

**LETTER TO SHAREHOLDERS DATED 12 JULY 2023 (“LETTER”)**

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

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

If you have sold or transferred all your shares represented by physical share certificate(s), you should immediately forward this Letter, the Notice of AGM, and the proxy form to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

The SGX-ST (as defined herein) assumes no responsibility for the contents of this Letter, including the accuracy or correctness of any of the statements or opinions made or reports contained in this Letter.



**CSC HOLDINGS LIMITED**

(Company Registration No. 199707845E)  
(Incorporated in the Republic of Singapore)

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

Last date and time for lodgement of Proxy Form : 24 July 2023 at 10.00 a.m.  
Date and time of the AGM : 27 July 2023 at 10.00 a.m.  
Place of the AGM : The AGM will be held at  
2 Tanjong Penjuru Crescent, #06-02,  
Singapore 608968

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## DEFINITIONS

For the purposes of this Letter, the following definitions apply throughout unless otherwise stated:

<b>“ACRA”</b>	:	Accounting & Corporate Regulatory Authority of Singapore
<b>“AGM”</b>	:	The annual general meeting of the Company to be held on 27 July 2023 at 10.00 a.m. at 2 Tanjong Penjuru Crescent, #06-02, Singapore 608968
<b>“Approval Date”</b>	:	Has the meaning ascribed to it in Section 2.1 of this Letter
<b>“Associate”</b>	:	(a) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:–  (i) his immediate family;  (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and  (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more;  (b) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
<b>“Average Closing Price”</b>	:	Has the meaning ascribed to it in Section 2.3.4 of this Letter
<b>“Board”</b>	:	The Board of Directors of the Company, as at the Latest Practicable Date
<b>“CDP”</b>	:	The Central Depository (Pte) Limited
<b>“Company”</b>	:	CSC Holdings Limited
<b>“Companies Act”</b>	:	The Companies Act 1967 of Singapore, as amended or modified from time to time
<b>“Concert Party Group”</b>	:	Mr. Ng San Tiong Roland, Mr. Ng Chwee Cheng and TH Investments Pte Ltd, as well as parties acting in concert with them

<b>“Constitution”</b>	:	The constitution of the Company, as amended from time to time
<b>“control”</b>	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company
<b>“Controlling Shareholder”</b>	:	A person who: <ul style="list-style-type: none"> <li>(a) holds directly or indirectly 15% or more of the total voting rights in the Company (the SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder); or</li> <li>(b) in fact, exercises control over the Company</li> </ul>
<b>“Director”</b>	:	A director of the Company as at the Latest Practicable Date
<b>“EPS”</b>	:	Earnings per Share
<b>“Executive Director”</b>	:	A director of the Company who performs an executive function
<b>“FY2023”</b>	:	Financial year ended 31 March 2023
<b>“Group”</b>	:	The Company, its subsidiaries, and associated companies (if any) collectively
<b>“Independent Director”</b>	:	Any independent director of the Company as may be appointed from time to time
<b>“Latest Practicable Date”</b>	:	28 June 2023, being the latest practicable date prior to the despatch of this Letter
<b>“Listing Manual”</b>	:	The Listing Manual of the SGX-ST and its relevant rule(s), as may be amended or modified from time to time
<b>“LPS”</b>	:	Loss per Share
<b>“Market Day”</b>	:	A day on which the SGX-ST is open for trading in securities
<b>“Market Purchases”</b>	:	Has the meaning ascribed to it in Section 2.3.3 of this Letter
<b>“NAV”</b>	:	Net asset value
<b>“Notice of AGM”</b>	:	The notice of the AGM dated 12 July 2023
<b>“Ordinary Resolution”</b>	:	Has the meaning ascribed to it in Section 1 of this Letter
<b>“Off-Market Purchases”</b>	:	Has the meaning ascribed to it in Section 2.3.3 of this Letter

<b>“Relevant Period”</b>	:	The period commencing from the date on which the Ordinary Resolution is passed in a general meeting and expiring on the earliest of the date of the next annual general meeting is held or is required by law to be held, or the date on which the share buy-backs are carried out to the full extent of the Share Buy-Back Mandate, or the date the Share Buy-Back Mandate is varied or revoked by the Company in a general meeting
<b>“Securities Accounts”</b>	:	The securities accounts maintained by Depositors with CDP, but not including the securities accounts maintained with a Depository Agent
<b>“SFA”</b>	:	The Securities and Futures Act 2001 of Singapore, as amended or modified from time to time
<b>“SGX-ST”</b>	:	The Singapore Exchange Securities Trading Limited
<b>“Share Buy-Back Mandate”</b>	:	The general and unconditional mandate given by Shareholders at a general meeting to authorise the Directors to exercise all powers of the Company to purchase or acquire issued Shares within the Relevant Period, in accordance with the terms set out in this Letter, as well as the rules and regulations set forth in the Companies Act and the Listing Manual
<b>“Share(s)”</b>	:	Ordinary share(s) in the capital of the Company
<b>“Shareholders”</b>	:	Registered holders of the Shares, except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP whose Securities Accounts are credited with those Shares
<b>“SIC”</b>	:	The Securities Industry Council of Singapore
<b>“Substantial Shareholder”</b>	:	A person (including a corporation) who has an interest or interests in one or more voting Shares in the Company and the total votes attached to that Share, or those Shares, is not less than 5% (directly or indirectly) of the total votes attached to all voting Shares (excluding treasury shares) in the Company
<b>“Take-over Code”</b>	:	The Singapore Code on Take-overs and Mergers, as modified, supplemented or amended from time to time
<b>“Treasury Shares Limit”</b>	:	Has the meaning ascribed to it in Section 2.5.1 of this Letter
<b>“Treasury Shares”</b>	:	Shares purchased or acquired by the Company pursuant to the Share Buy-Back Mandate and held by the Company in accordance with Section 76H of the Companies Act

“S\$” and “cents” : Singapore dollars and cents, respectively

“%” : Per cent. or percentage

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

The terms “**subsidiary**”, “**subsidiary holdings**” and “**related company**” shall have the meaning ascribed to them respectively in the Companies Act.

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

Any reference in this Letter to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA, the Listing Manual or any statutory modification thereof and used in this Letter but not defined herein, shall, where applicable, have the same meaning assigned to it under the Companies Act, the SFA, the Listing Manual or any statutory modification thereof, as the case may be, unless the context otherwise provides.

