

CIRCULAR DATED 11 OCTOBER 2022

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

If you are in any doubt as to the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser(s) immediately.

Capitalised terms appearing on the cover of this Circular have the same meanings as defined herein.

If you have sold or transferred all your shares of the Company represented by physical share certificate(s), you should immediately forward this Circular together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form immediately to the purchaser or transferee or the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or the transferee.

This Circular has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor"). This Circular has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular.

The contact person for the Sponsor is Mr Joseph Au, 16 Collyer Quay, #10-00 Collyer Quay Centre, Singapore 049318, sponsorship@ppcf.com.sg.

TAKA JEWELLERY HOLDINGS LIMITED

Company Registration No. 201526542C
(Incorporated in the Republic of Singapore)

CIRCULAR TO SHAREHOLDERS

in relation to

THE PROPOSED ADOPTION OF SHARE BUY-BACK MANDATE

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	: 24 October 2022 at 9.30 a.m.
Date and time of Extraordinary General Meeting	: 26 October 2022 at 9.30 a.m. (or as soon thereafter following the conclusion or adjournment of the annual general meeting of the Company (" AGM ") to be held at 9.00 a.m. on the same day.
Place of Extraordinary General Meeting	: 3 Kaki Bukit Place, Eunos Techpark, Singapore 416181

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DEFINITIONS

In this Circular, the following definitions apply throughout unless otherwise stated:-

“ACRA”	: The Accounting & Corporate Regulatory Authority of Singapore
“Act” or “Companies Act”	: The Companies Act 1967 of Singapore, as amended or modified from time to time
“AGM”	: The annual general meeting of the Company
“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; and(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
“Average Closing Price”	: The average of the closing market prices of a Share over the last five (5) Market Days, on which transactions in the Shares were recorded, before the day on which transactions 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
“Board of Directors” or “Board” or “Directors”	: The directors of the Company for the time being
“Catalist”	: The sponsor-supervised listing platform of the SGX-ST
“Catalist Rules”	: The SGX-ST Listing Manual Section B: Rules of Catalist, as amended, modified or supplemented from time to time
“CDP”	: The Central Depository (Pte) Limited
“Circular”	: This Circular to Shareholders date 11 October 2022 in respect of the proposed adoption of the Share Buy-Back Mandate
“Company”	: Taka Jewellery Holdings Limited
“Constitution”	: The 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 nominal amount of all voting shares in the Company; or (b) in fact exercises control over the Company
“Directors”	: The directors of the Company as at the date of this Circular
“EGM”	: The extraordinary general meeting of the Company to be held on 26 October 2022 at 9.30 a.m. (or soon thereafter following the conclusion or adjournment of the AGM to be held at 9.00 a.m. on the same day)
“EPS”	: Earnings per Share
“FY”	: Financial year ended or ending 30 June
“Group”	: The Company together with its subsidiaries and associated company, collectively
“Latest Practicable Date” or “LPD”	: 26 September 2022, being the latest practicable date prior to the printing of this Circular
“Market Day(s)”	: A day or days on which the SGX-ST is open for securities trading
“Market Purchases”	: On-market purchases transacted on the SGX-ST through the SGX-ST’s trading system, through one or more duly licensed stockbrokers appointed by the Company for the purpose of the Share Buy-back
“NAV”	: Net asset value
“NTA”	: Net tangible asset
“Off-Market Purchases”	: Off-market purchases (if effected otherwise than on the SGX-ST) in accordance with an “equal access scheme” as defined in Section 76C of the Act
“Ordinary Resolution”	: The ordinary resolution as set out in the notice of EGM on page 24 of this circular
“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: (a) the date on which the next annual general meeting is held or is required by law or the Constitution to be held; (b) the date on which the Share buy-backs 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 an ordinary resolution of the Shareholders in a general meeting
“Securities Account”	: A securities account maintained by a Depositor with CDP, but does not include a securities sub-account maintained with a Depository Agent

“SFA” or “Securities and Futures Act”	:	Securities and Futures Act (Chapter 289) of Singapore, as amended or modified from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Buy-back”	:	The purchase or acquisition of issued Share(s) by the company pursuant to the terms of the Share Buy-back Mandate
“Share Buy-Back Mandate”	:	The general and unconditional mandate given by Shareholders to authorise the Directors to exercise all powers of the Company to purchase or otherwise acquire, on behalf of the Company, issued Shares within the Relevant Period in accordance with the terms set out in this Circular, as well as the rules and regulations set forth in the Companies Act and the Catalyst Rules
“Share(s)”	:	Ordinary share(s) in the issued capital of the Company
“Shareholders”	:	Registered holders of the Shares, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP whose Securities Accounts are credited with those Shares
“SIC”	:	The Securities Industry Council of Singapore
“Sponsor”	:	PrimePartners Corporate Finance Pte. Ltd.
“Subsidiary Holdings”	:	Shares held by a Subsidiary in accordance with the Companies Act
“Substantial Shareholder”	:	A person (including a corporation) who holds, directly or indirectly, 5% or more of the total issued share capital of the Company
“Take-over Code”	:	The Singapore Code on Take-overs and Mergers, as modified, supplemented or amended from time to time
“Treasury Shares”	:	Shares purchased or acquired by the Company pursuant to the Share Buy-back Mandate and held by the Company in accordance with Section 76H of the Act and have since purchase been continuously held by the Company
Currencies, Units and Others		
“S\$” and “cents”	:	Singapore dollars and cents, the lawful currency of Singapore
“%”	:	Per centum or percentage

The terms “**Depositor**”, “**Depository Agent**” 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 Circular to any statute or enactment is a reference to that statute or enactment as 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 Circular shall, where applicable, has the meaning ascribed to it under the Companies Act, the SFA, the Catalist Rules or any statutory modification thereof, as the case may be, unless otherwise provided.

Any reference to a time of day in this Circular shall be a reference to Singapore time, unless otherwise stated. Any discrepancies in this Circular between the amounts listed and the total thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures which precede them.

TAKA JEWELLERY HOLDINGS LIMITED

Company Registration No. 201526542C
(Incorporated in the Republic of Singapore)

Directors

Mr. Goh Yeow Tin	(Non-Executive Chairman and Independent Director)
Mr. Teo Boon Leng	(Managing Director)
Mr. Ang Kah Leong	(Executive Director)
Mr. Lu King Seng	(Independent Director)
Mr. Chua Kern	(Independent Director)

Registered Office

3 Kaki Bukit Place
Eunos Techpark
Singapore 416181

11 October 2022

To: The Shareholders of Taka Jewellery Holdings Limited

Dear Sir/Madam

1. INTRODUCTION

The Directors are proposing to convene an EGM to seek Shareholders' approval for the proposed adoption of the Share Buy-Back Mandate.

