

ADDENDUM DATED 6 APRIL 2021

THIS ADDENDUM TO THE ANNUAL REPORT 2020 IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

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

This Addendum is circulated to shareholders of ISEC Healthcare Ltd. (the “**Company**”) together with the Company’s Annual Report 2020. Its purpose is to explain to shareholders the rationale and provide information to the shareholders for the Proposed Renewal of the Share Buyback Mandate to be tabled at the Annual General Meeting to be held on 21 April 2021 at 10.00 a.m. by electronic means.

The Notice of Annual General Meeting and a Proxy Form are enclosed with the Annual Report 2020.

If you have sold or transferred all your ordinary shares in the capital of the Company, you should immediately forward the Annual Report 2020, this Addendum, the Notice of Annual General Meeting and the enclosed Proxy Form immediately to the purchaser or the transferee, or to the bank, stockbroker or agent through whom the sale or the transfer was effected for onward transmission to the purchaser or the transferee.

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

The contact person for the Sponsor is Ms Gillian Goh, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and sponsorship@ppcf.com.sg.



ADDENDUM TO SHAREHOLDERS

IN RELATION TO

THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

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DEFINITIONS

For the purpose of this Addendum, the following definitions apply throughout, unless the context otherwise requires:

2021 AGM	The annual general meeting of the Company to be convened and held by electronic means on 21 April 2021 at 10.00 a.m.
ACRA	The Accounting and Corporate Regulatory Authority of Singapore
Act	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
Addendum	This Addendum dated 6 April 2021 circulated to the Shareholders together with the Annual Report 2020
AGM	The annual general meeting of the Company
Annual Report 2020	The annual report of the Company for the financial year ended 31 December 2020
Associate	(a) in relation to any Director, Chief Executive Officer, Substantial Shareholder or Controlling Shareholder (being an individual) means: <ul style="list-style-type: none">i. his immediate family;ii. the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; andiii. 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
Board	The board of directors of the Company as at the date of this Addendum
Catalist	The sponsor-supervised listing platform of the SGX-ST
Catalist Rules	The SGX-ST Listing Manual Section B: Rules of Catalist, as amended or modified from time to time
CDP	The Central Depository (Pte) Limited

DEFINITIONS

Company	ISEC Healthcare Ltd.
Constitution	The constitution of the Company, as may be amended or modified from time to time
Control	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company
Directors	The director(s) of the Company as at the date of this Addendum
Employee(s)	A confirmed full-time employee of the Group
EPS	Earnings per Share
Group	The Company and its subsidiaries
Latest Practicable Date	18 March 2021 being the latest practicable date prior to the printing of this Addendum
Market Day	A day on which the SGX-ST is open for trading in securities
Notice of AGM	The notice of 2021 AGM as set out on pages 106 to 116 of the Annual Report 2020
NTA	Net tangible assets
Relevant Period	The period as set out in Section 4.2 of this Addendum
SFA	The Securities and Futures Act (Chapter 289) of Singapore, as amended or modified from time to time
SGX-ST	Singapore Exchange Securities Trading Limited
Share Buyback Mandate	General and unconditional mandate given by the Shareholders to authorise the Directors to purchase or otherwise acquire, on behalf of the Company, Shares in accordance with the terms set out in this Addendum as well as the rules and regulations set forth in the Act and the Catalist Rules
Shares	Ordinary shares in the share capital of the Company
Shareholders	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 whose securities accounts are credited with those Shares
SIC	The Securities Industry Council of Singapore

DEFINITIONS

Sponsor	PrimePartners Corporate Finance Pte. Ltd.
Take-over Code	The Singapore Code on Take-overs and Mergers, as amended or modified from time to time
Treasury Shares	Issued Shares which were (or are treated as having been) purchased by the Company in circumstances in which Section 76H of the Act applies and have been held by the Company continuously since such Shares were so purchased
% or per cent	Per centum or percentage
S\$ and cents	Singapore dollars and cents respectively

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the SFA or any statutory modification thereof, as the case may be.

The expressions “**associated company**”, “**subsidiary**”, “**Controlling Shareholder**”, “**Subsidiary Holdings**” and “**Substantial Shareholder**” shall have the meaning ascribed to them respectively in the Act and the Catalist Rules.

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

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

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

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

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

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

ADDENDUM TO SHAREHOLDERS

ISEC HEALTHCARE LTD.

(Company Registration Number: 201400185H)
(Incorporated in the Republic of Singapore)

Directors

Mr Sitoh Yih Pin (Non-Executive Chairman and Independent Director)
Dr Lee Hung Ming (Executive Vice-Chairman)
Mr Lim Wee Hann (Independent Director)
Mr Chen Bang (Non-Independent and Non-Executive Director)
Mr Li Li (Non-Independent and Non-Executive Director)
Ms Zhang Yongmei (Non-Independent and Non-Executive Director)

Registered Office

101 Thomson Road,
#09-04 United Square
Singapore 307591

6 April 2021

To: The Shareholders of ISEC Healthcare Ltd.

Dear Sir/Madam

1. INTRODUCTION

The purpose of this Addendum is to provide Shareholders with information pertaining to, and to seek their approval for, the proposed renewal of the Share Buyback Mandate at the 2021 AGM. The Notice of AGM is set out on pages 106 to 116 of the Annual Report 2020.

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

2. THE RENEWAL OF SHARE BUYBACK MANDATE

It is a requirement under the Act that a company which wishes to purchase or otherwise acquire its own shares has to obtain the approval of its shareholders to do so at a general meeting of its shareholders. It is also a requirement under the Catalist Rules that an issuer which wishes to purchase its own shares should obtain prior approval of its shareholders at a general meeting.

The Company's existing Share Buyback Mandate was first approved by Shareholders at the extraordinary general meeting of the Company held on 28 April 2016 and last renewed at the annual general meeting of the Company held on 24 June 2020. The existing Share Buyback Mandate will, unless renewed, expire on the date of the 2021 AGM. Accordingly, the Directors are proposing to seek Shareholders' approval at the 2021 AGM for the proposed renewal of the Share Buyback Mandate.

