

CIRCULAR DATED 6 APRIL 2022

This Circular is issued by Enviro-Hub Holdings Ltd. If you are in any doubt as to the action you should take, you should consult your stockbroker or other professional adviser immediately.

This Circular is circulated to you together with the Group's (as defined herein) 2021 Annual Report (as defined herein). Its purpose is to provide the Shareholders (as defined herein) with the relevant information relating to, and seek the Shareholders' approval for, the proposed renewal of the IPT Mandate (as defined herein) and the proposed renewal of the Shares Purchase Mandate (as defined herein) to be tabled at the 2022 AGM (as defined herein) to be held on Thursday, 28 April 2022 at 10.30 a.m. by way of electronic means. The notice of the 2022 AGM and the proxy form are enclosed with the 2021 Annual Report.

If you have sold or transferred all your ordinary shares in the capital of Enviro-Hub Holdings Ltd., you should immediately hand this Circular and the Notice of AGM (as defined herein) and proxy form enclosed with the 2021 Annual Report to the purchaser or to the bank, stockbroker or agent through whom you effected the sale or transfer for onward transmission to the purchaser or transferee.

In line with the Alternative Arrangements Order (as defined herein), Shareholders will not be able to attend the 2022 AGM in person. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the 2022 AGM by (a) observing and/or listening to the proceedings via "live" audio-visual webcast or "live" audio-only stream; (b) submitting questions related to the resolution to be tabled for approval in advance of the 2022 AGM; and/or (c) appointing the Chairman of the 2022 AGM as proxy to attend, speak and vote on their behalf at the 2022 AGM. Please refer to the Notice of AGM dated 6 April 2022 for further information, including the steps to be taken by Shareholders to participate at the 2022 AGM. **Printed copies of this Circular will not be sent to the members. Instead, this Circular will be sent to the members solely by electronic means via publication on the Company's website at the URL <http://www.enviro-hub.com> and will also be available on the SGXNet (as defined below) at the URL <https://www.sgx.com/securities/company-announcements>.**

The Singapore Exchange Securities Trading Limited takes no responsibility for the accuracy of any statements made, reports contained or opinions expressed in this Circular.



CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- (1) **THE PROPOSED RENEWAL OF THE SHAREHOLDERS' GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS; AND**

- (2) **THE PROPOSED RENEWAL OF THE SHARES PURCHASE MANDATE**

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DEFINITIONS

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

“2012 Scheme”	:	The Enviro-Hub Share Award Scheme 2012 that was approved by Shareholders on 22 November 2012
“2022 Scheme”	:	The proposed Enviro-Hub Share Award Scheme 2022
“2021 Annual Report”	:	The annual report of the Company for the financial year ended 31 December 2021
“2021 IPT Mandate”	:	The general mandate for interested person transactions granted by the Shareholders as described in the Company’s circular to Shareholders dated 12 April 2021 that was last renewed at the annual general meeting of the Company held on 28 April 2021
“2021 Shares Purchase Mandate”	:	The general mandate for share buy-back granted by the Shareholders as described in the Company’s circular to Shareholders dated 12 April 2021 that was last renewed at the annual general meeting of the Company held on 28 April 2021
“2022 AGM”	:	The annual general meeting of the Company to be held on Thursday, 28 April 2022 at 10.30 a.m. (or any adjournment thereof), which set out in the Notice of AGM
“ACRA” or “Registrar of Companies”	:	The Accounting and Corporate Regulatory Authority of Singapore
“Act”	:	The Companies Act 1967 of Singapore (2020 Revised Edition), as the same may be modified, supplemented or amended from time to time
“acting in concert”	:	Shall have the meaning ascribed to it in the Take-over Code
“Alternative Arrangements Order”	:	The COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020
“Associate”	:	Shall have the meaning ascribed to it in the Listing Manual
“associated company”	:	A company in which at least 20% but not more than 50% of its shares are held by the listed company or group
“Audit Committee”	:	The audit committee of the Company comprising Mr. Tan Kok Hiang and Mr. Samuel Poon Hon Thang, Mr. Lai Huen Poh and Dr. Teo Ho Pin
“Board”	:	The board of Directors of the Company for the time being
“BS Capital”	:	BS Capital Pte. Ltd.
“CDP”	:	The Central Depository (Pte) Limited
“chief executive officer”	:	The most senior executive officer who is responsible under the immediate authority of the Board for the conduct of the business of the Company
“Company” or “Enviro-Hub”	:	Enviro-Hub Holdings Ltd.
“Constitution”	:	The constitution of the Company, as the same may be modified, supplemented or amended from time to time

DEFINITIONS

"Construction-related Core Business"	:	Shall have the meaning ascribed to it in Section 3.4(b) of this Circular
"Controlling Shareholder"	:	A person who: <ul style="list-style-type: none">(a) holds directly or indirectly 15% or more of the total number of issued Shares excluding Treasury Shares and Subsidiary Holdings in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or(b) in fact exercises control over the Company
"Council"	:	The Securities Industry Council
"Directors"	:	The directors of the Company for the time being
"EH Property"	:	EH Property & Investments Pte. Ltd., a subsidiary of the Company
"entity at risk"	:	Shall have the meaning ascribed to it in Section 3.2(b) of this Circular
"EPS"	:	Earnings per Share
"FY"	:	Financial year
"FY2021"	:	Financial year ended 31 December 2021
"FY2022"	:	Financial year ending 31 December 2022
"FY2023"	:	Financial year ended 31 December 2023
"Group"	:	The Company and its subsidiaries
"interested person"	:	Shall have the meaning ascribed to it in Section 3.2(c) of this Circular
"interested person transaction"	:	Shall have the meaning ascribed to it in Section 3.2(e) of this Circular
"IPT Mandate"	:	The Shareholders' general mandate pursuant to Rule 920 of the Listing Manual for the Recurrent IPT as described in Section 3.6 of this Circular
"Latest Practicable Date"	:	23 March 2022, being the latest practicable date prior to the release of this Circular
"Leong Hin Builders"	:	Leong Hin Builders Pte. Ltd., a wholly-owned subsidiary of Leong Hin Piling
"Leong Hin Piling"	:	Leong Hin Piling Pte Limited, a wholly-owned subsidiary of the Company
"LHP Entities"	:	Leong Hin Piling, its subsidiaries and associated companies from time to time, or any of them, being the entities with which the RN Interested Persons may transact the Recurrent IPT described in Section 3.6(b) of this Circular
"Listing Manual"	:	The Listing Manual of the SGX-ST, as the same may be amended, varied or supplemented from time to time
"LPS"	:	Loss per Share
"Market Day"	:	A day on which the SGX-ST is open for trading in securities

DEFINITIONS

“Market Purchases”	:	Market acquisitions of Shares on the SGX-ST undertaken by the Company during the Relevant Period, and a “Market Purchase” shall be construed accordingly. For the purposes of this definition, a market acquisition means an on-market purchase transacted through the SGX-ST’s trading system or on another stock exchange on which the Company’s equity securities are listed
“Maximum Price”	:	Shall have the meaning ascribed to it in Section 4.3.4 of this Circular
“Notice of AGM”	:	Notice of the 2022 AGM
“NTA”	:	Net tangible assets
“Off-Market Purchases”	:	Off-market acquisitions of Shares undertaken by the Company during the Relevant Period on an equal access scheme in accordance with section 76C of the Act, and an “Off-Market Purchase” shall be construed accordingly
“Offeree Shareholders”	:	Shareholders holding Shares at the time of an offer of Shares Purchase, and an “Offeree Shareholder” shall be construed accordingly
“Ordinary Resolution”	:	Ordinary resolution of the Company
“Recurrent IPT”	:	The recurrent interested person transactions as described in Section 3.6 of this Circular
“Register of Directors’ Shareholdings”	:	A register of the shareholdings of the Company’s Directors
“Register of Substantial Shareholders”	:	A register of the Substantial Shareholders of the Company
“Relevant Period”	:	The period commencing from the date of the resolution passed by Shareholders for the Shares Purchase Mandate at the 2022 AGM and expiring on the earliest of the date the next annual general meeting of the Company is held or is required by law to be held, or the date the said mandate is revoked or varied by the Company in general meeting, or the date on which purchases or acquisitions of Shares pursuant to the Shares Purchase Mandate are carried out to the full extent mandated
“Required Price”	:	In relation to the offer required to be made under the provisions of Rule 14.1 of the Take-over Code, the offer shall be in cash or be accompanied by a cash alternative at a price in accordance with Rule 14.3 which is the highest of the highest price paid by the offerors and/or person(s) acting in concert with them for the Company’s Shares (i) during the offer period and within the preceding six (6) months, (ii) acquired through the exercise of instruments convertible into securities which carry voting rights within six (6) months of the offer and during the offer period, or (iii) acquired through the exercise of rights to subscribe for, and options in respect of, securities which carry voting rights within six (6) months of the offer and during the offer period; or at such price as determined by the Council under Rule 14.3 of the Take-over Code
“RN Interested Persons”	:	Mr. Raymond Ng Ah Hua and his associates, or any of them, being the interested persons with which the LHP Entities may transact the Recurrent IPT described in Section 3.6(b) of this Circular
“SFA”	:	The Securities and Futures Act 2001 of Singapore (2020 Revised Edition), as the same may be modified, supplemented or amended from time to time
“SGXNet”	:	A system network used by listed companies to send information and announcements to the SGX-ST or any other system network prescribed by the SGX-ST

DEFINITIONS

"SGX-ST"	:	The Singapore Exchange Securities Trading Limited
"Shareholders"	:	Persons who are registered as holders of the Shares except where the registered holder is CDP, in which case the term "Shareholders" shall, in relation to such Shares, mean the Depositors whose Securities Accounts with CDP are credited with the Shares
"Shares"	:	Ordinary shares in the capital of the Company
"Shares Purchases"	:	Off-Market Purchases or Market Purchases undertaken by the Company during the Relevant Period in accordance with the Act, and a "Shares Purchase" shall be construed accordingly
"Shares Purchase Mandate"	:	The Shareholders' general and unconditional mandate to authorise the Directors to make Shares Purchases within the Relevant Period of up to ten per cent. (10%) of the total number of issued Shares in the capital of the Company (ascertained as at the date of the resolution passed by Shareholders authorising the proposed renewal of the Shares Purchase Mandate, but disregarding any Shares held as Treasury Shares and Subsidiary Holdings) at the price of up to but not exceeding the Maximum Price, in accordance with the "Guidelines on Shares Purchases" set out in Appendix I of this Circular and the rules of the SGX-ST
"subsidiaries"	:	The subsidiaries of a company (as defined in section 5 of the Act), and "subsidiary" shall be construed accordingly
"Subsidiary Holdings"	:	Shares referred to in sections 21(4), 21(4B), 21(6A) and 21(6C) of the Act
"Substantial Shareholder"	:	A person who holds directly or indirectly five per cent. (5%) or more of the issued voting Shares of the Company
"Take-over Code"	:	The Singapore Code on Take-over and Mergers, as the same may be modified, supplemented or amended from time to time
"Treasury Shares"	:	Shall have the meaning ascribed to it in the Act
"Treasury Shares usage"	:	Shall have the meaning ascribed to it in Section 4.5 of this Circular
"S\$" and "cents"	:	Singapore dollars and cents
"%" or "per cent."	:	Per centum or percentage

The terms "Depositor" and "Depository Register" shall have the meanings ascribed to them respectively under 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. References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Act, Listing Manual, SFA, Take-over Code or any modification thereof and used in this Circular shall have the meaning assigned to it under the said Act, Listing Manual, SFA, Take-over Code or any modification thereof, unless otherwise stated or the context otherwise requires.