Any reference to a time of day and date in this Letter shall be a reference to Singapore time and date respectively, unless otherwise stated.

Any term defined under the Companies Act or the Listing Manual, or any statutory modification thereof and used in this Letter shall, where applicable, have the meaning ascribed to it under the Companies Act or the Listing Manual, or such modification thereof, as the case may be, unless otherwise provided.

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

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

**CSC HOLDINGS LIMITED**  
(Company Registration No. 199707845E)  
(Incorporated in the Republic of Singapore)

**Directors**

Dr. Leong Horn Kee (Independent Director & Board Chairman)  
Mr. See Yen Tarn (Executive Director/Group Chief Executive Officer)  
Mr. Ng San Tiong Roland (Non-Executive Director)  
Mr. Teo Beng Teck (Non-Executive Director)  
Mr. Ong Tiew Siam (Independent Director)  
Mr. Tan Hup Foi @ Tan Hup Hoi (Independent Director)

**Registered Office**

2 Tanjong Penjuru  
Crescent #06-02  
Singapore 608968

12 July 2023

To: The Shareholders of CSC Holdings Limited

Dear Shareholders,

**1. INTRODUCTION**

We refer to the (a) Notice of AGM; and (b) ordinary resolution number 7 (“**Ordinary Resolution**”) under the heading of “Special Business” set out in the Notice of AGM which relates to the proposed renewal of the Share Buy-Back Mandate.

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

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

Harry Elias Partnership LLP is the legal adviser to the Company in relation to the proposed renewal of the Share Buy-Back Mandate.

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

**2.1 Background**

Any purchase or acquisition of Shares by the Company would have to be made in accordance with, and in the manner prescribed by the Constitution, the Companies Act, the Listing Manual, and such other laws and regulations as may, for the time being, be applicable. It is a requirement of the Companies Act that before a company purchases or acquires its own shares, its Constitution must expressly permit the company to purchase or acquire the shares issued by it. Regulation 54(2) of the Company’s Constitution expressly permits the Company to, subject to and in accordance with the provisions of the Companies Act, purchase or acquire its issued Shares on such terms and subject to such conditions as the Company may prescribe in general meeting of the Company. It is also a requirement that a company which wishes to purchase or acquire its own shares should obtain approval from its shareholders to do so at a general meeting of the Company.

The Share Buy-Back Mandate was originally approved by Shareholders at the annual general meeting of the Company held on 29 July 2021 and subsequently renewed at the annual general meeting of the Company held on 28 July 2022 (the “**2022 AGM**”). The Share Buy-Back Mandate as renewed at the 2022 AGM will expire on the date of the AGM. Accordingly, approval is being sought from Shareholders at the AGM for the proposed renewal of the Share Buy-Back Mandate. An ordinary resolution will be proposed, pursuant to which the Share Buy-Back Mandate will be given to the Directors to exercise all powers of the Company to purchase or acquire Shares according to the terms of the Share Buy-Back Mandate, the requirements of the Constitution, and the rules and regulations set forth in the Companies Act and the Listing Manual.

If the proposed resolution for the renewal of the Share Buy-Back Mandate is approved by Shareholders at the AGM, the authority conferred by the Share Buy-Back Mandate will take effect from the date of the AGM at which the proposed renewal of the Share Buy-Back Mandate will be approved (“**Approval Date**”) and continue to be in force for the duration of the Relevant Period, which is until the earliest of the date on which the next annual general meeting is held or is required by law to be held (whereupon it will lapse, unless renewed at such annual general meeting); the date on which the share buy-backs are carried out to the full extent of the Share Buy-Back Mandate; or the date the Share Buy-Back Mandate is varied or revoked by the Company in a general meeting.

## **2.2 Rationale for the proposed renewal of the Share Buy-Back Mandate**

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

Pursuant to the Companies Act, Shares purchased or acquired pursuant to the Share Buy-Back Mandate may be held or dealt with as Treasury Shares.

If and when circumstances permit, the Directors will decide whether to effect the Shares purchases via on-market purchases or off-market purchases, after taking into account the amount of surplus cash available, the prevailing market conditions and the most cost-effective and efficient approach.

Shareholders can be assured that purchases or acquisitions of Shares by the Company pursuant to the Share Buy-Back Mandate would be made in circumstances where it is considered to be in the best interests of the Company, after taking into account the amount of surplus cash available and the prevailing market conditions. Further, the Directors do not propose to carry out purchases or acquisitions to such an extent that would, or in circumstances that might, result in a material adverse effect on the liquidity, the orderly trading of the Shares, the working capital requirements of the Company or its gearing positions which are, in the opinion of the Directors, appropriate from time to time, or result in the Company being delisted from the SGX-ST. For example, the Directors will ensure that the purchases or acquisitions will not be carried out to such an extent that the free float of the Company’s Shares held by the public falls to below ten per cent. (10%).



## 2.3 Terms of the Share Buy-Back Mandate

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

### 2.3.1 Maximum number of Shares

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

In accordance with Rule 882 of the Listing Manual, the total number of Shares that may be purchased or acquired by the Company during the Relevant Period shall not exceed ten per cent. (10%) of the total number of issued Shares as at the Approval Date. For purposes of calculating the percentage of Shares referred to above, any of the Shares which are held as Treasury Shares or subsidiary holdings will be disregarded.

**For illustrative purposes only**, based on the existing issued and paid-up share capital of the Company as at the Latest Practicable Date comprising 3,516,766,176 Shares (excluding Treasury Shares and subsidiary holdings), and assuming no further Shares are issued on or prior to the Latest Practicable Date, no more than 351,676,617 Shares representing ten per cent. (10%) of the total number of issued Shares (excluding Treasury Shares and subsidiary holdings) as at the Latest Practicable Date may be purchased or acquired by the Company pursuant to the Share Buy-Back Mandate.

### 2.3.2 Duration of authority

Purchases or acquisitions of Shares under the Share Buy-Back Mandate may be made during the Relevant Period, which is at any time and from time to time, on and from the Approval Date, up to the earliest of:

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

The authority conferred on the Directors by the Share Buy-back Mandate to purchase or acquire Shares may be renewed by Shareholders in any 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 may be made by way of:

- (a) on-market purchases ("**Market Purchases**"), transacted on the SGX-ST through the ready market, and which may be transacted through one or more duly licensed stockbrokers appointed by the Company for that purpose; and/or

- (b) off-market purchases (“**Off-Market Purchases**”) (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) (as defined in Section 76C of the Companies Act).