If approved by Shareholders at the 2021 AGM, the authority conferred by the Share Buyback Mandate will continue to be in force until the conclusion of the next AGM of the Company or the date by which such an AGM is required by law to be held (whereupon it will lapse, unless renewed at such meeting) or the date on which Share purchases or acquisitions have been carried out to the full extent mandated or the date the said mandate is varied or revoked by the Company in a general meeting, whichever is the earliest.

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3. RATIONALE FOR THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

The approval of the proposed renewal of the Share Buyback Mandate authorising the Company to purchase or acquire its Shares would give the Company the flexibility to undertake Share purchases or acquisitions up to the 10% limit described in Section 4.1 at any time 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) In managing the business of the Group, the management team strives to increase Shareholders' value by improving, *inter alia*, the return on equity of the Group. In addition to growth and expansion of the business, Share buybacks may be considered as one of the ways through which the return on equity of the Group may be enhanced;
- (b) The Company has at present two share-based incentive schemes, namely the ISEC Healthcare Share Option Scheme and the ISEC Healthcare Performance Share Plan. Share buybacks by the Company will enable the Directors to utilise the Shares which are purchased or acquired and held as Treasury Shares to satisfy the Company's obligation to furnish Shares to participants under these schemes, thus giving the Company greater flexibility to manage and minimise the dilution impact (if any) associated with any share-based incentive scheme as may be implemented by the Company from time to time by delivering existing Shares instead of issuing new Shares;
- (c) The Share Buyback Mandate would provide the Company with the flexibility to purchase or acquire the Shares if and when circumstances permit, during the period when the Share Buyback Mandate is in force. It is an expedient, effective and cost-efficient way for the Company to return surplus cash/funds over and above its ordinary capital requirements, if any, which are in excess of its financial requirements, taking into account its growth and expansion plans, to its Shareholders. In addition, the Share Buyback Mandate will allow the Company to have greater flexibility over, *inter alia*, the Company's share capital structure and its dividend distribution; and
- (d) The purchase or acquisition of Shares under the Share Buyback Mandate will help mitigate short-term share price volatility (by way of stabilising the supply and demand of issued Shares) and offset the effects of short-term share price speculation, supporting the fundamental value of the issued Shares, thereby bolstering Shareholders' confidence and employees' morale.

While the Share Buyback Mandate would authorise a purchase or acquisition of Shares up to the said 10% limit during the period referred to in Section 4.1, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buyback Mandate may not be carried out to the full 10% limit as authorised and the purchases or acquisitions of Shares pursuant to the Share Buyback Mandate will be made only as and when the Directors consider it to be in the best interests of the Company and/or Shareholders, after taking into account factors such as the amount of surplus cash available and working capital requirements of the Company, the prevailing market conditions, liquidity and orderly trading of the Shares. The Directors will use their best efforts to ensure that any share buyback made by the Company will not have any material adverse impact on the float, liquidity, orderly trading of the Shares and/or the financial position of both the Company and the Group.

ADDENDUM TO SHAREHOLDERS

4. AUTHORITY AND LIMITS

The authority and limitations placed on purchases or acquisitions of Shares by the Company under the renewed Share Buyback Mandate, if approved at the 2021 AGM, are summarised below:

4.1 Maximum Number of Shares

Only Shares which are issued and fully paid may be purchased or acquired by the Company. The total number of Shares that may be purchased or acquired pursuant to the Share Buyback Mandate is limited to that number of Shares representing not more than 10% of the total number of issued Shares as at the date of the 2021 AGM at which the proposed renewal of the Share Buyback Mandate is approved, unless the Company has, at any time during the Relevant Period, effected a reduction of its share capital in accordance with the applicable provisions of the Act, in which event the total number of Shares shall be taken to be the total number of Shares as altered (the “**Maximum Limit**”). Treasury Shares and Subsidiary Holdings will be disregarded for purposes of computing the 10% limit.

For illustrative purposes only, on the basis of 550,299,457 Shares in issue (excluding Treasury Shares and Subsidiary Holdings) as at the Latest Practicable Date, and assuming that no further Shares are issued and no further Shares are purchased or acquired and held by the Company as Treasury Shares on or prior to the 2021 AGM, not more than 55,029,945 Shares (representing 10% of the total number of issued Shares (excluding Treasury Shares and Subsidiary Holdings) as at that date) may be purchased or acquired by the Company pursuant to the Share Buyback Mandate.

As at the Latest Practicable Date, there are 386,400 Treasury Shares and no Subsidiary Holdings.

(a) Where Shares purchased or acquired are held as Treasury Shares

The number of Shares held as Treasury Shares cannot at any time exceed 10% of the total number of issued Shares. On the basis of the aforesaid limit and that the Company holds 386,400 Treasury Shares as at the Latest Practicable Date, the maximum number of Shares which can be purchased or acquired by the Company and be held as Treasury Shares is 54,643,545 Shares, representing 9.93% of the total number of Shares in issue (excluding Treasury Shares and Subsidiary Holdings) as at the Latest Practicable Date.

(b) Where Shares purchased or acquired are cancelled

The maximum number of Shares which can be purchased or acquired by the Company and cancelled is 55,029,945 Shares, representing 10% of the total number of Shares in issue (excluding Treasury Shares and Subsidiary Holdings) as at the Latest Practicable Date.

While the Share Buyback Mandate would authorise a purchase or acquisition of Shares up to the 10% limit, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buyback Mandate may not be carried out up to the full 10% limit as authorised, or at all. In particular, no purchase or acquisition of the Shares would be made in circumstances which

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would have or may have a material adverse effect on the float, liquidity, orderly trading of the Shares and/or financial position of the Group.

