

APPENDIX TO NOTICE OF ANNUAL GENERAL MEETING DATED 3 APRIL 2024

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

If you have sold all your shares in the share capital of Dyna-Mac Holdings Ltd. (the “**Company**”), please inform the purchaser or transferee or bank or stockbroker or other 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 Annual General Meeting and accompanying proxy form) and the Company’s Annual Report dated 3 April 2024 for the financial year ended 31 December 2023 (and updated shareholding statistics as at 22 March 2024) may be accessed at Dyna-Mac Holdings Ltd.’s website at URL <https://investor.dyna-mac.com/annual-general-meeting.html> and SGXNet.

The Singapore Exchange Securities Trading Limited assumes no responsibility for the correctness or accuracy of any statements or opinions made or reports contained in this Appendix.



DYNA-MAC HOLDINGS LTD.

(Company Registration No. 200305693E)
(Incorporated in the Republic of Singapore)

APPENDIX TO NOTICE OF ANNUAL GENERAL MEETING

in relation to

1. THE PROPOSED RENEWAL OF THE MANDATE FOR INTERESTED PERSON TRANSACTIONS
2. THE PROPOSED ADOPTION OF THE SHARE PURCHASE MANDATE

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DEFINITIONS

“2019 AGM”	:	Has the meaning ascribed thereto in Section 4 of this Appendix
“2023 AGM”	:	Has the meaning ascribed thereto in Section 2.1 of this Appendix
“2024 AGM”	:	Has the meaning ascribed thereto in Section 1.1 of this Appendix
“Act”	:	The Companies Act 1967 of Singapore, as amended, varied or supplemented from time to time
“AGM”	:	The annual general meeting of the Company
“Appendix”	:	This Appendix to Notice of AGM
“Appendix 2”	:	Has the meaning given in Section 5.11 of this Appendix
“Approval Date”	:	Has the meaning given in Section 5.3(a) of this Appendix
“associate”	:	(a) in relation to any Director, Chief Executive Officer, Substantial Shareholder or a controlling shareholder (being an individual) means: <ul style="list-style-type: none">(i) his immediate family;(ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; (b) in relation to a Substantial Shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
“associated company”	:	A company in which at least 20% but not more than 50% of its shares are held by the listed company or listed group
“Audit Committee”	:	The audit committee of the Company, comprising Mr Henry Tan Song Kok as Chairman, Ms Lee Kim Lian, Juliana, and Ms Lim Rui Ping as members as at the date of this Appendix
“Average Closing Price”	:	Has the meaning given in Section 5.3(d) of this Appendix

“Board”	:	The board of Directors of the Company for the time being
“CDP”	:	The Central Depository (Pte) Limited
“Head of Marketing”	:	The Head of Marketing of the Group, or such key executive holding similar position or performing similar roles and responsibilities (regardless of the actual title of such key executive)
“Company”	:	Dyna-Mac Holdings Ltd., a company incorporated in the Republic of Singapore
“Constitution”	:	The constitution of the Company as at the date of this Appendix
“control”	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company
“controlling shareholder”	:	A person who: <ul style="list-style-type: none"> (a) holds directly or indirectly 15% or more of the total number of issued shares excluding treasury shares in a company; or (b) in fact exercises control over the company
“Council”	:	The Securities Industry Council
“Directors”	:	The directors of the Company for the time being
“EGM”	:	An extraordinary general meeting of the Company
“EPS”	:	Earnings per Share
“entity at risk”	:	Means: <ul style="list-style-type: none"> (a) the Company; (b) a subsidiary of the Company that is not listed on the SGX-ST or an approved exchange; or (c) an associated company of the Company that is not listed on the SGX-ST or an approved exchange, provided that the Group, or the Group and its interested person(s), has or have control over the associated company
“FPSO”	:	A floating, production, storage and offloading vessel used by offshore oil and gas industry for the production, storage and offloading of oil and gas from offshore oil and gas fields

“FSO”	:	A floating, storage and offloading vessel used by offshore oil and gas industry for the storage and offloading of oil and gas from offshore oil and gas fields
“FY”	:	Financial year ended or ending 31 December, as the case may be
“Group”	:	The Company and its subsidiaries
“Independent Directors”	:	An independent director of the Company
“Independent Shareholders”	:	The Shareholders other than Interested Persons and any Shareholder who is an interested person and is interested in the IPT Mandate
“interested persons”	:	A Director, Chief Executive Officer, or controlling shareholder of the Company, or an associate (as defined in the Listing Manual) of any such Director, Chief Executive Officer, or controlling shareholder
“interested person transaction(s)”	:	Interested person transactions (within the meaning of Chapter 9 of the Listing Manual) entered or to be entered between an entity at risk and an interested person
“IPT Mandate”	:	Has the meaning ascribed thereto in Section 2.1 of this Appendix
“IPs”	:	Has the meaning ascribed thereto in Section 2 of this Appendix
“Keppel Group”	:	KL and its subsidiaries and any associate company in which KL and/or its subsidiaries hold, directly or indirectly, an interest of 30% or more
“KIH”	:	Kepinvest Holdings Pte Ltd
“KL”	:	Keppel Limited
“Latest Practicable Date”	:	The latest practicable date prior to the printing of this Appendix, being 2 April 2024
“Listing Manual”	:	Rules of the Mainboard of the SGX-ST, in force as at the Latest Practicable Date
“Market Day”	:	A day on which the SGX-ST is open for trading of securities
“Market Purchases”	:	Has the meaning given in Section 5.3(c)(i) of this Appendix
“Maximum Price”	:	Has the meaning given in Section 5.3(d) of this Appendix
“Module Business”	:	The business of fabrication and assembly of topside modules for FPSO and FSO
“month”	:	Calendar month

