

APPENDIX DATED 8 SEPTEMBER 2020

**THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.**

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

This appendix (the "**Appendix**") is circulated to the shareholders of MeGroup Ltd. (the "**Company**"), together with the Company's annual report for the financial year ended 31 March 2020 (the "**Annual Report**"). Its purpose is to explain to the Shareholders the rationale of and to provide information pertaining to the proposed renewal of the Share Buy-Back Mandate (as defined herein) and to seek Shareholders' approval of the same at the AGM to be held on 23 September 2020 at 10.00 a.m. via electronic means.

The notice of the Annual General Meeting and the accompanying proxy form are enclosed with the Annual Report.

Shareholders may refer to the announcement titled "Annual General Meeting" that is announced together with this Appendix and the Notice of Annual General Meeting and proxy form for details on the conduct of the AGM.

If you have sold or transferred all your ordinary shares in the share capital of the Company held through The Central Depository (Pte) Limited ("**CDP**") you need not forward this Appendix, the notice of the Annual General Meeting and the accompanying proxy form to the purchaser or transferee as arrangements will be made by CDP for a separate Appendix, the notice of the Annual General Meeting and the accompanying 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 the Annual General Meeting and the accompanying proxy form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Appendix has been prepared by the Company with assistance and legal advice from TSMP Law Corporation, and its contents have been reviewed by the Company's Sponsor, CIMB Bank Berhad, Singapore Branch (the "**Sponsor**") in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") Listing Manual Section B: Rules of Catalist. This Appendix has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Appendix including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Appendix. The contact person for the Sponsor is Mr. Yee Chia Hsing, Head, Catalist, Singapore. The contact particulars are 50 Raffles Place #09-01, Singapore Land Tower, Singapore 048623, Telephone: +65 6337 5115.



**MEGROU LTD.**

(Incorporated in the Republic of Singapore on 7 February 2018)  
(Company Registration Number: 201804996H)

**APPENDIX TO SHAREHOLDERS  
IN RELATION TO  
THE PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE**

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## DEFINITIONS

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

"ACRA"	:	Accounting and Corporate Regulatory Authority
"Act" or "Companies Act"	:	Companies Act (Chapter 50) of Singapore, as amended, modified or supplemented from time to time
"AGM"	:	The annual general meeting of the Company
"Annual Report"	:	The annual report of the Company for FY2020
"Appendix"	:	This Appendix to Shareholders dated 8 September 2020 in respect of the proposed renewal of the Share Buy-Back Mandate
"Approval Date"	:	The date of the AGM at which the renewal of the Share Buy-Back Mandate has been approved
"Associate"	:	(a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:  (i) his immediate family;  (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and  (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more  (b) in relation to a Substantial Shareholder or Controlling Shareholder (being a company) means any company which is its subsidiary or holding company or is a subsidiary of any such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
"Average Closing Price"	:	Has the meaning ascribed to it in Paragraph 3.4
"Board of Directors" or "Board"	:	The board of directors of the Company for the time being
"Catalist"	:	The Catalist of the SGX-ST
"Catalist Rules"	:	Section B: Rules of Catalist of the Listing Manual of the SGX-ST as amended, supplemented or modified from time to time

## DEFINITIONS

"CDP"	:	The Central Depository (Pte) Limited
"Company"	:	MeGroup Ltd.
"Constitution"	:	Constitution of the Company, as amended, supplemented 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 the Company
"Controlling Shareholder"	:	A person who:  (a) holds directly or indirectly 15% or more of the issued share capital of the Company; or  (b) in fact exercises Control over the Company
"Directors"	:	The directors of the Company for the time being
"EPS"	:	Earnings per Share
"FY2020"	:	Financial year of the Company ended 31 March 2020
"Group"	:	The Company and its subsidiaries
"Latest Practicable Date"	:	31 August 2020, being the latest practicable date prior to the printing of this Appendix
"Market Day"	:	A day on which SGX-ST is open for securities trading
"Maximum Price"	:	Has the meaning ascribed to it in Paragraph 3.4
"NAV"	:	Net asset value
"NTA"	:	Net tangible assets
"Purchase Price"	:	Has the meaning ascribed to it in Paragraph 5
"Relevant Period"	:	The period commencing from the date on which the ordinary resolution in relation to the Share Buy-Back Mandate is passed in a general meeting and expiring on the earliest of the date on which the next AGM is held or is required by law to be held, or the date the said mandate is revoked or varied by the Company in a general meeting
"Securities Account"	:	The securities account maintained by a Depositor with CDP (but does not include a securities sub-account)
"SFA" or "Securities and Futures Act"	:	The Securities and Futures Act (Chapter 289) of Singapore, as amended or modified from time to time

## DEFINITIONS

"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"Share(s)"	:	Ordinary share(s) in the share capital of the Company
"Shareholders"	:	The registered holders of the Shares in the register of members of the Company, except where the registered holder is CDP, the term "Shareholders" shall, in relation to such Shares and where the context so admits, mean the Depositors whose Securities Accounts are credited with such Shares
"Share Buy-Back Mandate"	:	The general and unconditional mandate given by Shareholders to authorise the Directors to exercise all the powers of the Company to purchase or otherwise acquire issued Shares within the Relevant Period, in accordance with the terms set out in this Appendix, as well as the rules and regulations set forth in the Companies Act and the Catalist Rules
"SIC"	:	Securities and Industry Council
"Sponsor"	:	CIMB Bank Berhad, Singapore Branch
"Substantial Shareholder"	:	A person (including a corporation) who holds, directly or indirectly, 5% or more of the total issued share capital of the Company
"Vendors"	:	Has the meaning ascribed to it in Paragraph 6.5
"Vendor Share Sale"	:	Has the meaning ascribed to it in Paragraph 6.5
"Takeover Code"	:	The Singapore Code on Take-overs and Mergers, and all practice notes, rules and guidelines thereunder, as may from time to time be issued or amended
"Treasury Shares"	:	Issued Shares of the Company which was (or is treated as having been) purchased by the Company in circumstances which Section 76H of the Companies Act applies and since purchase has been continuously held by the Company

### Currencies, Units and Others

"S\$", or "cents"	:	Singapore dollars and cents, respectively
"%" or "per cent"	:	Per centum or percentage

The terms "**depositor**" and "**Depository Register**" shall have the same meanings ascribed to them respectively in Section 81SF of the SFA.