The purpose of this Circular is to provide Shareholders with information relating to, and to seek Shareholders' approval for, the proposed adoption of the Share Buy-Back Mandate to be tabled at the EGM. The Notice of EGM is set out on pages 24 to 28 of this Circular.

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

2. THE PROPOSED ADOPTION 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 Catalyst Rules and such other laws and regulations as may for the time being be applicable. As the Company is listed on Catalyst, it is also required to comply with Part XI of Chapter 8 of the Catalyst Rules, which relates to the purchase or acquisition by an issuer of its own shares. The Constitution of the Company expressly permits the Company to purchase or otherwise acquire its issued Shares.

If approved by Shareholders at the EGM, the authority conferred by the Share Buy-Back Mandate will take effect from the date of the EGM at which the adoption of the Share Buy-Back Mandate has been approved ("**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 meeting, whichever is the earliest, and may be renewed by Shareholders in a general meeting.

Subject to its continued relevance to the Company, the Share Buy-Back Mandate will be put to Shareholders for renewal at each subsequent AGM of the Company.

2.2 Rationale for the Share Buy-back Mandate

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

- (a) Directors are constantly seeking to increase Shareholders' value and to improve, *inter-alia*, the return on equity of the Group. The purchase by the Company of its issued Shares at the appropriate price level is one of the ways through which the return on equity of the group may be enhanced;
- (b) The Share Buy-back Mandate will give the Directors the flexibility to purchase or acquire Shares as and when circumstances permit. The Directors believe that the Share Buy-back Mandate provides the Company and its Directors with a mechanism to facilitate the use of any surplus cash over and above the Company's ordinary working capital requirements, in an expedient and cost-efficient manner;
- (c) The Share Buy-back Mandate will also allow the Directors to exercise greater control over the Company's share capital structure, dividend policy and cash reserves and may lead to an enhancement of EPS and/or NTA per Share of the Company and the Group; and
- (d) The Directors further believe that a Share Buy-back by the Company may help mitigate short-term market or price volatility, offset the effects of short-term share speculation or demand and bolster Shareholders' confidence.

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

2.3 Terms of the Share Buy-back Mandate

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

2.3.1 Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares that may be purchased or acquired by the Company during the Relevant Period shall not exceed ten per cent (10%) of the total number of issued Shares of the Company as at the date of the EGM at which the Share Buy-back Mandate is approved (the "**Approval Date**"), unless the Company has, at any time during the Relevant Period (as defined in paragraph 2.3.2), effected a reduction of its share capital in accordance with the applicable provision of the Act, in which event the total number of issued Shares of the Company as altered. Any Shares which are held as Treasury Shares and Subsidiary holdings will be disregarded for purposes of computing the ten per cent (10%) limit.

Purely for illustrative purposes only, based on the issued and paid-up share capital of the Company as at the Latest Practicable Date comprising 559,406,000 Shares (excluding 6,100,000 Treasury Shares and *nil* Subsidiary Holdings held), and assuming that no further Shares are issued on or prior to the EGM, not more than 55,940,600 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 Buy-back Mandate.

2.3.2 Duration of Authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, by the Company on and from the date of the EGM at which the Share Buy-back Mandate is approved up to the earlier of:

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

(The “**Relevant Period**”)

The authority conferred on the Directors by the Share Buy-back 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 of the Company or at an extraordinary general meeting to be convened immediately after the conclusion or adjournment of the next AGM.

2.3.3 Manner of Purchases or Acquisitions of Shares

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

- (a) On-market purchases transacted on the SGX-ST through the SGX-ST's trading system, through one or more duly licensed stockbrokers appointed by the Company for the purpose of the Share Buy-back (**Market Purchases**); and/or
- (b) Off-market purchases (if effected otherwise than on the SGX-ST) in accordance with an “equal access scheme” as defined in Section 76C of the Act (“**Off-Market Purchases**”), and otherwise be in accordance with all other laws and regulations and rules of the SGX-ST.

In an Off-Market Purchase, the Directors may impose such terms and conditions which are consistent with the Share Buy-back Mandate, the Catalist Rules, the Act, the Constitution and other applicable laws and regulations, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes.

Under the Act, an Off-Market Purchase must 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 offer shall be the same, except that there shall be disregarded, where applicable:
 - (i) Differences in consideration attributable to the face that the offers may relate to Shares with different accrued dividends entitlements;
 - (ii) Differences in consideration attributable to the face 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.

Pursuant to Rule 870 of the Catalist Rules, if the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, it must issue an offer document to all Shareholders containing at least the following information:

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

2.3.4 Maximum Purchase Price

The purchase price per Share (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) to be paid for the Shares purchased or acquired pursuant to the Share Buy-back Mandate will be determined by the Directors, provided that such purchase price must not exceed:

- (a) in the case of a Market Purchase, one hundred and five per cent. (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, one hundred and twenty per cent. (120%) of the Average Closing Price (as defined hereinafter),

(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 immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer (as defined below) pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five (5) Market Day period and the day on which the purchases are made.

"Date of making of the offer" means the date 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.

2.4 **Status of Purchased or Acquired Shares**

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

All Shares purchased or acquired by the Company (other than Treasury Shares held by the Company to the extent permitted under the Act) 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 settlement of any such purchase or acquisition.

The Company may decide to cancel Shares which have been purchased by the Company or hold such Shares as Treasury Shares, depending on whether it is in the interests of the Company to do so.

2.5 Treasury Shares

Under the Act, Shares purchased or acquired by the Company may be held or dealt with as Treasury Shares. Certain of the provisions on treasury shares under the Act are summarised below:

2.5.1 Maximum Holdings

The aggregate number of Shares held by the Company as Treasury Shares shall not at any time exceed ten per cent. (10%) of the total number of Shares in issue at that time.

2.5.2 Voting and Other Rights

The Company cannot exercise any right in respect of the 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.

In addition, no dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members of the Company on a winding up) may be made, to the Company in respect of Treasury Shares. However, the allotment of shares as fully paid bonus shares in respect of the Treasury Shares is allowed.

The Treasury Shares may be sub-divided or consolidated, so long as the total value of the Treasury Shares after such sub-division or consolidation is the same as the total value of the Treasury Shares before the sub-division or consolidation, as the case may be.

