APPENDIX DATED 9 APRIL 2024

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

IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR STOCKBROKER, BANK MANAGER, SOLICITOR, ACCOUNTANT, TAX ADVISER OR OTHER INDEPENDENT PROFESSIONAL ADVISER IMMEDIATELY.

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

This Appendix is circulated to the shareholders of the Company ("**Shareholders**") together with the Company's annual report for the financial year ended 31 December 2023 ("**Annual Report**"). Its purpose is to explain to the Shareholders the rationale and provide information relating to, and to seek Shareholders' approval for, the proposed renewal of the Share Purchase Mandate to be tabled at the annual general meeting ("**AGM**") of the Company to be held at Singapore Business Federation, 160 Robinson Rd, #06-01 SBF Center, Singapore 068914 on 24 April 2024 at 10.00 a.m. The Notice of AGM and the Proxy Form are enclosed with the Annual Report.

If you have sold or transferred all your shares in the capital of Trans-China Automotive Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**"), you should immediately inform the purchaser, transferee, bank, stockbroker or agent through whom the sale or transfer was effected for onward notification to the purchaser or transferee, that this Appendix (together with the Notice of AGM and accompanying Proxy Form) may be accessed at the Company's website at the URL https://tca-auto.com/investor.php.

This Appendix will be sent to Shareholders by electronic means via publication on the Company's website at the URL https://tca-auto.com/investor.php and will also be available on the SGX-ST website at the URL https://www.sgx.com/securities/company-announcements.

This Appendix has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, RHT Capital Pte. Ltd. (the "**Sponsor**") for compliance with the relevant rules of the Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**").

This Appendix has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this Appendix, including the correctness of any of the statements or opinions made or reports contained in this Appendix.

The contact person for the Sponsor is Mr Leong Weng Tuck – Registered Professional, 36 Robinson Road, #10-06 City House, Singapore 068877, sponsor@rhtgoc.com.

Trans-China Automotive Holdings Limited

(Company Registration No.: 306871)
(Incorporated in the Cayman Islands on 18 December 2015)

APPENDIX TO SHAREHOLDERS IN RELATION TO THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

TABLE OF CONTENTS

1. INTRODUCTION 7

2. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE 8

3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS 22

4. DIRECTORS' RECOMMENDATION 24

5. DIRECTORS' RESPONSIBILITY STATEMENT 24

6. INSPECTION OF DOCUMENTS 24

DEFINITIONS

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

"**2023 AGM**"	:	The Annual General Meeting of the Company which was held on 25 April 2023
"**AGM**"	:	The Annual General Meeting of the Company to be held on 24 April 2024 at 10.00 a.m.
"**Approval Date**"	:	The date of the AGM at which approval for the renewal of the Share Purchase Mandate is sought
"**Articles of Association**"	:	The Articles of Association of the Company, as amended from time to time
"**Associate**"	:	(a) In relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means: (i) his immediate family (that is, the person's spouse, child, adopted-child, step-child, sibling and parent); (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30.0% or more; and (b) In relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30.0% or more
"**Average Closing Price**"	:	Has the meaning ascribed to it in Section 2.3.4 of this Appendix
"**Board**"	:	The board of Directors of the Company as at the Latest Practicable Date
"**Catalist**"	:	The sponsor-supervised listing platform of the SGX-ST
"**Catalist Rules**"	:	Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited's Listing Manual, as amended, modified and supplemented from time to time
"**Cayman Islands Companies Act**"	:	The Companies Act (as revised) of the Cayman Islands, as amended, modified or supplemented from time to time
"**CDP**"	:	The Central Depository (Pte) Limited

"**Closing Market Price**"	:	Has the meaning ascribed to it in Section 2.3.4 of this Appendix
"**Companies Act**"	:	The Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time
"**Controlling Shareholder**"	:	A person who: (a) holds directly or indirectly 15.0% or more of the nominal amount of all voting shares 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
"**Directors**"	:	The directors of the Company as at the Latest Practicable Date
"**EPS**"	:	Earnings per Share
"**FY2023**"	:	Financial year ended 31 December 2023
"**Group**"	:	The Company and its subsidiaries from time to time
"**Latest Practicable Date**"	:	31 March 2024, being the latest practicable date prior to the issue of this Appendix
"**Market Day**"	:	A day on which the SGX-ST is open for trading in securities
"**Market Purchase**"	:	Has the meaning ascribed to it in Section 2.3.3 of this Appendix
"**Maximum Price**"	:	Has the meaning ascribed to it in Section 2.3.4 of this Appendix
"**Memorandum and Articles of Association**"	:	The Memorandum of Association and Articles of Association of the Company, as amended from time to time
"**Notice of AGM**"	:	The notice of AGM dated 9 April 2024
"**NTA**"	:	Net tangible assets
"**Off-Market Purchase**"	:	Has the meaning ascribed to it in Section 2.3.3 of this Appendix
"**Proxy Form**"	:	The proxy form(s) in respect of the AGM
"**Register of Members"**	:	The register of members of the Company
"**Relevant Period**"	:	The period commencing from the date on which the resolution relating to the renewal of the Share Purchase Mandate is passed by Shareholders at the AGM and expiring on the conclusion of the next annual general meeting or the date by which such annual general meeting is required to be held, or the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by the Company in a general meeting, whichever is the earliest,

		after the date the resolution relating to the Share Purchase Mandate has been passed by the Shareholders
"**Securities Accounts**"	:	Securities accounts maintained by Depositors with CDP, but not including securities sub-accounts maintained with a Depository Agent
"**SFA**"	:	The Securities and Futures Act 2001 of Singapore, as amended, modified or supplemented from time to time
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited
"**Share Purchase**"	:	The purchase or acquisition by the Company of its Shares pursuant to the Share Purchase Mandate
"**Share Purchase Mandate**"	:	The mandate to authorise the Directors to exercise all powers of the Company to purchase or otherwise acquire its issued Shares on the terms of such mandate
"**Share Transfer Agent**"	:	The share transfer agent of the Company
"**Shareholders**"	:	Registered holders of Shares in the Company's Register of Members, except that where the registered holder is CDP, the term "**Shareholders**" shall, in relation to the Shares held by CDP, and where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP and whose Securities Accounts maintained by CDP are credited with those Shares. Any reference to Shares held by or shareholdings of "**Shareholders**" shall include Shares standing to the credit of their respective Securities Account
"**Shares**"	:	The ordinary shares in the capital of the Company
"**SIC**"	:	The Securities Industry Council of Singapore
"**Sponsor**"	:	The sponsor of the Company, RHT Capital Pte. Ltd.
"**Substantial Shareholder**"	:	A person (including a corporation) who has an interest, directly or indirectly, in one or more voting Shares in the Company and the total votes attached to such Share(s) is not less than 5.0% of the total votes attached to all the voting Shares (excluding any Treasury Shares) in the Company
"**Take-Over Code**"	:	The Singapore Code on Take-Over and Mergers, including all practice notes, rules, and guidelines thereunder, as may be amended or modified from time to time
"**Treasury Share**"	:	A Share that was acquired and held by the Company and has been held continuously by the Company since it was so acquired and has not been cancelled
"**S$**" or "**$**" and "**cents**"	:	Singapore dollars and cents, respectively, the lawful currency of Singapore
"**RMB**"	:	Chinese Yuan Renminbi, the lawful currency of the People's Republic of China
"**%**" or "**per cent.**"	:	Percentage or per centum