“Notice of 2024 AGM”	:	Has the meaning ascribed thereto in Section 1.1 of this Appendix
“NTA”	:	Net tangible assets
“Off-Market Purchases”	:	Has the meaning given in Section 5.3(c)(ii) of this Appendix
“Registrar”	:	Has the meaning given in Section 5.5(a) of this Appendix
“Relevant Period”	:	Has the meaning given in Section 5.3(b) of this Appendix
“Relevant Persons”	:	Has the meaning given in Section 5.11 of this Appendix
“Required Price”	:	<p>In relation to the offer required to be made under the provisions of Rule 14.1 of the Take-over Code, the offer shall be in cash or be accompanied by a cash alternative at a price in accordance with Rule 14.3 which is the highest of the highest price paid by the offerors and/or person(s) acting in concert with them for the Company’s Shares:</p> <p>(a) during the offer period and within the preceding six (6) months,</p> <p>(b) acquired through the exercise of instruments convertible into securities which carry voting rights within six (6) months of the offer and during the offer period, or</p> <p>(c) acquired through the exercise of rights to subscribe for securities which carry voting rights within six (6) months of the offer or during the offer period; or at such price as determined by Council under Rule 14.3 of the Take-over Code</p>
“Rule 14”	:	Has the meaning given in Section 5.11 of this Appendix
“Seatrium”	:	Seatrium Limited
“Seatrium Group”	:	Seatrium and its subsidiaries and any associate company in which Seatrium and/or its subsidiaries hold, directly or indirectly, and interest of 30% or more
“Securities Account”	:	The securities accounts maintained by depositors with CDP, but not including the securities accounts maintained with a depository agent
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share”	:	An issued and fully-paid ordinary share in the capital of the Company

“Shareholders”	:	Registered holders of Shares except where the registered holder is CDP, the term “ Shareholders ” shall, where the context admits, mean the Depositors whose Securities Accounts are credited with Shares
“Share Purchases”	:	Off-Market Purchases or Market Purchases undertaken by the Company during the Relevant Period in accordance with the Act, and a “Share Purchase” shall be construed accordingly
“Share Purchase Mandate”	:	The general mandate given by Shareholders to authorise the Directors to purchase Shares in accordance with the terms set out in this Appendix and the rules and regulations set forth in the Act and the Listing Manual
“ST”	:	Singapore Technology Engineering Ltd
“ST Group”	:	ST and its subsidiaries and any associate company in which ST and/or its subsidiaries hold, directly or indirectly, an interest of 30% or more
“ST Marine”	:	ST Engineering Marine Ltd., a wholly-owned subsidiary of Singapore Technology Engineering Ltd
“Substantial Shareholder”	:	A person (including a corporation) who holds directly or indirectly 5% or more of the total issued voting Shares
“Take-over Code”	:	Singapore Code on Take-overs and Mergers, as modified, supplemented or amended from time to time
“Temasek”	:	Temasek Holdings (Private) Limited
“Temasek Group”	:	Hereinafter refers to: <ul style="list-style-type: none"> (a) Keppel Limited group of companies (KL Group) (b) Seatrium Ltd group of companies (Seatrium Group) (c) Singapore Technologies Engineering Ltd group of companies (ST Group)
“Treasury Shares”	:	Shares purchased or otherwise acquired by the Company pursuant to the Share Purchase Mandate and held by the Company in accordance with Section 76H of the Act
“yard facilities”	:	Has the meaning ascribed thereto in Section 2.1(c) of this Appendix
“%”	:	Percentage or per centum
“S\$” and “cents”	:	Singapore dollars and cents, respectively, unless otherwise stated

The terms “subsidiary” and “substantial shareholder” shall have the meanings ascribed to them in Sections 5 and 81 of the Act, respectively. The term “subsidiary holdings” shall mean the Shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Act. The terms “Depositor”, “Depository Agent” and “Depository Register” shall have the meanings ascribed to them in Section 81 of the Securities and Futures Act 2001.

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

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Act, Securities and Futures Act 2001, Listing Manual or any statutory modification thereof and used in this Appendix shall, where applicable, have the same meaning assigned to it under the Act, Securities and Futures Act 2001, Listing Manual or any statutory modification thereof, as the case may be, unless otherwise provided.

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

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

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

The Company has appointed Lee & Lee as the legal adviser to the Company in respect of the proposed adoption of the Share Purchase Mandate.

DYNA-MAC HOLDINGS LTD.

(Company Registration No. 200305693E)
(Incorporated in the Republic of Singapore)

Directors

Lim Ah Cheng (Executive Chairman and Chief Executive Officer)
Henry Tan Song Kok (Lead Independent Director)
Lee Kim Lian, Juliana (Independent Director)
Lim Rui Ping (Non-Executive Director)

Registered Office

59 Gul Road
Singapore 629354

3 April 2024

To: The Shareholders of Dyna-Mac Holdings Ltd.

Dear Sir/Madam

1. INTRODUCTION

- 1.1 The Board refers to the Notice of Annual General Meeting of the Company dated 3 April 2024 (“**Notice of 2024 AGM**”) convening the AGM of the Company to be held at Dyna-Mac Holdings Ltd., Corporate Office Building, 45 Gul Road, Singapore 629350 on Thursday, 25 April 2024 (“**2024 AGM**”) at 10.00 a.m., and Ordinary Resolutions No. 10 and No. 11 under the heading “Special Business” set out in the Notice of AGM.
- 1.2 The purpose of this Letter to the Shareholders, together with the Company’s annual report for the financial year ended 31 December 2023, is to provide Independent Shareholders with relevant information pertaining to: (i) the renewal of IPT Mandate as interested person transactions, and to seek Independent Shareholders’ approval for the resolutions relating to the same; and (ii) the proposed adoption of the Share Purchase Mandate.

2. THE PROPOSED RENEWAL OF THE IPT MANDATE

2.1 Background

At an EGM of the Company held on 11 September 2011, the Independent Shareholders of the Company approved a mandate (“**IPT Mandate**”) to enable the Group to, in the ordinary course of business and from time to time, enter into transactions with Interested Persons relating to:

- (a) supply and procurement of raw materials and manpower to and/or from the Interested Persons;
- (b) subcontract of project works to and/or from the Interested Persons; and/or
- (c) rental of yard, equipment and/or machinery (collectively, “**yard facilities**”) to and/or from the Interested Persons

(collectively, “**IPTs**”). Approval for the renewal of the IPT Mandate was subsequently obtained from Independent Shareholders in succeeding AGMs convened by the Company, the last of which was the AGM held on 25 April 2023 (“**2023 AGM**”). Particulars of the IPT Mandate and the IPTs were set out in the Appendix to Notice of the 2023 AGM dated 3 April 2023.

