reinspected Property 2, they have made relevant investigations before deriving the present market value. The valuation was commissioned by Apex-Pal (M) Sdn Bhd for the purpose of the proposed sale of Property 2. A copy of the Updated Valuation Report for Property 2 is annexed to this Appendix as Annex 2. The Previous Report for Property 2 may be found in Annex 2 of the Company's Appendix dated 3 April 2020 for reference.

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## LETTER TO SHAREHOLDERS

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- (b) Property 3 - A freehold condominium unit located at Surian Residence Condominium, Jalan PJU 7/15 Mutiara Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan, Malaysia

Nouvelle Events Sdn Bhd, an indirect wholly-owned subsidiary of the Company, has a 100% freehold interest in Property 3. Property 3 was purchased by the Group in 2011 for investment purposes. As at the Latest Practicable Date, Property 3 is used as a hostel for its two (2) management staff. The said management staff would be relocated to an existing hostel under the Group.

Property 3 is a condominium unit with 2 carparks of gross floor area of 192 square metres (2,066.74 square feet), located at Surian Residence Condominium, Jalan PJU 7/15 Mutiara Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan, Malaysia. The development is approximately eight (8) years old with immediate surrounding properties comprising terrace houses, shop-offices and condominiums. Surian Residences was developed by Mutiara Rini on a piece of 7.8 acres of freehold land with various facilities and amenities. The surrounding developments include Sunway Damansara, E-Curve Shopping Mall, Bandar Utama and Tropicana Golf and Country Resort.

Based on the Previous Report issued by KGV International, the market value of Property 3 was RM1,560,000 (equivalent to approximately S\$509,590). The Group has since sought an updated valuation for Property 3, as part of its annual property valuation. Based on the Updated Valuation Report dated 26 June 2020 issued by KGV International, the date of valuation is taken to be 26 June 2020 and the present market value is RM1,360,000 (equivalent to approximately S\$444,258) which is lower than the value stated in the Previous Report. While KGV International has not reinspected Property 3, they have made relevant investigations before deriving the present market value. The valuation was commissioned by Nouvelle Events Sdn Bhd for the purpose of the proposed sale of Property 3. A copy of the Updated Valuation Report is annexed to this Appendix as Annex 3. The Previous Report for Property 3 may be found in Annex 3 of the Company's Appendix dated 3 April 2020 for reference.

### 2.4 Aggregate Consideration of the Malaysia Properties

- (a) Subject to (b) below, each of the Malaysia Properties may be disposed at a price which the Directors deem fair and reasonable after taking into account the relevant factors including but not limited to the valuation for the relevant Malaysia Property from an independent valuer.
- (b) The disposal price of each of the Malaysia Properties shall not be lower than 90% of the value of the relevant Malaysia Property as determined by KGV International in their valuation reports dated 26 June 2020. A breakdown of the Minimum Disposal Price of each Malaysia Property is as follows:

	Valuation (S\$)	Minimum Disposal Price (S\$)
Property 2	3,789,256	3,410,330
Property 3	444,258	399,832

## LETTER TO SHAREHOLDERS

(c) The Minimum Disposal Price was derived on the basis of taking the benchmark of standard forced sale value of the Malaysia Properties, which typically range from 80% to 90% of the valuation price.

### 2.5 Value of and Net Profit/Loss Attributable to the Assets

- (a) Based on the latest announced consolidated financial statements of the Group, being the unaudited financial statements for the year ended 30 June 2020:
- (i) the book value and the latest available open market value of the Malaysia Properties are S\$4,249,946 and S\$4,233,514 respectively;
  - (ii) the net loss before tax attributable to the Malaysia Properties is approximately S\$596,746;
  - (iii) the deficit of proceeds over the book value of the Malaysia Properties is approximately S\$439,783; and
  - (iv) the net loss after transaction cost and tax on the Proposed Disposal in relation to Property 2 and Property 3 is expected to be approximately S\$597,000, calculated as follows:

	(S\$'000)
Consideration <sup>1</sup>	3,810
Less: book value of the Malaysia Properties disposed	(4,250)
<b>Deficit of the proceeds over the book value of the Malaysia Properties</b>	<b>(440)</b>
Less: taxation to be paid	(2)
Less: transaction cost of the Proposed Disposal in relation to Property 2 and Property 3 (commission and legal costs)	(155)
<b>Net loss on the Proposed Disposal in relation to Property 2 and Property 3 after transaction cost and tax<sup>2</sup></b>	<b>(597)</b>

A breakdown of the book value, market value, commission and legal cost of each Malaysia Property are as follows:

	Book Value (S\$)	Market Value <sup>6</sup> (S\$)	Commission <sup>7</sup> (S\$)	Legal Cost <sup>8</sup> (S\$)
Property 2	3,789,256	3,789,256	102,310	34,103
Property 3	460,690	444,258	13,759	4,586

- (b) No impairments have been made for each of the Malaysia Properties.

<sup>1</sup> The consideration is assumed to be at the Minimum Disposal Price

<sup>2</sup> Includes, *inter alia*, RM355,320 (equivalent to approximately S\$116,069) in commission to the marketing agents, RM118,440 (equivalent to approximately S\$38,690) in legal costs, and approximately RM6,748 (equivalent to approximately S\$2,204) in capital gain tax.

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### 2.6 Rationale for the Renewal Disposal Mandate and Proposed Disposal of the Malaysia Properties

- (a) The Group has adopted the strategic approach of being asset light and thus is gradually disposing off its properties in Malaysia in view of a global economic slowdown due to US-China trade tensions as well as volatility in the Ringgit. The Proposed Disposal of the Malaysia Properties will unlock the value in its investment in the Malaysia Properties, thereby strengthening the Company's financial position. Accordingly, the Board is of the view that the Proposed Disposal Malaysia Properties is in the best interest of the Group and the Shareholders as it will enable the Group to realise the value of the Malaysia Properties, thereby improving the liquidity of the Group. The Proposed Disposal Malaysia Properties would also allow the Group to re-allocate the resources to improve and optimise the utilisation of assets.
- (b) The condominium unit located at Surian Residence Condominium, Jalan PJU 7/15 Mutiara Damansara, 47810 Petaling Jaya, Selangor Darul Ehsan, Malaysia is currently used as a hostel for its management staff, thereby contributing no revenue stream to the Group.
- (c) A relocation of the entire operation and staff of Apex-Pal (M) Sdn Bhd will serve to optimise and better utilise the Group's resources. The volatility in the Ringgit resulted in low rate of returns and limited room for capital appreciation since acquisition.
- (d) The Group intends to dispose of the Malaysia Properties separately and distinct, each as a parcel comprising the land and building thereon (where applicable). It is a norm of the property industry that the sale and purchase of real estate be completed within a short time frame after the parties have agreed on the sale and purchase of the relevant properties. As such, the Company may not have sufficient time to obtain Shareholders' approval for each disposal of the Malaysia Property. Further, the Renewal Disposal Mandate will provide the Company with the flexibility to sell the Malaysia Properties during the period when the Renewal Disposal Mandate is in force. The Renewal Disposal Mandate will also eliminate the need for the Company to convene separate general meetings on each occasion to seek Shareholders' approval as and when the Group dispose any one of the Malaysia Properties, thereby avoiding the loss of opportunities and reducing substantially, the administrative time, inconvenience and expenses associated with the convening of such meetings on an *ad hoc* basis.
- (e) If the Renewal Disposal Mandate is approved by the Shareholders at the AGM, the Company will work with its marketing agent(s) to commence the sale of the Malaysia Properties. Upon offers being obtained, the Company will then report to the Board who will assess each offer in a judicious manner.

### 2.7 Terms of the Renewal Disposal Mandate

The terms of the Renewal Disposal Mandate are as follows:

- (a) Subject to (b) below, each of the Malaysia Properties may be disposed at a price which the Directors deem fair and reasonable after taking into account the relevant factors including but not limited to the valuation for the relevant properties from an independent valuer. The Board undertakes to the Shareholders to facilitate the sale of the Malaysia Properties at the best



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price based on the latest market valuation of the Malaysia Properties, with such valuation being not more than six (6) months before the signing of any sale and purchase agreement. The Company shall also keep the Shareholders informed of such independent valuation (if any).

- (b) The disposal price of each of the Malaysia Properties shall be at least the Minimum Disposal Price, being a price not lower than 90% of the value of the relevant Malaysia Property as determined by KGV International in their letter update of valuation dated 26 June 2020.
- (c) The consideration in respect of such disposal shall be satisfied in cash upon completion of the sale and in such manner as the Board deems fit in the best interest of the Company.
- (d) If approved by the Shareholders at the AGM, the authority conferred by the Renewal Disposal Mandate will continue in force for a period of twelve (12) months commencing from and including the day following the day of the AGM or until the next annual general meeting of the Company (whereupon at the end of the period it will lapse, unless renewed) or until it is varied or revoked by the Company in a general meeting, whichever is the earliest. During the period when the Renewal Disposal Mandate is in force, the Group may enter into memorandums of agreement, including but not limited to sale and purchase agreements, with any prospective purchaser(s) of the Malaysia Properties and such agreements shall not be subject to the specific approval of the Shareholders, notwithstanding that the completion date of the relevant transaction may fall on a date after the Renewal Disposal Mandate has lapsed.
- (e) Any negotiation with an intending purchaser of the Malaysia Properties shall be conducted on an arm's length and commercial basis, taking into account such factors, including but not limited to the prevailing economic conditions, timeframe in marketing the Malaysia Properties and comparison of the results from various marketing agents, as the Directors may deem fit in the interests of the Group.
- (f) Assuming that the approval of the Shareholders for the Renewal Disposal Mandate is obtained at the AGM, the Directors will be responsible for facilitating the Proposed Disposal of the Malaysia Properties. The Directors shall exercise the authority conferred by the Renewal Disposal Mandate in a judicious manner and in the best interest of the Company.
- (g) If the Directors are not able to dispose of the Malaysia Properties in accordance with the terms set forth above, the Company will revert to the Shareholders for a fresh mandate for specific approval for the transaction pursuant to Rule 1014 of the Listing Manual, as applicable.

<sup>6</sup> The market value is based on the letter update of valuation conducted on 26 June 2020.

<sup>7</sup> Commission is calculated based on three per cent (3%) of the Minimum Disposal Price.

<sup>8</sup> Legal cost is calculated based on one per cent (1%) of the Minimum Disposal Price.

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### 2.8 Interested Person Transactions

- (a) Chapter 9 of the Listing Manual governs the continuing listing obligations of a listed issuer in respect of interested person transactions. Under Rule 905 of the Listing Manual, an issuer must make an immediate announcement of any interested person transaction of a value equal to, or more than, three per cent (3%) of the group's latest audited net tangible assets<sup>4</sup>. If the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to three per cent (3%) or more of the group's latest audited net tangible assets, the issuer must make an immediate announcement of the latest transaction and all future transactions entered into with that same interested person during that financial year.
- (b) Under Rule 906 of the Listing Manual, Shareholders' approval must be obtained for any interested person transaction of a value equal to, or more than (i) five per cent (5%) of the group's latest audited net tangible assets; or (ii) five per cent (5%) of the group's latest audited net tangible assets, when aggregated with other transactions entered into with the same interested person during the same financial year.
- (c) In the event the value of the transactions of all or any of the Malaysia Properties to interested person(s) of the Company is equal to or exceeds the financial materiality threshold prescribed in Chapter 9 of the Listing Manual, the Company shall seek specific Shareholders' approval and/or make an immediate announcement in respect of such transaction in accordance with Chapter 9 of the Listing Manual.