2.5.3 Disposal or Cancellation

Where Shares are held as Treasury Shares, the Company may at any time:

- (a) sell the Treasury Shares (or any of them) for cash;
- (b) transfer the Treasury Shares (or any of them) for the purposes of or pursuant to an employees' share scheme;
- (c) transfer the Treasury Shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the Treasury Shares (or any of them); or
- (e) sell, transfer or otherwise use the Treasury Shares for such other purposes as the Minister for Finance may by order 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 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

2.6 Reporting Requirement

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

The Company shall notify ACRA in the prescribed form within thirty (30) days of a purchase or acquisition of Shares on the SGX-ST or otherwise. Such notification shall include, *inter alia*, details of the purchase or acquisition, the total number of Shares purchased or acquired by the Company, the number of Shares cancelled, the number of Shares held as Treasury Shares, the Company's issued share capital before and after the purchase or acquisition of Shares and the amount of consideration paid by the Company for the purchase or acquisition, whether the Shares were purchased or acquired out of profits or the capital of the Company and such other particulars as may be required by ACRA.

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

The Catalist Rules specify that a listed company shall notify the SGX-ST of all purchases or acquisitions of its shares 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; or
- (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptance of the offer for the Off-Market Purchase.

The notification of such purchases or acquisitions of Shares to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe. The Company shall make arrangements with its stockbrokers to ensure that they provide the Company in a timely fashion the necessary information which will enable the Company to make the notifications to the SGX-ST.

2.7 Source of Funds

In purchasing or acquiring its Shares, the Company may only apply funds legally available for such purchase or acquisition as provided in the Constitution, Catalist Rules and in accordance with 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.

Pursuant to the Act, any payment made by the Company in consideration of the purchase or acquisition of Shares by the Company may be made out of the Company's capital or profits, so long as the Company is solvent.

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, applicable

goods and services tax, clearance fees and other related expenses incurred directly in the purchase or acquisition by the Company of its Shares) ("**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 total amount of 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 total amount of the Purchase Price.

It is an offence for a Director or an officer of the Company to approve or authorise the purchase or acquisition of Shares, knowing that the Company is not solvent. For this purpose, pursuant to the Section 76F(4) of the Act, a company is solvent if:

- (a) the company is able to pay its debts in full at the time of the payment of the purchase or acquisition of its shares and will be able to pay its debts as they fall due in the normal course of business during the period of twelve (12) months immediately following the date of payment of the purchase or acquisition of its shares; and
- (b) the value of the company's assets exceeds its liabilities (including contingent liabilities) and will not, after the proposed purchase or acquisition of shares, 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 of assets or estimates of liabilities. In determining the value of the contingent liabilities, the Directors may take into account the likelihood of the contingency occurring, as well as any counter-claims by the Company.

The Company intends to use internal sources of funds or external borrowings or a combination of both to finance purchases or acquisitions of its Shares pursuant to the Share Buy-back Mandate. The amount of funding required for the Company to purchase or acquire its Shares and the financial impact on the Company and the Group arising from such purchases or acquisitions of Shares pursuant to the Share Buy-back Mandate will depend on, *inter alia*, the aggregate number of Shares purchased or acquired, the consideration paid at the relevant time, and the amount (if any) borrowed by the Company to fund the purchases or acquisitions. However in considering the option of external financing, the Board will consider particularly the prevailing gearing level of the Group. The Board will only make purchases or acquisitions of Shares pursuant to the Share Buy-back Mandate in circumstances which they believe will not result in any material adverse effect to the financial position of the Company or the Group.

2.8 Financial Effects

The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Buy-back Mandate will depend on, *inter alia*, the number of Shares purchased or acquired, the price paid for such Shares, whether the Shares are purchased or acquired out of profits and/or capital of the Company and whether the Shares purchased or acquired are held by the Company as Treasury Shares or cancelled.

Under the Act, the Company may purchase or acquire its Shares out of its profits and/or capital so long as the Company is solvent.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (including brokerage, stamp duties, applicable goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

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

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 Buy-back Mandate on the Company and Group's NTA and EPS as the resultant effect would depend on, *inter alia*, the aggregate number of Shares purchased or otherwise acquired, whether the purchase or acquisition is made out of capital or profits, the purchase prices paid for such Shares and the amount (if any) borrowed by the Company to fund the purchase or acquisition and whether the Shares purchased or otherwise acquired are cancelled or held as Treasury Shares.

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 from its internal funds, the financial effects of:

- (a) that the Share Buy-back Mandate was effective as at the Latest Practicable Date;
- (b) based on 559,406,000 Shares in issue (excluding 6,100,000 Treasury Shares *nil* subsidiary Holdings held) as at the Latest Practicable Date, and assuming that no further Shares are issued, purchased and kept as Treasury Shares on or prior to the EGM, the purchase or acquisition by the Company of 10% of its issued Shares (excluding 6,100,000 Treasury Share and *nil* Subsidiary Holdings held) will result in the purchase or acquisition of 55,940,600 Shares;
- (c) In the case of Market Purchases by the Company, assuming that the Company purchases or acquires 10% of its issued Shares (excluding 6,100,000 Treasury Shares *nil* subsidiary Holdings held) at the Maximum Price of S\$0.074 for one Share (being the price equivalent to 5% above the Average Closing Price of the Shares over the last five (5) consecutive Market Days on the SGX-ST preceding the Latest Practicable Date on which transactions in the Shares were recorded), the maximum amount of funds required for the purchase or acquisition of 55,940,600 Shares is approximately S\$4.140 million.
- (d) In the case of an Off-Market Purchase by the Company, assuming that the Company purchases or acquires 10% of its issued Shares (excluding 6,100,000 Treasury Shares *nil* subsidiary Holdings held) at the Maximum Price of S\$0.084 for one Share (being the price equivalent to 20% above the Average Closing Price of the Shares over the last five (5) consecutive Market Days on the SGX-ST preceding the Latest Practicable Date on which transactions in the Shares were recorded), the maximum amount of funds required for the purchase or acquisition of 55,940,600 Shares is approximately S\$4.699 million.