2.2 About the Interested Persons

Temasek Holdings (Private) Limited (“Temasek”), which is a controlling shareholder of a number of publicly-listed companies, is a controlling shareholder of KL and the Company. Pursuant to Chapter 9 of the Listing Rule, all transactions with Temasek and its associates are considered as Interested Person Transactions (“IPT”).

For the purpose of this IPT Mandate, the following groups of entities included are:

	Type of Interested Persons	Group of Companies	Basis for them being primary interested persons and interested persons.
1	Primary Interested Persons	Keppel Limited group of companies (KL Group) including KIH	<p>Pursuant to Listing Rule 904(4B), controlling shareholder of the Company is a primary interested person.</p> <p>KL and KIH would both be considered interested persons under Chapter 9 of the Listing Manual. KL would be considered as the primary interested person under Chapter 9 of the Listing Manual.</p> <p>Pursuant to Chapter 9 of the Listing Manual, for so long as KIH or any other member of the Keppel Group remains a controlling shareholder of the Company and a subsidiary within the Keppel Group, the members of the Keppel Group will be deemed an “interested person”, and any transaction with a member of the Keppel Group will be deemed an “interested person transaction”.</p>
2	Interested Persons	<p>Seatrium Ltd group of companies (Seatrium Group)</p> <p>Singapore Technologies Engineering Ltd group of companies (ST Group)</p>	<p>Pursuant to Listing Rule 904(4)(a)(ii), an associate of a controlling shareholder is an interested person. By virtue of both Seatrium and ST being associates of Temasek, they are considered the Group’s interested person.</p> <p>As long as Seatrium and ST remain listed respectively, Seatrium and ST can be availed to the exception under Listing Rule 908(2) and Interested Person Transactions (“IPTs”) with the enlarged Seatrium Group and ST Group respectively do not have to be aggregated with transactions with other Temasek entities.</p>

Group of companies hereinafter refers to the holding company and its associates.

KL Group, Seatrium Group and ST Group are collectively referred to as “Temasek Group” in this IPT Mandate.

2.3 Proposed IPT Mandate

The IPT Mandate was expressed to take effect until the conclusion of the next AGM of the Company, being the 2024 AGM which is scheduled to be held in a wholly physical format at 45 Gul Road, Singapore 629350 on Thursday, 25 April 2024. Pursuant to Chapter 9 of the Listing Manual, the Company will seek Independent Shareholders' approval for the proposed IPT Mandate.

The proposed IPT Mandate will enable the Company and the Group, in their ordinary course of business to enter into IPTs with specified classes of interested persons as set out in Section 2.5 of this Appendix.

The categories/types of IPTs under section 2.1, scope of the IPT Mandate, rationale of the IPT Mandate and the benefit to Shareholders and the methods or procedures for determining the transaction prices for Interested Person Transactions in respect of which the IPT Mandate is sought to be renewed remain unchanged from latest IPT Mandate approved by the shareholders in the 2023 AGM. The classes of Interested Persons were changed from Keppel Group from the latest IPT Mandate approved by the shareholder in the 2023 AGM to Temasek Group.

2.4 Scope of the IPT Mandate

The IPT Mandate applies to the Interested Person Transactions (as described in Section 2.1 of this Appendix) which are carried out with Temasek Group.

The IPT Mandate will cover the IPTs entered into between entities within the Group and entities within the Temasek Group ("Temasek Group **Interested Person**") in the normal course of their business operations which are of a revenue or trading nature.

The IPT Mandate will not cover any transaction by a company in the Group with a Temasek Interested Person that is below S\$100,000 in value as the threshold and aggregation requirements of Chapter 9 of the Listing Manual would not apply to such transactions. The IPT Mandate would, however, cover Interested Person Transactions with values below S\$100,000 entered into during the same financial year and which are aggregated by the SGX-ST under Chapter 9 of the Listing Manual and treated as if they were one Interested Person Transaction which has a value of S\$100,000 or more.

Transactions with interested persons (including the Temasek Group Interested Persons) that do not fall within the ambit of the IPT Mandate will be subject to the relevant provisions of Chapter 9 of the Listing Manual and/or other applicable provisions of the Listing Manual.

Transactions conducted under a general mandate are not separately subject to Rules 905 and 906.

2.5 Classes of Interested Persons

The IPT Mandate will apply to IPTs that are carried out between (i) any member of the Group, with (ii) any Temasek Group Interested Person.

Such IPTs only relate to recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations as disclosed under section 2.1 in this Appendix.

2.6 Rationale for and benefits of the IPT Mandate

- (a) Supply and procurement of raw materials and manpower to and/or from the Temasek Group and rental of yard facilities to and/or from the Temasek Group

The Group's industry is labour intensive and dependent on the supply and availability of raw materials and availability of yard facilities.

The Temasek Group bulk purchases the raw materials required for its operations. To take advantage of the favourable pricing which the Temasek Group may obtain from suppliers, the Group may, from time to time, procure raw materials through the Temasek Group.

In respect of works that the Temasek Group subcontracts to the Group, the Group may procure the raw materials from its own suppliers and charge the Temasek Group for the purchases. A handling fee will be imposed by the Group for such purchases made on behalf of the Temasek Group. The handling fee is charged based on a percentage of the value of such purchases handled by the Group. The percentage charged varies on a case by case basis.

As yard facilities and manpower are limited in Singapore, the Group would occasionally lease, rent or procure yard facilities and/or manpower from other parties, including the Temasek Group. The Group may also secure yard facilities and/or manpower from other parties, including the Temasek Group, to support and facilitate projects in locations or regions where the Group has limited resources. Additionally, to ensure that its resources are fully utilised, the Group may lease or supply yard facilities and/or manpower to the Temasek Group to support and facilitate the Temasek Group's operations.

- (b) Subcontracting of projects to and/or from the Temasek Group

Depending on scope and location of projects and the expertise required, the Group may, from time to time, subcontract part of its existing or potential projects to other parties, including the Temasek Group. This will ensure that the Group would have the support and capability to secure potential projects which may otherwise be outside its business and expertise.