The terms "**subsidiary**", "**subsidiary holdings**", "**holding company**" and "**associated company**" shall have the meanings ascribed to them in the Catalist Rules and Section 5 of the Companies Act, as the case may be.

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the meanings ascribed to them in Section 81SF of the SFA.

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

Any reference in this Appendix to any statute or enactment is a reference to that statute or enactment for the time being amended or re-enacted. Any word defined under the Cayman Islands Companies Act, the Companies Act, the SFA, the Catalist Rules, the Take-Over Code or any relevant laws of Singapore or any modification thereof and used in this Appendix shall, where applicable, have the meaning assigned to it under the Cayman Islands Companies Act, the Companies Act, the SFA, the Catalist Rules, the Take-Over Code or any relevant laws of Singapore or any modification thereof, as the case may be, unless otherwise provided.

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

Any reference to a time of day and date in this Appendix is a reference to Singapore time and date, respectively, unless otherwise stated.

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

Rajah & Tann Singapore LLP has been appointed as the legal adviser to the Company as to Singapore law in relation to the Share Purchase Mandate. Conyers Dill & Pearman Pte. Ltd. has been appointed as the legal adviser to the Company as to Cayman Islands law in relation to the proposed renewal of the Share Purchase Mandate.

Trans-China Automotive Holdings Limited

(Incorporated in the Cayman Islands on 18 December 2015)

Board of Directors

Mr. Francis Tjia *(Executive Chairman and Chief Executive Officer)*
Mr. Michael Cheung *(Executive Director and Chief Financial Officer)*
Mr. Mark Fukunaga (*Non-Executive Director*)
Mr. David Leow (*Lead Independent Director*)
Mr. Henry Tan (*Independent Director*)
Mr. Steven Petersohn (*Independent Director*)

Registered Office

The offices of Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive,
P.O. Box 2681,
Grand Cayman
KY1-1111
Cayman Islands

9 April 2024

To: **The Shareholders of Trans-China Automotive Holdings Limited**

Dear Sir / Madam

1. INTRODUCTION

The Board wishes to refer to (i) the Notice of AGM dated 9 April 2024, accompanying the Company's Annual Report to convene the AGM; and (ii) Resolution 8 being the ordinary resolution for the proposed renewal of the Share Purchase Mandate to allow the Company to purchase or otherwise acquire shares in the capital of the Company.

The Board is convening an AGM to be held at Singapore Business Federation, 160 Robinson Rd, #06-01 SBF Center, Singapore 068914 on 24 April 2024 at 10.00 a.m. to seek Shareholders' approval for*, inter alia,* the proposed renewal of the Share Purchase Mandate by way of an ordinary resolution.

The purpose of this Appendix is to provide Shareholders with information relating to the Share Purchase Mandate and to seek Shareholders' approval for the same in respect thereof to be tabled at the AGM.

Under the Cayman Islands Companies Act, only a person who agrees to become a shareholder of a Cayman Islands company and whose name is entered in the register of members of the Cayman Islands company is considered a member with rights to attend and vote at general meetings of such company. Accordingly, under the laws of the Cayman Islands, a Depositor holding Shares through CDP would not be recognised as a shareholder of the Company, and would not have the right to attend and vote at general meetings convened by the Company. In the event that a Depositor wishes to attend and vote at the AGM, the Depositor would have to do so through CDP appointing him as a proxy, pursuant to the Articles of Association.

Pursuant to Article 77 of the Company's Articles of Association, unless CDP specifies otherwise in a written notice to the Company, CDP shall be deemed to have appointed the Depositors who are individuals and whose names are shown in the records of CDP as at a time not earlier than 72 hours prior to the time of the relevant general meeting supplied by CDP to the Company as CDP's proxies to vote on behalf of CDP at a general meeting of the Company.

Administrative arrangements have been made with CDP to allow Depositors to take part in the AGM. Depositors (other than Depositors which are corporations) who wish to attend and exercise their votes at the AGM, and whose names are shown in the records of CDP as at a time not earlier than 72 hours prior to the time of the AGM supplied by CDP to the Company, may participate in the AGM as CDP's proxies. A Depositor which is a corporation and who wishes to attend and vote at the AGM must complete and return the Depositor Proxy Form, for the nomination of person(s) to attend and vote at the AGM on its behalf as CDP's proxy, in accordance with the instructions printed thereon.

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

The SGX-ST assumes no responsibility for the accuracy of any statements made, opinions expressed or reports contained in this Appendix.

2. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

2.1 Background

As a Cayman Islands-incorporated company which is listed on the Catalist, any purchases or acquisitions of Shares by the Company will have to be made in accordance with and subject to the provisions of the Memorandum and Articles of Association, the Catalist Rules, the Take-Over Code, the Cayman Islands Companies Act, and such other laws and regulations as may from time to time be applicable.

Article 3(2) of the Articles of Association of the Company provides, *inter alia*, that subject to the Cayman Islands Companies Act, the Memorandum and Articles of Association and, where applicable, the rules or regulations of the SGX-ST, the Company shall have the power to purchase or otherwise acquire its own Shares and such power shall be exercisable by the Board in such manner, upon such terms and subject to such conditions as it thinks fit. The Company is also required to obtain prior approval of its members in a general meeting if it wishes to purchase or acquire its own Shares. Accordingly, approval is being sought from Shareholders at the AGM for the renewal of the Share Purchase Mandate to enable the Company to purchase or acquire its issued Shares.

At the 2023 AGM, the Shareholders had approved, *inter alia*, the renewal of the Share Purchase Mandate. The authority and limitations of the Share Purchase Mandate were set out in the 2023 Appendix to Shareholders dated 6 April 2023 in relation to the renewal of the Share Purchase Mandate and Ordinary Resolution 8 set out in the notice of the 2023 AGM, respectively. The authority contained in the Share Purchase Mandate renewed at the 2023 AGM was expressed to be in force until the conclusion of the next annual general meeting of the Company and as such, would be expiring on 24 April 2024, being the date of the forthcoming AGM of the Company. Accordingly, the Directors propose that the Share Purchase Mandate be renewed at the forthcoming AGM of the Company.