Any reference to a time or a day in the Circular is a reference to Singapore time and date.

The headings in this Circular are inserted for convenience only and shall not affect the construction of this Circular.

Where any word or expression is defined in this Circular, such definition shall extend to the grammatical variations and cognate expressions of such word or expression.

Any discrepancies in the tables in this Circular between the listed amounts and the totals thereof are due to rounding.

LETTER TO SHAREHOLDERS

ENVIRO-HUB HOLDINGS LTD.
(Incorporated in the Republic of Singapore)
Company Reg. No. 199802709E

Directors

Raymond Ng Ah Hua (Executive Director/Chairman)
Tan Kok Hiang (Independent Director)
Samuel Poon Hon Thang (Independent Director)
Lai Huen Poh (Non-Executive Director)
Dr. Teo Ho Pin (Independent Director)

Registered Office

3 Gul Crescent
Singapore 629519

6 April 2022

To: The Shareholders of Enviro-Hub Holdings Ltd.

Dear Shareholder

- (1) THE PROPOSED RENEWAL OF THE SHAREHOLDERS' GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS**
- (2) THE PROPOSED RENEWAL OF THE SHARES PURCHASE MANDATE**

1 INTRODUCTION

- 1.1 The Company refers to (a) the Notice of AGM dated 6 April 2022 convening the 2022 AGM of the Company to be held on Thursday, 28 April 2022 at 10.30 a.m. by way of electronic means; (b) Ordinary Resolution 8 set out under the heading "Special Business" in the Notice of AGM in relation to the proposed renewal of the IPT Mandate; and (c) Ordinary Resolution 9 set out under the heading "Special Business" in the Notice of AGM in relation to the proposed renewal of the Shares Purchase Mandate.
- 1.2 The purpose of this Circular is to provide Shareholders with the relevant information relating to (a) the proposed renewal of the IPT Mandate; and (b) the proposed renewal of the Shares Purchase Mandate, details of which are set out in Section 3 and Section 4 of this Circular respectively, and to seek Shareholders' approvals in relation thereto at the 2022 AGM.
- 1.3 The SGX-ST assumes no responsibility for the accuracy of any of the statements made, reports contained or opinions expressed in this Circular.

2. BACKGROUND

- 2.1 The Shareholders had, at the last annual general meeting of the Company held on 28 April 2021, approved, *inter alia*, the renewal of the 2021 IPT Mandate which enables (i) the Company to grant corporate guarantees to banks and financial institutions for banking and financing facilities to be granted to the Company's subsidiaries who are considered "interested persons" of the Company from time to time, if any; and (ii) Leong Hin Piling, a wholly-owned subsidiary of the Company as at the date hereof, its subsidiaries and associated companies (or any of them) to provide certain construction-related services as described in Section 3.6(b) of this Circular to the RN Interested Persons, in compliance with Chapter 9 of the Listing Manual. Details of the 2021 IPT Mandate were set out in the Company's circular to Shareholders dated 12 April 2021.
- 2.2 In addition, at the last annual general meeting of the Company held on 28 April 2021, the Shareholders had also approved, *inter alia*, the 2021 Shares Purchase Mandate which enables the Company to purchase or otherwise acquire issued ordinary shares up to 10% of the Company's issued Shares (excluding Treasury Shares and Subsidiary Holdings). The rationale for, the authority and limitations on, and the financial effects of, the 2021 Shares Purchase Mandate were set out in the Company's circular to Shareholders dated 12 April 2021.

LETTER TO SHAREHOLDERS

- 2.3 The 2021 IPT Mandate and the 2021 Shares Purchase Mandate will, unless revoked or varied by the Company in general meeting, expire on the date of the upcoming 2022 AGM. Accordingly, Shareholders' approvals are being sought for the renewal of the IPT Mandate and the renewal of the Shares Purchase Mandate at the upcoming 2022 AGM.

3. THE PROPOSED RENEWAL OF THE IPT MANDATE

3.1 Background on Chapter 9 of the Listing Manual

Chapter 9 of the Listing Manual governs transactions in which a listed company or any of its subsidiaries or associated companies (known as an **"entity at risk"**) enters into or proposes to enter into with a party who is an **"interested person"** of the listed company. The objective of Chapter 9 (as stated in Rule 901 of the Listing Manual) is to guard against the risk that "interested persons" could influence a listed company, its subsidiaries or associated companies to enter into transactions with "interested persons" that may adversely affect the interests of the listed company or its shareholders. The main terms used in Chapter 9 of the Listing Manual such as "entity at risk", "interested person" and "associated companies" as well as other terms used are defined in the section entitled "Definitions" of this Circular and in Section 3.2 of this Circular.

Rule 920 of the Listing Manual allows a listed company to seek a general mandate from its shareholders for recurrent transactions with "interested persons" where such transactions are of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials, but not in respect of the purchase or sale of assets, undertakings or businesses. A general mandate granted by shareholders is subject to annual renewal.

3.2 Main Terms used in Chapter 9 of the Listing Manual

For the purposes of Chapter 9 of the Listing Manual:

- (a) an **"approved exchange"** means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles to Chapter 9 of the Listing Manual;
- (b) an **"entity at risk"** means:
 - (i) the issuer;
 - (ii) a subsidiary of the issuer that is not listed on the SGX-ST or an approved exchange; or
 - (iii) an associated company of the issuer that is not listed on the SGX-ST or an approved exchange, provided that the listed group, or the listed group and its interested person(s), has control over the associated company;
- (c) an **"interested person"** means (i) a director, chief executive officer, or controlling shareholder of the issuer; or (ii) an associate of any such director, chief executive officer, or controlling shareholder;

The SGX-ST may deem any person or entity to be an interested person if the person or entity has entered into, or proposes to enter into: (a) a transaction with an entity at risk; and (b) an agreement or arrangement with an interested person in connection with that transaction.

- (d) a **"primary interested person"** means a person or an entity in Rule 904(4)(a)(i), Rule 904(4)(b)(i), Rule 904(4)(b)(ii), Rule 904(4)(c)(i), Rule 904(4)(c)(ii), Rule 904(4)(d)(i) or Rule 904(4)(d)(ii);
- (e) an **"interested person transaction"** means a transaction between an "entity at risk" and an "interested person"; and

LETTER TO SHAREHOLDERS

- (f) a “**transaction**” includes (i) the provision or receipt of financial assistance; (ii) the acquisition, disposal or leasing of assets; (iii) the provision or receipt of goods or services; (iv) the issuance or subscription of securities; (v) the granting of or being granted options; and (vi) the establishment of joint ventures or joint investments, whether or not in the ordinary course of business, and whether or not entered into directly or indirectly (for example, through one or more interposed entities).

3.3 Materiality Thresholds

When Chapter 9 of the Listing Manual applies to a transaction with an “interested person” (except for any transaction which is below S\$100,000 in value and certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its “interested person” and are hence excluded from certain requirements of Chapter 9 of the Listing Manual) and the value of the transaction alone or on aggregation with other transactions conducted with the “interested person” during the financial year reaches or exceeds certain materiality thresholds (which are based on the listed group’s latest audited consolidated NTA¹), the listed company is required to make an immediate announcement, or to make an immediate announcement and seek its shareholders’ approval for the transaction.

Threshold 1: 3% of the latest audited consolidated NTA of the listed company and its subsidiaries.

Threshold 2: 5% of the latest audited consolidated NTA of the listed company and its subsidiaries.

An immediate announcement is required where:

- (a) the value of a transaction with interested persons is equal to, or more than, 3% of the listed group’s latest audited NTA; or
- (b) the transaction, when aggregated with other transactions entered into with the same interested person (such term as construed under Chapter 9 of the Listing Manual) during the same financial year amounts to 3% or more of the listed group’s latest audited NTA.

In addition, shareholders’ approval is required for an “interested person transaction” of a value equal to, or exceeding:

- (i) 5% of the listed group’s latest audited consolidated NTA; or
- (ii) 5% of the listed group’s latest audited consolidated NTA, when aggregated with the values of other transactions entered into with the same interested person (such term as construed under Chapter 9 of the Listing Manual) during the same financial year. However, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.

For the purposes of aggregation, any transaction which is below S\$100,000 in value is to be excluded. However, the Listing Manual provides that while transactions below S\$100,000 are not normally aggregated under Chapter 9 of the Listing Manual, the SGX-ST may aggregate any such transaction entered into during the same financial year and treat them as if they were one transaction.

¹ Pursuant to the Listing Manual, if the group’s latest audited net tangible assets is negative, the issuer should consult the SGX-ST on the appropriate benchmark to calculate the relevant thresholds, which may be based on its market capitalisation.

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In interpreting the term “same interested person” for the purpose of aggregation in Rules 905, 906 and 907, the following applies:

- (a) Transactions between (a) an entity at risk and a primary interested person; and (b) an entity at risk and an associate of that primary interested person, are deemed to be transactions between an entity at risk with the same interested person.
- (b) Transactions between an entity at risk and interested persons who are members of the same group are deemed to be transactions between the entity at risk with the same interested person.

If an interested person (which is a member of a group) is listed, its transactions with the entity at risk need not be aggregated with transactions between the entity at risk and other interested persons of the same group, provided that the listed interested person and other listed interested persons have boards the majority of whose directors are different and are not accustomed to act on the instructions of the other interested person and have audit committees whose members are completely different.

For illustration purposes, based on the latest audited accounts of the Group for the financial year ended 31 December 2021, the consolidated NTA of the Group was approximately S\$53.0 million. Accordingly, in relation to the Company, and for the purposes of Chapter 9 of the Listing Manual, in the current financial year and until such time that the consolidated audited results of the Group for the financial year ending 31 December 2021 are published by the Company, 5% of the latest audited consolidated NTA of the Group would be approximately S\$2.65 million. Based on the above figures, Shareholders’ approval would be required for:

- (i) “interested person transaction” with a value equal to or above S\$2.65 million; or
- (ii) “interested person transaction”, when aggregated with the values of other transactions entered into with the same interested person during the same financial year, with a value equal to or above S\$2.65 million (unless such transaction has been approved by the Shareholders or is the subject of aggregation with another transaction that has been approved by the Shareholders).

3.4 Rationale For and Benefit of the Proposed Renewal of the IPT Mandate

(a) In relation to the Recurrent IPT described in Section 3.6(a) of this Circular

The Directors are of the view that it will be beneficial for the Company to be able to grant corporate guarantees to support facilities to be obtained by its subsidiaries if the granting of such corporate guarantees will enable the subsidiaries to secure banking and financing facilities on more favourable terms.