4.2 Duration of Authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the 2021 AGM at which the proposed renewal of the Share Buyback Mandate is approved, up to:

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

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

The authority conferred on the Directors by the Share Buyback Mandate to purchase or acquire Shares may be renewed by the Shareholders in a general meeting of the Company, such as at the next AGM or at an extraordinary general meeting to be convened immediately after the conclusion or adjournment of the next AGM. When seeking the approval of the Shareholders for the renewal of the Share Buyback Mandate, the Company is required to disclose details pertaining to purchases or acquisitions of Shares pursuant to the Share Buyback Mandate made during the previous twelve (12) months (whether by way of Market Purchases (as defined below) or Off-Market Purchases (as defined below)), including the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for such purchases or acquisitions of Shares, where relevant, and the total consideration paid for such purchases or acquisitions.

4.3 Manner of Purchases or Acquisitions of Shares

Purchases or acquisitions of Shares can be effected by the Company by way of:

- (a) market purchases transacted on Catalist through the ready market, and which may be transacted through one or more duly licensed stockbrokers appointed by the Company for the purpose of the share buyback (“**Market Purchase**”); and/or
- (b) off-market purchases effected pursuant to an equal access scheme as defined in Section 76C of the Act (“**Off-Market Purchase**”).

The Directors may impose such terms and conditions, which are consistent with the Share Buyback Mandate, the Catalist Rules, the Act and the Constitution, as they consider fit in the interests of the Company and/or Shareholders in connection with or in relation to an equal access scheme(s).

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Under the Act, an equal access scheme has to satisfy all the following conditions:

- (a) offers for the purchase or acquisition 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 the abovementioned persons shall be given a reasonable opportunity to accept the offers made to them; and
- (c) the terms of all the offers shall be the same, except that there shall be disregarded, where applicable:
 - (i) differences in consideration attributable to the fact that the 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; and
 - (iii) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

In addition, if the Company wishes to make an Off-Market Purchase, the Company must, as required by the Catalist Rules, issue an offer document to all Shareholders containing at least the following information:

- (a) the terms and conditions of the offer;
- (b) the period and procedures for acceptances;
- (c) the reasons for the proposed purchase or acquisition of Shares;
- (d) the consequences, if any, of the purchases or acquisitions of Shares by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (e) whether the purchases or acquisitions of Shares, if made, would have any effect on the listing of the Shares on Catalist;
- (f) details of any purchases or acquisitions of Shares made by the Company in the previous twelve (12) months (whether by way of Market Purchases or Off-Market Purchases), giving the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for the purchases or acquisitions, where relevant, and the total consideration paid for the purchases or acquisitions; and
- (g) whether the Shares purchased by the Company will be cancelled or kept as Treasury Shares.

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4.4 Maximum Purchase Price

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

However, the purchase price to be paid for the Shares pursuant to the purchases or acquisitions of the Shares must not exceed:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price (as defined below); and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price (as defined below),

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

For the above purposes of determining the Maximum Price:

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

“**day of the making of the offer**” means the day on which the Company announces its intention to make an offer for an Off-Market Purchase, 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.

5. SOURCES OF FUNDS

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

Any payment made by the Company in consideration of the purchase or acquisition of its Shares may be made out of the Company’s distributable profits or capital so long as the Company is solvent (as defined in Section 76F(4) of the Act).

The Company intends to use internal sources of funds or borrowings or a combination of both 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 principally consider the availability of internal resources. In addition, the Directors will also consider the availability of external financing. However, in considering the option of external financing, the Directors will consider particularly the prevailing gearing level of the Group and the costs of such financing.

The Directors 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 the Group.

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6. STATUS OF PURCHASED SHARES

Under Section 76B of the Act, any Shares purchased or acquired by the Company through a Share buyback shall be deemed to be cancelled immediately on purchase or acquisition unless such Shares are held by the Company as Treasury Shares to the extent permitted under the Act. Upon such cancellation, all rights and privileges attached to that Share will expire. At the time of each purchase or acquisition of the Shares by the Company, the Directors will decide whether the Shares purchased will be cancelled or kept as Treasury Shares, or partly cancelled and partly kept as Treasury Shares, depending on the needs of the Company at that time and as the Directors deem fit in the interests of the Company at that time. 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 Act) will be automatically de-listed by the SGX-ST, and (where applicable) all certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase or acquisition.

7. TREASURY SHARES

Under the Act, the Shares purchased or acquired by the Company may be held or dealt with as Treasury Shares.

Some of the provisions on Treasury Shares under the Act are summarised below:

- (a) The number of Shares held as Treasury Shares cannot at any time exceed 10% of the total number of issued Shares. Any Shares in excess of this limit shall be disposed of or cancelled in accordance with the applicable provisions of the Act or such further periods as ACRA may allow.
- (b) 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 Act, the Company shall be treated as having no right to vote and the Treasury Shares shall be treated as having no voting rights.
- (c) 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 larger or smaller amount (as the case may be), is allowed so long as the total value of the Treasury Shares after the subdivision or consolidation is the same as before.
- (d) Where Shares are held as Treasury Shares, the Company may at any time:
 - (i) sell the Treasury Shares for cash;
 - (ii) transfer the Treasury Shares for the purposes of or pursuant to employees' share scheme;
 - (iii) transfer the Treasury Shares as consideration for the acquisition of shares in or assets of another company or assets of a person;

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- (iv) cancel the Treasury Shares; or
- (v) sell, transfer or otherwise use the Treasury Shares for such other purposes as may be prescribed by the Minister of Finance of Singapore.

The Directors will also consider and decide whether to purchase or acquire Shares to satisfy the Company's obligation to furnish Shares to participants under the ISEC Healthcare Share Option Scheme and/or the ISEC Healthcare Performance Share Plan.

The Shares purchased or acquired under the Share Buyback Mandate will be held as Treasury Shares or cancelled by the Company taking into consideration the then prevailing circumstances and requirements of the Company at the relevant time.