If approved at the AGM, the authority conferred by the Share Purchase Mandate will take effect from the date thereof and continue in force until (i) the conclusion of the next annual general meeting of the Company following the passing of the resolution granting the said authority or the date by which such annual general meeting is required to be held (whereupon it will lapse, unless renewed at such meeting), or (ii) it is varied or revoked by the Company in general meeting (if so varied or revoked prior to the next annual general meeting), or (iii) the date on which purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated, whichever is the earliest.

2.2 Rationale for the Share Purchase Mandate

The Company is proposing to undertake the purchase or acquisition of its Shares following the renewal of the Share Purchase Mandate for the following reasons:

(a) the Share Purchase Mandate will provide the Company with the flexibility to undertake share purchases and acquisitions at any time, subject to market conditions, during the period when the Share Purchase Mandate is in force;

(b) to provide the Company with a mechanism to facilitate the return of surplus cash over and above its ordinary capital requirement in an expedient, effective and cost-efficient manner. It will also provide the Directors with greater flexibility over the Company's share capital structure with a view to enhancing the EPS and/or NTA per Share when the Share Purchase Mandate is in force;

(c) to help mitigate short-term market volatility, offset the effects of short-term speculation and bolster Shareholders' confidence; and

(d) Shares purchased pursuant to the Share Purchase Mandate will either be cancelled or held by the Company as Treasury Shares as may be determined by the Directors, and such Treasury Shares may be transferred for the purposes of or pursuant to the Company's employee share option scheme in order to satisfy exercise of any options granted thereunder (if any).

The purchase or acquisition of Shares will only be undertaken if the Directors believe it can benefit the Company and its Shareholders. No purchase or acquisition of Shares will be made in circumstances which would have or may have a material adverse effect on the liquidity and capital adequacy position of the Group as a whole and/or affect the listing status of the Company on the SGX-ST. Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full limit as authorised.

2.3 Authority and Limits of the Share Purchase Mandate

The authority and limitations placed on purchases of Shares by the Company under the Share Purchase Mandate are summarised below:

2.3.1 Maximum Number of Shares

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

The total number of Shares that may be purchased or acquired by the Company pursuant to the Share Purchase Mandate is limited to that number of Shares representing no more than 10.0% of the total number of issued Shares (excluding any Treasury Shares and subsidiary holdings) as at the Approval Date, unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Cayman Islands Companies Act, at any time during the Relevant Period, in which event the total number of issued Shares shall be taken to be the amount of the total number of issued Shares as altered by the capital reduction (excluding any Treasury Shares that may be held by the Company from time to time).

Purely for illustrative purposes, on the basis of the existing total number of issued Shares, being 589,615,183 Shares (excluding Treasury Shares and subsidiary holdings) as at the Latest Practicable Date, and assuming that no further Shares are issued on or prior to the AGM, not more than 58,961,518 Shares (representing 10.0% of the total number of issued Shares as at that date) may be purchased or acquired by the Company pursuant to the Share Purchase Mandate.

However, as stated in Section 2.2 above and Section 2.7 below, purchases or acquisitions of Shares pursuant to the Share Purchase Mandate need not be carried out to the full extent mandated, and, in any case, would not be carried out to such an extent that would affect the listing status of the Company on the SGX-ST. The public float in the issued Shares as at the Latest Practicable Date is disclosed in Section 2.9 below.

2.3.2 Duration of Authority

Purchases or acquisitions of Shares by the Company may be made, at any time and from time to time, on and from the Approval Date, up to the earliest of:

(a) the conclusion of the next annual general meeting of the Company or the date by which such annual general meeting is required to be held (whereupon it will lapse, unless renewed at such meeting);

(b) the date on which the authority conferred by the Share Purchase Mandate is

revoked or varied by the Company at a general meeting (if so varied or revoked prior to the next annual general meeting); or

(c) the date on which purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated.

The authority conferred on the Directors by the Share Purchase Mandate to purchase or acquire Shares may be renewed by the members in a general meeting of the Company, such as at the next annual general meeting or at an extraordinary general meeting to be convened immediately after the conclusion or adjournment of the next annual general meeting.

2.3.3 Manner of Purchase or Acquisition of Shares

Purchases or acquisitions of Shares by the Company may be made by way of:

(a) on-market purchases, through the SGX-ST's trading system, or as the case may be, on any other stock exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose ("**Market Purchases**"); and/or

(b) off-market purchases, otherwise than on a securities exchange, in accordance with an equal access scheme ("**Off-Market Purchases**").

In an Off-Market Purchase, the Directors may impose such terms and conditions, which are not inconsistent with the Share Purchase Mandate, the Catalist Rules, the Cayman Islands Companies Act, the Memorandum and Articles of Association and/or 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(s).

An equal access scheme must, however, satisfy all the following conditions:

(a) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;

(b) all of those persons shall be given a reasonable opportunity to accept the offers made; and

(c) the terms of all the offers are the same, except that there shall be disregarded (i) differences in consideration attributable to the fact that offers may relate to shares with different accrued dividend entitlements; (ii) differences in consideration attributable to the fact that the offers relate to shares with different amounts remaining unpaid; and (iii) differences in the offers introduced solely to ensure that each person is left with a whole number of shares.

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

(a) the terms and conditions of the offer;

(b) the period and procedures for acceptances;

(c) the reasons for the proposed purchase or acquisition of Shares;

(d) the consequences, if any, of the purchases or acquisitions of Shares by the Company that will arise under the Take-Over Code or other applicable take-over rules;

(e) whether the purchases or acquisitions of Shares, if made, would have any effect on the listing of the Shares on the SGX-ST;

(f) details of any purchases or acquisitions of Shares made by the Company in the previous 12 months (whether by way of Market Purchases or Off-Market Purchases), including the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for such purchases or acquisitions, where relevant, and the total consideration paid for such purchases or acquisitions; and

(g) whether the Shares purchased by the Company will be cancelled or held as Treasury Shares.