Due to the time-sensitive nature of obtaining banking and financing facilities, renewal of the IPT Mandate will enable the Company to grant corporate guarantees to support banking and financing facilities obtained by its subsidiaries without being separately subject to the obligations in Rules 905 and 906 of the Listing Manual, provided that such Recurrent IPT are entered into on an arm’s length basis and on normal commercial terms and are made in accordance with the review procedures for such “interested person transactions” as set out in Section 3.7(a) of this Circular.

(b) In relation to the Recurrent IPT described in Section 3.6(b) of this Circular

One of the Group’s core businesses is the provision of construction-related services such as piling, building and construction related engineering and technical services as well as rental and servicing of machinery for the construction industry (the “**Construction-related Core Business**”).

The Group’s Construction-related Core Business operates principally through its wholly-owned subsidiaries, namely Leong Hin Piling and Leong Hin Builders. As at the Latest Practicable Date, Leong Hin Piling is principally engaged in the business of providing piling and construction services as well as the rental of cranes and heavy machinery for the construction industry and Leong Hin Builders is principally engaged in the business of providing general building and construction as well as related engineering and technical services.

LETTER TO SHAREHOLDERS

It is envisaged that Leong Hin Piling, its subsidiaries and associated companies from time to time, or any of them, (being collectively, the “**LHP Entities**”) would likely in their normal course of business enter into the Recurrent IPT described in Section 3.6(b) of this Circular with the RN Interested Persons and such transactions are likely to occur from time to time with some degree of frequency and may arise at any time. In view of the time-sensitive nature of the construction-based Recurrent IPT between the LHP Entities and the RN Interested Persons, the renewal of the IPT Mandate will enable the LHP Entities to take advantage of the business opportunities offered by such Recurrent IPT which are necessary for the day-to-day operations of the Group’s Construction-related Core Business and are in the interests of the Group for enhancing its financial performance, as such transactions are an additional source of revenue for the Group without being separately subject to the obligations in Rules 905 and 906 of the Listing Manual, provided that such Recurrent IPT are entered into on an arm’s length basis and on normal commercial terms and are made in accordance with the review procedures set out in Section 3.7(b) of this Circular.

The renewal of the IPT Mandate (and its subsequent renewal thereafter on an annual basis) will enhance the ability of the Group to pursue business opportunities which are time-sensitive in nature, and will eliminate the need for the Company to announce each transaction, and/or to convene separate general meetings on each occasion to seek Shareholders’ prior approval to enter into the Recurrent IPT with the specified classes of interested persons described in Section 3.5 of this Circular, which are within the scope of the IPT Mandate. The renewal of the IPT Mandate will also substantially reduce administrative time and expenses associated with the convening of general meetings from time to time on an *ad hoc* basis, improve administrative efficacy considerably, and allow resources and time to be focused on other corporate and business opportunities.

3.5 Classes of Interested Persons

The IPT Mandate will apply to the Recurrent IPT as described in Section 3.6 of this Circular which are carried out with the following classes of “interested persons”:

- (a) subsidiaries of the Company from time to time which fall within the definition of “interested person” as defined in Rule 904 of the Listing Manual in respect of the Recurrent IPT described in Section 3.6(a) of this Circular.

As at the Latest Practicable Date, subsidiaries of the Company which fall within this class of “interested persons” comprise EH Property and its subsidiaries. As at the Latest Practicable Date, the Company holds approximately 51% shareholding interest in EH Property, with the remaining shareholding interest being held by BS Capital. Please refer to Section 3.5(b) below for further details on BS Capital.

- (b) Mr. Raymond Ng Ah Hua and the associates from time to time of Mr. Raymond Ng Ah Hua in respect of the Recurrent IPT described in Section 3.6(b) of this Circular.

As at the Latest Practicable Date, the associate(s) of Mr. Raymond Ng Ah Hua comprise, *inter alia*, BS Capital and EH Property and their subsidiaries. Mr. Raymond Ng Ah Hua is the Executive Director and Chairman and a Controlling Shareholder of the Company holding, directly and indirectly, an aggregate of 431,800,564 Shares, representing approximately 28.17% of the issued share capital of the Company as at the Latest Practicable Date. He joined our Board as a Director on 28 October 2004 and was last re-elected as Director on 25 April 2019.

As at the Latest Practicable Date, Mr. Raymond Ng Ah Hua is the sole shareholder and a director of BS Capital. BS Capital is a private limited company incorporated in Singapore on 8 November 2003 and is principally engaged in the business of property development, investment and management. As at the Latest Practicable Date, BS Capital holds approximately 49% shareholding interest in EH Property.

Transactions with “interested persons” (including with the specified classes of “interested persons” described in this Section 3.5 of this Circular) which do not fall within the ambit of the IPT Mandate shall be subject to the relevant provisions of Chapter 9 and/or other applicable provisions of the Listing Manual and/or the Act, if any.

LETTER TO SHAREHOLDERS

3.6 Categories of Interested Person Transactions

The categories of "interested person transactions" contemplated under and covered by the IPT Mandate are as follows:

- (a) The categories of "interested person transactions" covered by the IPT Mandate in respect of the class of "interested persons" described in Section 3.5(a) of this Circular are set out below:
 - (i) provision of corporate guarantees by the Company to support banking and financing facilities to be obtained by its subsidiaries which fall within the definition of an "interested person" within the meaning of Chapter 9 of the Listing Manual from time to time, if the granting of such corporate guarantees will enable the subsidiaries to secure banking and financing facilities on more favourable terms; and
 - (ii) this category of "interested person transactions" does not cover the granting of corporate guarantees to support facilities of any "interested persons" where such facilities are not utilised for the Group's ordinary course of business.
- (b) The categories of "interested person transactions" covered by the IPT Mandate in respect of the class of "interested persons" described in Section 3.5(b) of this Circular are set out below:
 - (i) provision of construction-related services by the LHP Entities in their capacity as main contractor for the projects undertaken by the RN Interested Persons;
 - (ii) provision of piling, heavy lifting, haulage and erection services as piling contractor by the LHP Entities to the RN Interested Persons;
 - (iii) rental of piling equipment, cranes and heavy machinery by the LHP Entities to the RN Interested Persons; and
 - (iv) provision of such other services which are incidental to or in connection with the provision of the services described in sub-paragraphs (i) to (iii) above. Such services include but are not limited to supplying of such other equipment or services necessary for the building and construction of projects and related engineering or technical services,

(collectively, the "**Recurrent IPT**").

3.7 Guidelines and Review Procedures for the Recurrent IPT

The Group has in place internal control systems to ensure that transactions with its "interested persons" (including with the specified classes of "interested persons" described in Section 3.5 of this Circular) are made on normal commercial terms, and are consistent with the Group's usual business practices and policies. The Audit Committee of the Company will also review and approve the transactions where applicable, as further described below.

- (a) *Review procedures for the Recurrent IPT described in Section 3.6(a) of this Circular*
 - (i) To ensure that grant of corporate guarantees by the Company is on normal commercial terms and not prejudicial to the interests of the Company and its minority Shareholders, the Audit Committee will review and approve the terms of all corporate guarantees.
 - (ii) The Audit Committee will review and approve the terms of all corporate guarantees, taking into consideration (but not limited to) the following factors:
 - (1) whether the corporate guarantee given by the Company to support banking and financing facilities to be obtained by its subsidiaries is in approximate proportion to the shareholdings of the Company in the subsidiaries;

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- (2) whether the granting of the corporate guarantee is required before banking and financing facilities can be secured and/or whether the terms of the banking and financing facilities are made more favourable with the corporate guarantee; and
 - (3) whether the interests of the Company and its minority Shareholders are prejudiced through the granting of the corporate guarantee to banks and financial institutions for banking and financing facilities to be granted to the subsidiary.
- (b) *Review procedures for the Recurrent IPT described in Section 3.6(b) of this Circular*
- (i) To ensure that the Recurrent IPT with the RN Interested Persons are conducted at arm's length and on normal commercial terms consistent with the Group's usual business practices and policies and on terms which are generally no more favourable than those extended to unrelated third parties and which will not be prejudicial to the interests of the Company and its minority Shareholders, the following guidelines for the review and approval of the Recurrent IPT with the RN Interested Persons will be put in place:
 - (1) all contracts entered into or transactions with the RN Interested Persons are to be carried out at the prevailing market rates or prices of the service or product provided, on terms which are no more favourable to the RN Interested Persons than the usual commercial terms extended to unrelated third parties or otherwise in accordance with the applicable industry norms. As a basis for comparison to determine whether the price and terms offered to the RN Interested Persons are no more favourable than those extended to unrelated third parties, comparison will be made with reference to at least two (2) latest similar transactions between the LHP Entities and unrelated third parties. The comparison will be based on an overall evaluation of whether the price that the LHP Entities can obtain for its work to be completed under the contract with the RN Interested Persons is not lower than that charged to unrelated third parties and the terms of the contract with the RN Interested Persons is not less favourable to the LHP Entities than that entered into with unrelated third parties, taking into account all pertinent factors, including but not limited to, delivery milestones, payment milestones, size of the transaction or contract, customer's credit standing, potential for future repeat business and availability of other potential contracts with unrelated third parties. The comparison of the price and terms offered to the RN Interested Persons shall be conducted by a senior manager or other employee of the LHP Entities with an equivalent designation (who is unrelated to the RN Interested Persons and with no interest, direct or indirect, in the transactions with the RN Interested Persons) and who is familiar with the terms and complexity of contracts of similar nature;
 - (2) in evaluating the price of the contract with the RN Interested Persons, the LHP Entities' usual business practices and policies shall be taken into consideration, to ensure that the price to be received or the margin that can be earned under the contract is consistent and/or not less favourable than those of similar type of transactions or contracts between the LHP Entities and unrelated third parties;
 - (3) in evaluating the terms of the contract with the RN Interested Persons, the LHP Entities' template contract shall be taken into consideration, to ensure that the terms are not less favourable than that of the template contract;
 - (4) a director of the LHP Entities (who is unrelated to the RN Interested Persons and with no interest, direct or indirect, in the transactions with the RN Interested Persons) will prepare a written evaluation of the contract with the RN Interested Persons, supported by, *inter alia*, the evaluation of the price and terms performed by the senior manager in accordance with sub-paragraphs (1), (2) and (3) above, a budget which projects gross revenue, expenditure, gross operating profit and profit margin that can be obtained from the contract with the RN Interested Persons and any other available contracts or transactions that can be signed or secured with unrelated third parties which can be completed at a higher margin; and

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- (5) in the event the director of the LHP Entities (who is unrelated to the RN Interested Persons and with no interest, direct or indirect, in the transactions with the RN Interested Persons) determines that it is not possible to carry out the above mentioned procedures in subparagraphs (1), (2) and (3) above or where prevailing market prices or rates are not available due to no similar or comparable contracts or transactions for comparison, the director of the LHP Entities will determine whether the price and terms are fair and reasonable and consistent with the usual business practices and pricing policies of the LHP Entities, having regard to the overall average margins usually obtained by the LHP Entities for the provision and/or supply of substantially similar nature of services and/or materials in accordance with industry norms.
- (ii) In addition to the review procedures set out in Section 3.7(b)(i) of this Circular, the Group will monitor the Recurrent IPT with the RN Interested Persons covered by the IPT Mandate as follows:
 - (1) an "interested person transaction" with a value in excess of S\$100,000 but below or equal to S\$1.0 million shall be reviewed by the Audit Committee at its quarterly meetings;
 - (2) an "interested person transaction" with a value in excess of S\$1.0 million but below or equal to S\$10.0 million shall be reviewed by the Audit Committee within one (1) month from the end of the month in which that "interested person transaction" was entered into; and
 - (3) an "interested person transaction" with a value in excess of S\$10.0 million shall be reviewed and approved by the Audit Committee prior to the entry into such "interested person transaction".