Notwithstanding the requirements under Chapter 10 and Chapter 9 (as the case may be) of the Listing Manual, the Company will also be making announcement(s) upon the disposal of each Malaysia Property.

In addition to the above, the Company will also be making announcement upon the earlier:

- (a) disposal of all the Malaysia Properties; or
- (b) expiry of the Renewal Disposal Mandate.

### 2.9 Financial effects of the Proposed Disposal of the Malaysia Properties

The *pro forma* financial effects of the Proposed Disposal of the Malaysia Properties are purely for illustrative purposes and are neither indicative of the actual financial effects of the Proposed Disposal of the Malaysia Properties on the EPS and NTA of the Company, nor are they indicative of the actual financial performance or the financial position of the Company for FY2020.

The *pro forma* financial effects have been prepared based on the audited consolidated financial statements of the Group for FY2020, being the most recently completed financial year, and on the following key bases and assumptions:

<sup>4</sup> based on the valuation at risk, being the higher of the consideration or the market value of the assets.

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- (a) For the purposes of illustrating the financial effects of the Proposed Disposal of the Malaysia Properties on the EPS of the Group, it is assumed that all the Malaysia Properties were disposed of on 1 July 2019;
- (b) For the purposes of illustrating the financial effect on the NTA per Share of the Group, it is assumed that all the Malaysia Properties were disposed of on 30 June 2020; and
- (c) All the Malaysia Properties were disposed off at 90% of the valuation price conducted on 26 June 2020 by KGV International.

(i) Effect on Group's NTA per share

	Before the Proposed Disposal of the Malaysia Properties	After the Proposed Disposal of the Malaysia Properties
NTA <sup>9</sup> (S\$,000)	44,527	40,717
Number of issued shares (excluding treasury shares) ('000)	139,472	139,472
NTA per share (cents)	31.93	29.19

(ii) Effect on EPS

	Before the Proposed Disposal of the Malaysia Properties	After the Proposed Disposal of the Malaysia Properties
Net loss after tax attributable to equity holders of the Company (S\$'000)	(600)	(1,197)
Weighted average number of shares (excluding treasury shares) ('000)	139,472	139,472
EPS/Loss per share (cents)	(0.43)	(0.86)

- (d) A breakdown of the *pro forma* financial effects (i.e. effects on the Group's NTA and EPS) on a per Malaysia Property basis is as follows:

(i) Property 2

	Before Proposed Disposal	After Proposed Disposal
NTA (S\$'000)	44,527	41,117
Number of issued shares (excluding treasury shares) ('000)	139,472	139,472
NTA per share (cents)	31.93	29.48

<sup>9</sup> NTA is based on net asset value of the Group less intangible assets and non-controlling interests.

## LETTER TO SHAREHOLDERS

	Before Proposed Disposal	After Proposed Disposal
Loss attributable to equity holders of the Company (S\$'000)	(600)	(1,115)
Weighted average number of issued shares (excluding treasury shares) ('000)	139,472	139,472
EPS (cents)	(0.43)	(0.80)

(ii) Property 3

	Before Proposed Disposal	After Proposed Disposal
NTA (S\$'000)	44,527	44,127
Number of issued shares (excluding treasury shares) ('000)	139,472	139,472
NTA per share (cents)	31.93	31.64

	Before Proposed Disposal	After Proposed Disposal
Loss attributable to equity holders of the Company (S\$'000)	(600)	(681)
Weighted average number of issued shares (excluding treasury shares) ('000)	139,472	139,472
EPS (cents)	(0.43)	(0.49)

### 2.10 Relative figures computed pursuant to Rule 1006 of the Listing Manual

For the purposes of Chapter 10 of the Listing Manual, the relative figures for the Proposed Disposal of the Malaysia Properties (assuming all Malaysia Properties are disposed) using the applicable bases of comparison under Rule 1006 of the Listing Manual, based on the unaudited consolidated financial statements of the Company for the year ended 30 June 2020, are as follows:

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Listing Rule	Bases of Computation	Relative figures (%)
Rule 1006(a)	Net asset value of the Malaysia Properties compared with the Group's net asset value	9.51% <sup>10</sup>
Rule 1006(b)	Net loss <sup>11</sup> attributable to the Malaysia Properties compared with the Group's net loss	99.33% <sup>12</sup>
Rule 1006(c)	Aggregate value of the consideration to be received compared with the Company's market capitalisation <sup>13</sup> based on the total number of issued Shares excluding treasury shares	27.32% <sup>14</sup>
Rule 1006(d)	Number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable <sup>15</sup>
Rule 1006(e)	Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves	Not applicable <sup>16</sup>

### 2.11 Intended Use of Proceeds

The Company expects to utilise the net proceeds<sup>17</sup> of the Proposed Disposal of the Malaysia Properties of approximately RM 9,454,365 (equivalent to approximately S\$3,088,363), after deducting transactions cost<sup>18</sup> as follows:

Use of Net Proceeds	Percentage Allocation
General working capital for the Group	50%
Repayment of bank loans (including those associated with the Malaysia Properties) <sup>4</sup>	50%
Total	100%

<sup>10</sup> Under Rule 1003(2) of the Listing Manual, "net assets" means the higher of the book value or the market value of the assets. The net asset value of the Malaysia Properties is approximately S\$4,233,514 based on KGV valuation reports dated 26 June 2020, whilst the net asset value of the Group is S\$44,527,734 as at 30 June 2020.

<sup>11</sup> Under Rule 1002(3)(b) of the Listing Manual, "net profits" means profit or loss before income tax, minority interests and extraordinary items.

<sup>12</sup> Determined by dividing the net loss of approximately S\$596,000 (as calculated in paragraph 2.5(a)(iv) above) attributable to the Malaysia Properties by the Group's latest unaudited consolidated net loss of S\$600,000 for the financial year ended 30 June 2020.

<sup>13</sup> For purpose of illustration and for purpose of this Appendix, the market capitalisation of the Company is determined by multiplying the 139,472,000 Shares (excluding treasury shares) by S\$0.10 per share on 30 September 2020, being the closing price of such shares transacted on the market day immediately preceding the Latest Practicable Date.

<sup>14</sup> Calculated based on approximately S\$3,810,162, being the Minimum Disposal Price of all the Malaysia Properties. A breakdown of the Minimum Disposal Price of each Malaysia Property is set out in paragraph 2.4(b) above.

<sup>15</sup> This basis is not applicable as it is not an acquisition.

<sup>16</sup> This basis is not applicable as it only applies to a disposal of mineral, oil and gas assets by a mineral, oil and gas company.

<sup>17</sup> Assumed that all the Malaysia Properties are disposed at Minimum Disposal Price.

<sup>18</sup> Transactions cost include commission, legal fees and repayment of bank facilities associated with the Malaysia Properties.

<sup>4</sup> Any sales consideration will first be used to repay the bank loans for the discharge of the Malaysia Properties, so that the Malaysia Properties can be transferred to the purchaser under the respective sale and purchase agreements. Subsequently, the sales consideration will be used to pay for all the necessary costs incurred in relation to the disposals (commission, legal costs and relevant tax payments). The remaining funds will then be used for general working capital and also to repay other bank loans.

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A breakdown of the estimated net proceeds of the disposal of the Malaysia Properties is as follows:

(i) Property 2

	(S\$)
Consideration	3,410,330
Less: transaction cost (commission and legal costs)	(136,413)
Less: repayment of bank facilities	(564,836)
Net Proceeds	2,709,081

(ii) Property 3

	(S\$)
Consideration	399,832
Less: transaction cost (commission and legal costs)	(20,550)
Net Proceeds	379,282

Pending deployment of the net proceeds for the purposes mentioned above, such proceeds may be deposited with banks and/or financial institutions or used for any other purpose on a short term basis, as the Directors may deem appropriate in the interests of the Group.

### 2.12 Interest of the Directors and Controlling Shareholders

As stated in paragraph 2.8 above, in the event the value of the transactions of all or any of the Malaysia Properties to interested person(s) of the Company is equal to or exceeds the financial materiality threshold prescribed in Chapter 9 of the Listing Manual, the Company shall seek specific Shareholders' approval and/or make immediate announcement in respect of such transaction in accordance with Chapter 9 of the Listing Manual.

### 2.13 Directors' Service Contracts

The Directors undertake that no person shall be proposed to be appointed as a Director of the Company in connection with the Proposed Disposal of the Malaysia Properties and accordingly, there shall be no service contract to be entered into between the Company and any such person.

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## LETTER TO SHAREHOLDERS

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### 2.14 Interests of Directors and Substantial Shareholders

- (a) **Directors Interests.** As at the Latest Practicable Date, the interests of the Directors of the Company in the Shares of the Company are as follows:

Name of Directors	Direct Interest		Deemed Interest	
	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>
Douglas Foo Peow Yong	31,926,740	22.89	60,000,100 <sup>(2)</sup>	43.02

**Notes:**

(1) The percentage of shareholdings is calculated based on 139,472,000 Shares (excluding treasury shares) as at the Latest Practicable Date.

(2) Mr. Douglas Foo Peow Yong is deemed interested in 100 Shares held by his wife, Ms Koh Yen Khoon and 60,000,000 Shares held in trust by Raffles Nominees (Pte) Limited.

- (b) **Substantial Shareholders Interests.** As at the Latest Practicable Date, the interest of the Substantial Shareholders of the Company in the Shares of the Company are as follows:

Name of Substantial Shareholders	Direct Interest		Deemed Interest	
	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>
Douglas Foo Peow Yong	31,926,740	22.89	60,000,100 <sup>(2)</sup>	43.02
Goh Khoon Lim	4,320,000	3.10	13,860,000 <sup>(3)</sup>	9.94

**Notes:**

(1) The percentage of shareholdings is calculated based on 139,472,000 Shares (excluding treasury shares) as at the Latest Practicable Date.

(2) Mr. Douglas Foo Peow Yong is deemed interested in 100 Shares held by his wife, Ms Koh Yen Khoon and 60,000,000 Shares held in trust by Raffles Nominees (Pte) Limited.

(3) Mr. Goh Khoon Lim is deemed interested in 13,860,000 Shares held by KGI Securities (Singapore) Pte. Ltd.

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## LETTER TO SHAREHOLDERS

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### 3. PROPOSED RENEWAL OF SHARE BUYBACK MANDATE

#### 3.1 Introduction

The Board is proposing to seek Shareholders' approval for the proposed renewal of the Share Buyback Mandate (which will expire on the date of the forthcoming AGM) without any changes, at the forthcoming AGM to take effect until the next AGM of the Company.

The Share Buyback Mandate was first approved by Shareholders on 29 October 2019 at the annual general meeting held on 29 October 2019. Accordingly, the Company will be seeking the approval of Shareholders for a renewal of the Share Buyback Mandate, without any changes, at the forthcoming AGM.

The Share Buyback Mandate, if renewed, will continue in force until the next annual general meeting of the Company (whereupon it will lapse, unless renewed at such meeting), or the date on which the authority conferred by the Company at general meeting (if so varied or revoked prior to the next annual general meeting), or the date on which purchases and acquisitions of Shares pursuant to the Share Buyback Mandate are carried out to the full extent mandated (if so varied or revoked prior to the next annual general meeting), whichever is the earliest.