2.3.4 Maximum Purchase Price

The purchase price (excluding ancillary expenses such as related brokerage, commission, applicable goods and services tax, stamp duties and clearance fees) to be paid for a Share will be determined by the Directors, provided that such purchase price must not exceed:

(a) in the case of a Market Purchase, 105.0% of the Average Closing Price (as defined hereinafter) of the Shares; and

(b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120.0% of the Average Closing Price (as defined hereinafter),

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

For the above purposes:

"**Average Closing Price**" means

(i) in the case of a Market Purchase, the average of the Closing Market Prices (as defined below) of a Share over the last five (5) Market Days on which the Shares are transacted on the SGX-ST or, as the case may be, such securities exchange on which the Shares are listed or quoted, immediately preceding the date of the Market Purchase by the Company; or

(ii) in the case of an Off-Market Purchase, the average of the Closing Market Prices (as defined below) of a Share over the last five (5) Market Days on which the Shares are transacted on the SGX-ST or, as the case may be, such securities exchange on which the Shares are listed or quoted, immediately preceding the date of the making of the offer pursuant to the Off-Market Purchase,

and deemed to be adjusted, in accordance with the Catalist Rules, for any corporate action that occurs during such five (5) Market Day period and the day of the Market Purchase or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase;

"**Closing Market Price**" means the last dealt price for a Share transacted through the SGX-ST's trading system as shown in any publication of the SGX-ST or other sources; and

"**date of the making of the offer**" means the date on which the Company announces its intention to make an offer for the purchase or acquisition of Shares, stating therein the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.4 **Status of Purchased Shares**

At the time of each Share Purchase, the Directors of the Company will decide whether the Shares purchased will be (a) cancelled, (b) held by the Company as Treasury Shares in

accordance with the Cayman Islands Companies Act, or (c) partly cancelled and partly held as Treasury Shares, depending on the needs of the Company and as the Directors deem fit in the interests of the Company at that time.

Under the Cayman Islands Companies Act, any Share which is purchased by the Company may either be held by the Company as a Treasury Share in accordance with the Cayman Islands Companies Act or treated as cancelled immediately on purchase (and all rights and privileges attached to that Share will expire on such cancellation). When Shares purchased or acquired by the Company are cancelled and not held as Treasury Shares, the issued share capital of the Company will be diminished by the nominal value of such Shares purchased or acquired by the Company. This shall not be taken as reducing the amount of the Company's authorised share capital.

Any Shares purchased or acquired by the Company (and not held as Treasury Shares by the Company) and cancelled will automatically be delisted by the SGX-ST and (where applicable) all certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following the settlement of any such purchase.

2.5 **Treasury Shares**

Under the Cayman Islands Companies Act, Shares purchased or acquired by the Company may be held as Treasury Shares, provided that:

(a) the Memorandum and Articles of Association of the Company do not prohibit it from holding treasury shares;

(b) the relevant provisions of the Memorandum and Articles of Association (if any) are complied with; and

(c) the Company is authorised in accordance with the Articles of Association or by a resolution of the directors to hold such shares in the name of the Company as treasury shares prior to the purchase, redemption or surrender of such shares.

Some of the provisions on treasury shares under the Cayman Islands Companies Act and the Catalist Rules are summarised below:

2.5.1 Maximum Holdings

Shares purchased by the Company will be treated as cancelled on purchase unless, subject to the Memorandum and Articles of Association, the Directors resolve, prior to the purchase, to hold such Shares in the name of the Company as Treasury Shares.

Under laws of the Cayman Islands, where Shares are held as Treasury Shares, the Company shall be entered in the Register of Members as holding those Shares.

2.5.2 Voting and Other Rights

The Company cannot exercise any right in respect of Treasury Shares. In particular, the Company cannot exercise any right to attend or vote at meetings and any purported exercise of such a right shall be void. A Treasury Share shall not be voted, directly or indirectly, at any meeting of the Company, and shall not be counted in determining the total number of issued Shares at any given time, whether for the purposes of the Articles of Association of the Company or the Cayman Islands Companies Act.

In addition, no dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the Company's assets may be made, to the Company in respect of Treasury Shares. However, the allotment of shares as fully paid bonus shares in respect of Treasury Shares is allowed and shares allotted as fully paid bonus shares in respect of a Treasury Share shall be treated as Treasury Shares.

2.5.3 Disposal and Cancellation

Where Shares are held as Treasury Shares, the Company may at any time (but subject always to the Take-Over Code):

(a) cancel the Treasury Shares in accordance with the provisions of the Articles of Association of the Company or (in the absence of any applicable provisions in the Company's Articles of Association) by resolution of the Directors, and if so cancelled, the amount of the Company's issued share capital (but not the Company's authorised share capital) shall be diminished by the nominal or par value of those Treasury Shares accordingly;

(b) transfer the Treasury Shares for the purposes of or pursuant to share schemes implemented by the Company, including the Company's employee share option scheme; or

(c) transfer the Treasury Shares to any person, whether or not for valuable consideration (including at a discount to the nominal or par value of such Treasury Shares).

Under Rule 704(31) of the Catalist Rules, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares (in each case, the "**usage**"). Such announcement must include details such as the date of the usage, the purpose of the usage, the number of treasury shares comprised in the usage, the number of treasury shares before and after the usage, the percentage of the number of treasury shares comprised in the usage against the total number of issued shares (of the same class as the treasury shares) which are listed before and after the usage, and the value of the treasury shares if they are used for a sale or transfer, or cancelled.

2.6 **Source of Funds**

In purchasing or acquiring Shares, the Company shall only apply funds legally available in accordance with the Articles of Association, the Cayman Islands Companies Act and any other applicable laws in Singapore and the Cayman Islands. Furthermore, the Company may not purchase or acquire its Shares on the SGX-ST in accordance with the Articles of Association or for settlement otherwise than in accordance with the trading rules of the SGX-ST.

Under the Cayman Islands Companies Act, such purchases may be effected out of profits of the Company or out of the share premium account or out of the proceeds of a fresh issue of Shares made for that purpose. In order to effect a purchase of Shares out of profits or the share premium account, the Company will have to ensure that it has sufficient profits and amounts in the share premium account. Further, subject to Section 37 of the Cayman Islands Companies Act and in the manner authorised by the Articles of Association, a purchase of Shares by the Company may also be effected by a payment out of capital. A payment out of capital by the Company for the purchase of Shares is not lawful unless immediately following the date on which the payment out of capital is proposed to be made, the Company shall be able to pay its debts as they fall due in the ordinary course of business.

The Company intends to use internal resources or external borrowings, or a combination of both, to finance its purchase or acquisition of Shares pursuant to the Share Purchase Mandate. In purchasing or acquiring Shares pursuant to the Share Purchase Mandate, the Directors will, principally, consider the availability of internal resources. In addition, the Directors will also consider the availability of external financing. The Directors do not propose to exercise the Share Purchase Mandate in a manner and to such extent that the liquidity and capital adequacy position of the Group would be materially adversely affected. The purchase of its own Shares will only be effected after considering relevant factors such as the working capital requirements, availability of financial resources, the expansion and investment plans of the Group, and the prevailing market conditions.