It will also be beneficial to the Group to accept a subcontract from the Temasek Group Interested Persons if a project awarded by the Temasek Group Interested Person offers the similar terms (taking into consideration, inter alia, the contract value, profit margin, potential for future repeat business, project scheduling as well as availability of other potential contracts) compared to other available projects.

It is anticipated that the Group would, in the ordinary course of its business, enter into the Temasek Group IPTs. It is likely that such transactions will occur with some degree of frequency and could arise at any time. Among other things, the IPT Mandate will benefit the Group, as the Group will have access to competitive quotes from the Interested Persons in addition to obtaining quotes from, or transacting with, unrelated third parties. Given that the Group may, from time to time, be appointed as the subcontractor of the Temasek Group, the IPT Mandate would also allow the Group to enter into transactions in connection with projects subcontracted by the Temasek Group, and vice versa.

In view of the time-sensitive nature of commercial transactions, it would be advantageous to the Company to obtain the IPT Mandate to enter into Temasek Group IPTs, provided that all Temasek Group IPTs are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders. The IPT Mandate (if approved and renewed on an annual basis) will eliminate, among others, the need for the Company to convene separate general meetings on each occasion to seek Independent Shareholders' approval as and when potential IPTs arise. This will reduce substantially the administrative time, inconvenience and expenses associated with the convening of such meetings, without compromising its corporate objectives and adversely affecting its business opportunities.

2.7 Expiry and Renewal of the IPT Mandate

If approved by Independent Shareholders at the 2024 AGM, the IPT Mandate will take effect from the date of receipt of Independent Shareholders' approval, and will (unless revoked or varied by the Company in a general meeting) continue to be in force until the next AGM or the expiration of the period within which the next AGM is required by law to be held, whichever is the earlier, and will apply to IPTs entered into from the date of receipt of Independent Shareholders' approval. Approval from Independent Shareholders will be sought for the renewal of the IPT Mandate at each subsequent AGM, subject to review by the Audit Committee of its continued application to the IPTs.

2.8 Disclosure

Pursuant to Listing Rule 920(1)(a), the Company will:

- (i) disclose the general mandate in the annual report, giving details of the aggregate value of transactions conducted pursuant to the general mandate during the financial year. The disclosure must be in the form set out in Rule 907; and
- (ii) announce the aggregate value of transactions conducted pursuant to the general mandate for the financial periods which it is required to report on pursuant to Rule 705 within the time required for the announcement of such report. The disclosure must be in the form set out in Rule 907.

2.9 Audit Committee's Statements

Pursuant to Rule 920(1)(c) of the Listing Manual, the Audit Committee confirms that:

- (a) the methods or procedures for determining the transaction prices for Interested Person Transactions have not changed since Shareholders approved the IPT Mandate at the 2023 AGM; and
- (b) the methods or procedures in Rule 920(1)(c)(i) are sufficient to ensure that the transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the issuer and its minority shareholders.

The Audit Committee also confirm that:

- (a) the methods or procedures are sufficient to ensure that transactions will be carried out on normal commercial terms and will not be prejudicial to the interests of the issuer and its minority shareholders; and
- (b) the changes are in the best interest of the Company and it will not be prejudicial to the issuer and its minority shareholders.

2.10 Independent Shareholders' Approval

Pursuant to Rule 920 of the Listing Manual, a general mandate from Shareholders may be sought for recurrent transactions of a revenue or trading nature or those necessary for its day-to-day operations such as the purchase and sale of supplies and materials, but not in respect of the purchase or sale of assets, undertakings or businesses. Such a general mandate is subject to annual renewal.

Therefore approval of the Independent Shareholders is sought at the 2024 AGM for the renewal of the IPT Mandate.

3. **REVIEW PROCEDURES FOR THE IPTS**

3.1 Prior to entering into any contract or transaction with the Temasek Group in connection with a IPT, the relevant employee or Audit Committee (as the case maybe) shall follow certain review procedures as set out below in Sections 3.2 to 3.3, which remain unchanged from the IPT Mandate approved in 2023 AGM.

3.2 Review of price and terms

A. Subcontract of project works from the Temasek Group

A senior marketing manager or other employee of the Group with an equivalent designation (with no interest, direct or indirect, in the IPTs) and who is familiar with the terms and complexity of contracts of similar nature to that of IPTs, shall compare the terms of the IPTs against the terms of at least two (2) other similar contracts entered into with unrelated third parties. The comparison will be based on whether (i) the price that the Group can obtain for its work to be completed under the contract with the Temasek Group is not lower than that charged to unrelated third parties; and (ii) the terms of the contract with the Temasek Group is not less favourable to the Group than that entered into with unrelated third parties.

- (i) In evaluating the price of the contract with the Temasek Group, the Group's usual business practices and policies shall be taken into consideration, to ensure that the price to be received or the margin that can be earned under the contract is consistent and/or not less favourable than those similar type of transactions or contracts between the Group and unrelated third parties.
- (ii) In evaluating the terms of the contract entered with the Temasek Group, the Group's template contract shall be taken into consideration, to ensure that the terms are not less favourable than that of the template contract. All pertinent factors shall also be taken into consideration, including but not limited to delivery milestones, payment milestones, size of the transaction or contract, customer's credit standing, potential for future repeat business and availability of other potential contracts with unrelated third parties.
- (iii) The Head of Marketing of the Group will prepare a recommendation paper to enter into contract, with the Temasek Group, supported by:
 - (a) the evaluation of the price and terms performed by the senior commercial manager in parts (i), (ii) and (iii) above;

- (b) a budget which projects gross revenue, expenditure, gross operating profit, and profit margin that can be obtained from the contracts with Temasek Group; and
 - (c) any other available contracts or transactions that can be signed or secured with unrelated third parties which can be completed at a higher margin.
- (iv) In the event the Head of Marketing of the Group determines that it is not possible to carry out the abovementioned procedures in parts (i), (ii) and (iii) due to no similar or comparable contracts or transactions for comparison, the Group shall refer to the Audit Committee and the Audit Committee will determine whether the price and terms are fair and reasonable and consistent with the Group's usual business practices. A Director of the Company, if any, who is nominated by any member of the Temasek Group to the Board of the Company will not participate in the review and approval of the transactions under the IPT Mandate.