3.8 General Administration Procedures for All Interested Person Transactions

The Group has also implemented the following procedures for the identification of "interested persons" and the record of all "interested person transactions":

- (a) the Finance Department of the Company will maintain a master list of the "interested persons" which comprise the Company's Directors and Controlling Shareholders and their respective associates (which is to be updated immediately if there are any changes), and disclose the list to relevant personnel (such as the Board, Human Resource Manager, Procurement Manager and Marketing Manager) to enable the identification of "interested persons". This master list of "interested persons" will be reviewed by the Audit Committee on a quarterly basis.
- (b) subsidiaries and associated companies of the Group are required to inform the Finance Department of the Company of any significant upcoming transactions with "interested persons" so as to obtain the prior approval of the Audit Committee or Shareholders, where necessary.
- (c) all "interested person transactions" (including transactions below S\$100,000) (including the review procedures established in respect thereof and all information pertinent to the evaluation of transactions entered into with all "interested persons" such as, but not limited to, the price or value of the contract, the budget and its basis, the key terms of the contract and supporting evidence such as similar contracts that had been used to evaluate the "interested person transaction", where applicable) shall be recorded and maintained in a register by the Company's Finance Department and submitted to the Company's internal auditors or compliance officers for review as part of the Company's standard internal audit process. Such compliance review will be performed on a quarterly basis and a quarterly report on such transactions will be forwarded to the Audit Committee. Save for "interested person transactions" for which approval of the Audit Committee was required prior to the entry thereof, the "interested person transactions" set out in the quarterly report of the Company's internal auditors or compliance officers will be reviewed by the Audit Committee at quarterly meetings.

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- (d) as mentioned in sub-paragraph (c) above, the Audit Committee will carry out quarterly reviews to ensure that the established guidelines and procedures for “interested person transactions” have been complied with and the relevant approvals obtained. If during these quarterly reviews, the Audit Committee is of the view that the above guidelines and procedures are not sufficient or have become inappropriate to ensure that the “interested person transactions” will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, it will take such actions as it deems appropriate and/or institute additional procedures as necessary to ensure that future transactions of a similar nature are on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, and the Company will seek Shareholders’ approval for a fresh mandate based on new guidelines and procedures for transactions with the “interested persons”.
- (e) during the period prior to obtaining a fresh mandate from Shareholders, all transactions with “interested persons” will be subject to prior review and approval by the Audit Committee or independent Shareholders in accordance with the provisions of the Listing Manual.
- (f) in the event that a member of the Audit Committee (where applicable) is interested in any “interested person transactions”, he will abstain from reviewing that particular transaction to ensure that the “interested person transactions” will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. Approval of that transaction will accordingly be undertaken by the remaining members of the Audit Committee.
- (g) the Board will ensure that all disclosure, approval and other requirements applicable to “interested person transactions”, including those required by prevailing legislations, the Listing Manual and accounting standards, will be complied with.
- (h) the Audit Committee shall have overall responsibility for the determination of the review procedures and shall have the authority to delegate such responsibility to individuals or committees within the Company as they deem appropriate. The members of the Audit Committee may, as they deem fit, request for additional information pertaining to the transaction under review and to obtain independent advice or valuations from external or professional sources.

3.9 Scope and Validity of the IPT Mandate

The IPT Mandate will cover the Recurrent IPT described in Section 3.6 of this Circular with the specified classes of “interested persons” described in Section 3.5 of this Circular which are of a revenue or trading nature or those necessary for the day-to-day operations of the Group such as the purchase and sale of supplies and materials, but not in respect of the purchase or sale of assets, undertakings or businesses.

The IPT Mandate will not cover any transaction with the specified classes of “interested persons” described in Section 3.5 of this Circular that is below S\$100,000 in value as the threshold and aggregation requirements of Chapter 9 of the Listing Manual would not apply to such transactions. Transactions with the specified classes of “interested persons” described in Section 3.5 of this Circular which do not fall within the ambit of the IPT Mandate will be subject to the relevant provisions of Chapter 9 and/or other applicable provisions of the Listing Manual and/or the Act, if any.

If approved by the Shareholders at the 2022 AGM, the IPT Mandate will take effect from the date of receipt of Shareholders’ approval, and will, unless revoked or varied by the Company in a general meeting, continue in force until the date that the next annual general meeting of the Company is held or is required by law to be held, whichever is the earlier. Approval from Shareholders will be sought for the renewal of the IPT Mandate on the date of the next annual general meeting and each subsequent annual general meeting of the Company, subject to satisfactory review by the Audit Committee of its continued application to the Recurrent IPT described in Section 3.6 of this Circular and the review procedures for the transactions as described in Section 3.7 of this Circular. In accordance with Rule 920(1)(b)(viii) of the Listing Manual, Mr. Raymond Ng Ah Hua and his associates will abstain from voting on the resolution(s) approving the IPT Mandate and its subsequent renewal thereafter on an annual basis.

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3.10 Disclosure to Shareholders

The Company will announce the aggregate value of transactions conducted with the classes of “interested persons” described in Section 3.5 of this Circular pursuant to the IPT Mandate for each financial period which the Company is required to report on pursuant to Rule 705 of the Listing Manual and within the time required for the announcement of such report in accordance with Rule 920(1)(a)(ii) of the Listing Manual.

Disclosure will also be made in the annual report of the Company of the aggregate value of the “interested person transactions” conducted pursuant to the IPT Mandate during the current financial year, and in the annual reports for the subsequent financial years during which the IPT Mandate is in force in accordance with Rule 920(1)(a)(i) of the Listing Manual.

The name of the “interested person”, nature of relationship and the corresponding aggregate value of the “interested person transactions” will be presented in the following format in accordance with Rule 907 of the Listing Manual:

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under the shareholders’ mandate pursuant to Rule 920 of the Listing Manual)	Aggregate value of all interested person transactions conducted under the shareholders’ mandate pursuant to Rule 920 of the Listing Manual (excluding transactions less than S\$100,000)
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3.11 Statement of the Audit Committee

In accordance with Rule 920(1)(c) of the Listing Manual, the Audit Committee of the Company confirms that:

- (a) the methods or procedures for determining the transaction prices under the IPT Mandate have not changed since the last Shareholders’ approval for the relevant type of Recurrent IPT; and
- (b) the methods or procedures referred to in Section 3.7 of this Circular are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders.

4. THE PROPOSED RENEWAL OF THE SHARES PURCHASE MANDATE

4.1 Introduction

The Act allows a Singapore-incorporated company to purchase or otherwise acquire its issued ordinary shares. As required under the Act, Regulation 52(2) of the Constitution permits the Company to purchase or otherwise acquire ordinary shares issued by it. Any purchase of Shares by the Company will also have to be made in accordance with, and in the manner prescribed by, the Act and such other laws and regulations as may for the time being be applicable. As the Company is listed on the SGX-ST, it is also required to comply with Part XIII of Chapter 8 of the Listing Manual, which relates to the purchase or acquisition of issued ordinary shares in the capital of a company which is listed on the SGX-ST.

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Shareholders' approval is sought to authorise the Directors to make Shares Purchases from time to time within the Relevant Period in accordance with the Act of up to ten per cent. (10%) of the total number of issued Shares in the capital of the Company (ascertained as at the date of the resolution passed by Shareholders authorising the proposed renewal of the Shares Purchase Mandate, but disregarding any Shares held as Treasury Shares and Subsidiary Holdings) at the price of up to but not exceeding the Maximum Price, in accordance with the "Guidelines on Shares Purchases" set out in Appendix I of this Circular and the rules of the SGX-ST. The authority conferred on the Directors by the proposed Shares Purchase Mandate to purchase Shares shall continue in force for the Relevant Period.

As at the Latest Practicable Date, the Company has 1,532,995,342 Shares and the exercise in full of the Shares Purchase Mandate would result in the purchase of up to 153,299,534 Shares. The Company may purchase Shares by way of Off-Market Purchases and/or Market Purchases.

4.2 Rationale for the Proposed Renewal of the Shares Purchase Mandate

Short term speculation may at times cause the market price of the Company's Shares to be depressed below the true value of the Company and the Group. The proposed Shares Purchase Mandate will provide the Directors with the means to restore investors' confidence and to protect existing Shareholders' investments in the Company in a depressed share-price situation through judicious Shares Purchases to enhance the earnings per Share. The Shares Purchases will enhance the net asset value per Share if the Shares Purchases are made at a price below the net asset value per Share.

The proposed Shares Purchase Mandate will also provide the Company with an expedient and cost-effective mechanism to facilitate the return of surplus cash reserves to the Shareholders as and when the Directors are of the view that this would be in the best interests of the Company and the Shareholders.

The Directors will only make a Shares Purchase as and when the circumstances permit and only if the Directors are of the view that such purchases are in the best interests of the Company and the Shareholders. No Shares Purchase will be made in circumstances which the Directors believe will have or may have a material adverse effect on the liquidity and the orderly trading of the Shares and the financial condition, working capital requirements and gearing level of the Company and the Group.

4.3 Terms of the Proposed Shares Purchase Mandate

4.3.1 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 which may be purchased or acquired by the Company pursuant to the Shares Purchase Mandate is limited to that number of Shares representing not more than ten per cent. (10%) of the total number of issued Shares (excluding any Shares held as Treasury Shares and Subsidiary Holdings) of the Company ascertained as at the date of the resolution passed by Shareholders authorising the proposed renewal of the Shares Purchase Mandate. Any of the Shares which are held as Treasury Shares or Subsidiary Holdings shall be disregarded for the purposes of computing the 10% limit. As at the Latest Practicable Date, the Company has no Treasury Shares and no Subsidiary Holdings.

Purely for illustrative purposes, on the basis of 1,532,995,342 Shares in issue as at the Latest Practicable Date, and assuming no further Shares are issued on or prior to the 2022 AGM, not more than 153,299,534 Shares (representing ten per cent. (10%) of the Shares in issue as at that date) may be purchased or acquired by the Company pursuant to the proposed Shares Purchase Mandate.

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4.3.2 Duration of Authority

Unless revoked or varied by the Company in general meeting, purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the resolution passed by Shareholders for the Shares Purchase Mandate at the 2022 AGM, at which the proposed renewal of the Shares Purchase Mandate is approved, up to the earlier of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; or
- (c) the date on which the purchases or acquisitions of Shares pursuant to the proposed Shares Purchase Mandate are carried out to the full extent mandated.