2.7 **Financial Effects**

It is not possible for the Company to realistically calculate or quantify the impact of a Share purchase or acquisition made pursuant to the Share Purchase Mandate on the NTA value and EPS of the Company as the resultant effect would depend on, *inter alia*, whether the Shares are purchased or acquired out of the Company's profits or share premium account or the proceeds of a fresh issue of Shares made for that purpose or, subject to Section 37 of the Cayman Islands Companies Act, by a payment out of capital, the amount (if any) borrowed by the Company to fund the purchases or acquisitions, the aggregate number of Shares purchased or acquired, the purchase price paid at the relevant time for such Shares and whether the Shares purchased or acquired are held as Treasury Shares or cancelled.

The Company's issued share capital (but not its authorised share capital) will be diminished by the nominal value of the 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.

For illustrative purposes only, the financial effects of the Share Purchase Mandate on the Company and the Group, based on the audited consolidated financial statements of the Group for FY2023, are based on the assumptions set out below.

2.7.1 Purchase or Acquisition of Shares made out of Capital and/or Profits

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding any expenses incurred directly in the purchase or acquisition of Shares) 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 dividends by the Company will not be reduced.

2.7.2 Number of Shares Purchased or Acquired

As at the Latest Practicable Date, the Company has 589,615,183 Shares in issue. The Company does not hold any Treasury Shares or subsidiary holdings.

Purely for illustrative purposes, on the basis of 589,615,183 Shares in issue as at the Latest Practicable Date, assuming that no further Shares are issued on or prior to the AGM and no Shares are purchased and held as Treasury Shares, not more than 58,961,518 Shares (representing 10.0% of the total number of issued Shares (excluding any Treasury Shares and subsidiary holdings)) may be purchased or acquired by the Company pursuant to the Share Purchase Mandate.

2.7.3 Maximum Price Paid for Shares Acquired or Purchased

(a) In the case of Market Purchases by the Company, assuming that the Company purchases or acquires 58,961,518 Shares (representing 10.0% of the total number of issued Shares (excluding any Treasury Shares and subsidiary holdings) as at the Latest Practicable Date) at the Maximum Price of S$0.088 (equivalent to RMB0.4664)[1] for one Share (being the price equivalent to 105.0% of the Average Closing Price of the Shares over the five consecutive Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 58,961,518 Shares is approximatelyS$5,138,496 (equivalent to RMB27,500,060)[1] (excluding ancillary expenses such as related brokerage, commission, goods and services tax, stamp duties, clearance fees and other related expenses (where applicable)).

[1] Based on the exchange rate of S$1 : RMB5.3518 as at the Latest Practicable Date, as quoted by XE.com.

(b) In the case of Off-Market Purchases by the Company, assuming that the Company purchases or acquires 58,961,518 Shares (representing 10.0% of the total number of issued Shares (excluding any Treasury Shares and subsidiary holdings) as at the Latest Practicable Date) at the Maximum Price of S$0.100 (equivalent to RMB0.5330)[1] for one Share (being the price equivalent to 120.0% of the Average Closing Price of the Shares over the five consecutive Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 58,961,518 Shares is approximately S$5,872,567 (equivalent to RMB31,428,641)[1] (excluding ancillary expenses such as related brokerage, commission, goods and services tax, stamp duties, clearance fees and other related expenses (where applicable)).

2.7.4 Illustrative Financial Effects

For illustrative purposes only and on the basis of the assumptions set out in Sections 2.7.1 to 2.7.3 above, as well as the following:

(a) the purchases or acquisitions of the 58,961,518 Shares were carried out on 1 January 2023;

(b) such purchase or acquisition of Shares is financed solely by the internal resources of the Company available as at 31 December 2023; and

(c) the transaction costs incurred for such purchase or acquisition of Shares pursuant to the Share Purchase Mandate are assumed to be insignificant and have been ignored for the purpose of computing the financial effects,

the financial effects of the purchase or acquisition of 58,961,518 Shares (representing 10.0% of the total number of issued Shares (excluding any Treasury Shares and subsidiary holdings) as at the Latest Practicable Date) pursuant to the Share Purchase Mandate:

(a) by way of purchases made entirely out of capital and held as Treasury Shares;

(b) by way of purchases made entirely out of profits and held as Treasury Shares;

(c) by way of purchases made entirely out of capital and cancelled; and

(d) by way of purchases made entirely out of profits and cancelled,

on certain information derived from the audited consolidated financial statements of the Group and the Company for FY2023 are set out below:

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

	GROUP			COMPANY		
	Before Share Purchase	**After Market Purchase**	**After Off-Market Purchase**	**Before Share Purchase**	**After Market Purchase**	**After Off-Market Purchase**
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**
As at 31 December 2023 (audited)						
Share Capital	41,994	41,994	41,994	41,994	41,994	41,994
Share Premium	82,796	82,796	82,796	82,796	82,796	82,796
Reserves	69,002	69,002	69,002	(296,076)	(296,076)	(296,076)
Retained Earnings	4,530	4,530	4,530	273,555	273,555	273,555
Non-Controlling Interests	-	-	-	-	-	-

	GROUP			COMPANY		
	Before Share Purchase	After Market Purchase	After Off-Market Purchase	Before Share Purchase	After Market Purchase	After Off-Market Purchase
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Treasury Shares	-	(27,500)	(31,429)	-	(27,500)	(31,429)
Total Shareholders' Equity	198,322	170,822	166,893	102,269	74,769	70,840
NTA[1]	140,499	112,999	109,070	102,269	74,769	70,840
Current Assets	989,688	962,188	958,259	206,080	204,405	204,405
Current Liabilities	1,066,629	1,066,629	1,066,629	29,911	55,736	59,665
Working Capital	(76,941)	(104,441)	(108,370)	176,169	148,669	144,740
Total Borrowings	363,025	363,025	363,025	28,768	28,768	28,768
Cash and Cash Equivalents	74,960	47,460	43,531	1,675	-	-
Number of Shares (in '000)	589,615	530,654	530,654	589,615	530,654	530,654
Financial Ratios						
NTA per Share[2] (RMB)	0.24	0.21	0.21	0.17	0.14	0.13
Basic EPS[3] [4] (RMB)	(0.16)	(0.16)	(0.16)	(0.01)	(0.01)	(0.01)
Current Ratio (times)	0.93	0.90	0.90	6.89	3.67	3.43
Gearing Ratio[5] (times)	1.83	2.13	2.18	0.28	0.38	0.41
Net Gearing Ratio (times)	1.45	1.85	1.91	0.26	0.38	0.41