#### 3.2 Rationale for the Share Buyback Mandate

The Company proposes to seek Shareholders' approval for the Share Buyback Mandate to give Directors the flexibility to undertake Share Purchases or acquisitions up to ten per cent (10%) of the Company's total issued shares (excluding Treasury Shares and Subsidiary Holdings, if any), as at the date of passing of the resolution at the Company's AGM, as described in paragraph 3.3 below at any time, subject to market conditions, during the period when the Share Buyback Mandate is in force.

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

- (a) The Directors constantly seek to increase Shareholders' value and to improve, *inter alia*, the return on equity of the Group. A share buyback at the appropriate price level is one of the ways through which the return on equity of the Group may be enhanced. The Proposed Adoption of the Share Buyback Mandate will give the Directors the flexibility to purchase or acquire the Shares as and when circumstances permit.
- (b) The Directors believe that Share Buyback Mandate provides the Company with a mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements in an expedient, effective and cost-efficient manner. It will also provide the Directors with greater flexibility over the Company's dividend payout, cash reserves and share capital structure with a view to enhancing the earnings and/or NTA value per Share.
- (c) The Directors further believe that Share Buyback Mandate by the Company will help mitigate short-term market volatility, offset the effects of short-term speculation and bolster the confidence of Shareholders.



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The Share Purchases will only be undertaken as and when the Directors consider it to be in the best interests of the Company. If and when circumstances permit, the Directors will decide whether to effect the Share Purchases via On-Market Purchases or Off-Market Purchases, after taking into account the amount of surplus cash available, the prevailing market conditions and the most cost-effective and efficient approach. The Directors do not propose to carry out buybacks of Shares to an extent that would, or in circumstances that might, result in a material adverse effect on the liquidity, the orderly trading of the Shares, the financial position of the Company and/or result in the Company being delisted from the SGX-ST. For example, the Directors will ensure that a buyback of Shares will not be carried out to such an extent that the free float of the Company's Shares held by the public falls to below ten per cent (10%).

Any Share Purchase will have to be made in accordance with, and in the manner prescribed by, the Companies Act, the Constitution, and such other laws and regulations as may, for the time being, be applicable.

### 3.3 Authority and Limits of the Proposed Share Buyback Mandate

The authority and limitations placed on the Share Purchases by the Company under the proposed Share Buyback Mandate are summarised below:

(2) Maximum number of shares

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

The total number of Shares that may be purchased under the Share Buyback Mandate is limited to that number of Shares representing not more than ten per cent (10%) of the issued ordinary share capital of the Company as at the Approval Date, unless the Company has reduced its share capital by a special resolution under Section 78C of the Companies Act, at any time during the Relevant Period, in which event the total number of Shares shall be taken to be the total number of Shares as altered by the special resolution. Any Shares which are held as Treasury Shares or Subsidiary Holdings will be disregarded for purposes of computing the ten per cent (10%) limit. As at the Latest Practicable Date, there are Treasury Shares in total of 2,528,000 held in the name of the Company.

For illustrative purposes only, on the basis of 139,472,000 Shares (excluding Treasury Shares and Subsidiary Holdings) in issue as at the Latest Practicable Date and assuming that no further Shares are issued on or prior to the 2019 AGM, not more than 13,947,200 Shares (representing ten per cent (10%) of the Shares in issue (excluding Treasury Shares and Subsidiary Holdings) as at the Approval Date) may be purchased or acquired by the Company pursuant to the proposed Share Buyback Mandate.

**Although the Share Buyback Mandate would authorise the Company to purchase or acquire up to 10% of the issued ordinary share capital of the Company (excluding Treasury Shares and Subsidiary Holdings), the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of the issued ordinary share capital of the Company (excluding Treasury Shares and Subsidiary Holdings). In particular, no purchase or acquisition of the Shares would be made in circumstances which would have or may have a material adverse effect on the financial position of the Company or the Group.**

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The Company may not acquire its own Shares if as a result thereof, the issued share capital of the Company would be reduced below the minimum subscribed capital specified in the Constitution, or if the Share Purchases is carried out to such an extent that it affects the listing status of the Company on the SGX-ST or causes the Company to be unable to meet the minimum public float requirement.

(3) Duration of authority

Approval for the Share Buyback Mandate is being sought from Shareholders at the date of the AGM for the purchase by the Company of its issued Shares. If approved, the Share Buyback Mandate will take effect from the passing of the resolution approving the said mandate at the AGM and continue in force up to the earliest of:

- (a) the conclusion of the next AGM;
- (b) the date by which such AGM is required to be held;
- (c) the date on which the Share Purchases are carried out to the full extent mandated; or
- (d) the date on which the authority contained by the Share Buyback Mandate is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

The authority conferred on the Directors by the Share Buyback Mandate to purchase or acquire Shares may be renewed at each AGM or other general meetings of the Company.

(4) Manner of Share Purchases

Share Purchases may be made by way of:

- (a) An on-market Share Buyback (“**On-Market Purchases**”), transacted on the SGX-ST through the ready market or the special trading counter on SGX-ST trading system, through one or more duly licensed stock brokers appointed by the Company for the purpose; and/or
- (b) An off-market Share buyback (“**Off-Market Purchases**”) effected pursuant to an equal access scheme as defined in Section 76C of the Companies Act.

The Directors may impose such terms and conditions which are not inconsistent with the Share Buyback Mandate, the Listing Rules, the Constitution, and Section 76C of the Companies Act, as they consider fit in the interests of the Company in connection with or in relation to an equal access scheme or schemes.

Under Section 76C of the Companies Act, an equal access scheme must satisfy all of the following conditions:

- (a) offers for the purchase of issued Shares shall be made to every person who holds Shares, to purchase or acquire the same percentage of their Shares;
- (b) all of those persons shall be given a reasonable opportunity to accept the offers made to them; and

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- (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 the offers relate to Shares with different amounts remaining unpaid (if applicable); and
  - (iii) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

In addition, the Listing Rules provide that, in making an Off-Market Purchase (in accordance with an equal access scheme), the Company must issue an offer document to all Shareholders which must contain 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 Share Purchase;
- (d) the consequences, if any, of Share Purchases by the Company that will arise under the Takeover Code or other applicable take-over rules;
- (e) whether the Share Purchase, if made, could affect the listing of the Shares on the Listing;
- (f) details of any Shares purchased made by the Company in the previous twelve (12) months (whether by way of On-Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such Share Purchases, where relevant, and the total consideration paid for such Share Purchases; and
- (g) whether the Shares purchased will be cancelled or kept as Treasury Shares.

### 3.4 Maximum Purchase Price

The purchase price (excluding brokerage, commissions, stamp duties, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors.

However, the purchase price to be paid for a Share pursuant to the Share Purchases as determined by the Directors must not exceed:

- (a) in the case of an On-Market Purchase, one hundred and five per cent (105%) of the Average Closing Price of the Shares; and
- (b) in the case of an Off-Market Purchase, one hundred and twenty per cent (120%) of the Average Closing Price of the Shares,

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

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For the above purposes:

**“Average Closing Price”** means the average of the closing market prices of the shares over the last five (5) market days, on which transactions in the share were recorded, before the day on which the purchases are made; and deemed to be adjusted for any corporate action that occurs during the relevant 5-day period and the day on which the purchases are made;

**“day 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 holders of Shares, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

### 3.5 Status of Purchased Shares

A Share purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation), unless such Share is held by the Company as a Treasury Share. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as Treasury Shares.

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

The Directors will decide whether the Shares purchased will be cancelled or kept as Treasury Shares, or partly cancelled and partly kept as Treasury Shares, depending on the needs of the Company.

### 3.6 Treasury Shares

Under the Companies Act, Shares purchased or otherwise 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) Maximum holdings

Under Section 76I 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 issued Shares. Any Shares held as Treasury Shares in excess of this limit shall be disposed of or cancelled by the Company in accordance with Section 76K of the Companies Act within six (6) months from the date such limit is exceeded, or such further period as may be allowed by ACRA.

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## LETTER TO SHAREHOLDERS

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(3) Voting and other rights

The Company cannot exercise any right in respect of Treasury Shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the Treasury Shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of Treasury Shares. However, the allotment of Shares as fully paid bonus shares in respect of Treasury Shares is allowed. Also, a subdivision or consolidation of any Treasury Shares into Treasury Shares of a smaller amount is allowed so long as the total value of the Treasury Shares after the subdivision or consolidation is the same as before.

(4) Disposal and cancellation

Where Shares are held as Treasury Shares, the Company may at any time (subject to the Takeover Code):

- (a) sell the Treasury Shares (or any of them) for cash;
- (b) transfer the Treasury Shares (or any of them) for the purposes of, or pursuant to share schemes implemented by the Company;
- (c) transfer the Treasury Shares (or any of them) as consideration for the acquisition of Shares in, or assets of, another company or assets of a person;
- (d) cancel the Treasury Shares (or any of them); or
- (e) sell, transfer or otherwise use the Treasury Shares for such other purposes as may be prescribed by the Minister for Finance.

Under the Listing 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 treasury shares, the purpose of the sale, transfer, cancellation and/or use of treasury shares, the number of treasury shares comprised in the sale, transfer, cancellation and/or use, the number of treasury shares before and after the sale, transfer, cancellation and/or use, the percentage of the number of treasury shares comprised in the sale, transfer, cancellation and/or use against the total number of issued shares (of the same class as the treasury shares) which are listed on the SGX-ST before and after the sale, transfer, cancellation and/or use of treasury shares and the value of the treasury shares in relation to such sale, transfer, cancellation and/or use.

### 3.7 Source of funds for Share Buyback

In purchasing or acquiring Shares, the Company may only apply funds legally available for such purchase or acquisition in accordance with the Constitution and the applicable laws of Singapore. As stated in the Companies Act, the share buyback may be made out of the Company's profits or capital so long as the Company is solvent.

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## LETTER TO SHAREHOLDERS

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Pursuant to Section 76F(4) of the Companies Act, a company is solvent if (a) it is able to pay its debts in full at the time of payment and will be able to pay its debts as they fall due in the normal course of business in the twelve (12) months following such date of payment; and (b) the value of its assets is not less than the value of its liabilities (including contingent liabilities) and such value of its assets will not, after any purchase of shares for purposes of any proposed acquisition or release of the company's obligations, become less than the value of its liabilities (including contingent liabilities). In determining whether the Company is solvent, the Directors must have regard to the most recently audited financial statements, other relevant circumstances, and may rely on valuations or estimation of assets or liabilities. In determining the value of contingent liabilities, the Directors may take into account the likelihood of the contingency occurring, as well as any counter-claims by the Company.

The Company intends to use internal sources of funds, or a combination of internal resources and external borrowings to finance the Company's purchase or acquisition of Shares pursuant to the Share Buyback Mandate. In purchasing or acquiring Shares pursuant to the Share Buyback Mandate, the Directors will, firstly, consider the availability of internal resources before considering the availability of external financing. The Company will only make purchases or acquisitions pursuant to the Share Buyback Mandate in circumstances which they believe will not result in any material adverse effect to the financial position of the Company or would cause the Company to be insolvent.

The Directors do not propose to exercise the Share Buyback Mandate in a manner and to such extent that the liquidity and capital adequacy position of the Group would be materially adversely affected. The purchase of the Shares will only be effected after considering relevant factors such as the working capital requirement, availability of financial resources, the expansion and investment plans of the Group, and the prevailing market conditions.

### 3.8 Financial effects of the Share Buyback Mandate

The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Buyback Mandate will depend on, *inter alia*, how the Shares are purchased or acquired, the price paid for such Shares and whether the Shares purchased or acquired are held in treasury or cancelled.