When seeking the approval of the Shareholders for the renewal of the Shares Purchase Mandate, the Company shall disclose details pertaining to purchases or acquisitions of Shares pursuant to the proposed Shares Purchase Mandate made during the previous twelve (12) months, including the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such purchases of Shares, where relevant, and the total consideration paid for such purchases.

4.3.3 Mode of Purchase

Shares Purchases can be effected by the Company in either one (1) of the following two (2) ways or both:

- (a) by way of Market Purchases, which means an on-market purchase transacted through the SGX-ST's trading system or on another stock exchange on which the Company's equity securities are listed; or
- (b) by way of Off-Market Purchases on an equal access scheme in accordance with section 76C of the Act.

The Directors may impose such terms and conditions which are not inconsistent with the Shares Purchase Mandate, the Listing Manual, the Act, the Constitution of the Company 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. The Company may offer to purchase Shares from time to time by way of Off-Market Purchase under the proposed Shares Purchase Mandate subject to the requirement that the terms of any offer to purchase Shares by the Company shall be *pari passu* in respect of all Offeree Shareholders save under the following circumstances:

- (i) where there are differences in consideration attributable to the fact that the offers relate to Shares with different accrued dividend entitlements;
- (ii) where there are differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid; and
- (iii) where there are differences in the offers introduced solely to ensure that every Shareholder is left with a whole number of Shares in board lots of 100 Shares after the Shares Purchases, in the event there are Offeree Shareholders holding odd numbers of Shares.

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For purchases of Shares made by way of an Off-Market Purchase, the Company shall issue an offer document to all Shareholders. The offer document shall contain at least the following information:

- (i) the terms and conditions of the offer;
- (ii) the period and procedures for acceptances;
- (iii) the reasons for the proposed Shares Purchase;
- (iv) the consequences, if any, of the Shares Purchases by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (v) whether the Shares Purchases, if made, would have any effect on the listing of the Company's securities on the Official List of the SGX-ST;
- (vi) details of any Shares Purchase made by the Company in the previous twelve (12) months (whether 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, where relevant, and the total consideration paid for the purchases; and
- (vii) whether the Shares purchased by the Company will be cancelled or kept as Treasury Shares.

Offers for Shares Purchases shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares. All Offeree Shareholders shall be given a reasonable opportunity to accept the offers made by the Company to purchase their Shares by way of Off-Market Purchase under the Shares Purchase Mandate.

4.3.4 *Maximum Purchase Price*

The purchase price (excluding brokerage, commissions, stamp duties, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors. However, the purchase price to be paid for a Share pursuant to a Shares Purchase as determined by the Directors must not exceed:

- (i) in the case of a Market Purchase, one hundred and five per cent. (105%) of the Average Closing Price (as defined hereinafter); and
- (ii) 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,

(the "**Maximum Price**") in either case, excluding related expenses of the Shares Purchase.

For the above purposes:-

"Average Closing Price" means 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 preceding the day of the Market Purchase (which is 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);

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4.4 Source of Funds

In purchasing Shares, the Company may only apply funds legally available for such purchase in accordance with its Constitution and the applicable laws in Singapore. The Company may not purchase Shares for a consideration other than cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the trading rules of the SGX-ST. Under the Act, any Shares Purchase undertaken by the Company may be made out of capital or profits that are available for distribution as dividends so long as the Company is solvent (as defined in section 76F(4) of the Act).

The Company will use internal resources to finance purchases of its Shares. When undertaking any Shares Purchase, the Directors will ensure that:

- (i) the Company and the Group will at all times have adequate liquidity and working capital to meet its operational requirements;
- (ii) any Shares Purchase will be financed by the Company's capital or distributable profits in accordance with the Act; and
- (iii) the Company and the Group will not obtain nor incur any borrowings for purposes of financing any Shares Purchase.

4.5 Status of Purchased Shares

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

Where Shares are held as Treasury Shares, section 76K of the Act allows the Company to, at any time:

- (i) sell the Shares (or any of them) for cash;
- (ii) transfer the Shares (or any of them) for the purposes of or pursuant to any share scheme, whether for employees, directors or other persons;
- (iii) transfer the Shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (iv) cancel the Shares (or any of them); or
- (v) sell, transfer or otherwise use the Treasury Shares for such other purposes as may be prescribed by the Minister for Finance.

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Under the Listing Manual, immediate announcement must be made of any sale, transfer, cancellation and/or use of Treasury Shares (in each case, the “**Treasury Shares usage**”). Such announcement must include details such as the date of the Treasury Shares usage, the purpose of the Treasury Shares usage, the number of Treasury Shares comprised in the Treasury Shares usage, the number of Treasury Shares before and after the Treasury Shares usage, the percentage of the number of Treasury Shares comprised in the Treasury Shares usage against the total number of issued Shares (of the same class as the Treasury Shares) which are listed on the SGX-ST before and after the Treasury Shares usage and the value of the Treasury Shares comprised in the Treasury Shares usage.

The aggregate number of Shares held as Treasury Shares shall not at any time exceed ten per cent. (10%) of the total number of issued Shares at that time. Any Shares in excess of this limit shall be disposed of or cancelled in accordance with section 76K of the Act within six (6) months beginning with the day on which that contravention occurs, or such further period as the Registrar of Companies may allow.

4.6 Financial Effects

It is not possible for the Company to realistically calculate or quantify the impact of purchases that may be made pursuant to the Shares Purchase Mandate on the NTA, EPS and gearing of the Company and the Group as the resultant effect would depend on factors such as the aggregate number of Shares purchased and the purchase prices paid at the relevant time.

The Company’s total number of issued Shares will be diminished by the total number of Shares purchased by the Company and which are cancelled. The NTA of the Group will be reduced by the aggregate purchase price paid by the Company for the Shares.

Under the Act, purchases or acquisitions of Shares by the Company may be made out of the Company’s capital or profits so long as the Company is solvent. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding brokerage, commissions, 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 paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

Purely for illustrative purposes, the impact of the Shares Purchases by the Company pursuant to the proposed Shares Purchase Mandate on the Group’s and the Company’s financial positions is illustrated below. Based on the existing issued and paid-up ordinary Shares in the capital of the Company as at the Latest Practicable Date, and assuming no further Shares are issued on or prior to the 2022 AGM, the exercise in full of the Shares Purchase Mandate would result in the purchase of up to 153,299,534 Shares.

- (i) Assuming that the Shares Purchases were made by the Company by way of Market Purchases at the Maximum Price of S\$0.0678, which is five per cent. (5%) above the average of the closing prices of the Shares over the five (5) Market Days preceding the Latest Practicable Date on which transactions in the Shares were recorded, the maximum amount of funds required for the purchase of up to 153,299,534 Shares is approximately S\$10.39 million.

On this assumption and assuming that all the Shares purchased by the Company are held in treasury, the impact of the Shares Purchases by the Company undertaken in accordance with the proposed Shares Purchase Mandate on the Company’s and the Group’s audited financial statements for the financial year ended 31 December 2021 is as follows:

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	GROUP		COMPANY	
	Before Shares Purchase (\$S'000)	After Shares Purchase (\$S'000)	Before Shares Purchase (\$S'000)	After Shares Purchase (\$S'000)
As at 31 December 2021				
Shareholders' funds	80,647	70,253	56,213	45,819
Net tangible assets (NTA) ¹ / total equity	52,982	42,588	56,213	45,819
Current Assets	34,989	24,595	10,943	549
Current Liabilities	52,134	52,134	21,839	21,839
Working Capital	(17,145)	(27,539)	(10,896)	(21,290)
Total Liabilities	77,536	77,536	23,678	23,678
Total loans and borrowings ³	53,275	53,275	42	42
Number of Shares ('000)	1,532,995	1,379,695	1,532,995	1,379,695
Financial Ratios				
NTA per Share (cents)	3.46	3.09	3.67	3.32
Earnings per Share/Loss per Share ² (cents)	0.175	0.195	(0.105)	(0.116)
Gearing ³	1.01	1.25	–	–
Current ratio ⁴	0.67	0.47	0.50	0.03

Notes:

⁽¹⁾ NTA equals total assets less total liabilities and intangible assets (including goodwill).

⁽²⁾ EPS/LPS is calculated based on the number of Shares outstanding as at 31 December 2021.

⁽³⁾ Gearing equals total bank borrowings, leases and hire purchase creditors for the Group and Company respectively, divided by total equity.

⁽⁴⁾ Current ratio equals current assets divided by current liabilities.

As at 31 December 2021, the Group had cash balances of approximately S\$15.27 million and the Company had cash balances of approximately S\$2.60 million respectively. In order to effect a purchase of up to 153,299,534 Shares at the Maximum Price computed as at the Latest Practicable Date, cash reserves by the Company of approximately S\$10.39 million will be required. As illustrated above, the purchase of Shares will have the effect of reducing the working capital and the NTA of the Company and the Group by the dollar value of the Shares purchased. The consolidated NTA per Share of the Group as at 31 December 2021 will decrease from 3.46 cents per Share to 3.09 cents per Share as a result of the reduction in the number of issued Shares (excluding Treasury Shares and Subsidiary Holdings) after the Shares Purchases, as set out in the table above.

Assuming that the Shares Purchases had taken place on 31 December 2021, the consolidated basic EPS of the Group for the financial year ended 31 December 2021 will increase from 0.175 cents per Share to 0.195 cents per Share as a result of the reduction in the number of issued Shares (excluding Treasury Shares and Subsidiary Holdings), after taking into account interest income foregone, as set out in the table above.

As the Shares Purchases will reduce the cash reserves of the Group and the Company, there will be a corresponding reduction in the current assets and the Shareholders' funds of the Group and the Company. The current ratios of the Group and the Company will decline. The actual impact on the current ratios will depend on the number of Shares purchased and the prices at which the Shares were purchased.

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- (ii) Assuming that the Shares Purchases were made by the Company by way of Off-Market Purchases pursuant to an equal access scheme at the Maximum Price of S\$0.0775, which is one hundred and twenty per cent. (120%) of the average of the closing prices of the Shares over the five (5) Market Days preceding the Latest Practicable Date on which transactions in the Shares were recorded, the maximum amount of funds required for the purchase of up to 153,299,534 Shares is approximately S\$11.88 million.

On this assumption and assuming that all the Shares purchased by the Company are held in treasury, the impact of the Shares Purchases by the Company undertaken in accordance with the proposed Shares Purchase Mandate on the Company's and the Group's audited financial statements for the financial year ended 31 December 2021 is as follows:

	GROUP		COMPANY	
	Before Shares Purchase (\$'000)	After Shares Purchase (\$'000)	Before Shares Purchase (\$'000)	After Shares Purchase (\$'000)
<u>As at 31 December 2021</u>				
Shareholders' funds	80,647	68,763	56,213	44,329
Net tangible assets (NTA) ¹ / total equity	52,982	41,098	56,213	44,329
Current Assets	34,989	23,105	10,943	(941)
Current Liabilities	52,134	52,134	21,839	21,839
Working Capital	(17,145)	(29,029)	(10,896)	(22,780)
Total Liabilities	77,536	77,536	23,678	23,678
Total loans and borrowings ³	53,275	53,275	42	42
Number of Shares ('000)	1,532,995	1,379,695	1,532,995	1,379,695
<u>Financial Ratios</u>				
NTA per Share (cents)	3.46	2.98	3.67	3.21
Earnings per Share/Loss per Share ² (cents)	0.175	0.195	(0.105)	(0.116)
Gearing ³	1.01	1.30	-	-
Current ratio ⁴	0.67	0.44	0.50	(0.04)

Notes:

⁽¹⁾ NTA equals total assets less total liabilities and intangible assets (including goodwill).