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

Any reference in this Appendix to any statute or enactment is a reference to that statute or enactment as

## **DEFINITIONS**

for the time being amended or re-enacted. Any word or term defined under the Companies Act, the SFA, the Catalist Rules or any statutory modification thereof and used in this Appendix shall, where applicable, has the meaning ascribed to it under the Companies Act, the SFA, the Catalist Rules, the Takeover Code or any statutory modification thereof, as the case may be, unless otherwise provided.

Any reference to a time of day in this Appendix shall be a reference to Singapore time, unless otherwise stated. Any discrepancies in this Appendix between the amounts listed and the total 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.

# APPENDIX TO SHAREHOLDERS

## MEGROUPTD.

(Incorporated in the Republic of Singapore)  
(Company Registration Number 201804996H)

### Directors:

Mr Wong Cheong Chee (*Executive Chairman and Chief Executive Officer*)  
Ms Wong Keat Yee (*Executive Director*)  
Mr Chee Teck Kwong Patrick (*Lead Independent Director*)  
Mr Benjamin Choo (*Independent Director*)  
Mr Edmund Lai Sou Wei (*Independent Director*)

### Registered Office:

50 Raffles Place  
#32-01 Singapore Land Tower  
Singapore 048623

8 September 2020

To: The Shareholders of MeGroup Ltd.

Dear Sir / Madam

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

### 1. INTRODUCTION

The Share Buy-Back Mandate was first approved by Shareholders at the AGM held on 30 July 2019. The Share Buy-Back Mandate will, unless renewed again, expire at the date of the forthcoming AGM to be convened. Accordingly, the Directors are proposing to seek Shareholders' approval at the forthcoming AGM for the proposed renewal of the Share Buy-Back Mandate.

The purpose of this Appendix is to provide Shareholders with information relating to, and to seek Shareholders' approval for, the proposed renewal of the Share Buy-Back Mandate to be tabled at the AGM.

The SGX-ST takes no responsibility for the contents of this Appendix, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Appendix.

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

#### 2.1 Background

The Companies Act allows a Singapore-incorporated company to purchase or otherwise acquire its issued ordinary shares, stocks and preference shares if the purchase or acquisition is permitted under the Company's Constitution. Any purchase or acquisition of Shares by the Company would have to be made in accordance with, and in the manner prescribed by, the Companies Act and the Catalist Rules and such other laws and regulations as may for the time being be applicable. As the Company is listed on Catalist, it is also required to comply with Part XI of Chapter 8 of the Catalist Rules, which relates to the purchase or acquisition by an issuer of its own shares. Regulation 13(B) of the Constitution expressly permits the Company to purchase or otherwise acquire its issued Shares.

If approved by Shareholders at the AGM, the authority conferred by the Share Buy-Back Mandate will take effect from the Approval Date and continue to be in force until the date on which the next AGM of the Company is held or required to be held, the date on which the buy-back of the Shares are carried out to the full extent mandated or it is varied or revoked by the Company in a general

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meeting, whichever is the earliest, and may be renewed by Shareholders in a general meeting.

### 2.2 Rationale for the Share Buy-Back Mandate

The Share Buy-Back Mandate will give the Company the flexibility to purchase or otherwise acquire its Shares if and when circumstances permit. The Directors believe that Share buy-backs would allow the Company and its Directors to better manage the Company's share capital structure, dividend pay-out and cash reserves. In addition, it also provides the Directors a mechanism to facilitate the return of surplus cash over and above the Company's ordinary capital requirements in an expedient and cost-efficient manner, and the opportunity to exercise control over the Company's share capital structure with a view to enhance the EPS and/or NAV per Share.

The Directors further believe that Share buy-backs by the Company will help mitigate short-term market volatility, offset the effects of short-term speculation and bolster Shareholders' confidence.

If and when circumstances permit, the Directors will decide whether to effect the Share buy-backs 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 Share buy-backs to an extent that would, or in circumstances that might, result in a material adverse effect on the liquidity and/or the orderly trading of the Shares and/or the financial position of the Company or the Group.

## 3. TERMS OF THE SHARE BUY-BACK MANDATE

The authority and limitations placed on purchases and acquisitions of Shares by the Company under the Share Buy-Back Mandate, if approved at the AGM, are summarised below.

### 3.1 Maximum Number of Shares

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

The total number of Shares that may be purchased or acquired by the Company pursuant to the Share Buy-Back Mandate during the Relevant Period is limited to that number of Shares representing not more than 10% of the issued share capital of the Company, ascertained as at the Approval Date, unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the total number of Shares of the Company shall be taken to be the total number of Shares of the Company as altered. For purposes of calculating the percentage of issued Shares above, any of the Shares which are held as Treasury Shares and subsidiary holdings (if applicable) will be disregarded.