The Company's total issued share capital will be diminished by the total nominal amount of the Shares purchased by the Company. The NTA of the Company and the Group will be reduced by the aggregate purchase price paid by the Company for the Shares. The purchase price paid by the Company for the Shares (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

The financial effects on the Company and the Group, based on the audited financial statements of the Company and the Group for the financial year ended 30 June 2020, are based on the following principal assumptions:

- (a) the purchase or acquisition of Shares pursuant to the Share Buyback Mandate had taken place on 1 July 2019 for the purpose of computing the financial effects on the EPS of the Group and the Company;

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## LETTER TO SHAREHOLDERS

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- (b) the purchase or acquisition of Shares pursuant to the Share Buyback Mandate had taken place on 1 July 2019 for the purpose of computing the financial effects on the Shareholders' equity, NTA per Share and gearing of the Group and the Company; and
  - (c) transaction costs incurred for the purchase or acquisition of Shares pursuant to the Share Buyback Mandate are assumed to be insignificant and have been ignored for the purpose of computing the financial effects.
- (2) Purchase or acquisition out of capital or profits

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 (excluding related brokerage, goods and services tax, stamp duties and clearance fees) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration (excluding related brokerage, goods and services tax, stamp duties and clearance fees) 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 but the issued share capital of the Company will be reduced by the value of the Shares purchased.

(3) Information as at the Latest Practical Date

As at the Latest Practicable Date, the issued capital of the Company is S\$10,736,283 comprising (i) 139,472,000 issued Shares and (ii) 2,528,000 treasury Shares. No Shares are reserved for issue by the Company as at the Latest Practicable Date.

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 but the issued share capital of the Company will be reduced by the value of the Shares purchased.

(4) Financial effects

For illustrative purposes only, and on the basis of the principal assumptions (a) to (c) in paragraph 3.8 above and the assumptions set out below, the financial effects of the:

- (a) acquisition of Shares by the Company pursuant to the Share Buyback Mandate by way of purchases made entirely out of capital and held as treasury Shares; and
- (b) acquisition of Shares by the Company pursuant to the Share Buyback Mandate by way of purchases made entirely out of capital and cancelled,

based on the audited financial statements of the Group and the Company for the financial year ended 30 June 2020 are set out in the paragraphs below.

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## LETTER TO SHAREHOLDERS

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(i) **Purchases made entirely out of capital and held as Treasury Shares**

Market Purchase

**For illustrative purposes only**, in a Market Purchase, based on the assumption that such purchase or acquisition of Shares is financed solely by borrowings of approximately S\$5,228,108 (comprising the principal amount and accrued interest thereon), and assuming that the Maximum Price is S\$0.3671 which is 5% above the average of the closing market prices of a Share over the last five (5) Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date, the maximum amount of funds required for the purchase of up to 13,947,200 Shares (representing approximately 10% of the issued ordinary share capital of the Company (excluding treasury Shares) as at the Latest Practicable Date, which is the maximum number of Shares the Company is allowed to purchase) under and during the duration of the Share Buyback Mandate, is approximately S\$5,125,596. On these assumptions, the impact of the Share Purchases by the Company undertaken in accordance with the proposed Share Buyback Mandate on the Company's and Group's audited financial statements for the financial year ended 30 June 2020 is as follows:



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## LETTER TO SHAREHOLDERS

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As at 30 June 2020	Company		Group	
	Before the Share Buyback	After the Share Buyback	Before the Share Buyback	After the Share Buyback
Shareholders' equity (S\$'000)	34,515	29,287	45,243	40,015
NTA (S\$'000)	34,515	29,287	44,527	39,299
Current Assets (S\$'000)	5,818	5,716	17,786	17,684
Current Liabilities (S\$'000)	61,855	66,981	54,966	60,092
Total Borrowings (S\$'000)	43,667	48,793	44,287	49,413
Cash & Cash Equivalents/(Overdraft) (S\$'000)	4,765	4,663	7,142	7,040
Net Loss (S\$'000)	-707	-809	-600	-702
Number of Shares ('000)	139,472	125,525	139,472	125,525
<b>Financial Ratios</b>				
NTA per Share (cents)	24.75	23.33	31.93	31.31
Basic EPS (cents)	-0.51	-0.64	-0.43	-0.56
Gearing Ratio	1.27	1.67	0.98	1.23
Current Ratio (times)	0.09	0.09	0.32	0.29

**Note:**

(1) Number of Shares excludes 2,528,000 Shares that are held as Treasury Shares.

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## LETTER TO SHAREHOLDERS

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### Off-Market Purchase

**For illustrative purposes only**, in an Off-Market Purchase, based on the assumption that such purchase or acquisition of Shares is financed solely by borrowings of approximately S\$5,477,065 (comprising the principal amount and accrued interest thereon), and assuming that the Maximum Price is S\$0.3850 which is 10% above the average of the closing market prices of a Share over the last five (5) Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date, the maximum amount of funds required for the purchase of up to 13,947,200 Shares (representing approximately 10% of the total issued ordinary share capital of the Company (excluding treasury Shares) as at the Latest Practicable Date, which is the maximum number of Shares the Company is allowed to purchase) under and during the duration of the Share Buyback Mandate, is approximately S\$5,369,672. On these assumptions, the impact of the Share Purchases by the Company undertaken in accordance with the proposed Share Buyback Mandate on the Company's and the Group's audited financial statements for the financial year ended 30 June 2020 is as follows:

As at 30 June 2020	Company		Group	
	Before the Share Buyback	After the Share Buyback	Before the Share Buyback	After the Share Buyback
Shareholders' equity (S\$'000)	34,515	29,038	45,243	39,766
NTA (S\$'000)	34,515	29,038	44,527	39,050
Current Assets (S\$'000)	5,818	5,711	17,786	17,679
Current Liabilities (S\$'000)	61,855	67,225	54,966	60,336
Total Borrowings (S\$'000)	43,667	49,037	44,287	49,657
Cash & Cash Equivalents/(Overdraft) (S\$'000)	4,765	4,658	7,142	7,035
Net Loss (S\$'000)	-707	-814	-600	-707
Number of Shares ('000)	139,472	125,525	139,472	125,525
<b>Financial Ratios</b>				
NTA per Share (cents)	24.75	23.13	31.93	31.11
Basic EPS (cents)	-0.51	-0.65	-0.43	-0.56
Gearing Ratio	1.27	1.69	0.98	1.25
Current Ratio (times)	0.09	0.08	0.32	0.29

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## LETTER TO SHAREHOLDERS

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**Note:**

(1) Number of Shares excludes 2,528,000 Shares that are held as Treasury Shares.

(ii) **Purchases made entirely out of capital and cancelled**

Market Purchase

**For illustrative purposes only**, in a Market Purchase, based on the assumption that such purchase or acquisition of Shares is financed solely by borrowings of approximately S\$5,228,108 (comprising the principal amount and accrued interest thereon), and assuming that the Maximum Price is S\$0.3675, which is 5% above the average of the closing market prices of a Share over the last five (5) Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date on which transactions in the Shares were recorded, the maximum amount of funds required for the purchase of up to 13,947,200 Shares (representing approximately 10% of the total issued ordinary share capital of the Company (excluding treasury Shares) as at the Latest Practicable Date, which is the maximum number of Shares the Company is allowed to purchase) under and during the duration of the Share Buyback Mandate, is approximately S\$5,125,596. On these assumptions, the impact of the Share Purchases by the Company undertaken in accordance with the proposed Share Buyback Mandate on the Company's and the Group's audited financial statements for the financial year ended 30 June 2020 is as follows:

As at 30 June 2020	Company		Group	
	Before the Share Buyback	After the Share Buyback	Before the Share Buyback	After the Share Buyback
Shareholders' equity (S\$'000)	34,515	29,287	45,243	40,015
NTA (S\$'000)	34,515	29,287	44,527	39,299
Current Assets (S\$'000)	5,818	5,716	17,786	17,684
Current Liabilities (S\$'000)	61,855	66,981	54,966	60,092
Total Borrowings (S\$'000)	43,667	48,793	44,287	49,413
Cash & Cash Equivalents/(Overdraft) (S\$'000)	4,765	4,663	7,142	7,040
Net Loss				

(S\$'000)	<b>-707</b>	<b>-809</b>	<b>-600</b>	<b>-702</b>
Number of Shares ('000)	<b>139,472</b>	<b>125,525</b>	<b>139,472</b>	<b>125,525</b>
<b>Financial Ratios</b>				
NTA per Share (cents)	<b>24.75</b>	<b>23.33</b>	<b>31.93</b>	<b>31.31</b>
Basic EPS (cents)	<b>-0.51</b>	<b>-0.64</b>	<b>-0.43</b>	<b>-0.56</b>
Gearing Ratio	<b>1.27</b>	<b>1.67</b>	<b>0.98</b>	<b>1.23</b>
Current Ratio (times)	<b>0.09</b>	<b>0.09</b>	<b>0.32</b>	<b>0.29</b>

**Note:**

(1) Number of Shares excludes 2,528,000 Shares that are cancelled.

Off-Market Purchase

**For illustrative purposes only**, in an Off-Market Purchase, based on the assumption that such purchase or acquisition of Shares is financed solely by borrowings of approximately S\$5,477,065 (comprising the principal amount and accrued interest thereon), and assuming that the Maximum Price is S\$0.3850, which is 10% above the average of the closing market prices of a Share over the last five (5) Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date on which transactions in the Shares were recorded, the maximum amount of funds required for the purchase of up to 13,947,200 Shares (representing approximately 10% of the total issued ordinary share capital of the Company (excluding treasury Shares) as at the Latest Practicable Date, which is the maximum number of Shares the Company is allowed to purchase) under and during the duration of the Share Buyback Mandate, is approximately S\$5,369,672. On these assumptions, the impact of the Share Purchases by the Company undertaken in accordance with the proposed Share Buyback Mandate on the Company's and the Group's audited financial statements for the financial year ended 30 June 2020 is as follows:

<b>As at 30 June 2020</b>	<b>Company</b>		<b>Group</b>	
	<b>Before the Share Buyback</b>	<b>After the Share Buyback</b>	<b>Before the Share Buyback</b>	<b>After the Share Buyback</b>
Shareholders' equity (S\$'000)	<b>34,515</b>	<b>29,038</b>	<b>45,243</b>	<b>39,766</b>
NTA (S\$'000)	<b>34,515</b>	<b>29,038</b>	<b>44,527</b>	<b>39,050</b>
Current Assets (S\$'000)	<b>5,818</b>	<b>5,711</b>	<b>17,786</b>	<b>17,679</b>
Current Liabilities (S\$'000)	<b>61,855</b>	<b>67,225</b>	<b>54,966</b>	<b>60,336</b>
Total Borrowings (S\$'000)	<b>43,667</b>	<b>49,037</b>	<b>44,287</b>	<b>49,657</b>
Cash & Cash Equivalents/(Overdraft) (S\$'000)	<b>4,765</b>	<b>4,658</b>	<b>7,142</b>	<b>7,035</b>

Net Loss (S\$'000)	<b>-707</b>	<b>-814</b>	<b>-600</b>	<b>-707</b>
Number of Shares (‘000)	<b>139,472</b>	<b>125,525</b>	<b>139,472</b>	<b>125,525</b>
<b>Financial Ratios</b>				
NTA per Share (cents)	<b>24.75</b>	<b>23.13</b>	<b>31.93</b>	<b>31.11</b>
Basic EPS (cents)	<b>-0.51</b>	<b>-0.65</b>	<b>-0.43</b>	<b>-0.56</b>
Gearing Ratio	<b>1.27</b>	<b>1.69</b>	<b>0.98</b>	<b>1.25</b>
Current Ratio (times)	<b>0.09</b>	<b>0.08</b>	<b>0.32</b>	<b>0.29</b>

**Note:**

(1) Number of Shares excludes 2,528,000 Shares that are cancelled.