⁽²⁾ EPS/LPS is calculated based on the number of Shares outstanding as at 31 December 2021.

⁽³⁾ Gearing equals total bank borrowings, leases and hire purchase creditors for the Group and Company respectively, divided by total equity.

⁽⁴⁾ Current ratio equals current assets divided by current liabilities.

In order to effect a purchase of up to 153,299,534 Shares at the Maximum Price computed as at the Latest Practicable Date, cash reserves by the Company of approximately S\$11.88 million will be required. As illustrated above, the purchase of Shares will have the effect of reducing the working capital and the NTA of the Company and the Group by the dollar value of the Shares purchased. The consolidated NTA per Share of the Group as at 31 December 2021 will decrease from 3.46 cents to 2.98 cents as a result of the reduction in the number of issued Shares (excluding Treasury Shares and Subsidiary Holdings) after the Shares Purchases, as set out in the table above.

Assuming that the Shares Purchases had taken place on 31 December 2021, the consolidated basic EPS of the Group for the financial year ended 31 December 2021 will increase from 0.175 cents per Share to 0.195 cents per Share as a result of the reduction in the number of issued Shares (excluding Treasury Shares and Subsidiary Holdings), after taking into account interest income foregone, as set out in the table above.

As the Shares Purchases will reduce the cash reserves of the Group and the Company, there will be a corresponding reduction in the current assets and the Shareholders' funds of the Group and the Company. The current ratios of the Group and the Company will decline. The actual impact on the current ratios will depend on the number of Shares purchased and the prices at which the Shares were purchased.

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Shareholders should note that the financial effects set out above are purely for illustrative purposes and based only on historical numbers for the financial year ended 31 December 2021 and the abovementioned assumptions, and are not representative of future financial performance. Although the proposed Shares Purchase Mandate would authorise the Company to purchase or otherwise acquire up to ten per cent. (10%) of its total number of Shares (excluding Treasury Shares and Subsidiary Holdings), the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire ten per cent. (10%) of its total number of Shares (excluding Treasury Shares and Subsidiary Holdings). In addition, the Company may cancel all or a part of the Shares purchased or acquired or hold all or part of the Shares purchased or acquired in treasury.

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

4.7 Take-over Consequences

4.7.1 Requirement To Make General Offer

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

- (i) 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 thirty per cent. (30%) or more of the voting rights of a company; or
- (ii) any person who, together with persons acting in concert with him, holds not less than thirty per cent. (30%) but not more than fifty per cent. (50%) of the voting rights and such person, or any person acting in concert with him, acquires in any period of six (6) months additional shares carrying more than one per cent. (1%) of the voting rights,

such person shall extend immediately an offer on the basis set out below to the holders of any class of shares in the capital which carries votes and in which such person or persons acting in concert with him hold shares. In addition to such person, each of the principal members of the group of persons acting in concert with him may, according to the circumstances of the case, have the obligation to extend an offer.

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

The statements herein in relation to the Take-over Code do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Take-over Code. Shareholders are advised to consult their professional advisers and/or the Council and/or other relevant authorities at the earliest opportunity as to whether an obligation to make a general offer would arise by reason of any purchase or acquisition of Shares by the Company.

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4.7.2 Application of the Take-Over Code

Based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders, as at the Latest Practicable Date, the shareholdings of the Directors and the Substantial Shareholders before and after the purchase of Shares pursuant to the Shares Purchase Mandate, assuming (i) the Company purchases the maximum amount of ten per cent. (10%) of the total number of issued Shares of the Company (excluding Treasury Shares and Subsidiary Holdings), and (ii) there is no change in the number of Shares held by the Directors and the Substantial Shareholders or which they are deemed interested in, will be as follows:

	← Before Shares Purchase				→ After Shares Purchase			
	No. of shares registered in the name of the Substantial Shareholders	No. of shares held by the Substantial Shareholders in the name of nominees	No. of shares in which Substantial Shareholders are deemed to be interested	Total Percentage of Issued Shares ⁽¹⁾	No. of shares registered in the name of the Substantial Shareholders	No. of shares held by the Substantial Shareholders in the name of nominees	No. of shares in which Substantial Shareholders are deemed to be interested	Total Percentage of Issued Shares
Director								
Raymond Ng Ah Hua ⁽⁷⁾	426,320,564	-	5,480,000 ⁽²⁾	28.17	426,320,564	-	5,480,000	31.30
Tan Kok Hiang	2,216,666	-	-	0.14	2,216,666	-	-	0.16
Samuel Poon Hon Thang	923,333	-	-	0.06	923,333	-	-	0.07
Lai Huen Poh	2,961,666	-	719,442 ⁽³⁾	0.24	2,961,666	-	719,442	0.27
Dr. Teo Ho Pin	-	-	-	-	-	-	-	-
Substantial Shareholders (other than Directors)								
Law Siau Woei	-	283,725,000 ⁽⁴⁾⁽⁵⁾	-	18.51	-	283,725,000	-	20.56
Seow Bao Shuen	82,838,025	65,000,000 ⁽⁶⁾	-	9.64	82,838,025	65,000,000	-	10.72

Notes:

- (1) Based on 1,532,995,342 Shares as at the Latest Practicable Date. The Company does not hold any treasury shares.
- (2) This represents Mr. Raymond Ng Ah Hua's deemed interest held through his spouse.
- (3) This represents Mr. Lai Huen Poh's deemed interest held through his spouse.
- (4) This includes Mr. Law Siau Woei's interest of 239,950,000 shares held in the name of Citibank Nominees Singapore Pte Ltd.
- (5) This includes 35,000,000 shares registered under the CDP account of Mr. Law Siau Woei's bare trustee, Mr. Yeow Ching Shoon and 8,775,000 shares registered under the CDP account of Mr. Law Siau Woei's bare trustee, Mr. Lee Ching Kang.
- (6) This represents Ms. Seow Bao Shuen's direct interest of 65,000,000 shares held in the name of Citibank Nominees Singapore Pte Ltd.
- (7) Out of the 13,614,862 share awards granted by the Company to Mr. Raymond Ng Ah Hua under the 2012 Scheme, there are 8,168,918 shares represented by these performance-linked share awards that have not been vested as at the Latest Practicable Date. The vesting of such share awards depends on certain performance metrics that are only ascertainable at a future date, and it is envisaged that the vesting of these share awards will only take place sometime during the second quarter of FY2022 to the second quarter of FY2023, after the extraordinary general meeting to approve the 2022 Scheme and the termination of the 2012 Scheme. However, under the rules of the 2012 Scheme, the termination of the 2012 Scheme does not affect share awards that have been granted, whether such share awards have been released (whether fully or partially) or not. As such, the share awards granted to Mr. Raymond Ng Ah Hua under the 2012 Scheme will continue to remain valid.

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Mr. Raymond Ng Ah Hua and His Concert Parties

As at the Latest Practicable Date, Mr. Raymond Ng Ah Hua holds 431,800,564 Shares, representing approximately 28.17% of the issued Shares (excluding Treasury Shares and Subsidiary Holdings) of the Company. Mdm Ng Sok Eng, who is the spouse of Mr. Raymond Ng Ah Hua, is presumed to be a party acting in concert under the Take-over Code ("**concert parties**") with Mr. Raymond Ng Ah Hua in relation to her interests in the Company. As at the Latest Practicable Date, Mdm Ng Sok Eng holds 5,480,000 Shares, representing approximately 0.36% of the issued Shares (excluding Treasury Shares and Subsidiary Holdings) of the Company. Accordingly, Mr. Raymond Ng Ah Hua and his concert parties hold in aggregate 431,800,564 Shares, representing approximately 28.17% of the issued Shares (excluding Treasury Shares and Subsidiary Holdings) of the Company as at the Latest Practicable Date.

In the event the Company undertakes Shares Purchases within the Relevant Period of up to ten per cent. (10%) of the issued share capital of the Company (excluding Treasury Shares and Subsidiary Holdings) as permitted by the Shares Purchase Mandate, the aggregate shareholdings and voting rights held by Mr. Raymond Ng Ah Hua and his concert parties may be increased from approximately 28.17% to 31.30%. The aggregate shareholdings and voting rights held by Mr. Raymond Ng Ah Hua and his concert parties may thus be increased by more than one per cent. (1%) within a six (6)-month period. Accordingly, Mr. Raymond Ng Ah Hua and his concert parties may be required to make a general offer to the other Shareholders under Rule 14.1(b) of the Take-over Code.

4.7.3 *Exemption To Make a General Offer Pursuant To section 3(a) of Appendix 2 entitled "Share Buy-Back Guidance Note" of the Take-over Code*

Pursuant to section 3(a) of Appendix 2 entitled "Share Buy-Back Guidance Note" of the Take-over Code, Mr. Raymond Ng Ah Hua and his concert parties will be exempted from the requirement to make an offer under Rule 14 of the Take-over Code after any Shares Purchase, subject to the following conditions:

- (a) the Circular on the resolution to authorise the renewal of the Shares Purchase Mandate contains advice to the effect that by voting for the resolution for the renewal of the Shares Purchase Mandate, Shareholders are waiving their rights to a general offer at the Required Price from Mr. Raymond Ng Ah Hua and his concert parties who, as a result of the Company purchasing its own Shares, would increase their aggregate voting rights by more than one per cent. (1%) in any six (6)-month period; and the names and voting rights of Mr. Raymond Ng Ah Hua and his concert parties at the time of the resolution and after the proposed Shares Purchases are disclosed in the same Circular;
- (b) the resolution to approve the Shares Purchase Mandate is 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 as a result of the Shares Purchase;
- (c) Mr. Raymond Ng Ah Hua and his concert parties to abstain from voting for and/or recommending Shareholders to vote in favour of the resolution to approve the Shares Purchase Mandate;
- (d) within seven (7) days after the passing of the resolution to approve the Shares Purchase Mandate, Mr. Raymond Ng Ah Hua to submit to the Council a duly signed form as prescribed by the Council;

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- (e) Mr. Raymond Ng Ah Hua and his concert parties not to have acquired and not to acquire any Shares between the date on which they know that the announcement of the proposal for the Shares Purchase Mandate is imminent and the earlier of:
- (i) the date on which the authority of the Shares Purchase Mandate expires; and
 - (ii) the date on which the Company announces that it has bought back such number of Shares as authorised by the Shares Purchase Mandate or it has decided to cease buying back its Shares, as the case may be,

if such acquisitions, taken together with the Shares Purchase(s), would cause their aggregate voting rights in the Company to increase by more than one per cent. (1%) in the preceding six (6) months.