(B) **Purchases made entirely out of profits and held as Treasury Shares**

	GROUP			COMPANY		
	Before Share Purchase	After Market Purchase	After Off-Market Purchase	Before Share Purchase	After Market Purchase	After Off-Market Purchase
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2023 (audited)						
Share Capital	41,994	41,994	41,994	41,994	41,994	41,994
Share Premium	82,796	82,796	82,796	82,796	82,796	82,796
Reserves	69,002	69,002	69,002	(296,076)	(296,076)	(296,076)
Retained Earnings	4,530	4,530	4,530	273,555	273,555	273,555
Non-Controlling Interests	-	-	-	-	-	-
Retained Earnings - Treasury Shares	-	(27,500)	(31,429)	-	(27,500)	(31,429)
Total Shareholders' Equity	198,322	170,822	166,893	102,269	74,769	70,840
NTA[1]	140,499	112,999	109,070	102,269	74,769	70,840
Current Assets	989,688	962,188	958,259	206,080	204,405	204,405
Current Liabilities	1,066,629	1,066,629	1,066,629	29,911	55,736	59,665
Working Capital	(76,941)	(104,441)	(108,370)	176,169	148,669	144,740
Total Borrowings	363,025	363,025	363,025	28,768	28,768	28,768
Cash and Cash Equivalents	74,960	47,460	43,531	1,675	-	-
Number of Shares (in '000)	589,616	530,654	530,654	589,615	530,654	530,654
Financial Ratios						

	GROUP			COMPANY		
	Before Share Purchase	After Market Purchase	After Off-Market Purchase	Before Share Purchase	After Market Purchase	After Off-Market Purchase
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
NTA per Share[2] (RMB)	0.24	0.21	0.21	0.17	0.14	0.13
Basic EPS[3][4] (RMB)	(0.16)	(0.16)	(0.16)	(0.01)	(0.01)	(0.01)
Current Ratio (times)	0.93	0.90	0.90	6.89	3.67	3.43
Gearing Ratio[5] (times)	1.83	2.13	2.18	0.28	0.38	0.41
Net Gearing Ratio (times)	1.45	1.85	1.91	0.26	0.38	0.41

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

	GROUP			COMPANY		
	Before Share Purchase	After Market Purchase	After Off-Market Purchase	Before Share Purchase	After Market Purchase	After Off-Market Purchase
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2023 (audited)						
Share Capital	41,994	37,737	37,737	41,994	37,737	37,737
Share Premium	82,796	59,553	55,624	82,796	59,553	55,624
Reserves	69,002	69,002	69,002	(296,076)	(296,076)	(296,076)
Retained Earnings	4,530	4,530	4,530	273,555	273,555	273,555
Non-Controlling Interests	-	-	-	-	-	-
Treasury Shares	-	-	-	-	-	-
Total Shareholders' Equity	198,322	170,822	166,893	102,269	74,769	70,840
NTA[1]	140,499	112,999	109,070	102,269	74,769	70,840
Current Assets	989,688	962,188	958,259	206,080	204,405	204,405
Current Liabilities	1,066,629	1,066,629	1,066,629	29,911	55,736	59,665
Working Capital	(76,941)	(104,441)	(108,370)	176,169	148,669	144,740
Total Borrowings	363,025	363,025	363,025	28,768	28,768	28,768
Cash and Cash Equivalents	74,960	47,460	43,531	1,675	-	-
Number of Shares (in '000)	589,615	530,654	530,654	589,615	530,654	530,654
Financial Ratios						
NTA per Share[2] (RMB)	0.24	0.21	0.21	0.17	0.14	0.13
Basic EPS[3] [4] (RMB)	(0.16)	(0.16)	(0.16)	(0.01)	(0.01)	(0.01)
Current Ratio (times)	0.93	0.90	0.90	6.89	3.67	3.43
Gearing Ratio[5] (times)	1.83	2.13	2.18	0.28	0.38	0.41
Net Gearing Ratio (times)	1.45	1.85	1.91	0.26	0.38	0.41

(D) **Purchases made entirely out of profits and cancelled**

	GROUP			COMPANY		
	Before Share Purchase	After Market Purchase	After Off-Market Purchase	Before Share Purchase	After Market Purchase	After Off-Market Purchase
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 31 December 2023 (audited)						
Share Capital	41,994	37,737	37,737	41,994	37,737	37,737
Share Premium	82,796	82,796	82,796	82,796	82,796	82,796

	GROUP			COMPANY		
	Before Share Purchase	**After Market Purchase**	**After Off-Market Purchase**	**Before Share Purchase**	**After Market Purchase**	**After Off-Market Purchase**
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**
Reserves	69,002	69,002	69,002	(296,076)	(296,076)	(296,076)
Retained Earnings	4,530	(18,713)	(22,642)	273,555	250,312	246,383
Non-Controlling Interests	-	-	-	-	-	-
Treasury Shares	-	-	-	-	-	-
Total Shareholders' Equity	198,322	170,822	166,893	102,269	74,769	70,840
NTA[(1)]	140,499	112,999	109,070	102,269	74,769	70,840
Current Assets	989,688	962,188	958,259	206,080	204,405	204,405
Current Liabilities	1,066,629	1,066,629	1,066,629	29,911	55,736	59,665
Working Capital	(76,941)	(104,441)	(108,370)	176,169	148,669	144,740
Total Borrowings	363,025	363,025	363,025	28,768	28,768	28,768
Cash and Cash Equivalents	74,960	47,460	43,531	1,675	-	-
Number of Shares (in '000)	589,615	530,654	530,654	589,615	530,654	530,654
Financial Ratios						
NTA per Share[(2)] (RMB)	0.24	0.21	0.21	0.17	0.14	0.13
Basic EPS[(3) (4)] (RMB)	(0.16)	(0.16)	(0.16)	(0.01)	(0.01)	(0.01)
Current Ratio (times)	0.93	0.90	0.90	6.89	3.67	3.43
Gearing Ratio[(5)] (times)	1.83	2.13	2.18	0.28	0.38	0.41
Net Gearing Ratio (times)	1.45	1.85	1.91	0.26	0.38	0.41

Notes:

(1) NTA refers to net assets less intangible assets.

(2) NTA per Share equals to NTA divided by the number of issued Shares outstanding as at the Latest Practicable Date.

(3) Basic Earnings Per Share (EPS) equals to net profit attributable to owners of the Company divided by the weighted average number of issued Shares during FY2023.