The Directors may impose such terms and conditions which are not inconsistent with the Share Buy-Back Mandate, the Listing Manual, the Constitution and the Companies Act as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme(s). Pursuant to the Companies Act, an Off-Market Purchase must satisfy all of the following conditions:

- (i) 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;
- (ii) all of those persons shall be given a reasonable opportunity to accept the offers made to them; and
- (iii) the terms of all the offers shall be the same, except that there shall be disregarded:
  - (1) differences in consideration attributable to the fact that the offers may relate to Shares with different accrued dividend entitlements;
  - (2) differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid (if applicable); and
  - (3) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

In addition, Rule 885 of the Listing Manual provides that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders containing at least the following information:

- (aa) the terms and conditions of the offer;
- (bb) the period and procedures for acceptances;
- (cc) the reasons for the proposed share buy-back;
- (dd) the consequences, if any, of share buy-backs by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (ee) whether the share buy-back, if made, would have any effect on the listing of the Shares on the SGX-ST;
- (ff) details of any share buy-back made by the Company in the previous twelve (12) months (whether Off-Market Purchases in accordance with an equal access scheme or Market Purchases), setting out the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (gg) whether the shares purchased by the Company will be cancelled or kept as Treasury Shares.

#### 2.3.4 Maximum purchase price

The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors and must not exceed the Maximum Price which is:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and
- (b) in the case of an Off-Market Purchase, 120% of the Average Closing Price of the Shares,

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

For the above purposes:

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

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

#### 2.4 **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 Shares are held by the Company as Treasury Shares to the extent permitted under the Companies Act. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as Treasury Shares. All Shares purchased or acquired by the Company (other than Treasury Shares held by the Company to the extent permitted under the Companies Act), will be automatically de-listed by the SGX-ST, and the certificates (if any) in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase or acquisition.

At the time of each purchase of Shares by the Company, the Directors will decide whether the Shares purchased by the Company under the Share Buy-back Mandate will be cancelled or kept as Treasury Shares, or partly cancelled and partly kept as Treasury Shares, as the Directors deem fit in the interests of the Company at that time.

## 2.5 Treasury Shares

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

### 2.5.1 Maximum holdings

Under Section 76I of the Companies Act, the aggregate number of Shares held as Treasury Shares cannot at any time exceed ten per cent. (10%) of the total number of issued Shares (excluding Treasury Shares and subsidiary holdings) ("**Treasury Shares Limit**"). Where Shares purchased pursuant to the Share Buy-Back Mandate are held as Treasury Shares, the number of such Shares to be held as Treasury Shares, when aggregated with the existing Treasury Shares held shall not, subject to the Companies Act, exceed the Treasury Shares Limit at any time. Any Shares in excess of the Treasury Shares Limit shall be disposed of or cancelled in accordance with Section 76K of the Companies Act within six (6) months or such further periods as ACRA may allow.

### 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 for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the Treasury Shares shall be treated as having no voting rights.

In addition, no dividend may be paid, and no other distribution of the Company's assets may be made, to the Company in respect of Treasury Shares. However, the allotment of Shares as fully paid bonus shares in respect of Treasury Shares is allowed. Also, a subdivision or consolidation of any Treasury Share into Treasury Shares of a greater or smaller number is allowed so long as the total value of the Treasury Shares after the subdivision or consolidation is the same as the total value of the Treasury Shares before the subdivision or consolidation.

### 2.5.3 Disposal and cancellation

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

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

Under Rule 704(28) of the Listing Manual, 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 on the SGX-ST before and after the usage and the value of the Treasury Shares in relation to the usage.

## **2.6 Reporting Requirements**

Within thirty (30) days of the passing of the Shareholders’ ordinary resolution to approve any purchase or acquisition of Shares by the Company, the Company shall lodge a copy of such ordinary resolution with ACRA.

The Company shall notify ACRA within thirty (30) days of a purchase or acquisition of Shares on the SGX-ST or otherwise by lodging with ACRA the notice of the purchase or acquisition in the prescribed form, such notification including, amongst others, the date of the purchase or acquisition, the total number of Shares purchased or acquired by the Company, the number of Shares cancelled, the number of Shares held as Treasury Shares, the Company’s issued share capital before the purchase or acquisition of Shares, the Company’s issued share capital after the purchase or acquisition of Shares, the amount of consideration paid by the Company for the purchase or acquisition, whether the Shares were purchased or acquired out of the profits or the capital of the Company and such other particulars as may be required by ACRA.

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

Rule 886 of the Listing Manual specifies that a listed company must notify the SGX-ST of any purchases or acquisitions of its shares no later than 9.00 a.m.:

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

The notification of such purchase or acquisition of shares to the SGX-ST must be in such form and shall include such details as may be prescribed in the Listing Manual. The Company shall make arrangements with its stockbrokers to ensure that they provide to the Company in a timely fashion the necessary information which will enable the Company to make the necessary notifications to the SGX-ST.

## **2.7 Suspension of buy-back of shares**

As the Company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its Shares, the Company will not purchase or acquire Shares after a price sensitive development has occurred or has been the subject of a decision of the Directors, until the price sensitive information has been publicly announced. In particular, in observing the best practices on securities dealings under Rule 1207(19) of the Listing Manual, the Company will not purchase or acquire any Shares through Market Purchases or Off-Market Purchases during the period commencing one (1) month preceding the announcement of the Company’s half year and full year results, as the case may be, and ending on the date of the announcement of the relevant results.

## **2.8 Source of funds**

In purchasing or acquiring Shares, the Company may only apply funds legally available for such purchase or acquisition in accordance with the Constitution and the applicable laws of Singapore. The Company may not purchase its Shares for a consideration other than in cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the Listing Manual. As stated in the Companies Act, the share buy-back may be made out of the Company's profits or capital so long as the Company is solvent.

Pursuant to Section 76F(4) of the Companies Act, a company is solvent if at the date of the payment of the consideration for any share buy-back, the following conditions are satisfied:

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

In determining whether the Company is solvent, the Directors must have regard to the most recently audited financial statements, other relevant circumstances, and may rely on valuations or estimation of assets or liabilities. In determining the value of contingent liabilities, the Directors may take into account the likelihood of the contingency occurring, as well as any counter-claims by the Company.