B. Subcontract of project works to the Temasek Group

- (i) A subcontracting manager or other employee of the Group with an equivalent designation (with no interest, direct or indirect, in the IPTs) and who is familiar with the terms and complexity of contracts of similar nature to that of the IPTs, shall compare the terms of the IPTs against the terms of at least two (2) other similar contracts entered into with unrelated third parties. The comparison will be based on whether (i) the price that the Group can obtain for its work to be completed under the contract with the Temasek Group is not higher than that charged by unrelated third parties; and (ii) the terms of the contract with the Temasek Group is not less favourable to the Group than that entered into with unrelated third parties.
- (ii) In evaluating the price of the contract with the Temasek Group, the Group's usual business practices and policies shall be taken into consideration, to ensure that the cost to the Group is consistent and/or not less favourable with that for similar type of transactions or contracts between the Group and unrelated third parties.
- (iii) In evaluating the terms of the contract entered with the Temasek Group, the Group's template contract shall be taken into consideration, to ensure that the terms are not less favourable than that of the template contract. All pertinent factors shall also be taken into consideration, including but not limited to ability to deliver the project on schedule, credit terms, availability of manpower, yard space and facilities to carry out the project, track record of similar project and technical capability and expertise.
- (iv) The Head of Marketing will review the evaluation of the price and terms performed by the subcontracting manager or other employee of the Group with an equivalent designation (with no interest in above parts (i), (ii) and (iii)).
- (v) In the event the Head of Marketing determines that it is not possible to carry out the above mentioned procedures in parts (i), (ii) and (iii) due to no similar or comparable contracts or transactions for comparison, the Group shall refer to the Audit Committee and the Audit Committee will determine whether the price and terms are fair and reasonable and consistent with the Group's usual business practices. A Director of the Company, if any, who is nominated by any member of the Temasek Group to the Board of the Company will not participate in the review and approval of the transactions under the IPT Mandate.

C. Supply of raw materials and manpower to Temasek Group

- (i) A senior marketing manager or other employee of the Group with an equivalent designation (with no interest, direct or indirect, in the IPTs) shall compare the terms of the IPTs against the terms of at least two (2) other similar transactions entered into with unrelated third parties. The comparison will be based on whether (i) the price that the Group can charge Temasek Group is not lower than that charged to unrelated third parties; and (ii) the terms of the transaction with the Temasek Group is not less favourable to the Group than that entered into with unrelated third parties.
- (ii) In evaluating the terms of the purchase order or works order entered with the Temasek Group, the Group's prior similar purchase order or works order shall be taken into consideration, to ensure that the terms are not less favourable than such purchase order or works order. All pertinent factors shall also be taken into consideration, including but not limited to cost of raw materials and manpower, delivery milestones, customer's credit standing and timing and duration of manpower required.
- (iii) The Head of Marketing of the Group will prepare a recommendation paper to enter into purchase order or works order with the Temasek Group, supported by:
 - (a) the evaluation of the price and terms performed by the senior commercial manager in above parts (i) and (ii); and
 - (b) a budget which projects gross revenue, expenditure, gross operating profit, and profit margin that can be obtained from the supply to Temasek Group.
- (iv) In the event the Head of Marketing of the Group determines that it is not possible to carry out the above mentioned procedures in parts (i) and (ii) due to no similar or comparable transactions for comparison, the Group shall refer to the Audit Committee and the Audit Committee will determine whether the price and terms are fair and reasonable and consistent with the Group's usual business practices. A Director of the Company, if any, who is nominated by any member of the Temasek Group to the Board of the Company will not participate in the review and approval of the transactions under the IPT Mandate.

D. Procurement of raw materials and manpower from Temasek Group

- (i) A subcontracting or procurement manager or other employee of the Group with an equivalent designation (with no interest, direct or indirect, in the IPTs) shall compare the terms of the IPTs against the terms of at least two (2) other similar transactions entered into with unrelated third parties. The comparison will be based on whether (i) the price that the Group can obtain from Temasek Group is not higher than that charged by unrelated third parties; and (ii) the terms of the contract with the Temasek Group is not less favourable to the Group than that entered into with unrelated third parties.
- (ii) In evaluating the terms of the purchase order or works order entered with the Temasek Group, the Group's template purchase order or works order shall be taken into consideration, to ensure that the terms are not less favourable than that of the template purchase order or works order. All pertinent factors shall also be taken into consideration, including but not limited to ability to deliver the raw materials and manpower on schedule, credit terms, quality of raw material and technical capability and expertise of manpower.

- (iii) The Head of Marketing will review the evaluation of the price and terms performed by the subcontracting or procurement manager or other employee of the Group with an equivalent designation in above parts (i) and (ii).
- (iv) In the event the Head of Marketing determines that it is not possible to carry out the above mentioned procedures in parts (i) and (ii) due to no similar or comparable contracts or transactions for comparison, the Group shall refer to the Audit Committee and the Audit Committee will determine whether the price and terms are fair and reasonable and consistent with the Group's usual business practices. A Director of the Company, if any, who is nominated by any member of the Temasek Group to the Board of the Company will not participate in the review and approval of the transactions under the IPT Mandate.

E. Rental of yard facilities to and/or from Temasek Group

- (i) A marketing/procurement manager or other employee of the Group with an equivalent designation (with no interest, direct or indirect, in the IPTs) shall compare the terms of the IPTs against the prevailing market rates of similar yard facilities. The comparison will be based on whether the price and the terms of the transaction with the Temasek Group is not less favourable to the Group than that of the prevailing market rates.
- (ii) In evaluating the terms of the lease, the Group shall take into consideration all pertinent factors, including but not limited to loading capacity, availability of waterfront facilities, equipment and machineries, length and depth of waterfront facilities, timing and duration of the lease, credit terms and credit standing, as the case may be.
- (iii) The Head of Marketing will review the evaluation of the price and terms performed by the financial manager in above parts (i) and (ii).
- (iv) In the event the Head of Marketing determines that it is not possible to carry out the above mentioned procedures in parts (i) and (ii) due to no prevailing market rate, the Group shall refer to the Audit Committee and the Audit Committee will determine whether the price and terms are fair and reasonable and consistent with the Group's usual business practices.