For illustrative purposes only, and based on the assumptions set out in (a), (b), (c) and (d) above, and further assuming that the Share Buy-back Mandate will be funded by the Company solely by internal funds, the financial effects of:

- (i) the purchase or acquisition of 55,940,600 Shares pursuant to the Share Buy-back Mandate by way of Market Purchases made entirely out of capital and cancelled; and
- (ii) the purchase or acquisition of 55,940,600 Shares pursuant to the Share Buy-back Mandate by way of Off-Market Purchases made entirely out of capital, with 50,450,600 Shares held as Treasury Shares and 5,490,000 Shares cancelled (56,550,600 Shares being the maximum number of Shares which may be held as Treasury Shares under the Act after taking into consideration that 6,100,000 Treasury shares held by the Company as at the Latest Practicable Date),

on the audited financial statements of the Group and the Company for the financial year ended 30 June 2022 ("FY2022") are set out below:

(a) Market Purchases of 10% of Issued Shares made entirely out of capital and cancelled

	Group		Company	
	Before Share Buy-back S\$'000	After Share Buy-back S\$'000	Before Share Buy-back S\$'000	After Share Buy-back S\$'000
<u>As at 30 June 2022</u>				
Share capital	96,719	92,579	96,719	92,579
Reserves	(63,769)	(63,769)	–	–
Retained earning	78,255	78,255	(158)	(158)
Treasury Shares	(698)	(698)	(698)	(698)
Equity attribute to equity holders	110,507	106,367	95,863	91,723
Non-controlling interest	33	33	–	–
Total equity	110,540	106,400	95,863	91,723
NTA	110,261	106,121	95,863	91,723
Current assets	147,196	143,056	13,805	12,973
Current liabilities	46,482	46,482	18	3,326
Working capital	100,714	96,574	13,787	9,647
Total borrowings	31,637	31,637	–	–
Profit attributable to Shareholders	5,877	5,877	(347)	(347)
Cash and cash equivalents	11,229	7,089	832	–
Total issued no. of Shares (excluding Treasury Shares and Subsidiary Holdings) ('000)	559,406	503,465	559,406	503,465
Weighted average no. of Shares ('000)	559,406	503,465	559,406	503,465
<u>Financial Ratios</u>				
NTA per Share ⁽¹⁾ (cents)	19.71	21.08	17.14	18.22
Gearing ratio ⁽²⁾ (cents)	0.29	0.30	–	–
Current ratio ⁽⁴⁾ (times)	3.17	3.08	766.94	3.90
EPS ⁽³⁾ (cents)	1.05	1.17	(0.06)	(0.07)

Notes:

- (1) NTA per Share equals to NTA (excludes minority interests) divided by the number of Shares outstanding as at 30 June 2022.
- (2) Gearing ratio represents total borrowings divided by Shareholders' equity.
- (3) EPS is calculated based on profit attributable to Shareholders and aggregated weighted average number of issued and paid-up Shares (excluding Treasury Shares and Subsidiary Holdings) adjusted for the effect of the Share Buy-back based on the audited financial statement of the Company and the Group or FY2022.
- (4) Current ratio equals to current assets divided by current liabilities.

- (b) Off-Market Purchases of 10% of issued Shares made entirely out of capital, with 50,450,600 Shares held as Treasury Shares and 5,490,000 shares cancelled, pursuant to the limits set out in paragraph 2.5.1

	Group		Company	
	Before Share Buy-back	After Share Buy-back	Before Share Buy-back	After Share Buy-back
	S\$'000	S\$'000	S\$'000	S\$'000
<u>As at 30 June 2022</u>				
Share capital	96,719	96,258	96,719	96,258
Reserves	(63,769)	(63,769)	–	–
Retained earning	78,255	78,255	(158)	(158)
Treasury Shares	(698)	(4,936)	(698)	(4,936)
Equity attribute to equity holders	110,507	105,808	95,863	91,164
Non-controlling interest	33	33	–	–
Total equity	110,540	105,841	95,863	91,164
NTA	110,261	105,562	95,863	91,164
Current assets	147,196	142,497	13,805	12,973
Current liabilities	46,482	46,482	18	3,885
Working capital	100,714	96,015	13,787	12,955
Total borrowings	31,637	31,637	–	–
Profit attributable to Shareholders	5,877	5,877	(347)	(347)
Cash and cash equivalents	11,229	6,530	832	–
Total issued no. of Shares (excluding Treasury Shares and Subsidiary Holdings) ('000)	559,406	503,465	559,406	503,465
Weighted average no. of Shares ('000)	559,406	503,465	559,406	503,465
<u>Financial Ratios</u>				
NTA per Share ⁽¹⁾ (cents)	19.71	20.97	17.14	18.11
Gearing ratio ⁽²⁾ (cents)	0.29	0.30	–	–
Current ratio ⁽⁴⁾ (times)	3.17	3.07	766.94	3.34
EPS ⁽³⁾ (cents)	1.05	1.17	(0.06)	(0.07)

Notes:

- (1) NTA per Share equals to NTA (excludes minority interests) divided by the number of Shares outstanding as at 30 June 2022.
- (2) Gearing ratio represents total borrowings divided by Shareholders' equity.
- (3) EPS is calculated based on profit attributable to Shareholders and aggregated weighted average number of issued and paid-up Shares (excluding Treasury Shares and Subsidiary Holdings) adjusted for the effect of the Share Buy-back based on the audited financial statement of the Company and the Group or FY2022.
- (4) Current ratio equals to current assets divided by current liabilities.

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 to the financial position of the Company or the Group. The purchase of Shares will only be effected after assessing the relative impact of a share buy-back taking into consideration both financial factors (such as cash surplus, debt position and working capital requirements) and non-financial factors (such as share market conditions and performance of the Shares).

Shareholders should note that the financial effects illustrated above, based on the respective aforesaid assumptions, are for illustration purposes only. In particular, it is important to note that the above analysis is based on the audited accounts of the Company and the Group for FY2022 and is not necessarily representative of the future financial performance of the Company and the Group.

It should be noted that although the Share Buy-back Mandate would authorise the Company to purchase or otherwise acquire up to ten per cent. (10%) of the issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or otherwise acquire the entire ten per cent. (10%) of the issued Shares. In addition, the Company may cancel, or hold as Treasury Shares, all or part of the Shares purchased or otherwise acquired. The Company will take into account both financial and non-financial factors (for example, stock market conditions and the performance of the Shares) in assessing the relative impact of a share purchase or acquisition before execution.

2.9 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 Substantial Shareholder of the Company or any of their Associates, and an interested person is prohibited from knowingly selling his Shares to the Company.

2.10 Take-over Implications Arising from Share Buy-backs

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

2.10.1 Obligation to Make a Take-over Offer

If, as a result of any purchase or acquisition by the Company of its 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 ("**Rule 14**"). 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.