The Company intends to use internal sources of funds, or a combination of internal resources and external borrowings to finance the Company's purchase or acquisition of Shares pursuant to the Share Buy-Back Mandate. The Directors do not propose to exercise the Share Buy-back Mandate to such an extent that it would have a material adverse effect on the financial position of the Company.

## **2.9 Financial effects**

Under the Companies Act, the 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 (including brokerage, commission, applicable goods and services tax and other related expenses) will correspondingly reduce the profits of the Company and hence 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, such consideration (including brokerage, commission, applicable goods and services tax and other related expenses) will correspondingly reduce the share capital of the Company but the amount available for the distribution of cash dividends by the Company will not be reduced. The NAV of the Company and of the Group will be reduced by the aggregate purchase price paid by the Company for the Shares.

**For illustrative purposes only**, as at the Latest Practicable Date, the issued and paid-up ordinary share capital of the Company (excluding Treasury Shares and subsidiary holdings) comprises 3,516,766,176 Shares. The exercise in full of the Share Buy-Back Mandate would result in the purchase of 351,676,617 Shares.

It is not possible for the Company to realistically calculate or quantify the impact of purchases or acquisitions of Shares that may be made pursuant to the Share Buy-Back Mandate on the NAV and EPS as the resultant effect would depend on, *inter alia*, the aggregate number of Shares purchased or acquired, whether the purchase or acquisition is made out of capital or profits, the purchase prices paid for such Shares and whether the Shares purchased or acquired are cancelled or held as Treasury Shares.

For illustration purposes only, the financial effects of the Share Buy-Back Mandate on the Company and the Group, based on the audited financial statements of the Company and the Group for FY2023 are based on the following assumptions:

- (a) based on 3,516,766,176 Shares in issue (excluding Treasury Shares and subsidiary holdings) as at the Latest Practicable Date and assuming no further Shares are issued, purchased and kept as Treasury Shares on or prior to the AGM, the purchase or acquisition by the Company of ten per cent. (10%) of its issued Shares (excluding Treasury Shares and subsidiary holdings) will result in the purchase or acquisition of 351,676,617 Shares (representing 10% of the total number of issued Shares by the Company pursuant to the Share Buy-Back Mandate (if renewed));
- (b) in the case of Market Purchases by the Company and assuming that the Company purchases or acquires 351,676,617 Shares, the maximum amount of funds required for the purchase (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) assuming a Maximum Price of S\$0.008 for one (1) Share which is five per cent. (5%) above the average of the closing market prices of the Shares for the last five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date, is approximately S\$2,813,000; and
- (c) in the case of the Off-Market Purchases by the Company and assuming that the Company purchases or acquires 351,676,617 Shares, the maximum amount of funds required for the purchase (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) assuming a Maximum Price of S\$0.009 for one (1) Share which is twenty per cent. (20%) above the average of the closing market prices of the Shares for the last five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date, is approximately S\$3,165,000.

For illustrative purposes only and on the basis of the assumptions set out in (a), (b) and (c) above, the financial effects of the:

- (i) purchase or acquisition of 351,676,617 Shares by the Company pursuant to the Share Buy-Back Mandate by way of Market Purchases made entirely out of capital and cancelled or held in treasury; and
- (ii) purchase or acquisition of 351,676,617 Shares by the Company pursuant to the Share Buy-Back Mandate by way of Off-Market Purchases made entirely out of capital and cancelled or held in treasury,

on the audited financial statements of the Company and the Group for FY2023 are set out below.

As the financial effects of purchases of Shares by the Company made entirely out of profits are similar to that of purchases made entirely out of capital, only the financial effects by way of purchases made entirely out of capital are illustrated below in this Letter.

Scenario 1: Purchases made entirely out of capital and cancelled

	Group			Company		
	Before Share Buy-Back	After Share Buy-Back	Off-Market Purchase	Before Share Buy-Back	After Share Buy-Back	Off-Market Purchase
	S\$'000	Market Purchase	S\$'000	S\$'000	Market Purchase	S\$'000
<b>As at 31 March 2023</b>						
Share Capital	94,089	91,276	90,924	94,089	91,276	90,924
Capital Reserve	17,798	17,798	17,798	17,798	17,798	17,798
Reserve for own shares	(3,049)	(3,049)	(3,049)	(3,049)	(3,049)	(3,049)
Other Reserves	(6,054)	(6,054)	(6,054)	–	–	–
Accumulated (Losses)/Profits	(3,732)	(3,732)	(3,732)	151	151	151
Non-controlling interests	25,303	25,303	25,303	–	–	–
<b>Total equity</b>	<b>124,355</b>	<b>121,542</b>	<b>121,190</b>	<b>108,989</b>	<b>106,176</b>	<b>105,824</b>
NAV	124,355	121,542	121,190	108,989	106,176	105,824
Current Assets <sup>(1)</sup>	194,554	191,741	191,389	20,136	17,323	16,971
Current Liabilities <sup>(1)</sup>	186,038	186,038	186,038	17,701	17,701	17,701
Working Capital	8,516	5,703	5,351	2,435	(378)	(730)
Total Borrowings <sup>(1)(2)</sup>	93,664	93,664	93,664	1,655	1,655	1,655
Cash and Cash Equivalents <sup>(1)</sup>	22,804	19,991	19,639	711	711	711
Total issued number of Shares (excluding Treasury Shares) ('000)	3,517,266	3,165,589	3,165,589	3,517,266	3,165,589	3,165,589
Weighted average number of Shares ('000)	3,520,447	3,168,770	3,168,770	3,520,447	3,168,770	3,168,770
Loss attributable to owner of the Company for the year	(26,681)	(26,681)	(26,681)	(1,893)	(1,893)	(1,893)
<b>Financial Ratios</b>						
NAV per Share (cents)	3.5	3.8	3.8	3.1	3.4	3.3
Gearing (times)	0.75	0.77	0.77	0.02	0.02	0.02
Current Ratio (times)	1.05	1.03	1.03	1.14	0.98	0.96
Basic LPS (cents)	(0.76)	(0.84)	(0.84)	(0.05)	(0.06)	(0.06)

**Notes:**

(1) The assumption is that the Group companies would repay the amounts due to the Company to enable it to pay for the shares. Therefore, Cash and Cash equivalent, Current Liabilities and Total Borrowings at Company level would not be affected.

(2) Excluding lease liabilities associated with right-of-use assets.