The actual impact will depend on the number and price of the Shares bought back. As stated, 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 and/or gearing of the Group. The purchase of Shares will only be effected after assessing the relative impact of a share buyback taking into consideration both financial factors (such as cash surplus, debt position and working capital requirements) and non-financial factors (such as share market conditions and performance of the Shares).

**Shareholders should note that the financial effects illustrated above, based on the respective aforesaid assumptions, are for illustration purposes only. In particular, it is important to note that the above analysis is based on the audited accounts of the Company and the Group for FY2020, and is not necessarily representative of the future financial performance of the Company and the Group.**

It should be noted that although the Share Buyback Mandate would authorise the Company to purchase or otherwise acquire up to ten per cent (10%) of the issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or otherwise acquire the entire ten per cent (10%) of the issued Shares. In addition, the Company may cancel, or hold as Treasury Shares, all or part of the Shares purchased or otherwise acquired. The Company will take into account both financial and non-financial factors (for example, stock market conditions and the performance of the Shares) in assessing the relative impact of a Share Purchase before execution. Taking all these things into consideration, the Board will only consider to proceed with the execution of the Share Purchase if the effects are beneficial to the Company and its shareholders.

### 3.2 Reporting requirements

Within fourteen (14) days of the passing of a Shareholders' resolution to approve the proposed Share Buyback Mandate, the Directors shall lodge a copy of the relevant Shareholders' resolution with the Registrar.

The Directors shall lodge with the Registrar a notice of share purchase within thirty (30) days of a share purchase. Such notification shall include the date of the purchases, the number of Shares purchased by the Company, the number of Shares cancelled, the number of Shares held as Treasury Shares, the Company's issued ordinary share capital before and after the purchase, the amount of consideration paid by the Company for the purchase, whether the Shares were purchased out of profits or the capital of the Company, and such other particulars as may be required in the prescribed form.

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## LETTER TO SHAREHOLDERS

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The Listing Rules specify that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m.:

- (a) in the case of an On-Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares; and
- (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer.

Such announcement currently requires the inclusion of details of, *inter alia*, the total number of shares purchased, the purchase price per share or the highest and lowest prices paid for such shares, as applicable. Such announcement will be made in the form prescribed by the Listing Manual. 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 to the SGX-ST.

### 3.3 Listing Status of the Shares

While the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed 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 proposed Share Buyback Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced. In particular, the Company will not purchase or acquire any Shares during the period of two (2) weeks and one (1) month immediately preceding the announcement of the Company’s interim results and the annual (full-year) results respectively.

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.

At any time after any matter or development of a price-sensitive nature has occurred or has been the subject of a decision of the Board, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Buyback Mandate until the price-sensitive information has been publicly announced.

The Listing Manual requires a listed company to ensure that at least 10% of any class of its issued Shares (excluding Treasury Shares) must be held by public shareholders. The “**public**”, as defined under the Listing Manual, are persons other than the Directors, substantial shareholders, chief executive officers or controlling shareholders of the company and its subsidiaries, as well as Associates of such persons.

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## LETTER TO SHAREHOLDERS

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Based on the Register of Members' shareholdings and the Register of Substantial Shareholders maintained by the Company as at the Latest Practicable Date, there are 28,594,960 Shares in the hands of public shareholders, representing approximately 20.50% of the issued Shares. As at the Latest Practicable Date and assuming the Company undertakes purchases or acquisitions of its Shares up to the full ten per cent (10%) limit pursuant to the Share Buyback Mandate, approximately 14,647,760 Shares, representing approximately 10.50% of the issued Shares will be held by public Shareholders. Accordingly, the Company is of the view that there is a sufficient number of the Shares in issue held by public Shareholders which would permit the Company to undertake purchases or acquisitions of its Shares through Market Purchases up to the full 10% limit pursuant to the Share Buyback Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to affect orderly trading.

### 3.4 Take-over Implications

Annex 2 of the Take-over Code contains the share buyback 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:

(1) Obligation to make a take-over offer

An increase of a Shareholder's proportionate interest in the voting rights of the Company resulting from a buyback of Shares 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, if such increase results in a change of effective control, or, as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code.

Rule 14.1 of the Take-over Code requires, inter alia, that, except with the consent of the SIC, where:

- (a) any person acquires, whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30% or more of the voting rights of a company; or
- (b) any person who, together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights and such person, or any person acting in concert with him, acquires in any period of six (6) months additional shares carrying more than one per cent (1%) of the voting rights, such person shall extend immediately an offer on the basis set out below to the holders of any class of shares in the capital which carries votes and in which such person or persons acting in concert with him hold shares. In addition to such person, each of the principal members of the group of persons acting in concert with him may, according to the circumstances of the case, have the obligation to extend an offer.

The offer required to be made under the provisions of Rule 14.1 of the Take-over Code shall, in respect of each class of shares in the capital involved, be in cash or be accompanied by a cash alternative at the Required Price.

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## LETTER TO SHAREHOLDERS

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For the above purposes, “**Required Price**” means in relation to the offer required to be made under the provisions of Rule 14.1 of the Take-over Code, the offer shall be in cash or be accompanied by a cash alternative at a price in accordance with Rule 14.3 of the Take-over Code which is the highest of the highest price paid by the offerors and/or person(s) acting in concert with them for the Shares (i) during the offer period and within the preceding six (6) months, (ii) acquired through the exercise of instruments convertible into securities which carry voting rights within six (6) months of the offer and during the offer period, or (iii) acquired through the exercise of rights to subscribe for, and options in respect of, securities which carry voting rights within six (6) months of the offer or during the offer period; or at such price as determined by the SIC under Rule 14.3 of the Take-over Code.

(2) 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 control of that company. Unless the contrary is established, the following persons will, inter alia, be presumed to be acting in concert:

- (a) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the above companies and any company whose associated companies include any of the above companies;
- (b) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by its 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 in respect of the investment account which such person manages on a discretionary basis;
- (e) a financial or other professional adviser, 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 and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total ten per cent (10%) or more of the client’s equity share capital;
- (f) directors of a company, together with their close relatives, related trusts and companies controlled by any of 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 instructions and companies controlled by any of the above.



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## LETTER TO SHAREHOLDERS

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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 for 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 Takeover Code after a Share Purchase by the Company are set out in Annex 2 of the Take-over Code.

(3) Effect of Rule 14 and Annex 2 of the Take-over Code

In general terms, the effect of Rule 14 when read with Annex 2 is that:

- (a) unless exempted, directors of a company and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its 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 50 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; and
- (b) a Shareholder who is not acting in concert with directors will not be required to make a takeover offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder in the Company would increase to 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 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 Buyback Mandate as the case may be.

However, Shareholders will be subject to the provisions of Rule 14 of the Take-over Code if they acquire Shares after the Company's Share Purchases. For the purpose of the Take-over Code, an increase in the percentage of voting rights as a result of the Share Purchases will be taken into account in determining whether a Shareholder and persons acting in concert with him have increased their voting rights by more than one per cent (1%) in any period of six (6) months.

Shareholders (including Directors) and their concert parties who hold more than fifty per cent (50%) of the Company's voting rights are under no obligation to make a take-over offer if the voting rights of such Shareholders and their concert parties were to increase as a result of the Company purchasing or acquiring Shares.

In calculating the percentages of voting rights of such Directors and their concert parties, Treasury Shares shall be excluded.

If the Company decides to cease the Share Purchases before it has purchased in full such number of Shares authorised by its Shareholders at the general meeting, the Company will promptly inform its Shareholders of such cessation. This will assist Shareholders to determine if they can buy any more Shares without incurring an obligation under Rule 14 of the Take-over Code.

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## LETTER TO SHAREHOLDERS

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Mr Douglas Foo Peow Yong, a trustee company, his father Mr Foo Kia Hee, his sisters Ms Foo Lena and Ms Foo Lilian, and his wife Ms Koh Yen Khoon, who collectively hold 92,697,500 Shares representing 66.5% of the issued share capital of the Company are deemed parties acting in concert with each other under the Take-over Code. In the circumstances, Rule 14 of the Code will not be triggered pursuant to any acquisition or purchases of Shares under the Share Buyback Mandate.

Save as disclosed above and to the best of their knowledge, the Directors are not aware of any fact(s) or factor(s) 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.

Based on the Register of Members' Shareholding and the Register of Substantial Shareholders of the Company as at the Latest Practicable Date, the Directors are not aware of any Director or Substantial Shareholder (together with persons acting in concert with them) who may become obliged to make a mandatory offer under Rule 14 of the Take-over Code in the event that the Company purchases the maximum number of 13,947,200 Shares under the proposed Share Buyback Mandate.

**The statements herein in relation to the Take-over Code do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Take-over Code. Shareholders are advised to consult their professional advisers and/or the SIC and/or the relevant authorities at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any Share Purchases or acquisitions by the Company pursuant to the Share Buyback Mandate.**

### 3.5 Limits on shareholdings

The Company does not have any individual shareholding limit or foreign shareholding limit. However, under the Listing Rules, a company should ensure that at least ten per cent (10%) of a class of its listed securities (excluding Treasury Shares, preference shares and convertible equity securities) is at all times held by the public (as defined in the Listing Rules). The Company shall use its best efforts to ensure that it does not effect a Share Purchase if the Share Purchase would result in the number of Shares remaining in the hands of the public falling to such a level as to cause market illiquidity or adversely affect the listing status of the Company.

### 3.6 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 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.

### 3.7 Shares Purchased By The Company In The Previous 12 Months

The Company has not purchased or acquired any Shares during the 12-month period preceding the Latest Practicable Date.

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## LETTER TO SHAREHOLDERS

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### 3.8 Directors' And Substantial Shareholders' Interest

As at the Latest Practicable Date, the interests of the Directors in the Shares, as extracted from the Register of Directors' shareholdings, and the interests of the substantial Shareholders in the Shares (being a Shareholder whose interests in the Company's issued ordinary share capital is equal to or more than 5%), as extracted from the Register of Substantial Shareholders, are as follows:

Names of Directors and Shareholders	Direct Interest		Deemed Interest	
	Number of Shares	% <sup>(1)</sup>	Number of Shares	% <sup>(1)</sup>
<b>Directors</b>				
Douglas Foo Peow Yong	31,926,740	22.89	60,000,100 <sup>(2)</sup>	43.02
Foo Lilian	100	-	-	-
<b>Substantial Shareholders</b>				
Douglas Foo Peow Yong	31,926,740	22.89	60,000,100 <sup>(2)</sup>	43.02
Goh Khoon Lim	4,320,000	13.03	13,860,000 <sup>(3)</sup>	9.94

**Notes:**

- (1) The percentage of shareholdings is calculated based on 139,472,000 Shares (excluding treasury shares) as at the Latest Practicable D.
- (2) Mr. Douglas Foo Peow Yong is deemed interested in 100 Shares held by his wife, Ms Koh Yen Khoon and 60,000,000 Shares held in trust by Raffles Nominees (Pte) Limited.
- (3) Mr. Goh Khoon Lim is deemed interested in 13,860,000 Shares held by KGI Securities (Singapore) Pte. Ltd.