2.10.2 Persons Acting in Concert

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

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

- (i) 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;

- (ii) 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;
- (iii) a company with any of its pension funds and employee share schemes;
- (iv) 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;
- (v) 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;
- (vi) 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;
- (vii) partners; and
- (viii) 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 after a purchase or acquisition of Shares by the Company are set out in Appendix 2.

2.10.3 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 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 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 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, 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 1% in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buy-back Mandate.

2.10.4 Application of the Take-over Code

Mr Teo Boon Leng, our Managing Director, and Mr Ang Kah Leong, our Executive Director, are co-founders of the Group (collectively referred to as the **"Relevant Parties"**), Mr Teo Boon Leng and Mr Ang Kah Leong have shareholding interests of 30.63% and 28.22% in the Company respectively as at the Latest Practicable Date.

Assuming that there is no change in the number of Shares held or deemed to be held by Mr Teo Boon Leng, the purchase or acquisition by the Company of the maximum limit of 10% of the issued and paid-up share capital of the Company will result in an increase in the aggregate shareholding interest of Mr Teo Boon Leng by more than 1% in any period of six (6) months. Accordingly, Mr

Teo Boon Leng, would, unless exempted, be required to make a general offer under Rule 14 of the Take-over Code.

Similarly, under Rule 14 of the Take-over Code, Mr Ang Kah Leong would, unless exempted, become obliged to make a general offer under the Take-over Code for the Shares not owned by him, if as a result of the exercise of the Share Buy-back Mandate, his interests in the voting rights of the Company increases to 30% or more.

As at the Latest Practicable Date, the details of the shareholdings of the Substantial Shareholders and Directors of the Company are set out in paragraph 3 below.

2.10.5 Conditions for Exemption from Having to Make a General Offer under Rule 14 of the Take-over Code

Pursuant to Section 3(a) of Appendix 2 of the Take-over Code, the Relevant Parties will be exempted from the requirement to make a general offer under Rule 14 of the Take-over Code as a result of any share buy-back carried out by the Company pursuant to the Share Buy-back Mandate, subject to the following conditions:

- (a) the circular to Shareholders seeking their approval for the Share Buy-back Mandate will contain:
 - (i) advice to the effect that by voting in favour of the resolution to approve the Share Buy-back Mandate, Shareholders are waiving their rights to a general offer at the required price from the Relevant Parties; and
 - (ii) the names and voting rights of the Relevant Parties as at the date of the resolution and after the Company exercises the power under the Share Buy-back Mandate in full and purchases 10% of the issued Shares;
- (b) the resolution to authorise the Share Buy-back Mandate is approved by a majority of Shareholders who are present and voting at the EGM on a poll who could not become obliged to make an offer as a result of the share buy-back by the Company pursuant to the Share Buy-back Mandate;
- (c) the Relevant Parties will abstain from voting for and/or recommending Shareholders to vote in favour of the resolution to approve the Share Buy-back Mandate;
- (d) within seven (7) days after the passing of the resolution to approve the Share Buy-back Mandate, Mr Teo Boon Leng and Mr Ang Kah Leong submits to the SIC a duly signed form as prescribed by the SIC;
- (e) directors and/or persons acting in concert with them not to have acquired and not to acquire any shares between the date on which they know that the announcement of the Share Buy-back Mandate is imminent and the earlier of:
 - (i) the date on which the authority of the Share Buy-back Mandate expires; and
 - (ii) the date on which the Company announces it has bought back such number of Shares as authorised by the Share Buy-back Mandate or it has decided to cease buying back its Shares, as the case may be,if such acquisitions, taken together with the buy-back, would cause their aggregate voting rights to increase to 30% or more;
- (f) directors and/or persons acting in concert with them, together holding between 30% and 50% of the company's voting rights, not to have acquired and not to acquire any shares between the date on which they know that the announcement of the Share Buy-back Mandate is imminent and the earlier of:
 - (i) the date on which the authority of the Share Buy-back Mandate expires; and

- (ii) the date on which the Company announces it has bought back such number of Shares as authorised by the Share Buy-back Mandate or it has decided to cease buying back its Shares, as the case may be,

if such acquisitions, taken together with the buy-back, would cause their aggregate voting rights to increase by more than 1% in the preceding six (6) months. It follows that where aggregate voting rights held by a director and persons acting in concert with him increase by more than 1% solely as a result of the Share Buy-back and none of them has acquired any shares during the relevant period defined above, then such director and/or persons acting in concert with him would be eligible for SIC's exemption from the requirement to make a general offer under Rule 14 of the Take-over Code, or where such exemption had been granted, would continue to enjoy the exemption.

2.10.6 Form 2 Submission to the SIC

Form 2 (Submission by directors and their concert parties pursuant to Appendix 2) is the prescribed form to be submitted to the SIC by a director and persons acting in concert with him pursuant to the conditions for exemption as set out in paragraph 2.9.4.1(d) above from the requirement to make a take-over offer under Rule 14 of the Take-over Code as a result of the buy-back of shares by a listed company under its Share Buy-back Mandate.

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

2.10.7 Advice to Shareholders

Shareholders should note that by voting for the Share Buy-back Mandate, they are waiving their rights to a take-over offer at the required price from the Relevant Parties in the circumstances set out above. Such a take-over offer, if required to be made and had not been exempted by the SIC, would have to be made in cash or be accompanied by a cash alternative at the required price.

Save as disclosed, the Directors are not aware of any facts or factors which suggest or imply that any particular person(s) and/or Shareholder(s) are, or may be regarded as, parties acting in concert such that their respective interests in voting shares in the capital of the Company should or ought to be consolidated, and consequences under the Take-over Code would ensue as a result of a purchase of shares by the Company pursuant to the Share Buy-back Mandate.

Appendix 2 of the Take-over Code requires that the resolution to authorise the Share Buy-back Mandate to be approved by a majority of those Shareholders present and voting at the meeting on a poll who could not become obliged to make an offer under the Take-over Code as a result of the share buy-back. Accordingly, the said resolution is proposed to be taken on a poll and the Relevant Parties shall abstain from voting on such resolution.

2.11 **Listing Status of Shares on the SGX-ST**

Rule 723 of the Catalist Rules requires a listed company to ensure that at least 10% of the total number of issued shares (excluding Treasury Shares, preference shares and convertible equity securities) in a class that is listed is at all times held by public shareholders.