**For illustrative purposes only**, based on the existing issued and paid-up share capital of the Company as at the Latest Practicable Date of 119,523,315 Shares, excluding Treasury Shares and subsidiary holdings, and assuming that no further Shares are issued on or prior to the date of AGM, not more than 11,952,332 Shares (representing 10% of the issued and paid-up share capital of the Company) may be purchased or acquired by the Company pursuant to the Share Buy-Back Mandate.

As at Latest Practicable Date, the Company does not hold any Treasury Shares and there are no subsidiary holdings.



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### 3.2 Duration of Authority

Purchases or acquisitions of Shares may be made during the Relevant Period, at any time and from time to time, on and from the Approval Date, up to the earlier of:

- (a) the conclusion of the next AGM or the date by which such AGM is required by law or the Constitution to be held; or
- (b) the date on which the buy-back of the Shares are carried out to the full extent mandated; or
- (c) the date on which the authority conferred in the Share Buy-Back Mandate is varied or revoked by the Shareholders in a general meeting.

The authority conferred by the Share Buy-Back Mandate to purchase or acquire Shares may be renewed at each AGM or any other general meeting of the Company.

### 3.3 Manner of Purchase of Shares

Purchases of Shares may be made by way of:

- (a) on-market purchases ("**Market Purchase**"), transacted on the SGX-ST through the ready market and which may be transacted through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (b) off-market purchases ("**Off-Market Purchase**") (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as defined in Section 76C of the Companies Act and which will satisfy all the conditions prescribed by the Constitution and the Catalist Rules.

The Directors may impose such terms and conditions which are not inconsistent with the Share Buy-Back Mandate, the Catalist Rules, Constitution and the Companies Act as they consider fit in the interest of the Company in connection with or in relation to any equal access scheme(s).

An Off-Market Purchase must, however, satisfy all the following conditions:

- (a) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (b) all of those 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:
  - (i) differences in consideration attributable to the fact that offers may 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.

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In addition, Rule 870 of the Catalist Rules provides that, in making an Off-Market Purchase, 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 buy-back;
- (d) the consequences, if any, of Share buy-backs by the Company that will arise under the Takeover Code or other applicable take-over rules;
- (e) whether the Share buy-back, if made, would have any effect on the listing of the Shares on the SGX-ST;
- (f) details of any Share buy-back made by the Company in the previous 12 months (whether by way of Market Purchases or Off-Market Purchases in accordance with an equal access scheme), setting out the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (g) whether the Shares purchased by the Company will be cancelled or kept as Treasury Shares.

### 3.4 Maximum Purchase Price

The purchase price (including brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors.

However, the purchase price to be paid for the Shares must not exceed:

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

(the "**Maximum Price**") in either case, including related expenses of the purchase.

For the above purposes:

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

"**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

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### 4. STATUS OF PURCHASED SHARES UNDER THE SHARE BUY-BACK MANDATE

At the time of each purchase of Shares by the Company, the Directors will decide whether the Shares purchased will be cancelled or kept as Treasury Shares, or partly cancelled and partly kept as Treasury Shares, depending on the needs of the Company at that time.

#### 4.1 Cancellation

A Share purchased or acquired by the Company is, unless held as a Treasury Share in accordance with the Companies Act, treated as cancelled immediately on purchase or acquisition. On such cancellation, all rights and privileges attached to the Share will expire on cancellation.

The total number of issued Shares will be diminished by the number of Shares which are purchased or acquired and cancelled by the Company. All Shares purchased and cancelled by the Company will be automatically delisted 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 the settlement of any such purchase or cancellation.

#### 4.2 Treasury Shares

Under the Companies Act, a company may hold shares so purchased or acquired as Treasury Shares provided that:

(a) ***Maximum Holdings***

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 Section 76K of the Companies Act within six (6) months or such further periods as ACRA may allow.

(b) ***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. A subdivision of any Treasury Shares into Treasury Shares of a larger amount, or consolidation of any Treasury Shares into Treasury Shares of a smaller amount, is also allowed so long as the total value of the Treasury Shares after the subdivision or consolidation is the same as before.

(c) ***Disposal and Cancellation***

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 any share

## APPENDIX TO SHAREHOLDERS

schemes of the Company, whether for employees, directors or other persons;

- (iii) transfer the Treasury Shares as consideration for the acquisition of Shares in, or assets of, another company or assets of a person;
- (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 for Finance of Singapore.

### 4.3 Requirements of Catalyst Rules

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

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

## 5. SOURCE OF FUNDS FOR SHARE BUY-BACKS

The Company may only apply funds for the Share Buy-Back Mandate in accordance with the Companies Act, Constitution and the applicable laws in Singapore. The Company may not buy Shares for a consideration other than cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the Catalyst Rules. As stated in the Companies Act, the Share buy-back may be made out of the Company's profits or capital so long as the Company is solvent.

Pursuant to Section 76F(4) of the Companies Act, the Company is solvent if (a) there is no ground on which the company could be found to be unable to pay its debts; (b) if (i) it is intended to commence winding up of the company within the period of 12 months immediately after the date of the payment, the company will be able to pay its debts in full within the period of 12 months after the date of commencement of the winding up; or (ii) it is not intended so to commence winding up, the company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of the payment; and (c) the value of the company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the proposed purchase, acquisition, variation or release (as the case may be), 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 estimates 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.