Save as disclosed in this Appendix, none of the Directors or Substantial Shareholders have any direct or indirect interest in the above transactions other than their respective shareholdings in the Company.

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## LETTER TO SHAREHOLDERS

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### 4. DIRECTORS' RECOMMENDATION

#### 4.1 The Proposed Renewal of the Disposal Mandate in relation to Property 2 and Property 3

The Directors, all of whom are independent for the purposes of the proposed Renewal Disposal Mandate having considered, *inter alia*, the rationale and benefits of the Renewal Disposal Mandate and the statement of the Audit Committee are of the view that the proposed Renewal Disposal Mandate is in the best interests of the Company and accordingly recommend that the Shareholders vote in favour of the ordinary resolution relating to the proposed Renewal Disposal Mandate, at the AGM.

#### 4.2 The Proposed Renewal of the Share Buyback Mandate

The Directors, all of whom are independent for the purposes of the proposed renewal of the Share Buyback Mandate, having considered, *inter alia*, the terms, the rationale and the benefits of the Share Buyback Mandate, are of the view that the proposed renewal of the Share Buyback Mandate is in the best interests of the Company and accordingly recommend that the Shareholders vote in favour of the ordinary resolution relating to the proposed renewal of the Share Buyback Mandate, at the AGM.

### 5. ANNUAL GENERAL MEETING

The AGM, notice of which is circulated with this Appendix, will be held by electronic means on 30 October 2020 at 10.00 a.m. for the purposes of considering and if, thought fit, passing with or without modifications, the ordinary resolutions set out in the Notice of AGM.

### 6. ACTION TO BE TAKEN BY SHAREHOLDERS

Due to the current COVID-19 restriction orders in Singapore, the AGM will be conducted by electronic means and Shareholders will not be able to physically attend the AGM. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the AGM by (a) observing and/or listening to the proceedings of the AGM through either live audio-visual webcast or live audio-only stream ("electronic means"), (b) submission of questions in advance of the AGM and addressing of substantial and relevant questions, and (c) voting by appointing the Chairman of the meeting as proxy at the AGM. Please refer to the Notice of AGM which is enclosed with the Annual Report circulated with this Appendix for further details.

Shareholders who wish to attend and vote at the AGM must complete, sign and return the proxy form attached to the Notice of AGM (the "**Proxy Form**") in accordance with the instructions printed thereon as soon as possible and in any event, not less than 48 hours before the time fixed for the AGM or 72 hours before the appointed time for the AGM if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as certified by The Central Depository (Pte) Limited to the Company in the case of Shares entered in the Depository Register.

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## LETTER TO SHAREHOLDERS

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### 7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the Proposed Disposal of the Malaysia Properties, the Renewal Disposal Mandate, and the proposed renewal 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 Appendix misleading. Where information in the Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Appendix in its proper form and context.

### 8. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the Company's registered office at 28 Tai Seng Street, Sakae Building Level 7, Singapore 534106 from the date of this Appendix to the date of the forthcoming AGM scheduled to be held on 30 October 2020:

- (a) the valuation reports for the Malaysia Properties;
- (b) the Constitution of the Company; and
- (c) the Annual Report of the Company for FY2020.

Yours faithfully  
For and on behalf of the  
Board of Directors of  
**SAKAE HOLDINGS LTD**

**Douglas Foo Peow Yong**  
Executive Chairman

## ANNEX 2

KGV International  
Property Consultants



Our Ref : KGV 200694

June 26 2020

Apex-Pal (M) Sdn Bhd  
No 7, Jalan Udang Harimau 2  
Medan Niaga Kepong  
51200 Kuala Lumpur

Dear Sir,

**Letter Update of Valuation**  
**Lot No 80479 (Formerly PT 26231)**  
**Mukim of Batu**  
**District of Kuala Lumpur**  
**Wilayah Persekutuan Kuala Lumpur**

Further to our Report and Valuation of reference KGV 190764 dated June 28 2019 and pursuant to your instructions to revalue the abovementioned property for management purpose, we have made relevant investigations and herewith submit our opinion of the present Market Value of the subject property in letter form as you requested. This Update shall not be used by the Client or lending institutions for obtaining fresh or additional funding based on the value reported herein.

**Market Value** is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion.

We have not reinspected the subject property and hence assumed that it is the same as during our earlier inspection. However, the date of valuation is taken to be **June 26 2020**.

Property Valuers  
Machinery Valuers  
Property Managers  
Project Managers  
Auctioneers  
Property Consultants  
Real Estate Agents

**Other Offices :**

**Johor Bahru**

Unit 9-01, Level 9

Johor Bahru City Square

(Office Tower)

106-108, Jalan Wong Ah Fook

80000 Johor Bahru, Johor

Tel: (6)07-224 2022

Fax: (6)07-223 1366

**Penang**

12A-A, Jalan Todak 4

Pusat Bandar

Seberang Jaya

13700 Prai

Penang

Tel: (6)04-398 8111

Fax: (6)04-398 8181

**Established since 1974**



Pendaftaran  
(V(1)0018)

**KGV INTERNATIONAL PROPERTY CONSULTANTS (M) SDN BHD**

(125852-D)

(formerly known as KGV-Lambert Smith Hampton (M) Sdn Bhd)

B-9-9, BLOK B, MEGAN AVENUE II, 12, JALAN YAP KWAN SENG, 50450 KUALA LUMPUR, MALAYSIA.

TEL: (6)03-2161 5355 TELEFAX: (6)03-2164 5355, 2164 1355.

E-mail: kl.valuation@kgvi-property.com Website: www.kgvi-property.com

SST NO.: W10-1808-31002192

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## ANNEX 2

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*Our Ref: KGV 200694*

**KGV International  
Property Consultants**

Some particulars of the subject property as at the date of our previous report are as follows:-

<b>Property</b>	Lot No 80479 (Formerly PT 26231) Mukim of Batu District of Kuala Lumpur Wilayah Persekutuan Kuala Lumpur
<b>Postal Address</b>	No 7, Jalan Udang Harimau 2 Medan Niaga Kepong 51200 Kuala Lumpur
<b>Type</b>	A renovated 2½-storey commercial boutique bungalow building (with lift).
<b>Title</b>	GM 9373 (Formerly HS(M) 12812)
<b>Interest</b>	Freehold.
<b>Land Area</b>	1,604.0 sm (17,265.9 sf)
<b>Annual Rent</b>	RM5,534.00
<b>Category of Land Use</b>	Building
<b>Registered Proprietor</b>	Apex-Pal (Malaysia) Sdn Bhd

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## ANNEX 2

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Our Ref : KGV 200694

KGV International  
Property Consultants

**Express Condition**

Tanah ini hendaklah digunakan untuk bangunan perdagangan bercampur bagi tujuan kedai butik banglo.

**Restriction-in-Interest**

Nil

**DESCRIPTION OF PROPERTY**

**Land**

The subject lot is an irregular piece of flat land with a site area of 1,604.0 sm (17,265.9 sf). The land has frontage onto Jalan Udang Harimau 2 and is level with it.

**Building**

Erected upon the land is a 2½-storey commercial boutique bungalow building (with lift) of approximately 7 years old. In our valuation update, we have assumed that the subject property is as described in our previous report.



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**ANNEX 2**

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Our Ref : KGV 200694

**KGV International  
Property Consultants**

Premised on the information available to us, our professional opinion for the subject property [Lot No 80479 (Formerly PT 26231), Mukim of Batu, District of Kuala Lumpur, Wilayah Persekutuan Kuala Lumpur] is as follows:-

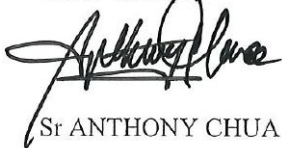
**PRESENT MARKET VALUE**

**RM11,600,000**

(RINGGIT MALAYSIA ELEVEN MILLION AND SIX HUNDRED THOUSAND ONLY), made-up as follows:-

Land	RM8,115,000
Building and Other Land Improvements	RM3,485,000
Total	<u>RM11,600,000</u>

Yours faithfully



Sr ANTHONY CHUA KIAN BENG

B Surv (Hons) Ppty Mgmt

FRISM, MRICS, MIPPM, ICVS

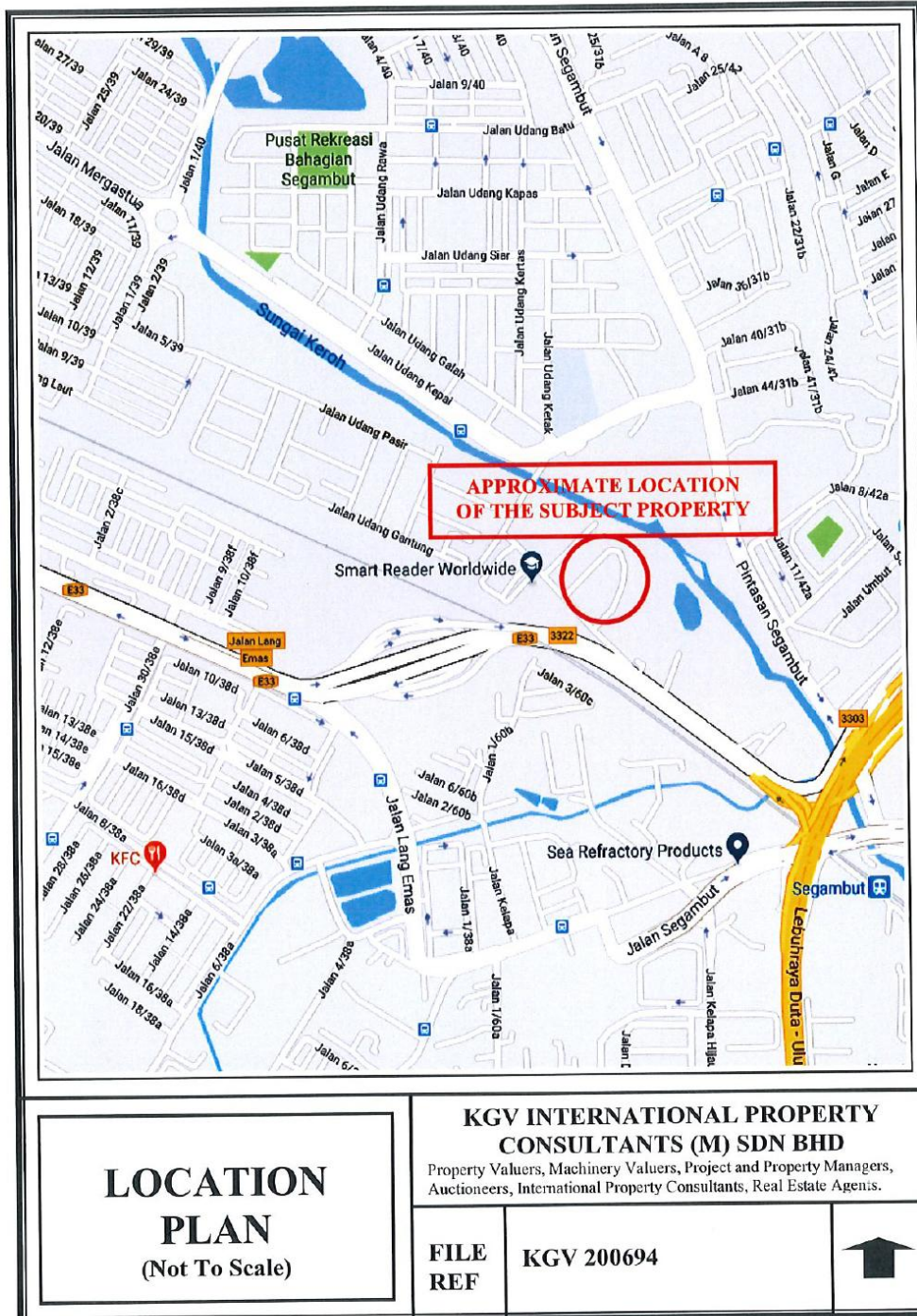
Registered Valuer V445

Executive Director (Valuation)