8. REPORTING REQUIREMENTS

The Company shall notify ACRA in the prescribed form within 30 days of a purchase or acquisition of Shares on Catalist or otherwise. Such notification shall include, *inter alia*, details of the purchases or acquisitions and the total number of Shares purchased or acquired by the Company, the Company's issued ordinary share capital before and after the purchase or acquisition of Shares, and the amount of consideration paid by the Company for the purchases or acquisitions.

Within 30 days of the passing of a shareholders' resolution to approve or renew the Share Buyback Mandate, the Company shall lodge a copy of such resolution with ACRA.

Within 30 days of the cancellation or disposal of Treasury Shares in accordance with the provisions of the Act, the Directors shall lodge with ACRA the notice of cancellation or disposal of Treasury Shares in the prescribed form as required by ACRA.

Pursuant to the Catalist Rules, the Company shall announce all purchases or acquisitions of its Shares via SGXNET not later than 9.00 a.m.:

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

The notification of such purchases or acquisition of Shares to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe.

The Company, upon undertaking any sale, transfer, cancellation and/or use of Treasury Shares, will comply with Rule 704(31) of the Catalist Rules, which provides that an issuer has to make an immediate announcement thereof, stating the following:

- (a) the date of the sale, transfer, cancellation and/or use;
- (b) the purpose of such sale, transfer, cancellation and/or use;
- (c) the number of Treasury Shares sold, transferred, cancelled and/or used;

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

9. FINANCIAL EFFECTS

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

The repurchased Shares may be cancelled or held as Treasury Shares. Any Share buyback will:

- (a) reduce the amount of the Company's share capital where the Shares were purchased or acquired out of the capital of the Company;
- (b) reduce the amount of the Company's profits where the Shares were purchased or acquired out of the profits of the Company; or
- (c) reduce the amount of the Company's share capital and profits proportionately where the Shares were purchased or acquired out of both the capital and the profits of the Company,

by the total amount of the purchase price paid by the Company for the Shares cancelled.

Where the purchased Shares are held as Treasury Shares, the total number of issued Shares of the Company will remain unchanged.

Under the 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 (as defined in Section 76F(4) of the Act). Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (including brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

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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 or acquisition of Shares will only be effected after considering relevant factors such as the working capital requirements, the availability of financial resources, the expansion and investment plans of the Group and the prevailing market conditions. The Share Buyback Mandate will be exercised with a view to enhancing the EPS and/or the NTA per Share of the Group.

For illustrative purposes only, the financial effects of the Share Buyback Mandate on the Group and the Company, based on the audited financial statements of the Group and the Company for the financial year ended 31 December 2020 (“**FY2020**”) and based on the assumptions set out below:

- (a) based on 550,299,457 Shares in issue as at the Latest Practicable Date (excluding Treasury Shares and Subsidiary Holdings) and assuming no further Shares are issued and no further Shares are held by the Company as Treasury Shares and there are no Subsidiary Holdings on or prior to the 2021 AGM, not more than 54,643,545 Shares (if such Shares were to be held as Treasury Shares) or 55,029,945 Shares (if such Shares were to be cancelled) may be purchased or acquired by the Company pursuant to the Share Buyback Mandate;
- (b) in the case of Market Purchases by the Company and assuming that the Company purchases or acquires 54,643,545 Shares (if such Shares were to be held as Treasury Shares) or 55,029,945 Shares (if such Shares were to be cancelled) at the Maximum Price of S\$0.3255 (being the price equivalent to 105% of the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on Catalist immediately preceding and on the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 54,643,545 Shares or 55,029,945 Shares is approximately S\$17.79 million or S\$17.91 million respectively; and
- (c) in the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 54,643,545 Shares (if such Shares were to be held as Treasury Shares) or 55,029,945 Shares (if such Shares were to be cancelled) at the Maximum Price of S\$0.3720 (being the price equivalent to 120% of the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on Catalist immediately preceding and on the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 54,643,545 Shares or 55,029,945 Shares is approximately S\$20.33 million or S\$20.47 million respectively.

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

- (i) such purchase or acquisition of Shares is financed by the Group’s internal sources of funds available as at 31 December 2020;
- (ii) cash of S\$16.0 million had been disbursed from the Company’s wholly-owned subsidiaries to the Company prior to the purchase or acquisition of Shares by the Company;

ADDENDUM TO SHAREHOLDERS

- (iii) the Share Buyback Mandate had been effective on 1 January 2020;
- (iv) the Company had effected the Share purchases or acquisitions on 1 January 2020; and
- (v) the 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,

the financial effects of the purchase or acquisition of:

- (1) approximately 9.93% of the issued Shares, excluding Treasury Shares and Subsidiary Holdings, comprising 54,643,545 Shares as at the Latest Practicable Date, by the Company in a Market Purchase or Off-Market Purchase pursuant to the Share Buyback Mandate by way of purchases made entirely out of profits and held as Treasury Shares ("**Scenario A**");
- (2) approximately 9.93% of the issued Shares, excluding Treasury Shares and Subsidiary Holdings, comprising 54,643,545 Shares as at the Latest Practicable Date, by the Company in a Market Purchase or Off-Market Purchase pursuant to the Share Buyback Mandate by way of purchases made entirely out of capital and held as Treasury Shares ("**Scenario B**");
- (3) 10% of the issued Shares, excluding Treasury Shares and Subsidiary Holdings, comprising 55,029,945 Shares as at the Latest Practicable Date, by the Company in a Market Purchase or Off-Market Purchase pursuant to the Share Buyback Mandate by way of purchases made entirely out of profits and cancelled ("**Scenario C**"); and
- (4) 10% of the issued Shares, excluding Treasury Shares and Subsidiary Holdings, comprising 55,029,945 Shares as at the Latest Practicable Date, by the Company in a Market Purchase or Off-Market Purchase pursuant to the Share Buyback Mandate by way of purchases made entirely out of capital and cancelled ("**Scenario D**"),

on the audited financial statements of the Group and the Company for FY2020 pursuant to the Share Buyback Mandate are below.