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When Shares are purchased or acquired, and cancelled:

- (a) if the Shares are purchased or acquired entirely out of the capital of the Company, the Company shall reduce the amount of its share capital by the total amount of the purchase price paid by the Company for the Shares (including brokerage, stamp duties, commission, applicable goods and services tax, clearance fees and other related expenses) (the "**Purchase Price**") and the amount available for the distribution of dividends by the Company will not be reduced;
- (b) if the Shares are purchased or acquired entirely out of profits of the Company, the Company shall reduce the amount of its profits and the amount available for distribution of dividends by the Purchase Price; or
- (c) where the Shares are purchased or acquired out of both the capital and the profits of the Company, the Company shall reduce the amount of its share capital and profits proportionately by the Purchase Price.

The Company may use internal resources and/or external borrowings to finance purchases and acquisitions of its Shares pursuant to the Share Buy-Back Mandate.

The Directors do not propose to exercise the Share Buy-Back Mandate in a manner and to such extent that the financial condition, liquidity and capital adequacy position of the Group would be materially adversely affected.

### 6. TAKE-OVER IMPLICATIONS UNDER THE TAKEOVER CODE

#### 6.1 Appendix 2 of the Takeover Code

Appendix 2 of the Takeover 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.

#### 6.2 Obligation to make a take-over offer

Rule 14 of the Takeover Code ("**Rule 14**") 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 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.

## APPENDIX TO SHAREHOLDERS

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

### 6.3 Persons acting in concert

Persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal) co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of that company.

Unless the contrary is established, the following persons, *inter alia*, will be presumed to be acting in concert, namely, (a) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts) and (b) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies and companies of which such companies are associated companies, all with each other. For this purpose, ownership or control of 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status.

Consequently, a Director and persons acting in concert (as such term is defined in the Takeover Code) with him could, depending on the level of increase in his/her or their interest in the Company, become obliged to make a mandatory offer in accordance with Rule 14 as a result of the Company's buy-back of Shares.

Unless exempted, Directors of the 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 30% or more, or if the voting rights of such Directors and their concert parties fall between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six (6) months.

Further details of the interests of the Directors and Substantial Shareholders of the Company in the Shares of the Company as at the Latest Practicable Date are set out in Section 13 of this Appendix.

### 6.4 Effect of Rule 14 and Appendix 2 of the Takeover Code

In general terms, the effect of Rule 14 and Appendix 2 of the Takeover Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a mandatory take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares:

- (a) the voting rights of such Directors and persons acting in concert with them would increase to 30% or more; or
- (b) in the event that such Directors and persons acting in concert with them hold between 30% and 50% of the Company's voting rights, if the voting rights of such Directors and persons acting in concert with them would increase by more than 1% in any period of six (6) months.

Under Appendix 2 of the Takeover 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:

- (i) the voting rights of such Shareholder would increase to 30% or more; or

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- (ii) if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six (6) months.

Such Shareholder need not abstain from voting in respect of the ordinary resolution authorising the renewal of the Share Buy-Back Mandate.

**Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Takeover Code as a result of any purchase or acquisition of Shares by the Company should consult their professional advisers and/or SIC and/or other relevant authorities at the earliest opportunity.**

### 6.5 Application of the Takeover 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 13 below.

Shareholders should note that the shareholdings of the Directors and Substantial Shareholders of the Company as at the Latest Practicable Date and as disclosed in this Circular are based on the Company's internal records and the list of shareholders of the Company as obtained from CDP on the Latest Practicable Date.

Based on the shareholdings of the Directors and Substantial Shareholders as at the Latest Practicable Date, and assuming that:

- (a) there is no change in their holdings of Shares between the Latest Practicable Date and the date of the resolution to be passed in relation to the Share Buy-Back Mandate (being the date of the EGM); and
- (b) no new shares are issued by the Company between the Latest Practicable Date and the date of the resolution to be passed in relation to the Share Buy-Back Mandate (being the date of the EGM),

the respective holdings of Shares of the Directors and Substantial Shareholders of the Company as at the date of the resolution to be passed in relation to the Share Buy-Back Mandate (being the date of the EGM) and after the purchase or acquisition by the Company of 10.0% of the total number of issued Shares (excluding Treasury Shares and subsidiary holdings) pursuant to the Share Buy-Back Mandate are as follows:

Name	Before Share Buy-Back (as at the Latest Practicable Date)				After Share Buy-Back			
	Direct interest	% <sup>(1)</sup>	Deemed interest	% <sup>(1)</sup>	Direct interest	% <sup>(2)</sup>	Deemed interest	% <sup>(2)</sup>
<b>Directors</b>								
Mr Wong Cheong Chee <sup>(3) (4) (6)</sup>	205,000	0.17	61,232,497	51.23	205,000	0.19	61,232,497	56.92
Ms Wong Keat Yee <sup>(3) (5)</sup>	-	-	-	-	-	-	-	-
Mr Chee Teck Kwong Patrick	-	-	-	-	-	-	-	-
Mr Benjamin Choo	-	-	-	-	-	-	-	-
Mr Edmund Lai Sou Wei	-	-	-	-	-	-	-	-

## APPENDIX TO SHAREHOLDERS

Name	Before Share Buy-Back (as at the Latest Practicable Date)				After Share Buy-Back			
	Direct interest	% <sup>(1)</sup>	Deemed interest	% <sup>(1)</sup>	Direct interest	% <sup>(2)</sup>	Deemed interest	% <sup>(2)</sup>
<b>Substantial Shareholders (other than Directors)</b>								
JCWW Holdings Pte. Ltd. <sup>(5) (6)</sup>	61,232,497	51.23	-	-	61,232,497	56.92	-	-
Mdm Lee Soh Hong <sup>(3) (4)</sup>	-	-	61,437,497	51.40	-	-	61,437,497	57.11
Crimson Cloud Sdn. Bhd. <sup>(6) (7)</sup>	11,562,353	9.67	-	-	11,562,353	10.75	-	-
Mr Abdul Razak Bin Montel <sup>(7)</sup>	-	-	11,562,353	9.67	-	-	11,562,353	10.75
Mr Lee Khoon Chuan <sup>(3) (6)</sup>	15,468,947	12.94	-	-	15,468,947	14.38	-	-