If the Company ceases to buy back its Shares under the Shares Purchase Mandate and the increase in the voting rights held by Mr. Raymond Ng Ah Hua and his concert parties as a result of the Company buying back its Shares at such time is less than one per cent. (1%), Mr. Raymond Ng Ah Hua and his concert parties will be allowed to acquire further voting rights in the Company. However, any increase in the percentage voting rights held by Mr. Raymond Ng Ah Hua and his concert parties as a result of the Company buying back its Shares will be taken into account together with any voting rights acquired after the cessation by Mr. Raymond Ng Ah Hua and his concert parties in determining whether Mr. Raymond Ng Ah Hua and his concert parties' aggregate voting rights in the Company have increased by more than one per cent. (1%) in any six (6)-month period.

4.8 Listing Status of the Company's Securities

The Directors will ensure that the Shares Purchases will not have any effect on the listing of the Company's securities including the Shares listed on the SGX-ST. Rule 723 of the Listing Manual requires at least ten per cent. (10%) of the total number of issued Shares (excluding Treasury Shares, preference shares and convertible equity securities) in a class that is listed to be held by the public at all times. The Directors shall safeguard the interests of public Shareholders (as defined in the Listing Manual) before undertaking any Shares Purchase. Before exercising the Shares Purchase Mandate, the Directors shall at all times take due cognisance of (a) the then shareholding spread of the Company in respect of the number of Shares held by Substantial Shareholders and by non-Substantial Shareholders and (b) the volume of trading on the SGX-ST in respect of the Shares immediately before the exercise of any Shares Purchase.

As at the Latest Practicable Date, there are 662,610,646 Shares in the hands of the public, representing approximately 43.22% of the issued Shares of the Company. The Company is of the view that there is sufficient number of Shares in issue held by public Shareholders which would permit the Company to undertake Shares Purchases of up to ten per cent. (10%) of its issued Shares (excluding Treasury Shares and Subsidiary Holdings) in the capital without affecting the listing status of the Shares on the SGX-ST. The Company will ensure that the Shares Purchases will not cause market illiquidity or affect orderly trade.

4.9 Details of Shares Bought by the Company in the Previous Twelve (12) Months

The Company has not made any Shares Purchase in the twelve (12) months preceding the Latest Practicable Date.

4.10 Limits on shareholdings

The Company does not have any limits on the shareholdings of the Shareholders.

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5. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS IN SHARES

The interests of the Directors and Substantial Shareholders in the Shares as at the Latest Practicable Date, based on information in the Register of Directors and Substantial Shareholders as maintained pursuant to the Act, were as follows:

	No. of shares registered in the name of the Substantial Shareholders	No. of shares held by the Substantial Shareholders in the name of nominees	No. of shares in which Substantial Shareholders are deemed to be interested	Total Number of Shares ⁽¹⁾	Percentage of Issued Shares ⁽¹⁾
Directors					
Raymond Ng Ah Hua	426,320,564	–	5,480,000 ⁽⁵⁾	431,800,564	28.17
Tan Kok Hiang	2,216,666	–	–	2,216,666	0.14
Samuel Poon Hon Thang	923,333	–	–	923,333	0.06
Lai Huen Poh	2,961,666	–	719,442 ⁽⁶⁾	3,681,108	0.24
Dr Teo Ho Pin	–	–	–	–	–
Substantial Shareholders (other than Directors)					
Seow Bao Shuen	82,838,025	65,000,000 ⁽²⁾	–	147,838,025	9.64
Law Siau Woei	–	283,725,000 ⁽³⁾⁽⁴⁾	–	283,725,000	18.51

Notes:

⁽¹⁾ Based on 1,532,995,342 Shares as at the Latest Practicable Date. The Company does not hold any treasury shares.

⁽²⁾ This represents Ms. Seow Bao Shuen's direct interest of 65,000,000 shares held in the name of Citibank Nominees Singapore Pte Ltd.

⁽³⁾ This includes Mr. Law Siau Woei's interest of 239,950,000 shares held in the name of Citibank Nominees Singapore Pte Ltd.

⁽⁴⁾ This includes 35,000,000 shares registered under the CDP account of Mr. Law Siau Woei's bare trustee, Mr. Yeow Ching Shoong and 8,775,000 shares registered under the CDP account of Mr. Law Siau Woei's bare trustee, Mr. Lee Ching Kang.

⁽⁵⁾ This represents Mr. Raymond Ng Ah Hua's deemed interest held through his spouse.

⁽⁶⁾ This represents Mr. Lai Huen Poh's deemed interest held through his spouse.

6. ANNUAL GENERAL MEETING

The 2022 AGM, notice of which is enclosed with the Company's 2021 Annual Report, will be held by electronic means on Thursday, 28 April 2022 at 10.30 a.m., for the purpose of considering and, if thought fit, passing, with or without modification, *inter alia*, Ordinary Resolutions 8 and 9 as set out in the Notice of AGM which will be proposed as ordinary resolutions.

7. ABSTENTION FROM VOTING

- (a) In accordance with the requirements of Chapter 9 of the Listing Manual, Mr. Raymond Ng Ah Hua and his associates, who are "interested persons" or associates of "interested persons" in the IPT Mandate will, and Mr. Raymond Ng Ah Hua will procure that his associates will, abstain from voting on their shareholdings, if any, at the 2022 AGM in respect of Ordinary Resolution 8 relating to the proposed renewal of the IPT Mandate as set out in the Notice of AGM, and will not accept any appointment as proxies or otherwise for voting on Ordinary Resolution 8 unless specific instructions have been given in the proxy instrument(s) on how the votes are to be cast.
- (b) In addition, in light of the exemption under section 3(a) of Appendix 2 of the Take-over Code, Mr. Raymond Ng Ah Hua and his concert parties, who are Shareholders of the Company, shall abstain from voting in respect of Ordinary Resolution 9 relating to the proposed renewal of the Shares Purchase Mandate, and will not accept any appointment as proxies or otherwise for voting on Ordinary Resolution 9 unless specific instructions have been given in the proxy instrument(s) on how the votes are to be cast.

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8. DIRECTORS' RECOMMENDATIONS

8.1 Proposed Renewal of the IPT Mandate

Having fully considered the rationale set out in Section 3.4 of this Circular, and in light of the opinion of the Audit Committee referred to in Section 3.11 of this Circular for the proposed renewal of the IPT Mandate, the Directors, other than Mr. Raymond Ng Ah Hua who has abstained from making any recommendation in view of his interests in the proposed renewal of the IPT Mandate, are of the opinion that the proposed renewal of the IPT Mandate is in the best interest of the Company and recommend that you vote in favour of Ordinary Resolution 8 set out in the Notice of AGM.

8.2 Proposed Renewal of the Shares Purchase Mandate

Having fully considered the rationale set out in Section 4.2 of this Circular for the proposed renewal of the Shares Purchase Mandate, the Directors, other than Mr. Raymond Ng Ah Hua who has abstained from making any recommendation in view of the take-over consequences set out in Section 4.7 of this Circular, are of the opinion that the proposed renewal of the Shares Purchase Mandate is in the best interest of the Company and recommend that you vote in favour of Ordinary Resolution 9 set out in the Notice of AGM.

Shareholders should note that by voting in favour of Ordinary Resolution 9 set out in the Notice of AGM, they are waiving their rights to a general offer at the Required Price from Mr. Raymond Ng Ah Hua and his concert parties under Rule 14.1 of the Take-over Code who, as a result of the Company purchasing its own Shares, would increase their aggregate voting rights by more than one per cent. (1%) in any six (6)-month period.

9. 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 renewal of the IPT Mandate, the proposed renewal of the Shares Purchase Mandate and the Group, 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.

10. DOCUMENTS FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at 3 Gul Crescent Singapore 629519 during normal business hours from the date of this Circular up to and including the date of the 2022 AGM:

- (a) the Constitution of the Company; and
- (b) the annual report of the Company for FY2021.

This Circular and the annual report for FY2021 are also available on the Company's corporate website (<http://www.enviro-hub.com>) and SGXNet.

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11. ACTION TO BE TAKEN BY SHAREHOLDERS

In line with the Alternative Arrangements Order, the Company has put in place alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via “live” audio-visual webcast or “live” audio-only stream), submission of questions to the Chairman of the AGM in advance of the AGM, addressing of substantial and relevant questions before or at the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM, are set out in the Notice of AGM dated 6 April 2022 which has been uploaded on SGXNet on the same day as this Circular. The announcement and Notice of AGM may also be accessed at the Company’s corporate website at <http://www.enviro-hub.com>.

(a) Pre-Registration

Shareholders who wish to attend the AGM via “live” audio-visual webcast or “live” audio-only stream, must pre-register by providing their full names, email address, NRIC / passport number / company registration number and address to info@enviro-hub.com by **10.30 a.m. on 26 April 2022** (the “**Registration Cut-Off Date**”) to enable the Company to verify their status as Shareholders.

Following the verification, authenticated Shareholders will receive a confirmation email by **27 April 2022**. The email will contain login credentials and instructions to access the “live” audio-visual webcast or audio-only of the AGM proceedings. Shareholders who do not receive an email by **5 p.m. on 27 April 2022** but have registered by **10.30 a.m. on 26 April 2022**, should contact the Company at the following email address: info@enviro-hub.com.

Shareholders must not forward the abovementioned email instructions to any other persons who are not members and who are not entitled to attend the AGM. This is also to avoid any technical disruptions or overload to the “live” webcast.

(b) Submitting questions in advance of the AGM

Shareholders will not be able to ask questions during the “live” audio-visual webcast of the AGM proceedings. Therefore, it is important for Shareholders to promptly pre-register and submit their questions in advance of the AGM, in the following manner: -

- i. **via email**, to: info@enviro-hub.com; or
- ii. **via post**, to the Company’s registered address at 3 Gul Crescent, Singapore 629519.

All questions must be submitted promptly and **by no later than 10.30 a.m. on 16 April 2022** to the Company.

For the purpose of verification, when submitting any questions via email, members **MUST** provide the Company with their particulars (comprising full name (for individuals) / company name (for corporations), email address, contact number, NRIC / passport number / company registration number, shareholding type and number of shares held).

The Company’s Board of Directors and/or management will endeavor to publicly address the substantial queries from members at least seventy-two (72) hours prior to **10.30 a.m. on 26 April 2022**, being the closing date and time for the lodgement of the Proxy Forms and upload the Company’s responses on the SGXNet. After the cut-off time for the submission of questions, if there are any subsequent clarifications sought, or follow-up questions, these will be addressed either before the AGM on SGXNet at the URL <https://www.sgx.com/securities/company-announcements> and the Company’s corporate website at <http://www.enviro-hub.com> or at the AGM itself. The minutes of the AGM, including responses to queries from the members which are addressed during the AGM, shall thereafter be published on SGXNet at the URL <https://www.sgx.com/securities/company-announcements> and the Company’s corporate website at <http://www.enviro-hub.com>, within one (1) month from the date of the AGM.

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Investors who hold shares through relevant intermediaries as defined in section 181 of the Companies Act, including SRS Investors, can submit their questions in relation to any resolution set out in the Notice of AGM upon pre-registration, however, they should, in addition to pre-registering, approach their respective agents **at least seven (7) working days before the AGM**, so that the necessary arrangements can be made by the relevant agents for their participation in the AGM.