The expression "**public**" is defined under the Catalist Rules as persons other than (a) the directors, chief executive officer, Substantial Shareholders or controlling shareholders of a company and its subsidiaries and (b) the associates (as defined in the Catalist Rules) of the persons described in paragraph (a). As at the Latest Practicable Date, there are 142,352,630 Shares in the hands of the public, representing 25.46% of the issued Shares of the Company (there being no Treasury Shares held by the Company as at the Latest Practicable Date). Assuming that the Company purchases its Shares through Market Purchases up to the full 10% limit pursuant to the Share Buy-back Mandate from the public on the Latest Practicable Date, the number of Shares in the hands of the public would be reduced to 86,412,030 Shares, representing 17.16% of the issued Shares of the Company (there being no Treasury Shares held by the Company as at the Latest Practicable Date).

Accordingly, the Company is of the view that there is a sufficient number of Shares held by public shareholders which would permit the Company to undertake purchases or acquisitions of its Shares up to the full 10% limit pursuant to the proposed 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 affect orderly trading.

2.12 Details of Share Bought by the Company in the Previous Twelve (12) Months

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

2.13 Timing of Purchases

While the Catalist Rules do not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Buy-back Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced. In particular, in observing the best practices recommended in the Catalist Rules on securities dealings, the Company will not purchase or acquire any Shares through Market Purchases during the period of one (1) month immediately preceding the announcement of the Company’s half year and full-year results respectively, as the case may be, and ending on the date of announcement of the relevant results.

2.14 Tax Implications

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

3. INTERESTS OF DIRECTORS AND/OR SUBSTANTIAL SHAREHOLDERS

3.1 Interests in the Company

Based on the Company’s registrar of interest of Directors and register of Substantial Shareholders respectively, as at the Latest Practicable Date, the interests of the Directors and Substantial Shareholders in the Company in the Shares before and after the purchase or acquisition of Shares pursuant to the Share Buy-back Mandate, assuming (a) the Company purchases or acquires the maximum amount of ten per cent (10%) of the total number of issued Shares, and (b) there is no change in the number of Shares held by the Directors and Substantial Shareholders or in which they are deemed interested, are as follows:

Directors and/or Substantial Shareholders	Before the Share Buy-back				After the Share Buy-back	
	Direct Interest (No. of Shares)	Deemed Interest (No. of Shares)	Total Interest (No. of Shares)	Total Interest (%)	Total Interest (No. of Shares)	Total Interest (%)
Directors						
Teo Boon Leng	171,359,753	–	171,359,753	30.63	171,359,753	34.04
Ang Kah Leong	157,884,355	–	157,884,355	28.22	157,884,355	31.36
Substantial Shareholders						
Lee Sui Hee	55,733,478	–	55,733,478	9.96	55,733,478	11.07
Sim Choon Lam	32,075,784	–	32,075,784	5.73	32,075,784	6.37

4. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on page 24 of this Circular, will be held on 26 October 2022, at 9.30 a.m. (or as soon thereafter following the conclusion or adjournment of the AGM to be held at 9.00 a.m. on the same day at 3 Kaki Bukit Place, Eunos Techpark, Singapore 416181, in the event that the AGM concludes before/after 9.30a.m.) at 3 Kaki Bukit Place, Eunos Techpark, Singapore 416181, for the purpose of considering, and if thought fit, passing with or without any modifications, the Ordinary Resolution set out in the notice of EGM.

5. ACTIONS TO BE TAKEN BY SHAREHOLDERS

Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend and vote on their behalf, should complete, sign and return the proxy form attached to the Notice of EGM in accordance with the instructions printed there in as soon as possible and, in any event, so as to arrive at the registered office of the Company at 3 Kaki Bukit Place, Eunos Techpark, Singapore 416181, not later than forty-eight 48 hours before the time fixed for the EGM. The appointment of a proxy by a Shareholder does not preclude him from attending and voting in person at the EGM if he so wishes in place of the proxy.

A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register maintained by CDP at least seventy-two (72) hours before the EGM.

6. ABSTENTION FROM VOTING

The Relevant Parties will abstain, and will procure their Associates to abstain, from voting on the Ordinary Resolution in relation to the proposed adoption of Share Buy-back Mandate pursuant to the conditions for exemption under Appendix 2 of the Take-over Code (as set out in paragraph 2.9.4.1(c) above).

The Relevant Parties and their Associates will also decline to accept appointment as proxies to attend and vote at the EGM, unless the Shareholder concerned have given specific instructions as to the manner in which their votes are to be cast in respect of the Ordinary Resolution.

7. RECOMMENDATION OF DIRECTORS

The Directors, save for Mr Teo Boon Leng and Mr Ang Kah Leong who have abstained from making any recommendation to Shareholders pursuant to the conditions for exemption under Appendix 2 of the Take-over Code (as set out in paragraph 2.9.4.1(c) above), having carefully considered the terms and rationale of the proposed Share Buy-back Mandate, are of the opinion that the proposed adoption of Share Buy-back Mandate is in the best interest of the Company and they recommend that Shareholders vote in favour of the proposed Share Buy-back Mandate.

8. DIRECTORS' RESPONSIBILITY STATEMENT

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

9. DOCUMENTS FOR INSPECTION

The following documents are available for inspection at the registered office of the Company at 3 Kaki Bukit Place, Eunos Techpark, Singapore 416181, during normal business hours from the date of this Circular up to the date of the EGM:

- (a) the Constitution of the Company; and
- (b) the annual report of the Company for FY2022.

Yours faithfully

For and on behalf of the Board of Directors of
TAKA JEWELLERY HOLDINGS LIMITED

Teo Boon Leng
Managing Director

TAKA JEWELLERY HOLDINGS LIMITED

Company Registration No. 201526542C
(Incorporated in the Republic of Singapore)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (the “**EGM**”) of Taka Jewellery Holdings Limited (the “**Company**”) will be held on Wednesday, 26 October 2022 at 9.30 a.m. ((or as soon thereafter following the conclusion or adjournment of the annual general meeting of the company (“**AGM**”) to be held at 9.00 a.m. on the same day at 3 Kaki Bukit Place, Eunos Techpark, Singapore 416181, in the event that the AGM concludes before/after 9.30a.m.) at 3 Kaki Bukit Place, Eunos Techpark, Singapore 416181, for the purpose of considering and, if thought fit, passing with or without any modifications, the following resolution:-

*Unless otherwise defined, all capitalised terms used in this Notice of EGM which are not defined herein shall bear the same meanings as ascribed to them in the circular dated 11 October 2022 (the “**Circular**”) issued by the Company to its shareholders.*

ORDINARY RESOLUTION: PROPOSED ADOPTION OF THE SHARE BUY-BACK MANDATE

That:

- (a) for the purposes of the Companies Act 1967 of Singapore (the “**Companies Act**”), and such other laws and regulations as may for the time being be applicable, approval be and is hereby given for the exercise by the directors of the Company (“**Directors**”) of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company (“**Shares**”) not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

- (i) market purchase(s), transacted through the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) or, as the case may be, any other securities exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose (“**Market Purchase**”); and/or
- (ii) off-market purchase(s) (if effected otherwise than on an approved exchange in Singapore or any securities exchange outside Singapore) in accordance with an equal access scheme as defined in Section 76C of the Companies Act as may be determined or formulated by the Directors of the Company as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the Listing Manual Section B: Rules of Catalyst of the SGX-ST (“**Catalist Rules**”) (“**Off-Market Purchase**”),

and otherwise in accordance with all other laws and regulations, including but not limited to the provisions of the Companies Act and the Catalyst Rules as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Buy-Back Mandate**”);

- (b) unless varied or revoked by an ordinary resolution of shareholders of the Company in general meeting, the authority conferred on the Directors pursuant to the Share Buy-Back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of passing of this resolution and expiring on the earlier of:

- (i) the date on which the next annual general meeting of the Company is held or required by law to be held; or
- (ii) the date on which purchases or acquisitions of Shares by the Company pursuant to the Share Buy-Back Mandate are carried out to the full extent mandated; or
- (iii) the date on which the authority contained in the Share Buy-Back Mandate is varied or revoked by resolution of shareholders of the Company in a general meeting;

(c) in this resolution:

“Market Day” means a day on which the SGX-ST is open for trading in securities;

“Maximum Price” in relation to a Share to be purchased or acquired, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

- (i) in the case of a Market Purchase, the price per Share which is not more than 5% above the average of the closing market prices of the Shares over the last five (5) Market Days on the Catalist, on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase by the Company, and which is deemed to be adjusted in accordance with the Catalist Rules for any corporate action occurring during the relevant five (5) Market Days period and the day of the Market Purchase; and
- (ii) in the case of an Off -Market Purchase, the price per Share based on not more than 20% above the average of the closing market prices of the Shares over the last five (5) Market Days on the Catalist, on which transactions in the Shares were recorded immediately preceding the day on which the Company makes an announcement of an offer under an Off -Market Purchase scheme, and which is deemed to be adjusted in accordance with the Catalist Rules for any corporate action occurring during the relevant five (5) Market Days period and the day of the Off-Market Purchase;

“Prescribed Limit” means 10% of the total number of issued ordinary shares of the Company (excluding treasury share and subsidiary holdings, if any) as at the date of passing of this resolution, 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 (as hereinafter defined), in which event the total number of issued ordinary shares of the Company shall be taken to be the total number of issued ordinary shares of the Company as altered (excluding treasury share and subsidiary holdings, if any, from time to time). Shares which are held by the Company as treasury shares and subsidiary holdings will be disregarded for the purposes of calculating this 10% limit;

“Relevant Period” means the period commencing from the date on which this resolution in relation to the adoption of the Share Buy-Back Mandate is passed and expiring on the earliest of (i) the date on which the next annual general meeting is held or is required by law to be held; (ii) the date on which the Share Buy-Back Mandate have been carried out to the full extent mandated; or (iii) the date which the authority conferred by the Share Buy-Back Mandate is revoked or varied by resolution of the shareholders of the Company in a general meeting, after this resolution is passed; and

“Subsidiary Holdings” has the meaning given to it in the Catalist Rules; and

- (d) the Directors and each of them be and are hereby authorised and empowered to complete and do all such acts and things (including, without limitation, executing such documents as may be required) as they may consider desirable, expedient or necessary in the interest of the Company in connection with or for the purposes of giving full effect to the Share Buy-Back Mandate.

[See Explanatory Note]

FOR AND ON BEHALF OF THE BOARD

Teo Boon Leng
Managing Director

11 October 2022
Singapore

Explanatory Note:

The ordinary resolution proposed above if passed, will empower the Directors of the Company, from the date of the EGM until the date of the next annual general meeting of the Company to be held or is required by law to be held, the date on which the Share Buy-Back Mandate have been carried out to the full extent mandated or when such authority conferred by the Share Buy-Back Mandate is varied or revoked by resolution of the shareholders of the Company in a general meeting, whichever is the earlier, to make purchases (whether by way of Market Purchase or Off-Market Purchase on an equal access scheme) from time to time of up to 10% of the total number of issued shares (excluding treasury shares and subsidiary holdings, if any) in the capital of the Company at prices up to but not exceeding the Maximum Price. The rationale for the Share Buy-Back Mandate, the authority and limitation on the purchase or acquisition of Shares under the Share Buy-Back Mandate, the source of funds to be used for the purchase or acquisition including the amount of financing, and the financial effects of the purchase or acquisition of Shares by the Company pursuant to the Share Buy-Back Mandate are set out in greater detail in the Circular.

IMPORTANCE NOTICE:

The printed copies of the following documents will not be despatched to shareholders, they can be accessed at URL <http://www.takajewelleryholdings.com.sg/egm.html> or on SGX website at URL <https://www.sgx.com/securities/company-announcements>:

- **Circular**
- **Notice of Extraordinary General Meeting**
- **Proxy Form**

Shareholders are able to participate at the Meeting in person in the following manners set out in the paragraphs below:

Submission of Instrument Appointing a Proxy (“Proxy Form”) to Vote:

1. A member who is not a relevant intermediary, is entitled to appoint one or two proxies to attend and vote at the Meeting.
2. A member who is a relevant intermediary, is entitled to appoint more than two proxies to attend and vote at the Meeting, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member.

“Relevant intermediary” has the meaning ascribed to it in Section 181 of the Companies Act 1967.”

3. For Supplementary Retirement Scheme (“SRS”) investors who hold their Shares through relevant intermediaries as defined in Section 181 of the Companies Act (including holders under depository agents) and who wish to exercise their votes should approach their respective relevant intermediaries (including their respective SRS Operators or depository agents) to submit their voting instructions in the Proxy Forms **at least seven (7) working days before the Meeting, 9.30 a.m. on 13 October 2022.**
4. Members (whether individual or corporate) appointing a proxy or proxies must give specific instructions as to his manner of voting, or abstentions from voting, in the Proxy Form, failing which the appointment will be treated as invalid. A proxy need not be a member of the Company.
5. The instrument appointing a proxy or proxies must be submitted to the Company in the following manner:
 - (a) if submitted by post, be lodged with the Company’s registered office at 3, Kaki Bukit Place, Eunos Techpark, Singapore 416181; or
 - (b) if submitted electronically, be submitted as a clearly readable image via email to taka_egm2022@takajewellery.com.sg.

in either case, **at least 48 hours before the time for holding the Meeting, by 9.30 a.m. on 24 October 2022.**

A member who wishes to submit a Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or by scanning and sending it by email to the email address provided above.