A Director of the Company, if any, who is nominated by any member of the Temasek Group to the Board of the Company will not participate in the review and approval of the transactions under the IPT Mandate.

3.3 Other Monitoring and Review Procedures

A. Register of Interested Person Transactions

- (i) The subsidiaries and associated companies of the Group are required to inform the Finance Department of any significant upcoming transactions with interested persons so as to obtain the prior approval from the Audit Committee or Independent Shareholders, and in accordance with the IPT Mandate or provisions of Chapter 9 of the Listing Manual, as the case may be.
- (ii) The Audit Committee will designate a senior executive (with no interest, direct or indirect, in the IPTs) to maintain a register of all interested person transactions carried out with interested persons (including the Temasek Group). The register shall include all information pertinent to the evaluation of transactions entered

into with the interested person (including the Temasek Group) such as, but not limited to the price or value of the contract, the budget and its basis, the key terms of the contract and supporting evidence such as similar contracts that had been used to evaluate the interested person transaction (including the IPTs). The register is subject to review by the Audit Committee on at least a half yearly basis (or whenever deemed necessary by the Audit Committee) and by external auditors on an annual basis.

B. Review by Audit Committee

- (i) The internal auditor of the Group (“**Internal Auditor**”) shall review all interested person transactions on a half yearly basis and present a half yearly internal audit report to the Audit Committee for review.
- (ii) If, in reviewing the half yearly internal audit reports, or at any time that the Audit Committee is of the view that the review procedures are not sufficient or become inappropriate to ensure that the interested person transactions will be on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders, the Company will seek a fresh mandate from its Independent Shareholders based on new guidelines and procedures for transactions with Temasek Group. During the transition period prior to obtaining a fresh mandate from Shareholders, all transactions with Temasek Group will be subject to prior review and approval by the Audit Committee or Independent Shareholders as deemed necessary by the Listing Manual.
- (iii) In the event that a member of the Audit Committee is interested in any interested person transaction, he/she will abstain from the deliberation of the transaction to ensure that the interested person transaction will not be prejudicial to the interests of the Company and its minority Shareholders. Approval of that transaction will accordingly be undertaken by the remaining members of the Audit Committee.

C. Review by Internal and External Auditors

- (i) As mentioned above, the Internal Auditor shall review all the interested person transactions on a half yearly basis and present a half yearly internal audit report to the Audit Committee for review. The annual internal audit plan shall also include a review of the established review procedures for the monitoring of such interested person transactions entered into during the current financial year. As part of the Company’s annual audit, external auditors will review all interested person transactions with Temasek Group on an annual basis. The Internal Auditors shall report directly to the Audit Committee. The external auditors will review and confirm the interested person transactions under the notes to the financial statements.
- (ii) The Board will ensure that all disclosure, approval and other requirements on interested person transactions, including those required by prevailing legislation, the Listing Manual and accounting standards, will be complied with. In addition, such transactions will also be subject to Independent Shareholders’ approval if deemed necessary by the Listing Manual.

D. Threshold Limits

In addition to the above review procedures, the Group has strengthened its internal systems by setting the following threshold limits to its transactions, to ensure that transactions entered into between the Group and Temasek Group are on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders:

- (i) A “category one” interested person transaction is one where the value of the transaction or contract is in excess of 3% of the latest audited NTA of the Group; and
- (ii) A “category two” interested person transaction is one where the value of the transaction is below or equal to 3% of the latest audited NTA of the Group.

“Category two” transactions shall be reviewed and approved by the Chief Executive Officer before entry. In the event the Chief Executive Officer is interested in a “category two” transaction, such transaction shall be reviewed and approved by the Audit Committee. Save for the aforesaid instance, “category two” transactions do not require the prior review and approval of the Audit Committee before entry but shall be reviewed on a half yearly basis by the Audit Committee. “Category one” transactions must be reviewed and approved by the Audit Committee prior to entry.

A Director of the Company, if any, who is nominated by any member of the Temasek Group to the Board of the Company will not participate in the review and approval of the transactions under the IPT Mandate. Any member of the Audit Committee who is interested in any transaction under the IPT Mandate will abstain from reviewing the transaction.

Approval of the transaction with Temasek Group will accordingly be undertaken by the members of the Audit Committee.

4. OPINION OF THE AUDIT COMMITTEE

A Director of the Company, if any, who is nominated by any member of the Temasek Group to the Board of the Company will not participate in the review and approval of the transactions under the IPT Mandate.

In 2019 AGM, the shareholders approved that:

- (i) Due to the low frequency and value of the interested person transactions for the past three years, the Audit Committee has resolved that going forward they shall conduct the review of the register of all IPTs on a half yearly basis instead of on a quarterly basis.
- (ii) In the event that the frequency and value of IPTs subsequently increases, the Audit Committee shall revert to conducting such review on a quarterly basis (or whenever deemed necessary by the Audit Committee).

The Audit Committee is satisfied that the review procedures as set out in Section 3 above have not been changed since the IPT Mandate was last approved by the Independent Shareholders at the AGM held on 25 April 2023. The Audit Committee is also of the view that the review procedures for the IPTs as well as the annual reviews made by the Audit Committee in relation thereto, are sufficient to ensure that the IPTs will be carried out on normal commercial terms and will not be prejudicial to the interest of the Company and its minority shareholders.

To ensure that the IPTs will be carried out on normal commercial terms and will not be prejudicial to the interests of the Company and the minority shareholders, if during these annual reviews by the Audit Committee, the Audit Committee is of the view that the review procedures as stated in Section 3 above have become inappropriate or insufficient in view of changes to the nature of, or the manner in which, the business activities of the Company and the Group are conducted, the Company will then revert to the Independent Shareholders for a fresh mandate based on new guidelines and procedures for transactions with the Interested Persons to ensure that the IPTs will be on arms' length basis and on normal commercial terms. During the period prior to obtaining a fresh mandate from the Independent Shareholders, all IPTs will be subject to prior review and approval by the Audit Committee.