**Notes:**

- (1) Based on the issued share capital of the Company of 119,523,315 Shares as at the Latest Practicable Date.
- (2) Based on the issued share capital of the Company of 107,570,984 Shares (assuming that the Company purchases 10% of its issued share capital pursuant to the Share Buy-back Mandate).
- (3) Our Executive Chairman and Chief Executive Officer, Mr Wong Cheong Chee, is the husband of Mdm Lee Soh Hong. Our Executive Director, Ms Wong Keat Yee and Mr Wong Sai Hou and Mr Wong Sai Keat are the children of Mr Wong Cheong Chee and Mdm Lee Soh Hong. Mr Lee Khoon Chuan is the nephew of Mdm Lee Soh Hong.
- (4) Mr Wong Cheong Chee and Mdm Lee Soh Hong are deemed to be interested in the Shares held by JCWW Holdings Pte. Ltd. by virtue of Section 4 of the SFA.
- (5) JCWW Holdings Pte. Ltd. is our Controlling Shareholder. JCWW Holdings Pte. Ltd. is a company incorporated in Singapore. The Shareholders of JCWW Holdings Pte. Ltd. are Mr Wong Cheong Chee and Mdm Lee Soh Hong (who own 70% of the shares of JCWW Holdings Pte. Ltd. in joint names), Ms Wong Keat Yee (10%), Mr Wong Sai Hou (10%) and Mr Wong Sai Keat (10%).
- (6) Registered in the name of RHB Securities Pte. Ltd.
- (7) Crimson Cloud Sdn. Bhd. is a company incorporated in Malaysia that is wholly-owned by our Executive Officer, Mr Abdul Razak Bin Montel. Mr Abdul Razak Bin Montel is deemed to be interested in the Shares held by Crimson Cloud Sdn. Bhd. by virtue of Section 4 of the SFA.

As at the Latest Practicable Date, Mr Wong Cheong Chee, Mdm Lee Soh Hong and JCWW Holdings Pte. Ltd. have an interest of more than 50% of the Company's voting rights and would therefore not be obliged to make a general offer under Rule 14 and Appendix 2 of the Takeover Code, assuming that there is no change in the number of Shares held or deemed to be held by Mr Wong Cheong Chee, Mdm Lee Soh Hong and/or JCWW Holdings Pte. Ltd. from the Latest Practicable Date.

In the event that the Company undertakes Share buy-backs of up to 10.0% of the total number of issued Shares (excluding Treasury Shares and subsidiary holdings) within any six (6)-month period as permitted by the Share Buy-Back Mandate, as permitted by the Share Buy-Back Mandate, it is not expected that the shareholdings and/or voting rights of any of the other Shareholders will be increased to 30% or more, thereby triggering a requirement for any Shareholder to make a general offer to the other Shareholders under Rule 14 of the Take-over Code.

Save as disclosed, the Directors confirm that they are not aware of any facts or factors which suggest or imply that any particular person(s) an/or Shareholder(s) are, or may be regarded as,



## APPENDIX TO SHAREHOLDERS

parties acting in concert such that their respective interests in voting shares in the capital of the Company ought to be consolidated, and consequences under the Takeover Code would ensue as a result of Share buy-backs by the Company pursuant to the Share Buy-back Mandate.

**The statements herein do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Takeover Code. Shareholders who are in doubt 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 buy-backs by the Company pursuant to the Share Buy-back Mandate.**

### 7. FINANCIAL IMPACT

#### 7.1 Assumptions

It is not possible for the Company to realistically calculate or quantify the impact of purchases that may be made pursuant to the Share Buy-Back Mandate on the financial effects as it would depend on factors such as the aggregate number of Shares purchased or acquired, the purchase prices paid at the relevant time, and the amount (if any) borrowed by the Company to fund the purchases, whether the purchase or acquisition is made out of profits or capital, and whether the Shares purchased are held in treasury or cancelled.

The financial effects presented in this Section of this Appendix are based on the assumptions set out below:

(a) ***Information as at the Latest Practicable Date***

The Company has 119,523,315 Shares. The Company does not hold any Treasury Shares and there are no subsidiary holdings.

(b) ***Illustrative Financial Effects***

**Purely for illustrative purposes**, on the basis of 119,523,315 Shares in issue as at the Latest Practicable Date (excluding Treasury Shares and subsidiary holdings) and assuming no further Shares are issued and no Shares are held by the Company as Treasury Shares and there are no subsidiary holdings on or prior to the AGM, the purchase by the Company of 10% of its issued Shares will result in the purchase of 11,952,332 Shares.

(i) In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 11,952,332 Shares at the Maximum Price of S\$0.168 for each Share (being the price equivalent to 105% of the Average Closing Price of the Shares for the five (5) consecutive trading Market Days on which the Shares were traded on SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 11,952,332 Shares is approximately S\$2,007,992.