(c) Submission of Proxy Form

Shareholders will only be able to vote at the AGM by appointing the Chairman of the AGM as proxy to vote on their behalf. Shareholders (other than CDP) holding Shares who wish to vote, should complete, sign and return the Shareholder Proxy Form attached to the Notice of AGM in accordance with the instructions printed therein as soon as possible and, must appoint the Chairman of the AGM as their proxy by completing and submitting the duly completed Proxy Form to the Company in the following manner:-

- i. **via email**, to: info@enviro-hub.com; or
- ii. **via post**, to the Company's registered address at 3 Gul Crescent, Singapore 629519,

in either case, **not less than forty-eight (48) hours** before the time for holding the AGM and at any adjournment thereof, by **10.30 a.m. on 26 April 2022**.

In appointing the Chairman of the AGM as Proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting in the Proxy Form, failing which the appointment will be treated as invalid.

If the appointor is a corporate, the Proxy Form must be executed under seal or the hand of its duly authorised officer or attorney.

A member who wishes to submit an instrument of proxy by (i) and (ii) must first download the Proxy Form, which is available on SGXNet at the URL <https://www.sgx.com/securities/company-announcements> or the Company's corporate website at the URL <http://www.enviro-hub.com>, complete and sign the Proxy Form, before submitting it by post to the address provided above, or scanning and sending it by email to the email address provided above.

In view of the current COVID-19 situation, members are strongly encouraged to submit completed Proxy Forms electronically by email.

Investors who hold shares through relevant intermediaries as defined in section 181 of the Companies Act, including SRS Investors, and wish to appoint the Chairman of the AGM as proxy, should approach their respective agents to submit their votes by **18 April 2022** in order to allow sufficient time for their respective relevant intermediaries to in turn submit a Proxy Form to appoint the Chairman of the AGM to vote on their behalf by **10.30 a.m. on 26 April 2022**.

The Company shall be entitled to reject the instrument appointing the Chairman of the AGM as proxy 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 the Chairman of the AGM as proxy (such as in the case the appointor submits more than one instrument of proxy).

LETTER TO SHAREHOLDERS

A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited at least seventy-two (72) hours before the time fixed for holding the AGM in order for the Depositor to be entitled to vote on any or all of the resolution at the AGM by appointing the Chairman of the AGM as his/her proxy to do so on his/her behalf. In view of section 81SJ(4) of the SFA, a Depositor shall not be regarded as a shareholder of the Company entitled to attend the AGM and to speak and vote thereat unless his/her name appears in the Depository Register maintained by the CDP at least seventy-two (72) hours before the AGM. Any Shareholder who is holding his/her shares via the CDP but whose name is not registered with the CDP seventy-two (72) hours before the AGM will not be entitled to attend and vote at the AGM. Accordingly, even if such shareholder deposits his/her Proxy Form seventy-two (72) hours before the AGM, the Chairman of the AGM who is appointed as his/her proxy will not be entitled to vote on his/her behalf at the AGM.

In view of the current COVID-19 situation, members are strongly encouraged to submit completed Proxy Forms electronically via email.

Yours faithfully,
For and on behalf of the Board of Directors of
Enviro-Hub Holdings Ltd.

Raymond Ng Ah Hua
Executive Chairman

APPENDIX I – GUIDELINES ON SHARES PURCHASES

1. Shareholders' Approval

- (a) Purchases of Shares by the Company must be approved in advance by the Shareholders at a general meeting of the Company, by way of a general mandate.
- (b) Unless revoked or varied by the Company in general meeting, a general mandate authorising the purchase of Shares by the Company representing up to ten per cent. (10%) of the issued Shares in the capital of the Company (excluding any Shares held as Treasury Shares and Subsidiary Holdings) will expire on the earlier of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by law to be held; or
 - (iii) the date on which the purchases or acquisitions of Shares pursuant to the Shares Purchase Mandate are carried out to the full extent mandated.
- (c) The authority conferred on the Directors by the Shares Purchase Mandate to purchase Shares shall be renewed at the next annual general meeting of the Company.
- (d) When seeking Shareholders' approval for the renewal of the Shares Purchase Mandate, the Company shall disclose details pertaining to the purchases of Shares made during the previous twelve (12) months, including the total number of Shares purchased, the purchase price per Share or the highest and lowest prices for such purchases of Shares, where relevant, and the total consideration paid for such purchases.

2. Mode of Purchase

Shares Purchases can be effected by the Company in either one (1) of the following two (2) ways or both:

- (a) by way of Market Purchases, which means an on-market purchase transacted through the SGX-ST's trading system or on another stock exchange on which the Company's equity securities are listed; or
- (b) by way of Off-Market Purchases on an equal access scheme in accordance with section 76C of the Act.

3. Funding Of Shares Purchases

- (a) In purchasing the Shares, the Company may only apply funds legally permitted for such purchase in accordance with its Constitution, and the relevant laws and regulations enacted or prescribed by the relevant competent authorities in Singapore.
- (b) Under the Act, any purchase by the Company may be made out of capital or profits that are available for distribution as dividends, so long as the Company is solvent (as defined by section 76F(4) of the Act).
- (c) The Company may not purchase Shares for a consideration other than cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the trading rules of the SGX-ST.

4. Trading Restrictions

The number of Shares which can be purchased pursuant to the Shares Purchase Mandate is such number of Shares which represents up to a maximum of ten per cent. (10%) of the issued Shares in the capital of the Company (excluding Treasury Shares and Subsidiary Holdings) as at the date of the resolution passed by Shareholders authorising the proposed renewal of the Shares Purchase Mandate.

APPENDIX I – GUIDELINES ON SHARES PURCHASES

5. Price Restrictions

Any Shares Purchase undertaken by the Company shall be at the price of up to but not exceeding the Maximum Price.

6. Off-Market Purchases

- (a) For purchases of Shares made by way of an Off-Market Purchase, the Company shall issue an offer document to all Shareholders. The offer document shall contain at least the following information:
- (i) the terms and conditions of the offer;
 - (ii) the period and procedures for acceptances;
 - (iii) the reasons for the proposed Shares Purchase;
 - (iv) the consequences, if any, of the Shares Purchases by the Company that will arise under the Take-over Code or other applicable take-over rules;
 - (v) whether the Shares Purchases, if made, would have any effect on the listing of the Company's securities on the Official List of the SGX-ST;
 - (vi) details of any Shares Purchase made by the Company in the previous twelve (12) months (whether 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, where relevant, and the total consideration paid for the purchases; and
 - (vii) whether the Shares purchased by the Company will be cancelled or kept as Treasury Shares.
- (b) Offers for Shares Purchases shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares. All Offeree Shareholders shall be given a reasonable opportunity to accept the offers made by the Company to purchase their Shares under the Shares Purchase Mandate.
- (c) The Company may offer to purchase Shares from time to time under the Shares Purchase Mandate subject to the requirement that the terms of any offer to purchase Shares by the Company shall be *pari passu* in respect of all Offeree Shareholders save under the following circumstances:
- (i) where there are differences in consideration attributable to the fact that the offers relate to Shares with different accrued dividend entitlements;
 - (ii) where there are differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid; and
 - (iii) where there are differences in the offers introduced solely to ensure that every Shareholder is left with a whole number of Shares in board lots of 100 Shares after the Shares Purchases, in the event there are Offeree Shareholders holding odd numbers of Shares.

APPENDIX I – GUIDELINES ON SHARES PURCHASES

7. Status of Purchased Shares

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

Where Shares are held as Treasury Shares, section 76K of the Act allows the Company to, at any time:

- (i) sell the Shares (or any of them) for cash;
- (ii) transfer the Shares (or any of them) for the purposes of or pursuant to any share scheme, whether for employees, directors or other persons;
- (iii) transfer the Shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (iv) cancel the Shares (or any of them); or
- (v) sell, transfer or otherwise use the Treasury Shares for such other purposes as may be prescribed by the Minister for Finance.

Under the Listing Manual, immediate announcement must be made of any sale, transfer, cancellation and/or use of Treasury Shares (in each case, the **"Treasury Shares usage"**). Such announcement must include details such as the date of the Treasury Shares usage, the purpose of the Treasury Shares usage, the number of Treasury Shares comprised in the Treasury Shares usage, the number of Treasury Shares before and after the Treasury Shares usage, the percentage of the number of Treasury Shares comprised in the Treasury Shares usage against the total number of issued Shares (of the same class as the Treasury Shares) which are listed on the SGX-ST before and after the Treasury Shares usage and the value of the Treasury Shares comprised in the Treasury Shares usage.

The aggregate number of Shares held as Treasury Shares shall not at any time exceed ten per cent. (10%) of the total number of issued Shares at that time. Any Shares in excess of this limit shall be disposed of or cancelled in accordance with section 76K of the Act within six (6) months beginning with the day on which that contravention occurs, or such further period as the Registrar of Companies may allow.

8. Notification to ACRA

- (a) Within thirty (30) days of the passing of a Shareholders' resolution to approve any purchase of Shares, the Company shall lodge a copy of such resolution with ACRA.
- (b) The Company shall notify ACRA within thirty (30) days of a purchase of Shares. Such notification shall include details of the date of the purchases, the total number of Shares purchased by the Company, the number of Shares cancelled, the number of Shares held as Treasury Shares, the Company's total number of issued Shares as at the date of the Shareholders' resolution approving the purchase of the Shares and after the purchase of Shares, the amount of consideration paid by the Company for the purchases, whether the Shares were purchased out of profits or the capital of the Company and such other particulars as may be required in the prescribed form.

APPENDIX I – GUIDELINES ON SHARES PURCHASES

9. Notification to the SGX-ST

- (a) For purchases of Shares made by way of an Off-Market Purchase, the Company shall notify the SGX-ST in respect of any acquisition or purchase of Shares in the relevant form prescribed by the SGX-ST from time to time, not later than 9.00 a.m. on the second Market Day after the close of acceptances of the offers, or within such time period that may be prescribed by the SGX-ST from time to time.
- (b) For purchases of Shares made by way of a Market Purchase, the Company shall notify the SGX-ST in respect of any acquisition or purchase of Shares in the relevant form prescribed by the SGX-ST from time to time, not later than 9.00 a.m. on the Market Day following the date of the Market Purchase by the Company, or within such time period that may be prescribed by the SGX-ST from time to time.

10. Suspension of Purchase

- (a) The Company may not undertake any Shares Purchase prior to the announcement of any price-sensitive information by the Company, until such time as the price sensitive information has been publicly announced or disseminated in accordance with the requirements of the Listing Manual.
- (b) The Company may not effect any repurchases of Shares through Market Purchases or Off-Market Purchases during the period commencing two (2) weeks before the announcement of the company financial statements for each of the first three (3) quarters of its financial year and one (1) month before the announcement of the company's full year financial statements (if the issuer announces its quarterly financial statements, whether required by the SGX-ST otherwise), or one (1) month before the announcement of the company's half year and full year financial statements (if the issuer does not announce its quarterly financial statements).