ADDENDUM TO SHAREHOLDERS

(1) Scenario A

	Group			Company		
	Before Share buyback	After Share buyback assuming Market Purchase	After Share buyback assuming Off-Market Purchase	Before Share buyback	After Share buyback assuming Market Purchase	After Share buyback assuming Off-Market Purchase
As at	(\$\$'000)	(\$\$'000)	(\$\$'000)	(\$\$'000)	(\$\$'000)	(\$\$'000)
31 December 2020						
Share capital	70,054	70,054	70,054	70,054	70,054	70,054
Other reserves	(7,397)	(7,397)	(7,397)	71	71	71
Retained earnings	8,557	(9,229)	(11,770)	5,033	(12,753)	(15,294)
Treasury share reserve	(105)	(105)	(105)	(105)	(105)	(105)
Equity attributable to owners of the parent	71,109	53,323	50,782	75,053	57,267	54,726
NTA ⁽¹⁾	26,686	8,899	6,358	75,053	57,266	54,725
Cash and cash equivalents	24,124	6,338	3,797	22,109	4,323	1,782
Current assets	28,834	11,048	8,507	34,625	16,839	14,298
Current liabilities	8,941	8,941	8,941	497	497	497
Working capital	19,893	2,107	(434)	34,128	16,342	13,801
Total borrowings	4,007	4,007	4,007	–	–	–
Profit for the financial year attributable to owners of the parent	4,690	4,690	4,690	4,336	4,336	4,336
Number of issued Shares	550,685,857	550,685,857	550,685,857	550,685,857	550,685,857	550,685,857
Treasury Shares	386,400	55,029,945	55,029,945	386,400	55,029,945	55,029,945
Number of issued Shares, net of Treasury Shares	550,299,457	495,655,912	495,655,912	550,299,457	495,655,912	495,655,912
Financial Ratios						
NTA per Share (Singapore cents) ⁽²⁾	4.85	1.80	1.28	13.64	11.55	11.04
EPS (Singapore cents) ⁽³⁾	0.85	0.95	0.95	0.79	0.87	0.87
Current ratio (times) ⁽⁴⁾	3.22	1.24	0.95	69.67	33.88	28.77
Gearing ratio (times) ⁽⁵⁾	0.06	0.08	0.08	–	–	–
Return on equity (%) ⁽⁶⁾	6.60	8.80	9.24	5.78	7.57	7.92

Notes:

- (1) NTA refers to total net assets less intangible assets.
- (2) NTA per Share is calculated based on NTA and 550,299,457 Shares in issue, net of Treasury Shares, as at the Latest Practicable Date.
- (3) EPS is calculated based on profit for the financial year attributable to owners of the parent and 550,299,457 Shares in issue, net of Treasury Shares, as at the Latest Practicable Date.
- (4) Current ratio equals current assets divided by current liabilities.
- (5) Gearing ratio equals total borrowings divided by equity attributable to the owners of the parent.
- (6) Return on equity equals profit for the financial year attributable to owners of the parent divided by equity attributable to the owners of the parent.

ADDENDUM TO SHAREHOLDERS

(2) Scenario B

	Group			Company		
	Before Share buyback	After Share buyback assuming Market Purchase	After Share buyback assuming Off-Market Purchase	Before Share buyback	After Share buyback assuming Market Purchase	After Share buyback assuming Off-Market Purchase
As at						
31 December 2020	(\$S'000)	(\$S'000)	(\$S'000)	(\$S'000)	(\$S'000)	(\$S'000)
Share capital	70,054	70,054	70,054	70,054	70,054	70,054
Treasury share reserve	(105)	(17,892)	(20,433)	(105)	(17,892)	(20,433)
Net share capital	69,949	52,162	49,621	69,949	52,162	49,621
Other reserves	(7,397)	(7,397)	(7,397)	71	71	71
Retained earnings	8,557	8,557	8,557	5,033	5,033	5,033
Equity attributable to owners of the parent	71,109	53,322	50,781	75,053	57,266	54,725
NTA ⁽¹⁾	26,686	8,899	6,358	75,053	57,266	54,725
Cash and cash equivalents	24,124	6,338	3,797	22,109	4,323	1,782
Current assets	28,834	11,048	8,507	34,625	16,839	14,298
Current liabilities	8,941	8,941	8,941	497	497	497
Working capital	19,893	2,107	(434)	34,128	16,342	13,801
Total borrowings	4,007	4,007	4,007	–	–	–
Profit for the financial year attributable to owners of the parent	4,690	4,690	4,690	4,336	4,336	4,336
Number of issued Shares	550,685,857	550,685,857	550,685,857	550,685,857	550,685,857	550,685,857
Treasury Shares	386,400	55,029,945	55,029,945	386,400	55,029,945	55,029,945
Number of issued Shares, net of Treasury Shares	550,299,457	495,655,912	495,655,912	550,299,457	495,655,912	495,655,912
Financial Ratios						
NTA per Share (Singapore cents) ⁽²⁾	4.85	1.80	1.28	13.64	11.55	11.04
EPS (Singapore cents) ⁽³⁾	0.85	0.95	0.95	0.79	0.87	0.87
Current ratio (times) ⁽⁴⁾	3.22	1.24	0.95	69.67	33.88	28.77
Gearing ratio (times) ⁽⁵⁾	0.06	0.08	0.08	–	–	–
Return on equity (%) ⁽⁶⁾	6.60	8.80	9.24	5.78	7.57	7.92

Notes:

- (1) NTA refers to total net assets less intangible assets.
- (2) NTA per Share is calculated based on NTA and 550,299,457 Shares in issue, net of Treasury Shares, as at the Latest Practicable Date.
- (3) EPS is calculated based on profit for the financial year attributable to owners of the parent and 550,299,457 Shares in issue, net of Treasury Shares, as at the Latest Practicable Date.
- (4) Current ratio equals current assets divided by current liabilities.
- (5) Gearing ratio equals total borrowings divided by equity attributable to the owners of the parent.
- (6) Return on equity equals profit for the financial year attributable to owners of the parent divided by equity attributable to the owners of the parent.