## Scenario 2: Purchases made entirely out of capital and held as Treasury Shares

	Group			Company		
	Before Share Buy-Back	After Share Buy-Back		Before Share Buy-Back	After Share Buy-Back	
		Market Purchase	Off-Market Purchase		Market Purchase	Off-Market Purchase
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>As at 31 March 2023</b>						
Share Capital	94,089	94,089	94,089	94,089	94,089	94,089
Capital Reserve	17,798	17,798	17,798	17,798	17,798	17,798
Reserve for own shares	(3,049)	(5,862)	(6,214)	(3,049)	(5,862)	(6,214)
Other Reserves	(6,054)	(6,054)	(6,054)	–	–	–
Accumulated (Losses)/Profits	(3,732)	(3,732)	(3,732)	151	151	151
Non-controlling interests	25,303	25,303	25,303	–	–	–
<b>Total equity</b>	<b>124,355</b>	<b>121,542</b>	<b>121,190</b>	<b>108,989</b>	<b>106,176</b>	<b>105,824</b>
NAV	124,355	121,542	121,190	108,989	106,176	105,824
Current Assets <sup>(1)</sup>	194,554	191,741	191,389	20,136	17,323	16,971
Current Liabilities <sup>(1)</sup>	186,038	186,038	186,038	17,701	17,701	17,701
Working Capital	8,516	5,703	5,351	2,435	(378)	(730)
Total Borrowings <sup>(1)(2)</sup>	93,664	93,664	93,664	1,655	1,655	1,655
Cash and Cash Equivalents <sup>(1)</sup>	22,804	19,991	19,639	711	711	711
Total issued number of Shares (excluding Treasury Shares) ('000)	3,517,266	3,165,589	3,165,589	3,517,266	3,165,589	3,165,589
Weighted average number of Shares ('000)	3,520,447	3,168,770	3,168,770	3,520,447	3,168,770	3,168,770
Loss attributable to owner of the Company for the year	(26,681)	(26,681)	(26,681)	(1,893)	(1,893)	(1,893)
<b>Financial Ratios</b>						
NAV per Share (cents)	3.5	3.8	3.8	3.1	3.4	3.3
Gearing (times)	0.75	0.77	0.77	0.02	0.02	0.02
Current Ratio (times)	1.05	1.03	1.03	1.14	0.98	0.96
Basic LPS (cents)	(0.76)	(0.84)	(0.84)	(0.05)	(0.06)	(0.06)

### **Notes:**

(1) The assumption is that the Group companies would repay the amounts due to the Company to enable it to pay for the shares. Therefore, Cash and Cash equivalent, Current Liabilities and Total Borrowings at Company level would not be affected.

(2) Excluding lease liabilities associated with right-of-use assets.

The actual impact will depend on the number and price of the Shares bought back. As stated, the Directors do not propose to exercise the Share Buy-Back Mandate to such an extent that it would have a material adverse effect on the working capital requirements and/or gearing of the Group. The purchase of Shares will only be effected after assessing the relative impact of a share buy-back taking into consideration both financial factors (such as cash surplus, debt position and working capital requirements) and non-financial factors (such as stock market conditions and the performance of the Shares).

**Shareholders should note that the financial effects illustrated above, based on the respective aforesaid assumptions, are for illustration purposes only. In particular, it is important to note that the above analysis is based on the audited accounts of the Company and the Group for FY2023, and is not necessarily representative of the future financial performance of the Company and the Group.**

It should be noted that although the Share Buy-Back Mandate would authorise the Company to purchase or acquire up to ten per cent. (10%) of the issued 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 the issued Shares (excluding Treasury Shares and subsidiary holdings). In addition, the Company may cancel, or hold as Treasury Shares, all or part of the Shares purchased or acquired. The Company will take into account both financial and non-financial factors (for example, stock market conditions and the performance of the Shares) in assessing the relative impact of a purchase or acquisition of Shares before execution. Taking all these things into consideration, the Board will only consider to proceed with the execution of the purchase or acquisition of Shares if the effects are beneficial to the Company and its Shareholders.

## **2.10 Take-over implications arising from share buy-back**

The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

### **2.10.1 Obligation to make a take-over offer**

If, as a result of any purchase or acquisition by the Company of the Shares, the percentage of voting rights in the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code.

Rule 14 of the Take-over Code ("**Rule 14**") requires, *inter alia*, that except with the consent of SIC, where:

- (a) any person acquires, whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30% or more of the voting rights of a company; or
- (b) any person who, together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights and such person, or any person acting in concert with him, acquires in any period of six (6) months additional shares carrying more than 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.

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

#### 2.10.2 Persons acting in concert

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

Unless the contrary is established, the following persons will, *inter alia*, be presumed to be acting in concert with each other under the Take-over Code:

- (a) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
- (b) a company with its parent company, its subsidiaries and fellow subsidiaries, and their associated companies, any company whose associated companies include any of the foregoing companies, to any of the foregoing for the purchase of voting rights. For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status; and
- (c) an individual with his close relatives, related trusts and person(s) who are accustomed to act in accordance with his instructions.

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

**The statements herein do not purport to be a comprehensive or exhaustive description of all the relevant provisions of, or all implications that may arise under the Take-over Code. Shareholders who are in doubt as to whether they would incur any obligations to make a take-over offer for the Company under the Take-over Code are advised to consult their professional advisers and/or the SIC at the earliest opportunity.**

#### 2.10.3 Effect of Rule 14 and Appendix 2

Appendix 2 contains the share buy-back guidance note. In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors of the Company 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 its Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or if the voting rights of such Directors and their concert parties fall between 30% and 50% of the Company’s voting rights, the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six (6) months.

For the avoidance of doubt, when the Company buys back its Shares, any resulting increase in the percentage of voting rights held by a Shareholder would be treated as an acquisition for the purpose of Rule 14. Under Appendix 2, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than one per cent. (1%) in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the Ordinary Resolution authorising the Share Buy-Back Mandate.

#### 2.10.4 Application of the Take-over Code

Mr. Ng San Tiong Roland, Mr. Ng Chwee Cheng and TH Investments Pte Ltd, which comprise the Concert Party Group, are considered parties acting in concert under the Take-over Code.

TH Investments Pte Ltd is a wholly-owned subsidiary of Tat Hong Investments Pte Ltd, which is a wholly-owned subsidiary of Chwee Cheng & Sons Pte Ltd. Mr. Ng San Tiong Roland is a Director and shareholder, and Mr. Ng Chwee Cheng is a shareholder, of Chwee Cheng & Sons Pte Ltd.