5. THE PROPOSED ADOPTION OF THE SHARE PURCHASE MANDATE

5.1 Introduction

The Act allows a Singapore-incorporated company to purchase or otherwise acquire its issued ordinary shares, stocks and preference shares if the purchase or acquisition is permitted under the company's constitution. Any purchase of Shares by the Company will also have to be made in accordance with, and in the manner prescribed by, the Act, the Constitution and such other laws and regulations as may for the time being, be applicable. As the Company is listed on the Mainboard, it is also required to comply with Part XIII of Chapter 8 of the Listing Manual, which relates to the purchase or acquisition by an issuer of its own shares. Regulation 10(B) of the Constitution expressly permits the Company to purchase or otherwise acquire its issued Shares.

It is a requirement under the Act and the Listing Manual for a company that wishes to purchase or otherwise acquire its own shares to obtain the approval of its shareholders. Accordingly, the Directors are proposing to seek the approval of Shareholders at the 2024 AGM for the proposed adoption of the Share Purchase Mandate. An ordinary resolution will be proposed, pursuant to which the Share Purchase Mandate will be given to the Directors to exercise all powers of the Company to purchase or otherwise acquire Shares according to the terms of the Share Purchase Mandate, as well as the rules and regulations set forth in the Act and the Listing Manual.

5.2 Rationale for the Proposed Share Purchase Mandate

The proposed Share Purchase Mandate will give the Company the flexibility to undertake purchases of its Shares at any time during the period when the Share Purchase Mandate is in force, subject to the limits of the Share Purchase Mandate.

The Directors believe that the Share Purchase Mandate will provide the Company with a mechanism to facilitate the return of surplus cash over and above its ordinary capital requirements, in an expedient and cost-efficient manner. The Share Purchase Mandate will also allow the Directors to exercise greater control over the Company's share capital structure, dividend payout and cash reserves, with a view to enhancing the NTA and/or earnings per Share. In managing the business of the Group, the management team strives to improve Shareholders' value, including, the return on equity of the Group, and making share purchases is one of the ways through which the return on equity of the Group may be enhanced.

In addition, Shares which are purchased or acquired may be held as Treasury Shares which have the added benefit of being used for prescribed purposes, such as selling Treasury Shares for cash. The use of Treasury Shares in lieu of issuing new Shares would also mitigate the dilution impact on existing Shareholders.

Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full 10% limit as authorised. The purchase or acquisition of Shares will only be undertaken if the Directors consider that it can benefit the Company and Shareholders. No purchase or acquisition of Shares will be made in circumstances which would have or may have a material adverse effect on the financial condition, liquidity and capital of the Company and the Group.

5.3 Authority and Limits of the Share Purchase Mandate

The authority and limits placed on the Share Purchases under the proposed Share Purchase Mandate are set out below:–

(a) Maximum number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company pursuant to the Share Purchase Mandate. The total number of Shares which may be purchased or acquired pursuant to the Share Purchase Mandate during the Relevant Period shall not exceed 10% of the total number of issued Shares (excluding Treasury Shares and subsidiary holdings) as at the date of the forthcoming AGM at which approval for the Proposed Adoption of the Share Purchase Mandate is being sought (the “Approval Date”). For purposes of calculating the percentage of issued Shares, any Shares which are held as Treasury Shares and subsidiary holdings will be disregarded for the purpose of computing the 10% limit, and if the Company has, at any time during the Relevant Period, reduced its share capital in accordance with the applicable provisions of the Act, the total number of issued Shares shall be taken to be the total number of issued Shares as altered after such capital reduction (but excluding any Shares which are held as Treasury Shares and subsidiary holdings).

For illustrative purposes only, based on 1,045,643,800 issued Shares as at the Latest Practicable Date, and assuming that no further Shares are issued on or prior to the Approval Date, the purchase or acquisition by the Company pursuant to the Share Purchase Mandate of up to the maximum limit of 10% of the total number of issued Shares will result in the purchase or acquisition of 104,564,380 Shares.

The Company does not have any subsidiary holdings as of the date of the Appendix.

(b) Duration of Authority

Share Purchases may be made, at any time and from time to time, on and from the Approval Date up to:–

- (i) the date on which the next AGM of the Company is held or required by law to be held;
- (ii) the date on which the Share Purchases pursuant to the Share Purchase Mandate are carried out to the full extent mandated; or
- (iii) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by the Shareholders in a general meeting,

whichever is the earliest (“Relevant Period”).

The authority conferred on the Directors by the Share Purchase Mandate to purchase Shares may be renewed at each subsequent AGM or other general meetings of the Company.

(c) Manner of Share Purchases

Share Purchases may be made by way of:–

- (i) an on-market purchase (“Market Purchase”) transacted on SGX-ST through the SGX-ST trading system or, as the case may be, any other securities exchange on which the Shares may, for the time being, be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (ii) an off-market purchase (“Off-Market Purchase”) (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme(s) as defined in Section 76C of the Act, which scheme(s) shall satisfy all the conditions prescribed by the Act and the Listing Manual.

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

- (i) offers under the scheme are to 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:–
 - a. differences in consideration attributable to the fact that the offers relate to Shares with different accrued dividend entitlements;
 - b. differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid (if applicable); and
 - c. differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

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

- (i) the terms and conditions of the offer;
- (ii) the period and procedures for acceptance;
- (iii) the reasons for the proposed Share Purchase;
- (iv) the consequences, if any, of Share Purchases that will arise under the Take-over Code or other applicable take-over rules;
- (v) whether the Share Purchase, if made, could affect the listing of the Shares on the SGX-ST;

- (vi) details of any Share Purchases made by the Company during the previous 12 months (whether Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such Share Purchases, where relevant, and the total consideration paid for such Share Purchases; and
- (vii) whether the Shares purchased by the Company will be cancelled or kept as Treasury Shares.

(d) 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.

However, the purchase price to be paid for the Shares pursuant to the Share Purchase Mandate must not exceed:–

- (i) in the case of a Market Purchase, 105% of the Average Closing Price (as defined below) of the Shares; and
- (ii) 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 Share Purchase (the “Maximum Price”).