(ii) In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 11,952,332 Shares at the Maximum Price of S\$0.192 for each Share (being the price equivalent to 120% of the Average Closing Price of the Shares for the five (5) consecutive trading Market Days on which the Shares were traded on SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or

## APPENDIX TO SHAREHOLDERS

acquisition of 11,952,332 Shares is approximately S\$2,294,848;

- (c) the Share buy-back will be funded by the Company from internal funds or external borrowings or a combination of both and in considering the use of external funding, the Company will take into consideration the availability of external financing and the resulting impact on the prevailing gearing level of the Company and the Group;
- (d) the purchase or acquisition of Shares pursuant to the Share Buy-Back Mandate had taken place on 31 March 2020 for the purpose of computing the financial effects on the EPS of the Group;
- (e) the purchase or acquisition of Shares pursuant to the Share Buy-Back Mandate had taken place on 1 April 2019 for the purpose of computing the financial effects on Shareholders' equity, NTA per Share and gearing of the Company and the Group; and
- (f) transaction costs incurred for the purchase or acquisition of Shares pursuant to the Share Buy-Back Mandate are insignificant and are ignored for the purpose of computing the financial effects.

### 7.2 Pro Forma Financial Effects

***For illustrative purposes only*** and on the basis of the assumptions set out above and assuming that the Share buy-backs will be funded by the Company solely from its external borrowings, the financial effects of:

- (a) the acquisition of 10% of the issued Shares, excluding Treasury Shares and subsidiary holdings, comprising 11,952,332 Shares as at the Latest Practicable Date by the Company in a Market Purchase or Off-Market Purchase pursuant to the Share Buy-Back Mandate by way of purchases made entirely out of capital and held as Treasury Shares ("**Scenario A**"); and
- (b) the acquisition of 10% of the issued Shares, excluding Treasury Shares and subsidiary holdings, comprising 11,952,332 Shares as at the Latest Practicable Date, by the Company in a Market Purchase or Off-Market Purchase pursuant to the Share Buy-Back Mandate by way of purchases made entirely out of capital and cancelled ("**Scenario B**"),

on the audited financial statements of the Group and the Company for FY2020 are set out below.

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

## APPENDIX TO SHAREHOLDERS

### Scenario A

	Group (as at 31 March 2020 (audited))			Company (as at 31 March 2020 (audited))		
	Before Share Buy-Back	After Market Purchase	After Off-Market Purchase	Before Share Buy-Back	After Market Purchase	After Off-Market Purchase
	(RM)	(RM)	(RM)	(RM)	(RM)	(RM)
Share Capital and Reserves	12,995,390	6,837,883	5,958,240	37,356,382	31,198,875	30,319,232
Retained Earnings	30,383,270	30,383,270	30,383,270	(4,677,218)	(4,677,218)	(4,677,218)
Total Shareholders' Equity/NAV	43,378,660	37,221,153	36,341,510	32,679,164	26,521,657	25,642,014
NTA	40,737,180	34,579,673	33,700,030	32,679,164	26,521,657	25,642,014
Current Assets	43,219,664	37,062,157	36,182,514	6,718,316	560,809	-
Current Liabilities	22,870,379	22,870,379	22,870,379	133,286	133,286	452,120
Working Capital	20,349,285	14,191,778	13,312,135	6,585,030	427,523	(452,120)
Total Borrowings	23,751,392	23,751,392	23,751,392	-	4,093,537	4,973,180
Cash and cash equivalents	11,334,948	5,177,441	4,297,798	2,063,970	-	-
Number of issued Shares <sup>(1)</sup>	119,523,315	107,570,984	107,570,984	119,523,315	107,570,984	107,570,984
Number of Treasury Shares	-	11,952,332	11,952,332	-	11,952,332	11,952,332
Weighted average of Shares	118,886,897	106,934,566	106,934,566	118,886,897	106,934,566	106,934,566
Profit for the period attributable to shareholders	1,249,736	1,249,736	1,249,736	170,631	170,631	170,631

### Financial Ratios

	Group (as at 31 March 2020 (audited))			Company (as at 31 March 2020 (audited))		
	Before Share Buy-Back	After Market Purchase	After Off- Market Purchase	Before Share Buy-Back	After Market Purchase	After Off- Market Purchase
	NAV per Share (Singapore cents)	11.84	11.28	11.02	8.92	8.04
NTA per Share (Singapore cents)	11.11	10.48	10.22	8.92	8.04	7.77
Gearing (times)	0.55	0.64	0.65	-	0.15	0.19
Current Ratio (times)	1.89	1.62	1.58	50.41	4.21	-
Basic EPS (Singapore cents)	1.05	1.17	1.17	0.14	0.16	0.16

### Notes:

- (1) Based on the issued share capital of 119,523,315 Shares (excluding Treasury Shares and subsidiary holdings) as at the Latest Practicable Date.

## APPENDIX TO SHAREHOLDERS

- (2) NAV per Share equals to equity attributable to owners of the Company divided by the number of Shares outstanding as at the Latest Practicable Date.
- (3) NTA per Share equals to equity attributable to owners of the Company divided by the number of Shares outstanding as at the Latest Practicable Date.
- (4) Gearing equals to total borrowings divided by total equity.
- (5) EPS equals to profit attributable to owners of the Company divided by the weighted average number of Shares outstanding during FY2020.