Pursuant to the terms of a trust deed dated 29 July 1997 (as supplemented by deeds dated 12 October 1998 and 25 June 2012) (the "**Trust Deed**"), Mr. Ng San Tiong Roland and his brothers, Mr. Ng Sun Ho Tony, Mr. Ng San Wee David and Mr. Ng Sun Giam Roger, are joint trustees of the Chwee Cheng Trust constituted under the Trust Deed and which owns approximately 39.5% of the issued share capital of Chwee Cheng & Sons Pte Ltd. Under the terms of the Trust Deed, the beneficiaries of the Chwee Cheng Trust are the sons of Mr. Ng Chwee Cheng, namely, Mr. Ng San Tiong Roland, Mr. Ng Sun Ho Tony, Mr. Ng Sun Hoe Patrick, Mr. Ng Sang Kuey Michael, Mr. Ng San Guan William, Mr. Ng Sun Giam Roger, Mr. Ng San Wee David, Mr. Ng Sun Eng Sunny, Mr. Ng Sun Oh Lewis and their descendants.

As at the Latest Practicable Date, the Concert Party Group hold an aggregate of 1,438,850,997 Shares in the issued capital of the Company representing approximately 40.91% of the aggregate voting rights in the Company (excluding Treasury Shares).

The shareholding of the Concert Party Group comprises:

- (a) 23,920,994 Shares held by Mr. Ng San Tiong Roland representing approximately 0.68% of the aggregate voting rights in the Company;
- (b) 322,202,494 Shares held by Mr. Ng Chwee Cheng representing approximately 9.16% of the aggregate voting rights in the Company; and
- (c) 1,092,727,509 Shares held by TH Investments Pte Ltd representing approximately 31.07% of the aggregate voting rights in the Company.

For the purposes of illustration, on the basis of 3,516,766,176 Shares in issue (excluding the Treasury Shares) as at the Latest Practicable Date, assuming that (i) no further Shares are issued by the Company on or prior to the AGM approving the renewal of the Share Buy-Back Mandate, (ii) the Company purchases the maximum number of 351,676,617 Shares under the Share Buy-Back Mandate, representing 10% of the total number of Shares in issue as at the date of the AGM, and (iii) such Shares are either cancelled or held as Treasury Shares:

- (a) the total number of Shares in issue (excluding the Treasury Shares) will be reduced from 3,516,766,176 to 3,165,089,559 Shares; and
- (b) the percentage of the aggregate voting rights in the Company held by TH Investments Pte Ltd, Mr. Ng San Tiong Roland and Mr. Ng Chwee Cheng will increase approximately as follows:

	Number of Shares held	Percentage voting rights in the Company	
		Before Share Buy-Back	After Share Buy-Back
TH Investments Pte Ltd	1,092,727,509	31.07%	34.52%
Mr. Ng San Tiong Roland	23,920,994	0.68%	0.76%
Mr. Ng Chwee Cheng	322,202,494	9.16%	10.18%
<b>Total</b>	<b>1,438,850,997</b>	<b>40.91%</b>	<b>45.46%</b>

Save as disclosed, none of the other Substantial Shareholders or Directors (together with persons acting in concert with it or them) will become obligated to make a mandatory take-over offer for the Company under the Share Buy-Back Mandate if the Company purchases up to the maximum ten per cent (10%) of the issued Shares (excluding Treasury Shares) under the Share Buy-Back Mandate.

The statements herein do not purport to be a comprehensive or exhaustive description of all the relevant provisions of, or all implications that may arise under the Take-over Code. Shareholders who are in any doubt as to whether they would incur any obligations to make a take-over offer as a result of any purchase of Shares by the Company pursuant to the Share Buy-Back Mandate are advised to consult their professional advisers and/or the SIC and/or the relevant authorities at the earliest opportunity before they acquire any Shares during the period when the Share Buy-Back Mandate is in force.

#### 2.10.5 Exemption from Rule 14

Pursuant to Section 3(a) of Appendix 2, the Concert Party Group would be eligible to be exempted from the requirement to make a general offer for the Company under Rule 14 as a result of the Company buying back its Shares pursuant to the Share Buy-Back Mandate, subject to the following conditions:

- (a) the Letter to contain advice to the effect that by voting to approve the renewal of the Share Buy-Back Mandate, Shareholders are waiving their rights to a general offer at the required price from the Concert Party Group who, as a result of the share buy-backs, would increase their voting rights by more than 1% in any period of six (6) months;

- (b) the Letter discloses the names of the Concert Party Group, their voting rights at the time of the AGM and after the Company exercises the renewed Share Buy-Back Mandate;
- (c) the Ordinary Resolution to authorise the renewal of the Share Buy-Back Mandate is approved by a majority of those Shareholders present and voting at the AGM on a poll who could not become obliged to make an offer for the Company as a result of the Company purchasing Shares under the Share Buy-Back Mandate;
- (d) the Concert Party Group will abstain from voting on the Ordinary Resolution in respect of all their Shares as of the date of the AGM and/or abstain from making a recommendation to Shareholders to vote in favour of the Ordinary Resolution;
- (e) within seven (7) days after the passing of the Ordinary Resolution, each of the Directors in the Concert Party Group to submit to the SIC a duly signed form as prescribed by the SIC; and
- (f) the Concert Party Group has not acquired and will not acquire any Shares between the date on which they know that the announcement of the renewal of the Share Buy-Back Mandate is imminent and the earlier of:
  - (i) the date on which the authority of the Share Buy-Back Mandate expires; and
  - (ii) the date on which the authority of the renewed Share Buy-Back Mandate expires; and the date on which the Company announces it has: (A) bought back such number of Shares as authorised by Shareholders at the AGM; or (B) decided to cease buying back its Shares,

as the case may be, if such acquisitions, taken together with the share buy-back(s) under the renewed Share Buy-Back Mandate, would cause the aggregate voting rights held by the Concert Party Group in the Company to increase by more than 1% in the preceding six (6) months.

If the aggregate voting rights held by the Concert Party Group increases by more than 1% solely as a result of the Company buying back Shares as authorised by the Share Buy-Back Mandate, and none of them has acquired any shares during the period as defined in Section 2.10.5(f) above, then the Concert Party Group would be eligible for the SIC's exemption from the requirement to make a general offer under Rule 14 of the Take-over Code, or where such exemption had been granted, would continue to enjoy the exemption.