ADDENDUM TO SHAREHOLDERS

(3) Scenario C

	Group			Company		
	Before Share buyback	After Share buyback assuming Market Purchase	After Share buyback assuming Off-Market Purchase	Before Share buyback	After Share buyback assuming Market Purchase	After Share buyback assuming Off-Market Purchase
As at	(\$S'000)	(\$S'000)	(\$S'000)	(\$S'000)	(\$S'000)	(\$S'000)
31 December 2020						
Share capital	70,054	70,054	70,054	70,054	70,054	70,054
Other reserves	(7,397)	(7,397)	(7,397)	71	71	71
Retained earnings	8,557	(9,355)	(11,914)	5,033	(12,879)	(15,438)
Treasury share reserve	(105)	(105)	(105)	(105)	(105)	(105)
Equity attributable to owners of the parent	71,109	53,197	50,638	75,053	57,141	54,582
NTA ⁽¹⁾	26,686	8,773	6,215	75,053	57,140	54,582
Cash and cash equivalents	24,124	6,212	3,653	22,109	4,197	1,638
Current assets	28,834	10,922	8,363	34,625	16,713	14,154
Current liabilities	8,941	8,941	8,941	497	497	497
Working capital	19,893	1,981	(578)	34,128	16,216	13,657
Total borrowings	4,007	4,007	4,007	–	–	–
Profit for the financial year attributable to owners of the parent	4,690	4,690	4,690	4,336	4,336	4,336
Number of issued Shares	550,685,857	495,655,912	495,655,912	550,685,857	495,655,912	495,655,912
Treasury Shares	386,400	386,400	386,400	386,400	386,400	386,400
Number of issued Shares, net of Treasury Shares	550,299,457	495,269,512	495,269,512	550,299,457	495,269,512	495,269,512
Financial Ratios						
NTA per Share (Singapore cents) ⁽²⁾	4.85	1.77	1.25	13.64	11.54	11.02
EPS (Singapore cents) ⁽³⁾	0.85	0.95	0.95	0.79	0.88	0.88
Current ratio (times) ⁽⁴⁾	3.22	1.22	0.94	69.67	33.63	28.48
Gearing ratio (times) ⁽⁵⁾	0.06	0.08	0.08	–	–	–
Return on equity (%) ⁽⁶⁾	6.60	8.82	9.26	5.78	7.59	7.94

Notes:

- (1) NTA refers to total net assets less intangible assets.
- (2) NTA per Share is calculated based on NTA and 550,299,457 Shares in issue, net of Treasury Shares, as at the Latest Practicable Date.
- (3) EPS is calculated based on profit for the financial year attributable to owners of the parent and 550,299,457 Shares in issue, net of Treasury Shares, as at the Latest Practicable Date.
- (4) Current ratio equals current assets divided by current liabilities.
- (5) Gearing ratio equals total borrowings divided by equity attributable to the owners of the parent.
- (6) Return on equity equals profit for the financial year attributable to owners of the parent divided by equity attributable to the owners of the parent.

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(4) Scenario D

	Group			Company		
	Before Share buyback	After Share buyback assuming Market Purchase	After Share buyback assuming Off-Market Purchase	Before Share buyback	After Share buyback assuming Market Purchase	After Share buyback assuming Off-Market Purchase
As at						
31 December 2020	(\$\$'000)	(\$\$'000)	(\$\$'000)	(\$\$'000)	(\$\$'000)	(\$\$'000)
Share capital	70,054	52,142	49,583	70,054	52,142	49,583
Treasury share reserve	(105)	(105)	(105)	(105)	(105)	(105)
Net share capital	69,949	52,037	49,478	69,949	52,036	49,478
Other reserves	(7,397)	(7,397)	(7,397)	71	71	71
Retained earnings	8,557	8,557	8,557	5,033	5,033	5,033
Equity attributable to owners of the parent	71,109	53,197	50,638	75,053	57,140	54,582
NTA ⁽¹⁾	26,686	8,773	6,215	75,053	57,140	54,582
Cash and cash equivalents	24,124	6,212	3,653	22,109	4,197	1,638
Current assets	28,834	10,922	8,363	34,625	16,713	14,154
Current liabilities	8,941	8,941	8,941	497	497	497
Working capital	19,893	1,981	(578)	34,128	16,216	13,657
Total borrowings	4,007	4,007	4,007	–	–	–
Profit for the financial year attributable to owners of the parent	4,690	4,690	4,690	4,336	4,336	4,336
Number of issued Shares	550,685,857	495,655,912	495,655,912	550,685,857	495,655,912	495,655,912
Treasury Shares	386,400	386,400	386,400	386,400	386,400	386,400
Number of issued Shares, net of Treasury Shares	550,299,457	495,269,512	495,269,512	550,299,457	495,269,512	495,269,512
Financial Ratios						
NTA per Share (Singapore cents) ⁽²⁾	4.85	1.77	1.25	13.64	11.54	11.02
EPS (Singapore cents) ⁽³⁾	0.85	0.95	0.95	0.79	0.88	0.88
Current ratio (times) ⁽⁴⁾	3.22	1.22	0.94	69.67	33.63	28.48
Gearing ratio (times) ⁽⁵⁾	0.06	0.08	0.08	–	–	–
Return on equity (%) ⁽⁶⁾	6.60	8.82	9.26	5.78	7.59	7.94

Notes:

- (1) NTA refers to total net assets less intangible assets.
- (2) NTA per Share is calculated based on NTA and 550,299,457 Shares in issue, net of Treasury Shares, as at the Latest Practicable Date.
- (3) EPS is calculated based on profit for the financial year attributable to owners of the parent and 550,299,457 Shares in issue, net of Treasury Shares, as at the Latest Practicable Date.
- (4) Current ratio equals current assets divided by current liabilities.
- (5) Gearing ratio equals total borrowings divided by equity attributable to the owners of the parent.
- (6) Return on equity equals profit for the financial year attributable to owners of the parent divided by equity attributable to the owners of the parent.