### Scenario B

	Group (as at 31 March 2020 (audited))			Company (as at 31 March 2020 (audited))		
	Before Share Buy-Back	After Market Purchase	After Off-Market Purchase	Before Share Buy-Back	After Market Purchase	After Off-Market Purchase
	(RM)	(RM)	(RM)	(RM)	(RM)	(RM)
Share Capital and Reserves	12,995,390	6,837,883	5,958,240	37,356,382	31,198,875	30,319,232
Retained Earnings	30,383,270	30,383,270	30,383,270	(4,677,218)	(4,677,218)	(4,677,218)
Total Shareholders' Equity / NAV	43,378,660	37,221,153	36,341,510	32,679,164	26,521,657	25,642,014
NTA	40,737,180	34,579,673	33,700,030	32,679,164	26,521,657	25,642,014
Current Assets	43,219,664	37,062,157	36,182,514	6,718,316	560,809	-
Current Liabilities	22,870,379	22,870,379	22,870,379	133,286	133,286	452,120
Working Capital	20,349,285	14,191,778	13,312,135	6,585,030	427,523	(452,120)
Total Borrowings	23,751,392	23,751,392	23,751,392	-	4,093,537	4,973,180
Cash and cash equivalents	11,334,948	5,177,441	4,297,798	2,063,970	-	-
Number of issued Shares <sup>(1)</sup>	119,523,315	107,570,984	107,570,984	119,523,315	107,570,984	107,570,984
Number of Treasury Shares	-	-	-	-	-	-
Weighted average of Shares	118,886,897	106,934,566	106,934,566	118,886,897	106,934,566	106,934,566
Profit for the period attributable to shareholders	1,249,736	1,249,736	1,249,736	170,631	170,631	170,631

## APPENDIX TO SHAREHOLDERS

### Financial Ratios

	Group (as at 31 March 2020 (audited))			Company (as at 31 March 2020 (audited))		
	Before Share Buy-Back	After Market Purchase	After Off- Market Purchase	Before Share Buy-Back	After Market Purchase	After Off- Market Purchase
NAV per Share (Singapore cents)	11.84	11.28	11.02	8.92	8.04	7.77
NTA per Share (Singapore cents)	11.11	10.48	10.22	8.92	8.04	7.77
Gearing (times)	0.55	0.64	0.65	-	0.15	0.19
Current Ratio (times)	1.89	1.62	1.58	50.41	4.21	-
Basic EPS (Singapore cents)	1.05	1.17	1.17	0.14	0.16	0.16

### Notes:

- (1) Based on the issued share capital of 119,523,315 Shares (excluding Treasury Shares and subsidiary holdings) as at the Latest Practicable Date.
- (2) NAV per Share equals to equity attributable to owners of the Company divided by the number of Shares outstanding as at the Latest Practicable Date.
- (3) NTA per Share equals to equity attributable to owners of the Company divided by the number of Shares outstanding as at the Latest Practicable Date.
- (4) Gearing equals to total borrowings divided by total equity.
- (5) EPS equals to profit attributable to owners of the Company divided by the weighted average number of Shares outstanding during FY2020.

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 Buy-Back Mandate to such an extent that it would have a material adverse effect on the working capital requirements, financial position and/or gearing of the Group. 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. The Share Buy-Back Mandate will be exercised with a view to enhance the EPS and/or NAV per Share of the Group.

It should be noted that although the Share Buy-Back Mandate would authorise the Company to purchase or otherwise acquire up to 10% of the issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or otherwise acquire the entire 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.

## 8. TAX IMPLICATIONS

**Shareholders who are in doubt as to their respective tax positions or any such tax implications or who may be subject to tax in a jurisdiction other than Singapore should consult their own professional advisors.**

## APPENDIX TO SHAREHOLDERS

### 9. INTERESTED PERSONS

The Company is prohibited from knowingly buying Shares on Catalist 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/her Shares to the Company.

### 10. REPORTING REQUIREMENTS UNDER THE COMPANIES ACT

Within 30 days of the passing of a Shareholders' resolution to approve the purchases of Shares by the Company, the Company shall lodge a copy of such resolution with ACRA. Within 30 days of a purchase of Shares on Catalist or otherwise, the Company shall lodge with ACRA the notice of the purchase in the prescribed form, such notification including, *inter alia*, details of the purchase, the total number of Shares purchased by the Company, the total number of Shares cancelled, the number of Shares held as Treasury Shares, the Company's issued ordinary share capital before and after the purchase of Shares, the amount of consideration paid by the Company for the purchase, and whether the Shares were purchased out of the profits or the capital of the Company.

### 11. CATALIST RULES

#### 11.1 Public float

As at the Latest Practicable Date, approximately 23.05% of the issued share capital of the Company is held in the hands of the public. Assuming that the Company purchased 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 reduced to approximately 14.48%.

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 Buy-Back 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 buy-back of Shares if the buy-back 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.

#### 11.2 Maximum Price

Under the Catalist Rules, a listed company may only purchase shares by way of a market acquisition at a price which is not more than 5% above the average closing market price. The term average closing market price is defined as the average of the closing market prices of Shares over the last five (5) Market Days, on which transactions in the Shares were recorded, before the day on which purchases are made; and deemed to be adjusted for any corporate action that occurs during the relevant five (5)-day period and the day on which the purchases are made. The Maximum Price for a Share in relation to Market Purchases by the Company, referred to in Section 3.4 of this Appendix, conforms to this restriction.

## APPENDIX TO SHAREHOLDERS

### 11.3 Disclosure Requirements

Additionally, the Catalist Rules also specifies 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 a Market Purchase, on the Market Day following the day of purchase 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 shall include, *inter alia*, details of the total number of Shares authorised for purchase, the date of purchase, the total number of Shares purchased, the purchase price per Share or (in the case of Market Purchases) the purchase price per Share or the highest price and lowest price per Share, the total consideration paid for the Shares and the number of issued Shares after purchase, in the form prescribed under the Catalist Rules.

### 11.4 Dealing in Securities

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 Buy-Back 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 during the period commencing one (1) month before the announcement of the Company's half year and full year financial results, as the case may be, and ending on the date of the announcement of the relevant results.