**Shareholders should note that by voting for the Ordinary Resolution relating to the renewal of the Share Buy-Back Mandate to be proposed at the AGM, they are waiving their rights to a general offer at the required price from Mr. Ng San Tiong Roland and the parties acting in concert with him.**

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

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

#### 2.10.6 Advice to Shareholders

**Shareholders who are in any doubt as to whether they would incur any obligations to make a take-over offer as a result of any share buy-back pursuant to the Share Buy-Back Mandate are advised to consult their professional advisers and/or the SIC and/or the relevant authorities at the earliest opportunity before they acquire any Shares during the period when the Share Buy-Back Mandate is in force.**

#### 2.10.7 Interests of Directors and Substantial Shareholders

Based on the Register of Directors' Shareholdings of the Company and the Register of Substantial Shareholders of the Company maintained pursuant to Section 164 and Section 88 of the Companies Act respectively, as at the Latest Practicable Date, the shareholdings of the Directors and the Substantial Shareholders before and after the purchase of Shares (assuming (i) the Company purchases the maximum number of ten per cent. (10%) of the issued Shares (excluding Treasury Shares and subsidiary holdings) of the Company as at the Latest Practicable Date, and (ii) there is no change in the number of Shares held or deemed to be held by the Directors and Substantial Shareholders) were/will be as follows:

	Before Share Buy-Back (Number of Shares)		Before Share Buy-Back based on	After Share Buy-Back based on
	Direct Interest	Deemed Interest	Total Interest (%) <sup>(1)</sup>	Total Interest (%) <sup>(2)</sup>
<b>Name of Director</b>				
Dr. Leong Horn Kee	–	–	–	–
Mr. See Yen Tarn <sup>(3)</sup>	–	22,449,996	0.64	0.71
Mr. Teo Beng Teck	12,095,000	–	0.34	0.38
Mr. Ng San Tiong Roland <sup>(4)(5)</sup>	–	1,116,648,503	31.75	35.28
Mr. Ong Tiew Siam	18,000,000	–	0.51	0.57
Mr. Tan Hup Foi @ Tan Hup Hoi	–	–	–	–
<b>Name of Substantial Shareholders</b>				
Mr. Ng San Tiong Roland <sup>(4)(5)</sup>	–	1,116,648,503	31.75	35.28
TH Investments Pte Ltd <sup>(5)</sup>	–	1,092,727,509	31.07	34.52
Tat Hong Investments Pte Ltd <sup>(5)</sup>	–	1,092,727,509	31.07	34.52
Chwee Cheng & Sons Pte Ltd <sup>(5)</sup>	–	1,092,727,509	31.07	34.52
Mr. Ng Sun Ho Tony <sup>(5)</sup>	–	1,092,727,509	31.07	34.52

	Before Share Buy-Back (Number of Shares)		Before Share Buy-Back based on Total Interest	After Share Buy-Back based on Total Interest
	Direct Interest	Deemed Interest	(%) <sup>(1)</sup>	(%) <sup>(2)</sup>
Mr. Ng San Wee David <sup>(5)</sup>	–	1,092,727,509	31.07	34.52
Mr. Ng Sun Giam Roger <sup>(5)</sup>	–	1,092,727,509	31.07	34.52
Ng Chwee Cheng Corporation <sup>(6)</sup>	314,542,494	–	8.94	9.94
BOS Trustee Limited <sup>(6)</sup>	–	314,542,494	8.94	9.94
Bank of Singapore Limited <sup>(6)</sup>	–	314,542,494	8.94	9.94
Oversea-Chinese Banking Corporation Limited <sup>(6)</sup>	–	314,542,494	8.94	9.94
Mr. Ng Chwee Cheng <sup>(6)(7)</sup>	3,760,000	318,442,494	9.16	10.18
Dr. Chiu Hong Keong or Mdm. Khoo Yok Kee <sup>(8)</sup>	519,093,400	319,100	14.77	16.41

**Notes:**

- (1) The percentage of shareholdings was computed based on the total number of Shares as at the Latest Practicable Date of 3,516,766,176 (which excludes 71,582,000 Shares which are held as Treasury Shares representing approximately 2.04% of the total number of issued Shares excluding Treasury Shares and subsidiary holdings).
- (2) The percentages in the table are calculated based on 3,165,089,559 issued and paid-up Shares (excluding Treasury Shares and subsidiary holdings).
- (3) Mr. See Yen Tarn is deemed to have an interest in 22,449,996 Shares held through nominee accounts.
- (4) Mr. Ng San Tiong Roland is deemed to have an interest in 23,920,994 Shares held through nominee accounts.
- (5) TH Investments Pte Ltd is a wholly-owned subsidiary of Tat Hong Investments Pte Ltd, which is a wholly-owned subsidiary of Chwee Cheng & Sons Pte Ltd (“**CCSPL**”). Being joint trustees of the Chwee Cheng Trust, which holds 39.5% of the issued share capital of CCSPL, each of the Trustees, namely Mr. Ng San Tiong Roland, Mr. Ng Sun Ho Tony, Mr. Ng San Wee David and Mr. Ng Sun Giam Roger, is deemed to have an interest in 1,092,727,509 Shares held by TH Investments Pte Ltd through nominee accounts.
- (6) Ng Chwee Cheng Corporation is a company wholly owned by BOS Trustee Limited (“**BOSTL**”) in its capacity as the trustee of the revocable trust in which Mr. Ng Chwee Cheng has control and therefore, each of BOSTL and Mr. Ng Chwee Cheng is deemed to have an interest in 314,542,494 Shares held by Ng Chwee Cheng Corporation.  
  
BOSTL is a wholly owned subsidiary of Bank of Singapore Limited (“**BOS**”) which is in turn a wholly owned subsidiary of Oversea-Chinese Banking Corporation Limited (“**OCBC**”). Each of OCBC and BOS, is therefore deemed to have an interest in 314,542,494 Shares held by Ng Chwee Cheng Corporation.
- (7) Mr. Ng Chwee Cheng is deemed to have an interest in 3,900,000 Shares held through a nominee account.
- (8) Dr. Chiu Hong Keong or Mdm. Khoo Yok Kee is deemed to have an interest in 319,100 Shares held by their son through a nominee account.