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Shareholders should note that the financial effects illustrated above are based on certain assumptions and for illustrative 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 or the Group.

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 or acquisition before execution. Although the Share Buyback Mandate would authorise the Company to purchase or acquire up to 10% of the total number of issued Shares (excluding Treasury Shares and Subsidiary Holdings), the Company may not necessarily purchase or be able to purchase the entire 10% of the total number of its issued Shares. In addition, the Company may cancel, or hold in treasury, all or part of the Shares repurchased.

Shareholders who are in doubt as to their tax positions or any tax implications arising from the Share Buyback Mandate in their respective jurisdictions should consult their own professional advisers.

10. TAKE-OVER IMPLICATIONS ARISING FROM SHARE BUYBACK

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

10.1 Obligation to make a Take-over Offer

If, as a result of any purchase or acquisition by the Company of the Shares, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. Consequently, a Shareholder or a group of Shareholders acting in concert with a Director could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14 of the Take-over Code.

Shareholders are advised to consult their professional advisers and/or the SIC and/or other relevant authorities at the earliest opportunity as to whether an obligation on their part, if any, to make a mandatory take-over offer under the Take-over Code would arise by reason of any Share buyback by the Company.

10.2 Persons Acting in Concert

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

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Unless the contrary is established, the Take-over Code presumes, *inter alia*, the following individuals and companies to be persons acting in concert:

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

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

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

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10.3 Effect of Rule 14 and Appendix 2 of the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and their concert parties will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or in the event that such Directors and their concert parties hold between 30% and 50% of the Company's voting rights, if the voting rights of such Directors and their concert parties would increase by more than one per cent. (1%) in any period of six (6) months. In calculating the percentages of voting rights of such Directors and their concert parties, Treasury Shares shall be excluded.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 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.

10.4 Application of the Take-over Code

The details of the shareholdings of the Directors and Substantial Shareholders of the Company as at the Latest Practicable Date are set out in Section 15 below.

As at the Latest Practicable Date, none of the Directors or Substantial Shareholders of the Company would become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code as a result of the Share buybacks by the Company of the maximum limit of 10% of the total number of issued Shares as at the Latest Practicable Date.

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 takeover offer would arise by reason of any Share buy-backs or acquisitions by the Company pursuant to the Share Buy-back Mandate.

11. LISTING STATUS OF SHARES ON THE SGX-ST

As at the Latest Practicable Date, approximately 23.84% of the issued share capital of the Company are held in the hands of the public. Assuming that the Company repurchased the maximum of 10% of its issued share capital as at the Latest Practicable Date from members of the public by way of a Market Purchase, the percentage of Shares held by the public would be approximately 15.38%.

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Accordingly, the Company is of the view that there is a sufficient number of issued Shares held in the hands of the public which would permit the Company to undertake purchases or acquisitions of its issued Shares 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 adversely affect the orderly trading of Shares.

The Directors will use their best efforts to ensure that the Company does not effect buyback of Shares if the buyback of Shares 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 or adversely affect the orderly trading of the Shares.

While the Catalist Rules does not expressly prohibit any purchase of Shares by a listed company during any particular time, 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 Share Buyback Mandate at any time after any matter or development of a price-sensitive nature has occurred or has been the subject of consideration and/or a decision of the Board until such price-sensitive information has been publicly announced. Further, in conformity with the best practices on dealing with securities under the Catalist Rules, the Company will not purchase or acquire any Shares through Market Purchases or Off-Market Purchases during the period commencing one (1) month immediately preceding the announcement of the Company’s full year and interim financial statements.

12. SHARE BUYBACK IN THE PREVIOUS 12 MONTHS

The Company has not purchased or acquired any Shares during the twelve (12) months immediately preceding the Latest Practicable Date.

13. TAX IMPLICATIONS

Shareholders who are in doubt as to their respective tax positions or any tax implications arising from the purchase or acquisition of Shares by the Company, or who may be subject to tax in a jurisdiction other than Singapore, should consult their own professional advisors.

14. INTERESTED PERSONS

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

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15. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Based on the Register of Directors' shareholdings and the Register of Substantial Shareholders' shareholdings maintained by the Company and assuming that (i) the Company purchases the maximum of 55,029,945 Shares (being 10% of its issued Shares as at the Latest Practicable Date) pursuant to the Share Buyback Mandate; (ii) all Shares bought back (including the number of Treasury Shares held as at the Latest Practicable Date) are cancelled; and (iii) there is no change in the number of Shares held by the Directors and Substantial Shareholders, the shareholdings interests of the Directors and Substantial Shareholders before and after the Share buyback are set out below:

Name	Before Share buyback (as at the Latest Practicable Date)			Before Share buyback (%)	After Share buyback (%)
	Direct Interest	Deemed Interest	Total Interest		
Directors					
Dr Lee Hung Ming	–	42,827,279 ⁽¹⁾	42,827,279	7.78	8.65
Mr Chen Bang	–	300,917,344 ⁽²⁾	300,917,344	54.68	60.76
Mr Li Li	–	–	–	–	–
Ms Zhang Yongmei	–	–	–	–	–
Mr Sitoh Yih Pin	–	–	–	–	–
Mr Lim Wee Hann	–	–	–	–	–
Substantial Shareholders (other than Directors)					
Aier Eye International (Singapore) Pte. Ltd.	–	300,917,344 ⁽²⁾	300,917,344	54.68	60.76
Aier Eye Hospital Group Co., Ltd.	–	300,917,344 ⁽²⁾	300,917,344	54.68	60.76
Aier Medical Investment Group Co., Ltd.	–	300,917,344 ⁽²⁾	300,917,344	54.68	60.76
Dr Wong Jun Shyan	17,377,634	15,000,000 ⁽³⁾	32,377,634	5.88	6.54
Dr Lee Yeng Fen	25,892,258	16,935,021 ⁽⁴⁾	42,827,279	7.78	8.65