Appendices      A        : Location Plan  
                         B        : Site Plan  
                         C        : Building Plan

SK/HML/AC/ani

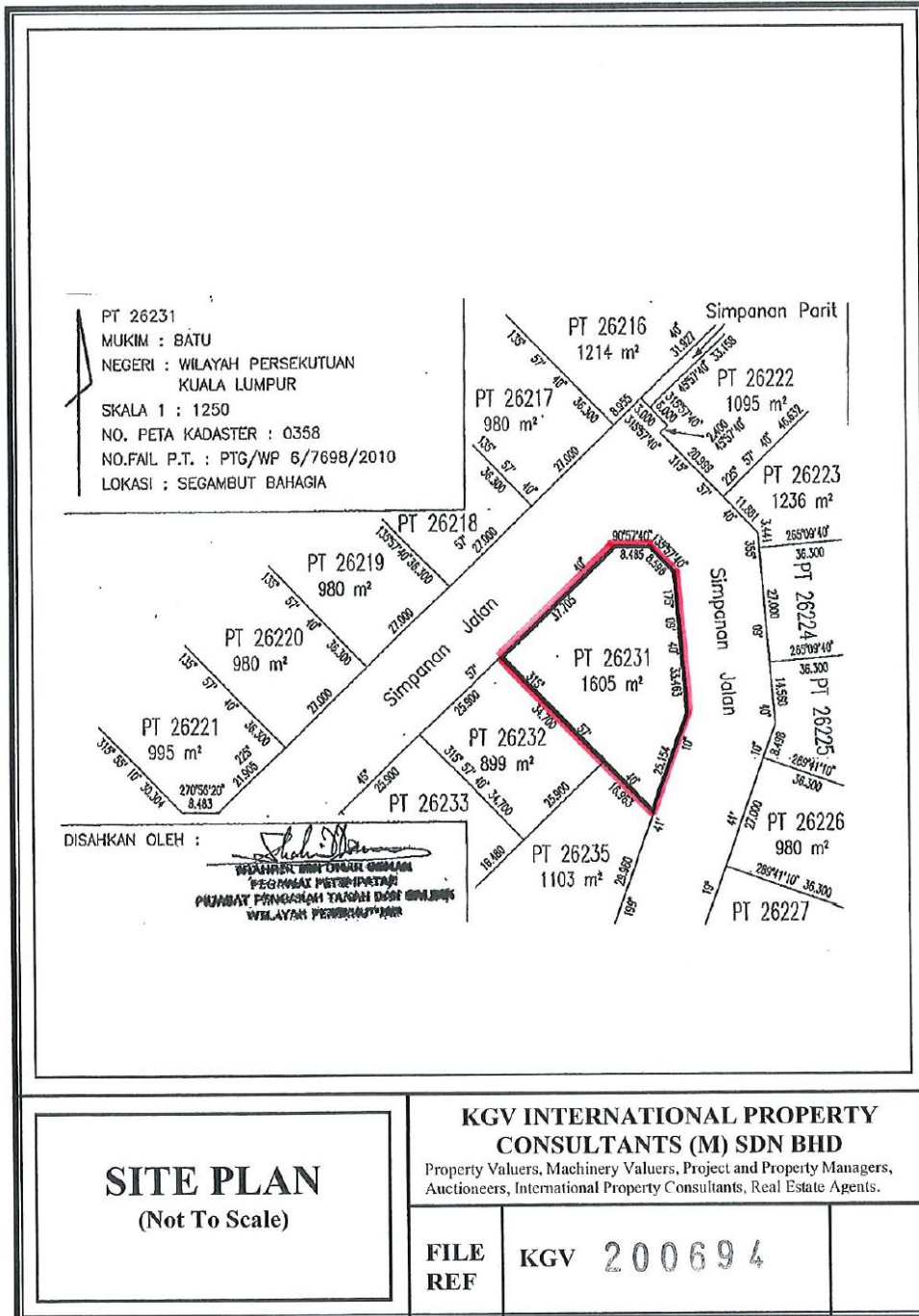
APPENDIX A



ANNEX 2

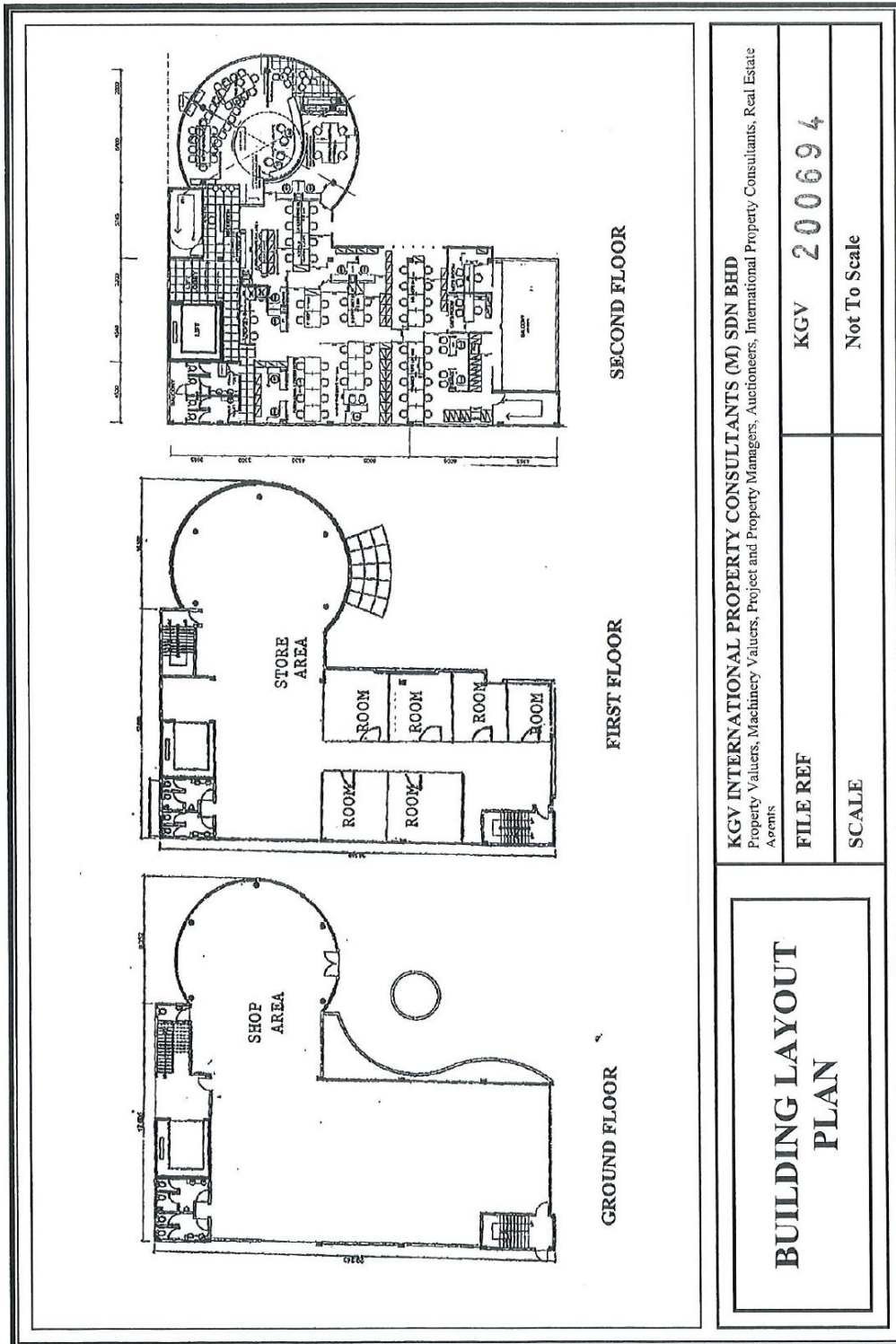


APPENDIX B





APPENDIX C



<b>BUILDING LAYOUT PLAN</b>	
<b>KGV INTERNATIONAL PROPERTY CONSULTANTS (M) SDN BHD</b> Property Valuers, Machinery Valuers, Project and Property Managers, Auctioneers, International Property Consultants, Real Estate Agents	
<b>FILE REF</b>	<b>KGV 200694</b>
<b>SCALE</b>	Not To Scale

## ANNEX 3

KGV International  
Property Consultants



Our Ref : KGV 200693

June 26 2020

Nouvelle Events Sdn Bhd  
No 7, Jalan Udang Harimau 2  
Medan Niaga Kepong  
51200 Kuala Lumpur

Dear Sir,

**Letter Update of Valuation**  
**Parcel No 35**  
**Storey No 7, Building No M1-A**  
**(With Accessory Parcel Nos A112 and A113)**  
**Erected on Lot No 73476**  
**Mukim of Sungai Buloh**  
**District of Petaling**  
**Selangor Darul Ehsan**

Further to our Report and Valuation of reference KGV 190766 dated June 28 2019 and pursuant to your instructions to revalue the abovementioned property for management purpose, we have made relevant investigations and herewith submit our opinion of the present Market Value of the subject property in letter form as you requested. This Update shall not be used by the Client or lending institutions for obtaining fresh or additional funding based on the value reported herein.

**Market Value** is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing where the parties had each acted knowledgeably, prudently and without compulsion.

We have not reinspected the subject property and hence assumed that it is the same as during our earlier inspection. However, the date of valuation is taken to be **June 26 2020**.