(4) Based on the total number of 589,615,183 issued Shares (excluding any Treasury Shares and subsidiary holdings) as at the Latest Practicable Date.

(5) Gearing equals to total bank and other borrowings divided by total shareholders' equity.

Shareholders should note that the financial effects set out above, based on the respective assumptions stated above, are purely for illustration purposes only and are not necessarily representative of future financial performance. In particular, (i) it is important to note that the above analysis is based on historical audited figures for FY2023 and is not necessarily representative of future financial performance of the Company, (ii) the actual impact will depend on, *inter alia*, the actual number and price of Shares that may be purchased or acquired by the Company and whether the Shares purchased or acquired by the Company are held as Treasury Shares or cancelled and (iii) the Company will not undertake any purchase or acquisition of Shares under the Share Purchase Mandate (if approved) if the public float is below 10%, or if any such purchase or acquisition of Shares will result in the public float falling below 10%.

It should be noted that although the Share Purchase Mandate would authorise the Company to purchase or acquire up to 10.0% of the total number of issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10.0% of the total number of issued Shares as mandated. In addition, the Company may cancel or hold as Treasury Shares all or part of the Shares purchased or acquired by it. The Company will take into account both financial and non-financial factors (for example, the public float of the

Company, stock market conditions and the performance of the Shares) in assessing the relative impact of a share purchase or acquisition before execution.

2.8 **Tax Implications**

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

2.9 **Listing Status of the Shares**

The Company is required under Catalist Rule 723 to ensure that at least 10% of its issued Shares are in the hands of the public ("**public float**"). Based on the register of Directors' shareholdings and the register of Substantial Shareholders maintained by the Company as at the Latest Practicable Date, the public float was approximately 38.94%. Notwithstanding the current level of the public float, the Company believes that having the flexibility to conduct more buybacks under appropriate circumstances will be beneficial to the Company. The Company will continue to closely monitor the public float prior to undertaking any purchases or acquisitions of Shares through Market Purchases pursuant to the Share Purchase Mandate.

The Company will consider investor interests when maintaining a liquid market in its securities, and will ensure that there is sufficient public float so that the purchases or acquisitions of Shares will not adversely affect the listing status of the Shares on the SGX-ST, cause market illiquidity or adversely affect the orderly trading of the Shares.

In particular, the Company will not undertake any purchase or acquisition of Shares under the Share Purchase Mandate (if approved) if the public float is below 10%, or if any such purchase or acquisition of Shares will result in the public float falling below 10%.

2.10 **Share Purchases in the Previous 12 Months**

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

2.11 **Limits on Shareholdings**

The Company does not have any limits on the shareholding of any Shareholder.

2.12 **Catalist Rules**

Whilst the Catalist Rules do not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the Company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its issued Shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Purchase Mandate at any time after a price sensitive development has occurred or has been the subject of a consideration and/or decision of the Board until the price sensitive information has been publicly announced.

In particular, in line with the best practices on securities dealings set out in Rule 1204(19) of the Catalist Rules, the Company will not purchase or acquire any Shares through Market Purchases or Off-Market Purchases during the period of one month immediately preceding the announcement of the Company's half-year and full-year financial statements (if the Company does not announce its quarterly financial statements) and the period of two weeks immediately preceding the announcement of the Company's financial statements for each of the first three quarters of the financial year and one month before the announcement of the Company's full-year financial statements (if the Company announces its quarterly financial statements, whether required by SGX-ST or otherwise), as the case may be, and ending on the date of announcement of the relevant financial statements.

2.13 **Reporting Requirements**

Under Rule 871 of the Catalist Rules, the Company shall report all purchases or acquisitions of its Shares to the SGX-ST no later than 9.00 a.m.:

(a) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its Shares; and

(b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer.

Such announcement (which must be in the form of Appendix 8D to the Catalist Rules) must include, *inter alia*, details of the total number of Shares authorised for purchase, the date of the purchase, the total number of Shares purchased, the number of Shares cancelled, the number of Shares held as Treasury Shares, the purchase price per share or the highest and lowest prices paid for such Shares, as applicable, the total consideration (including stamp duties and clearing charges) paid or payable for the Shares, the number of Shares purchased as at the date of announcement (on a cumulative basis), the number of issued Shares (excluding any Treasury Shares and subsidiary holdings) and the number of Treasury Shares after the purchase.

2.14 **Take-Over Code Implications**

Appendix 2 of the Take-Over Code ("**Appendix 2**") contains the Share Buy-Back Guidance Note. The take-over implications arising from any purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate are summarised below.

2.14.1 Obligation to make a Take-Over Offer

If, as a result of any purchase or acquisition by the Company of its Shares under the Share Purchase Mandate, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-Over Code. If such increase results in a change of effective control, or, as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a take-over offer for the Company under Rule 14 of the Take-Over Code.

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

(a) any person acquires, whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30.0% or more of the voting rights of a company; or

(b) any person who, together with persons acting in concert with him, holds not less than 30.0% but not more than 50.0% of the voting rights and such person, or any person acting in concert with him, acquires in any period of six months additional shares carrying more than 1.0% 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.

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

2.14.2 Persons Acting in Concert

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

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

(a) the following companies:

(i) a company;

(ii) the parent company of (i);

(iii) the subsidiaries of (i);

(iv) the fellow subsidiaries of (i);

(v) the associated companies of any of (i), (ii), (iii) or (iv);

(vi) companies whose associated companies include any of (i), (ii), (iii), (iv) or (v); and

(vii) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights,

(for the purposes of the foregoing, a company is an associated company of another company if the second company owns or controls at least 20.0% but not more than 50% of the voting rights of the first mentioned company);

(b) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts); and

(c) the following persons and entities:

(i) an individual;

(ii) the close relatives of (i);

(iii) the related trusts of (i);

(iv) any person who is accustomed to act in accordance with the instructions of (i); and

(v) companies controlled by any of (i), (ii), (iii) or (iv); and (vi) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.

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

2.14.3 Effect of Rule 14 and Appendix 2 of the Take-Over Code

In general terms, the effect of Rule 14 and Appendix 2 is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 if, as a result of the Company purchasing or acquiring Shares, (a) the voting rights of such Directors and their concert parties would increase to 30.0% or more; or (b) if the voting rights of such Directors and their concert parties fall between 30.0% and 50.0% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1.0% in any period of six months. In calculating the percentages of voting rights of such Directors and their concert parties, Treasury Shares shall be excluded.

Under Appendix 2, a Shareholder not acting in concert with the Directors of the Company will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Shareholder in the Company would increase to 30.0% or more, or, if such Shareholder holds between 30.0% and 50.0% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1.0% in any period of six months. Such Shareholder need not abstain from voting in respect of the ordinary resolution authorising the Share Purchase Mandate.