6. A depositor shall not be regarded as a member of the Company entitled to attend and vote at the EGM unless his/her name appears on the Depository Register not less than seventy-two (72) hours before the time of the Meeting.
7. The instrument appointing a proxy or proxies must be under the hand of the appointor or his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
8. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies.

Submission of Questions in Advance:

9. Shareholders may also submit questions related to resolutions to be tabled at the Meeting in the following manner:
 - (a) if submitted by post, to the Company's registered office at 3, Kaki Bukit Place, Eunos Techpark, Singapore 416181; or
 - (b) if submitted electronically, be submitted via email to taka_egm2022@takajewellery.com.sg.
10. All questions for the Meeting must be submitted by **9.30 a.m. on 19 October 2022.**
11. A member who wishes to submit the questions in hard copy by mail is required to indicate the full name (for individuals)/company name (for corporates), NRIC/Passport No./Company Registration No., email address, contact number, shareholding type and number of shares held together with their submission, before submitting it by post to the address provided.
12. The Board of Directors of the Company will endeavour to address all substantial and relevant questions received from Shareholders prior to the Meeting by publishing the responses to those questions on SGXNET at URL <https://www.sgx.com/securities/company-announcements> and the Company's website at URL <http://www.takajewelleryholdings.com.sg/egm.html> at least forty-eight (48) hours prior to the closing date and time for the lodgement of the proxy forms on 24 October 2022. Where substantial relevant questions submitted by Shareholders are unable to be addressed prior to the Meeting, the Company will address them during the Meeting.

The Company shall only address relevant and substantial questions (as may be determined by the Company in its sole discretion) received. The Company will publish the minutes of the Meeting on SGXNET and the Company's website within one month from the date of the Meeting.

Personal data privacy:

By submitting a proxy form appointing a proxy or proxies to attend, speak and vote at the Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of the appointment of a proxy or proxies for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines

(collectively, the “Purposes”), (ii) warrants that where the member discloses the personal data of the member’s proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member’s breach of warranty.

Photographic, sound and/or video recordings of the Meeting may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the Meeting. Accordingly, the personal data of a member of the Company (such as his name, his presence at the Meeting and any questions he may raise or motions he propose/second) may be recorded by the Company for such purpose.

TAKA JEWELLERY HOLDINGS LIMITED

Company Registration No. 201526542C
(Incorporated in the Republic of Singapore)

PROXY FORM

(Please see notes overleaf before
completing this Form)

IMPORTANT:

1. The extraordinary general meeting will be held on 26 October 2022 and may be accessed at URL <http://www.takajewelleryholdings.com.sg/egm.html> and on the SGX website at URL <https://www.sgx.com/securities/company-announcements>.
2. Supplementary Retirement Scheme ("SRS") investors who wish to appoint the Chairman of the Meeting as proxy should approach their respective SRS Operators to submit their votes **by 9.30 a.m. on 13 October 2022**. By submitting this proxy form, the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 11 October 2022.
3. The Chairman and proxy need not be a member of the Company.
4. By submitting this proxy form, the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 11 October 2022.
5. Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairman of the Meeting as a member's proxy and proxy to attend, speak and vote on his/her/its behalf at the Meeting.

I/We, _____ (full name in capital letters)
NRIC No./Passport No./Company Registration No. _____
of _____ (full address)
being a member/members of **TAKA JEWELLERY HOLDINGS LIMITED** (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Extraordinary General Meeting (the "**Meeting**") of the Company to be held on Wednesday, 26 October 2022 at 9.30 a.m. at 3, Kaki Bukit Place, Eunos Techpark, Singapore 416181 and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/her/their discretion, as he/she/they will on any other matter arising at the Meeting and at any adjournment thereof.

All resolutions put to the vote at the Meeting shall be conducted by poll.

No.	Resolutions relating to:	For	Against	Abstain
ORDINARY RESOLUTION				
1	To approve the proposed adoption of the Share Buy-Back Mandate			

*If you wish the Chairman of the Meeting as your proxy to cast all your votes **For** or **Against** or **Abstain** a resolution, please tick (✓) within the box in respect of that resolution. Alternatively, please indicate the number of votes **For** or **Against** or **Abstain** in the **For** or **Against** or **Abstain** box in respect of that resolution.

Dated this _____ day of _____ 2022

Signature of Shareholder(s)
or, Common Seal of Corporate Shareholder

Total number of shares in:	No. of shares
(a) CDP Register	
(b) Register of Members	

IMPORTANT: PLEASE READ NOTES OVERLEAF
Notes:

1. Please insert the total number of shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument ("Proxy Form") appointing the Chairman of the Meeting as proxy shall be deemed to relate to all the shares held by you.
2. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised.

3. Where a member (whether individual or corporate) appoints a proxy or proxies as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of a proxy or proxies for that resolution will be treated as invalid.
4. A member who is a relevant intermediary entitled to attend the meeting and vote is entitled to appoint more than two proxies to attend and vote instead of the member, but each proxy must be appointed to exercise the rights attached to a different Share or Shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.
5. A proxy need not be a member of the Company.
6. Investors who hold their Shares through relevant intermediaries as defined in Section 181 of the Companies Act 1967 (including SRS investors) and who wish to exercise their votes by appointing a proxy or proxies should approach their respective relevant intermediaries to submit their voting instructions by **9.30 a.m. on 13 October 2022** in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint a proxy or proxies to vote on their behalf **by 9.30 a.m. on 24 October 2022**.
7. Completion and return of this instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

A member who wishes to submit a Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the Company's Registered Office at 3, Kaki Bukit Place, Eunos Techpark, Singapore 416181 or by scanning and sending it by email to TAKA_EGM22@takajewelleryholdings.com.sg as soon as possible, in either case, **by 9.30 a.m. on 24 October 2022 (being at least forty-eight (48) hours before the time appointed for holding the Meeting)**.

PERSONAL DATA PRIVACY:

By submitting a proxy form appointing a proxy or proxies, the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 11 October 2022.

GENERAL:

The Company shall be entitled to reject the proxy form appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the proxy form appointing a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any proxy form appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.