Save as disclosed above, based on the Register of Members and the Register of Substantial Shareholders of the Company as at the Latest Practicable Date, to the best of their knowledge, the Directors are not aware of any other Director or Substantial Shareholder (together with persons acting in concert with them) who may become obliged to make a mandatory offer under Rule 14 in the event that the Company purchases the maximum number of 351,676,617 Shares under the proposed Share Buy-Back Mandate.



Save as disclosed, none of the other Substantial Shareholders or Directors (together with persons acting in concert with it or them) will become obligated to make a mandatory take-over offer for the Company under the Share Buy-Back Mandate if the Company purchases up to the maximum ten per cent (10%) of the issued Shares (excluding Treasury Shares) under the Share Buy-Back Mandate.

## **2.11 Listing status of Shares on the SGX-ST**

The Company does not have any individual shareholding limit or foreign shareholding limit. However, the Company is required under Rule 723 of the Listing Manual to ensure that at least ten per cent. (10%) of the total number of issued shares (excluding preference shares, convertible equity securities and Treasury Shares) in a class that is listed is at all times held by the public. The term “*public*”, as defined under the Listing Manual, are persons other than (i) the Directors, chief executive officer, Substantial Shareholders or Controlling Shareholders of the Company or its subsidiaries; and (ii) the Associates of persons in (i).

As at the Latest Practicable Date, there are 1,489,137,948 issued Shares representing approximately 42.34% of the issued Shares (excluding Treasury Shares and subsidiary holdings) are held by the public. For illustration purposes only, assuming that the Company purchases the maximum number of ten per cent. (10%) of the issued Shares, being 351,676,617 Shares as at the Latest Practicable Date, and assuming that such Shares are held in public hands, the resultant number of Shares held by the public after the purchase of such Shares would be 1,137,461,331 Shares, representing approximately 35.94% of the remaining issued Shares (excluding Treasury Shares and subsidiary holdings).

Before deciding to effect a purchase of Shares, the Directors will also consider whether, notwithstanding such purchase, a sufficient float in the hands of the public will be maintained to provide for an orderly market for trading in the Shares.

The Directors will use their best efforts to ensure that the Company does not effect a purchase or acquisition of Shares if the purchase or acquisition of Shares would result in the number of Shares remaining in the hands of the public falling to such a level as to cause market illiquidity or adversely affect the listing status of the Company.

Save for its Shares, as at the Latest Practicable Date, the Company has no securities listed on the SGX-ST.

## **2.12 Shares purchased by the Company**

In the last 12 months immediately preceding the Latest Practicable Date, the Company purchased or acquired an aggregate of 4,662,000 Shares, by way of seven (7) Market Purchases effected on the SGX-ST and held them as treasury shares. The highest and lowest prices paid were S\$0.013 and S\$0.009 per Share respectively. The total consideration paid (including stamp duties, clearing charges and other related expenses) for all the purchases was approximately S\$48,642.60.

## **2.13 Timing of purchases**

While the Listing Manual does not expressly prohibit any purchase or acquisition of shares by a listed company during any particular time or times, because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Buy-Back Mandate at any time after a price sensitive development has occurred or has been the subject of a decision until the price sensitive information has been publicly announced. As set out in Section 2.7 of this Letter, the Company will not purchase or

acquire any Shares through Market Purchases or Off-Market Purchases during the period commencing one (1) month immediately preceding the announcement of the Company's half year or full year financial results, as the case may be, and ending on the date of the announcement of the relevant results.

#### **2.14 Tax implications**

Shareholders who are in doubt as to their respective tax positions or any tax implications of share buy-backs by the Company, or who may be subject to tax in or outside Singapore, should consult their own professional advisers.

### **3. ANNUAL GENERAL MEETING**

The AGM will be held on Thursday, 27 July 2023 at 10.00 a.m. at 2 Tanjong Penjuru Crescent, #06-02, Singapore 608968 for the purpose of considering and, if thought fit, passing with or without modifications, the resolutions set out in the Notice of AGM, including the Ordinary Resolution in relation to the proposed renewal of the Share Buy-Back Mandate.

### **4. ABSTENTION FROM VOTING**

In accordance with the Share Buy-back Guidance Note set out in Appendix 2, the Concert Party Group:

- (1) Mr. Ng San Tiong Roland;
- (2) Mr. Ng Chwee Cheng; and
- (3) TH Investments Pte Ltd,

will abstain from voting on the renewal of the Share Buy-Back Mandate. The aforementioned Shareholders who are to abstain from voting shall not accept nomination as proxies or otherwise for voting at the AGM on the Ordinary Resolution, unless they have been given specific instructions in the proxy from as to the casting of such votes.

### **5. DIRECTORS' RECOMMENDATION**

Having fully considered the rationale set out in Section 2.2 of this Letter, the Directors (save for Mr. Ng San Tiong Roland who, by virtue of himself being a member of the Concert Party Group, has abstained from making any recommendation in respect of the proposed renewal of the Share Buy-Back Mandate) are of the opinion that the proposed renewal of the Share Buy-Back Mandate is in the best interests of the Company and accordingly recommend that the Shareholders (with the exception of members of the Concert Party Group, who will abstain from voting) vote in favour of the Ordinary Resolution in respect of the proposed renewal of the Share Buy-Back Mandate as set out in the Notice of AGM.

### **6. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Practice Note 12.1 of the Listing Manual, the Directors collectively and individually accept full responsibility for the accuracy of the information given in this Letter and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Letter constitutes full and true disclosure of all material facts about the proposed renewal of the Share Buy-Back Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Letter misleading. Where information in this Letter 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 Letter in its proper form and context.

**7. COMPLIANCE WITH GOVERNING LAWS, REGULATIONS AND THE CONSTITUTION**

The Company confirms that the terms of the Share Buy-Back Mandate do not contravene any laws and regulations governing the Company and its Constitution.

**8. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the Company's Constitution and the Annual Report for FY2023 are available for inspection during normal office hours at the registered office of the Company at 2 Tanjong Penjuru Crescent #06-02, Singapore 608968 from the date of this Letter up to and including the date of the AGM.

Shareholders who wish to inspect the documents should contact the Company at the email address: [corp@cschl.com.sg](mailto:corp@cschl.com.sg) to make an appointment.

Yours faithfully  
For and on behalf of the Board of Directors of  
**CSC HOLDINGS LIMITED**

Mr. See Yen Tarn  
Executive Director/Group Chief Executive Officer