Based on the interests of Substantial Shareholders as recorded in the register of Substantial Shareholders as at the Latest Practicable Date, none of the Substantial Shareholders would become obliged to make a take-over offer for the Company under Rule 14 of the Take-Over Code as a result of the acquisition or purchase by the Company of 10.0% of its issued Shares as at the Latest Practicable Date. Further details of the Directors and Substantial Shareholders in the Shares as at the Latest Practicable Date are set out in Section 3 of this Appendix.

The Directors are not aware of any Shareholder who may become obligated to make a mandatory take-over offer in the event that the Company purchases or acquires its Shares up to the full 10.0% limit pursuant to the Share Purchase Mandate.

The statements herein 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 Securities Industry Council at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any purchase of Shares by the Company.

3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

3.1 Directors' and Substantial Shareholders' Interests

As at the Latest Practicable Date, the interests of the Directors in the Shares before and after a Share purchase pursuant to the Share Purchase Mandate, assuming (a) the Company purchases 58,961,518 Shares; and (b) there is no change in the number of Shares (whether deemed or direct) held by the Directors are set out below:

	Before the Share Purchase					After the Share Purchase
	Direct Interest		Deemed Interest[2]		Total Interest	Total Interest
Directors	**No. of Shares**	**%[1]**	**No. of Shares**	**%[1]**	**%[1]**	**%[3]**
Francis Tjia[4][5]	-	-	348,579,477	59.12	59.12	65.69
Michael Cheung[6]	11,111,258	1.88	10,764,439	1.83	3.71	4.12
Mark Fukunaga[7]	-	-	26,881,848	4.56	4.56	5.07
David Leow	-	-	-	-	-	-
Henry Tan	-	-	-	-	-	-
Steven Petersohn	350,000	0.06	-	-	0.06	0.07
Substantial Shareholders (other than Directors)						
TCA International Limited[5]	100,418,783	17.03	-	-	17.03	18.92
TCA, L.P.[5]	-	-	100,418,783	17.03	17.03	18.92
TCA Management Limited[5]	35	0.00	100,418,783	17.03	17.03	18.92
Octo Holdings Limited[4][5]	248,160,659	42.09	100,418,818	17.03	59.12	65.69

Notes:

(1) Based on 589,615,183 Shares in issue as at the Latest Practicable Date.

(2) Deemed interests refer to interests determined pursuant to Section 4 of the SFA.

(3) Assuming the Company purchases or acquires the maximum number of Shares, being 58,961,518 Shares pursuant to the Share Purchase Mandate, the percentage after the Share Purchase is calculated based on 530,653,665 issued Shares.

(4) Mr Francis Tjia holds the entire shareholding interest in Octo Holdings Limited. Accordingly, Mr Francis Tjia is deemed interested in the Shares held directly by Octo Holdings Limited by virtue of Section 4 of the SFA.

(5) Mr Francis Tjia is deemed interested in the Shares held directly by TCA Management Limited. Octo Holdings Limited holds more than 20.0% of voting shares in TCA Management Limited and is accordingly deemed to have an interest in the Shares directly held by TCA Management Limited by virtue of Section 4 of the SFA. Mr Francis Tjia holds the entire shareholding interest in Octo Holdings Limited and accordingly is deemed interested in the Shares held directly by TCA Management Limited by virtue of Section 4 of the SFA.

Mr Francis Tjia is deemed interested in the Shares held directly by TCA International Limited. TCA International Limited is wholly owned by TCA, L.P. TCA, L.P. is managed by its general partner, TCA Management Limited, who has been granted the authority to operate, manage and control the affairs of TCA, L.P., including making investment decisions and voting on the securities and interests held by TCA, L.P. including those in TCA International Limited. By virtue of Section 4 of the SFA, TCA Management Limited is deemed interested in the Shares held by TCA International Limited. Octo Holdings Limited holds more than 20.0% of voting shares in TCA Management Limited and is accordingly deemed to have an interest in the Shares held by TCA Management Limited (through TCA, L.P. and TCA International Limited) by virtue of Section 4 of the SFA. Mr Francis Tjia holds the entire shareholding interest in Octo Holdings Limited and accordingly is deemed interested in the Shares held by TCA International Limited (through TCA, L.P., TCA Management Limited and Octo Holdings Limited) by virtue of Section 4 of the SFA.

(6) Mr Michael Cheung is deemed to have an interest in the 10,764,439 Shares held by him through a nominee account maintained with Citibank Nominees Singapore Pte. Ltd.

(7) Mr Mark Fukunaga is the Chief Executive Officer and Chairman of Servco Pacific Inc. ("**Servco**"). Mr Mark Fukunaga and his associates hold more than 20.0% shares in Servco which wholly-owns TCA Investments, a direct shareholder of the Company. Accordingly, Mr Mark Fukunaga is deemed interested in the Shares held directly by TCA Investments. For avoidance of doubt, save in respect of its direct interest in the Shares, TCA Investments is not related to the Group, Octo Holdings Limited, TCA International Limited, TCA, L.P. and TCA Management Limited.

Save as disclosed above, other than through their respective shareholdings in the Company, none of the Directors or the Substantial Shareholders of the Company has any interest, whether directly or indirectly, in the proposed renewal of the Share Purchase Mandate to be proposed by way of an ordinary resolution at the AGM.

4. DIRECTORS' RECOMMENDATION

The Directors, having considered, *inter alia*, the rationale for the renewal of the Share Purchase Mandate, are of the opinion that the renewal of the Share Purchase Mandate is in the best interests of the Company.

Accordingly, the Directors recommend that the Shareholders vote in favour of the ordinary resolution relating to the renewal of the Share Purchase Mandate to be proposed at the AGM.

5. DIRECTORS' RESPONSIBILITY STATEMENT

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

6. INSPECTION OF DOCUMENTS

Subject to prevailing regulations, orders, advisories and guidelines relating to safe distancing which may be issued by the relevant authorities, the following documents are available for inspection at the office of the Company's Share Transfer Agent, In.Corp Corporate Service Pte. Ltd. at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712 from the date of this Appendix up to the date of the AGM:

(a) the Memorandum and Articles of Association of the Company; and

(b) the annual report of the Company for FY2023, which may also be accessed via SGXNET.

Please contact the Company's Share Transfer Agent at shareregistry@incorp.asia prior to making any visits to arrange for a suitable time slot for the inspection.

Yours faithfully

For and on behalf of the Board of Directors of
Trans-China Automotive Holdings Limited

Francis Tjia
Executive Chairman and Chief Executive Officer