## 12. SHARES BOUGHT BY THE COMPANY IN THE PREVIOUS 12 MONTHS

No purchases of Shares have been made by the Company in the 12 months preceding the Latest Practicable Date.

## 13. INTERESTS OF THE DIRECTORS AND/OR SUBSTANTIAL SHAREHOLDERS

The following table shows the shareholding interests of the Directors and Substantial Shareholders of the Company as at the Latest Practicable Date:-

## APPENDIX TO SHAREHOLDERS

Directors	Direct interest		Deemed interest		Total interest	
	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>	No. of Shares	% <sup>(1)</sup>
Mr Wong Cheong Chee <sup>(2) (3) (5)</sup>	205,000	0.17	61,232,497	51.23	61,437,497	51.40
Ms Wong Keat Yee <sup>(2) (4)</sup>	-	-	-	-	-	-
Mr Chee Teck Kwong Patrick	-	-	-	-	-	-
Mr Benjamin Choo	-	-	-	-	-	-
Mr Edmund Lai Sou Wei	-	-	-	-	-	-
<b>Substantial Shareholders (excluding Directors)</b>						
JCWW Holdings Ptd. Ltd. <sup>(4) (5)</sup>	61,232,497	51.23	-	-	61,232,497	51.23
Mdm Lee Soh Hong <sup>(2) (3)</sup>	-	-	61,437,497	51.40	61,437,497	51.40
Crimson Cloud Sdn. Bhd. <sup>(5) (6)</sup>	11,562,353	9.67	-	-	11,562,353	9.67
Mr Abdul Razak Bin Montel <sup>(5)</sup> <sup>(6)</sup>	-	-	11,562,353	9.67	11,562,353	9.67
Mr Lee Khoon Chuan <sup>(2) (5)</sup>	15,468,947	12.94	-	-	15,468,947	12.94

### Notes:

- (1) Based on the issued share capital of the Company of 119,523,315 Shares as at the Latest Practicable Date.
- (2) Our Executive Chairman and Chief Executive Officer, Mr Wong Cheong Chee, is the husband of Mdm Lee Soh Hong. Our Executive Director, Ms Wong Keat Yee and Mr Wong Sai Hou and Mr Wong Sai Keat are the children of Mr Wong Cheong Chee and Mdm Lee Soh Hong. Mr Lee Khoon Chuan is the nephew of Mdm Lee Soh Hong.
- (3) Mr Wong Cheong Chee and Mdm Lee Soh Hong are deemed to be interested in the Shares held by JCWW Holdings Pte. Ltd. by virtue of Section 4 of the SFA.
- (4) JCWW Holdings Pte. Ltd. is our Controlling Shareholder. JCWW Holdings Pte. Ltd. is a company incorporated in Singapore. The Shareholders of JCWW Holdings Pte. Ltd. are Mr Wong Cheong Chee and Mdm Lee Soh Hong (who own 70% of the shares of JCWW Holdings Pte. Ltd. in joint names), Ms Wong Keat Yee (10%), Mr Wong Sia Hou (10%) and Mr Wong Sai Keat (10%).
- (5) Registered in the name of RHB Securities Pte. Ltd.
- (6) Crimson Cloud Sdn. Bhd. is a company incorporated in Malaysia that is wholly-owned by our Executive Officer, Mr Abdul Razak Bin Montel. Mr Abdul Razak Bin Montel is deemed to be interested in the Shares held by Crimson Cloud Sdn. Bhd. by virtue of Section 4 of the SFA.

## 14. DIRECTORS' RECOMMENDATION

The Directors having carefully considered the terms and rationale of the proposed renewal of the Share Buy-Back Mandate, are of the opinion that the Share Buy-Back Mandate is in the best interests of the Company and they recommend that Shareholders vote in favour of the proposed renewal of the Share Buy-Back Mandate as set out in the notice of AGM.

## 15. ANNUAL GENERAL MEETING

The AGM, notice of which is set out on pages 122 to 130 of the Annual Report, will be held on 23 September 2020 via electronic means for the purpose of considering and, if thought fit, passing with or without modifications, the ordinary resolution relating to the proposed renewal of the Share Buy-Back Mandate as set out in the Notice of AGM.

Due to the current Covid-19 restriction orders in Singapore, Shareholders will not be able to attend the AGM in person. Instead, alternative arrangements have been put in place to allow Shareholders to participate in the AGM.



## APPENDIX TO SHAREHOLDERS

Shareholders may refer to the announcement titled "Annual General Meeting" that is announced together with this Appendix and the Notice of AGM and proxy form for details on the conduct of the AGM.

### 16. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including those who may have delegated detailed supervision of this Appendix) 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 renewal of the Share Buy-Back Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts or the omission of which would make any statement in this Appendix misleading. Where information in this Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Appendix in its proper form and context.

### 17. INSPECTION OF DOCUMENTS

Subject to the prevailing laws and guidelines relating to safe distancing measures, the following documents are available for inspection at the registered office of the Company at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, during normal business hours from the date of this Appendix up to the date of the AGM:

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

As part of a concerted effort to contain the Covid-19 situation in Singapore, Shareholders who are interested to inspect the documents are encouraged to email to [AGM.TeamE@boardroomlimited.com](mailto:AGM.TeamE@boardroomlimited.com) for inspection via online means. This Appendix and the Annual Report are also available on SGXNET.

Yours faithfully

For and on behalf of the Board of Directors  
**MEGROUP LTD.**

Mr Wong Cheong Chee  
Executive Chairman and Chief Executive Officer