Notes:

- (1) Dr Lee Hung Ming is deemed to have an interest in the 42,827,279 Shares held by Dr Lee Yeng Fen, his spouse.
- (2) Aier Eye International (Singapore) Pte. Ltd. ("**Aier Singapore**") is deemed to be interested in the 300,917,344 ordinary shares held through its depository agent, DBS Nominees Pte. Ltd. Aier Singapore is a wholly-owned subsidiary of Aier Eye Hospital Group Co., Ltd. ("**Aier China**"), which is listed on the Shenzhen Stock Exchange. As at the Latest Practicable Date, Chen Bang directly holds 16.00% of shares in Aier China and 79.99% of shares in Aier Medical Investment Group Co., Ltd. ("**Aier Medical**"). Aier Medical directly holds 35.48% of shares in Aier China.
- (3) Dr Wong Jun Shyan is deemed to have an interest in the 15,000,000 Shares held through his nominee, CIMSEC Nominees (Tempatan) Sdn Bhd.
- (4) Dr Lee Yeng Fen is deemed interested in 16,935,021 Shares held through her nominee, Raffles Nominees (Pte) Ltd.

ADDENDUM TO SHAREHOLDERS

16. DIRECTORS' RECOMMENDATION

The Directors having considered, inter alia, the rationale for the proposed renewal of the Share Buyback Mandate, are of the opinion that the proposed renewal of the Share Buyback Mandate is in the best interests of the Company and its Shareholders.

Accordingly, the Directors recommend that the Shareholders vote in favour of Ordinary Resolution 9 in relation to the proposed renewal of the Share Buyback Mandate at the 2021 AGM.

17. ACTIONS TO BE TAKEN BY SHAREHOLDERS

In light of the current COVID-19 measures in Singapore, the 2021 AGM would be held by electronic means and therefore Shareholders will NOT be able to attend the 2021 AGM in person. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the 2021 AGM through a "live" webcast or "live" audio feed as set out below:

(a) *"Live" webcast and "live" audio feed*

The Company's Chairman, Mr Sitoh Yih Pin and the Company's Chief Executive Officer, Dr Wong Jun Shyan will conduct the proceedings of the AGM by way of electronic means. Shareholders will be able to watch these proceedings through a "live" webcast via their mobile phones, tablets or computers or listen to these proceedings through a "live" audio feed via telephone. In order to do so, shareholders must follow these steps:

- Shareholders who wish to watch the "live" webcast or listen to the "live" audio feed must pre-register from now till 10.00 a.m. on 16 April 2021 ("**Registration Deadline**"), at the URL <https://bit.ly/ISECAGM2021>.

Following the authentication of the shareholders' status as shareholders, authenticated shareholders will receive email instructions on how to access the webcast and audio feed of the AGM proceedings by 10.00 a.m. on 20 April 2021 (the "**Confirmation Email**").

- Shareholders who register by the Registration Deadline but do not receive the Confirmation Email by 10.00 a.m. on 20 April 2021 should contact the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, by telephone at 6536 5355 during Monday to Friday, from 9.00 a.m. to 4.00 p.m. or by email to srs.teamb@boardroomlimited.com.

(b) *Submission of questions in advance*

Shareholders may also submit questions related to the resolutions to be tabled for approval at the AGM:

- All questions must be submitted by 10.00 a.m. on 16 April 2021
 - via the pre-registration website at the URL <https://bit.ly/ISECAGM2021>; or
 - in hard copy by sending personally or by post and lodging the same at the registered office of the Company at 101 Thomson Road, #09-04 United Square, Singapore 307591; or
 - by email to isec.agm@gmail.com.

ADDENDUM TO SHAREHOLDERS

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for shareholders to submit questions by post, shareholders are strongly encouraged to submit questions electronically via the pre-registration website or by email.

- Shareholders will need to identify themselves when posing questions by email or by mail by providing the following details:
 - the shareholder’s full name as it appears on his/her/its CDP/SRS share records;
 - the shareholder’s NRIC/Passport/UEN number;
 - the shareholder’s contact number and email address; and
 - the manner in which the shareholder holds his/her/its shares in the Company (e.g. via CDP or SRS).

Please note that the Company will not be able to answer questions from persons who provide insufficient details to enable the Company to verify his/her/its shareholder status.

- The Company will address substantial and relevant questions relating to the resolutions to be tabled for approval at the AGM as received from shareholders either before or during the AGM.
- The Company will, within one month after the date of the AGM, publish the minutes of the AGM on SGXNet and the Company’s website, and the minutes will include the responses to the questions referred to above.

Please note that shareholders will not be able to ask questions at the AGM “live” during the webcast and the audio feed, and therefore it is important for shareholders to submit their questions in advance of the AGM.

18. DIRECTORS’ RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Addendum and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Addendum constitutes full and true disclosure of all material facts about 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 Addendum misleading. Where information in the Addendum 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 Addendum in its proper form and context.

ADDENDUM TO SHAREHOLDERS

19. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at 101 Thomson Road, #09-04 United Square, Singapore 307591 during normal business hours from the date of this Addendum up to and including the date of the 2021 AGM:

1. the Constitution of the Company; and
2. the Annual Report 2020.

Shareholders who wish to inspect these documents at the registered office of the Company are required to send an email request to ir@isechealthcare.com to make an appointment in advance. The Company will arrange a date when each Shareholder can come to the registered office to inspect accordingly. The inspection of documents will be arranged with each Shareholder to limit the number of people who are present at the registered office at any one point in time and such arrangements are subject to the prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be implemented by the relevant authorities from time to time.

Yours faithfully

For and on behalf of the Board of Directors of
ISEC HEALTHCARE LTD.

Dr Lee Hung Ming
Executive Vice-Chairman

6 April 2021