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Machinery Valuers  
Property Managers  
Project Managers  
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E-mail: kl.valuation@kgvi-property.com Website: www.kgvi-property.com  
SST NO.: W10-1808-31002192

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### ANNEX 3

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*Our Ref: KGV 200693*

**KGV International  
Property Consultants**

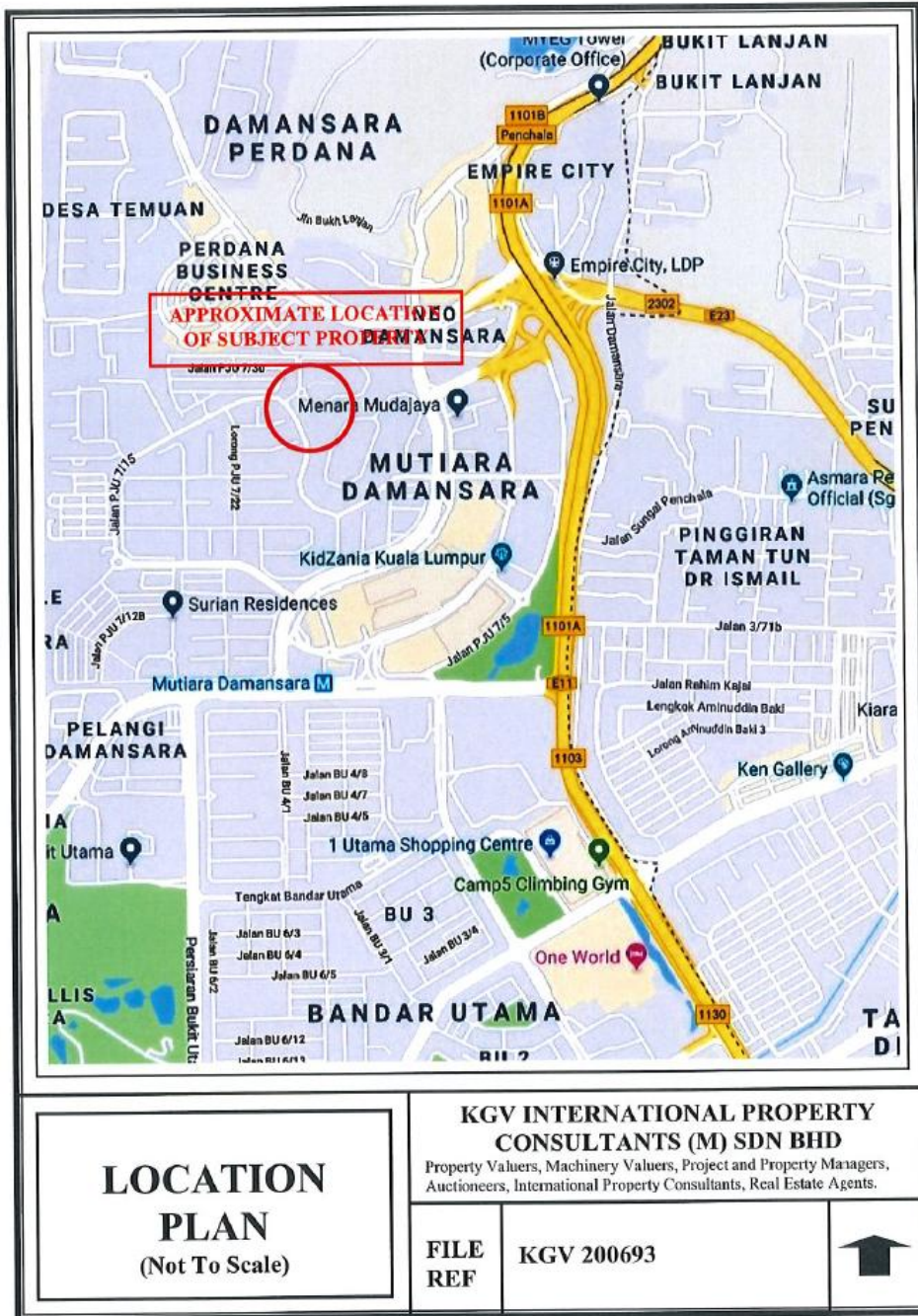
Some particulars of the subject property as at the date of our previous report are as follows:-

<b>Property</b>	Parcel No 35 Storey No 7, Building No M1-A (With Accessory Parcel Nos A112 and A113) Erected on Lot No 73476 Mukim of Sungai Buloh District of Petaling Selangor Darul Ehsan
<b>Postal Address</b>	Unit No A-001-8 Surian Residences Condominium Jalan PJU 7/15, Mutiara Damansara 47810 Petaling Jaya Selangor Darul Ehsan
<b>Type</b>	A condominium unit (with 2 carparks)
<b>Title</b>	Geran 299545/M1-A/7/35
<b>Interest</b>	Freehold.
<b>Gross Floor Area</b>	192.00 sm (2,066.74 sf)
<b>Unit's Share</b>	22/5,984
<b>Category of Land Use</b>	Kediaman
<b>Registered Proprietor</b>	Nouvelle Events Sdn Bhd





APPENDIX A



**LOCATION  
PLAN**  
(Not To Scale)

**KGV INTERNATIONAL PROPERTY  
CONSULTANTS (M) SDN BHD**

Property Valuers, Machinery Valuers, Project and Property Managers,  
Auctioneers, International Property Consultants, Real Estate Agents.

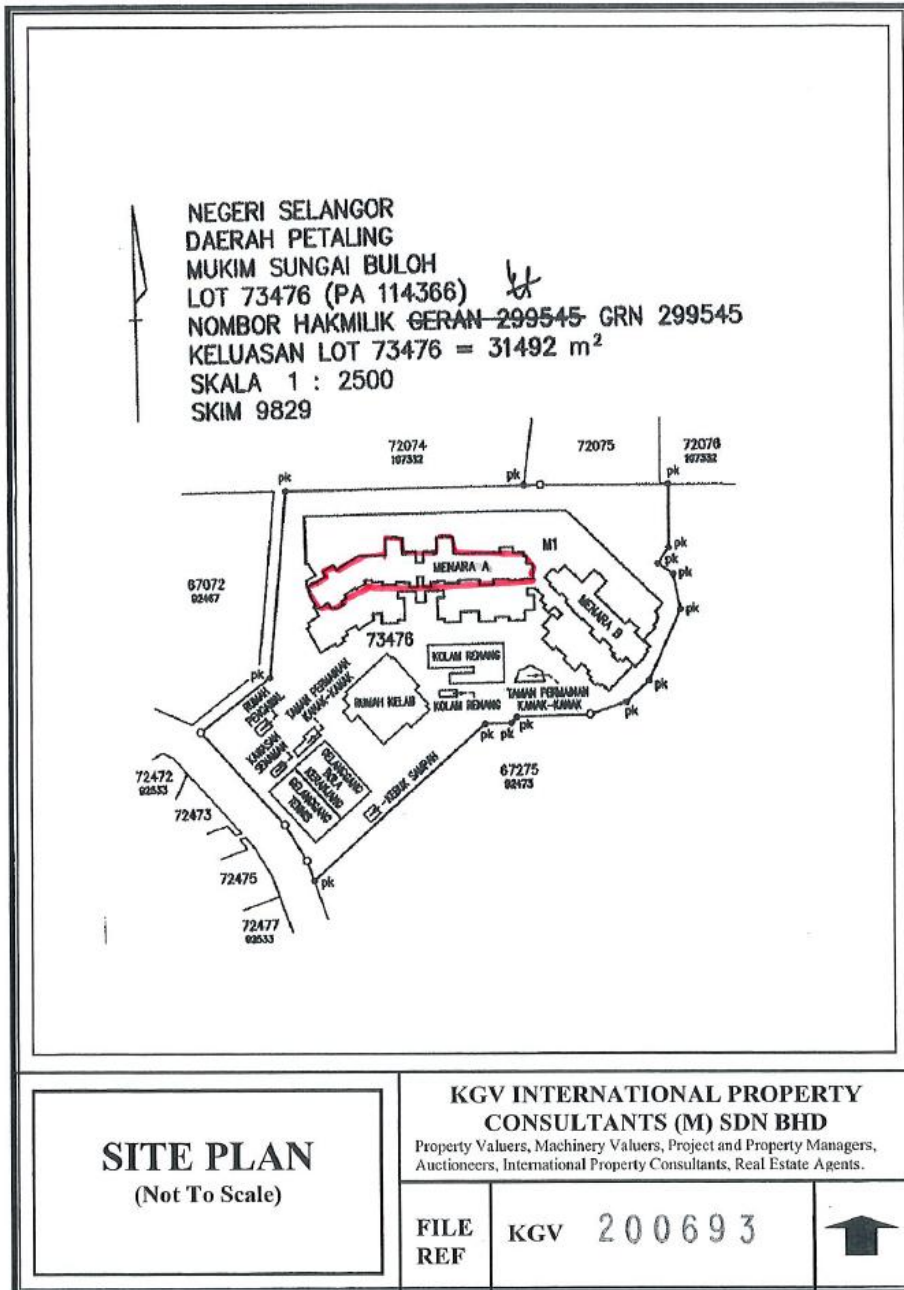
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REF

KGV 200693





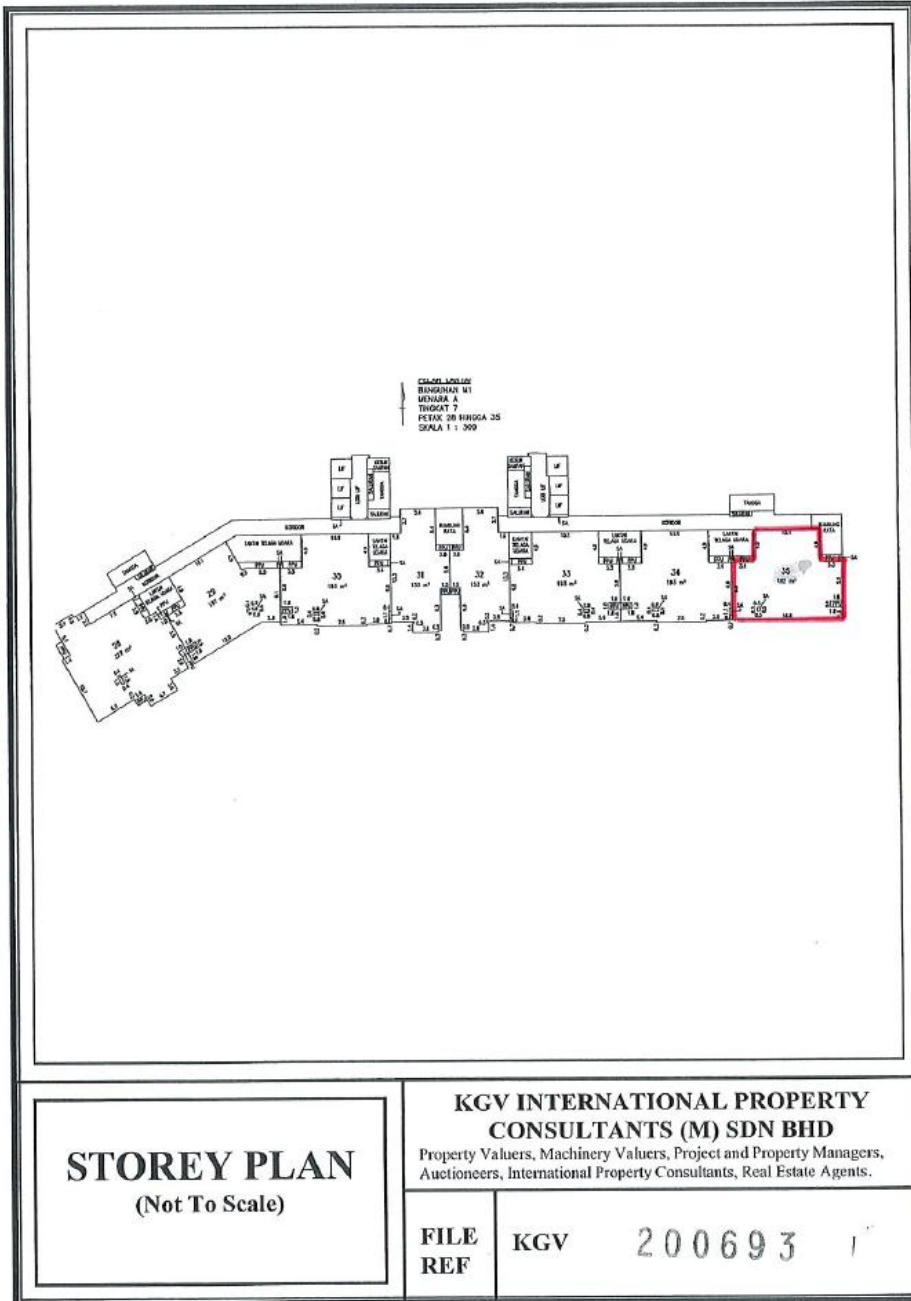
APPENDIX B



ANNEX 3

KGV International  
Property Consultants

APPENDIX B1



ANNEX 3

KGV International  
Property Consultants

APPENDIX C