For the above purposes,

“Average Closing Price” means (i) the average of the closing market prices of the Shares over the last five (5) Market Days, on which transactions in the Shares were recorded, before the day on which the Market Purchase was made or, as the case may be, before the date of making an announcement by the Company of an offer for an Off-Market Purchase; and (ii) deemed to be adjusted for any corporate action that occurs after the relevant five-day period and the day on which the purchases are made.

“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 of the Company, 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.

5.4 Status of Purchased Shares

Under Section 76B of the Act, any Share which is purchased shall, unless held as a Treasury Share, be deemed cancelled immediately on purchase, and all rights and privileges attached to that Share will expire on cancellation. All Shares purchased by the Company, unless held as Treasury Shares, will be automatically delisted by the SGX-ST, and (where applicable) all certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following the settlement of any such purchase. 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.

5.5 Treasury Shares

Certain of the provisions on Treasury Shares under the Act are summarised below:–

(a) Maximum Holdings

The aggregate number of Shares held as Treasury Shares shall not at any time exceed 10% of the total number of issued Shares. In the event that the aggregate number of Treasury Shares held by the Company exceeds the aforesaid limit, the Company shall dispose of or cancel the excess Treasury Shares within six (6) months from the day the aforesaid limit is first exceeded or such further period as the Registrar of Companies (the “Registrar”) may allow.

(b) Voting and Other Rights

The Company cannot exercise any right in respect of Treasury Shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Act, the Company shall be treated as having no right to vote in respect of Treasury Shares 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 the 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 smaller amount is allowed so long as the total value of the Treasury Shares after the sub-division or consolidation is the same as before.

(c) Disposal and Cancellation

Where Shares purchased or acquired by the Company are held as Treasury Shares, the Company may at any time:–

- (i) sell the Treasury Shares (or any of them) for cash;
- (ii) transfer the Treasury Shares (or any of them) for the purposes of or pursuant to an employees’ share scheme;
- (iii) 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;
- (iv) cancel the Treasury Shares (or any of them); or
- (v) sell, transfer or otherwise use the Treasury Shares for such other purposes as may be prescribed by the Minister of Finance.

At the time of each Share Purchase, the Directors will decide whether the Shares purchased under the Share Purchase Mandate will be held as Treasury Shares, cancelled by the Company, or partly cancelled and partly held as Treasury Shares, as the Directors deem fit in the interest of the Company at that time taking into consideration the then prevailing circumstances and requirements of the Company at the relevant time.

In addition, under the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of Treasury Shares, stating the following:

- (i) date of the sale, transfer, cancellation and/or use;

- (ii) purpose of such sale, transfer, cancellation and/or use;
- (iii) number of Treasury Shares sold, transferred, cancelled and/or used;
- (iv) number of Treasury Shares before and after such sale, transfer, cancellation and/or use;
- (v) percentage of the number of Treasury Shares against the total number of Shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use; and
- (vi) value of the Treasury Shares if they are used for a sale or transfer, or cancelled.

5.6 Source of Funds

The Company may only apply funds for the Share Purchases as provided in its Constitution and in accordance with the applicable laws in Singapore. The Company may not purchase Shares for a consideration other than cash or for settlement otherwise in accordance with the trading rules of the SGX-ST. Any Share Purchase undertaken by the Company shall be made out of capital or profits that are available for distribution as dividends so long as the Company is solvent (as defined in Section 76F(4) of the Act).

Pursuant to Section 76F(4) of the Act, a company is solvent if:

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

In determining whether the Company is solvent, the Directors must have regard to the most recently audited financial statements, other relevant circumstances, and may rely on valuations or estimations 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 counterclaims by the Company.

The Company intends to use internal sources of funds or external borrowings, or a combination of both, to finance its Share Purchases.

Where the consideration paid by the Company for the Share Purchases is made out of profits, such consideration will correspondingly reduce the amount of profits available for the distribution of cash dividends by the Company. However, where the consideration paid by the Company for the Share Purchases is made out of capital, the amount of profits available for the distribution of cash dividends by the Company will not be reduced.

5.7 Financial Effects

The financial effects arising from a purchase or acquisition of Shares pursuant to the Share Purchase Mandate on the Group and the Company will depend on, inter alia, whether the Shares are purchased or acquired out of profits and/or capital of the Company, the number of Shares purchased or acquired, the consideration paid for such Shares and whether the Shares purchased or acquired are held in treasury or cancelled. The financial effect on the unaudited financial statements of the Group and the Company will depend, inter alia, on the factors set out below:

(a) Purchase or Acquisition out of Profits and/or Capital

Under the Act, purchases or acquisitions of Shares by the Company may be made out of the Company's profits and/or capital so long as the Company is solvent. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding brokerage, commission, applicable goods and service tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

(b) Number of Shares Acquired or Purchased

Based on the 1,045,643,800 issued Shares as at the Latest Practicable Date, the purchase or acquisition of Shares by the Company of up to the maximum limit of 10% of the total number of issued Shares will result in the purchase or acquisition of 104,564,380 Shares.

(c) Maximum Price Paid for Shares Acquired or Purchased

In the case of a Market Purchase by the Company and assuming that the Company purchases or acquires 104,564,380 Shares at the Maximum Price of S\$0.3308 per Share (being the price equivalent to 5% above the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 104,564,380 Shares is approximately S\$34.6 million (excluding brokerage, commission, applicable goods and services tax and other related expenses). In the case of an Off-Market Purchase by the Company and assuming that the Company purchases or acquires 104,564,380 Shares at the Maximum Price of S\$0.3780 per Share (being the price equivalent to 20% above the Average Closing Price of the Shares for the five consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 104,564,380 Shares is approximately S\$39.5 million (excluding brokerage, commission, applicable goods and services tax and other related expenses).

Illustrative Financial Effects

For illustrative purposes only, based on the assumptions set out above and assuming that (i) the purchase or acquisition of Shares are made to the extent aforesaid, (ii) such Shares are funded wholly by internal resources within the Group and (iii) the Company had purchased 104,564,380 Shares (representing 10% of the total number of issued Shares as at the Latest Practicable Date), the financial effects of the purchase of 104,564,380 Shares by way of:

- (a) purchases made entirely out of capital and held as treasury shares;
- (b) purchases made entirely out of capital and cancelled;

on the audited financial statements of the Group and the Company for the financial year ended 31 December 2023 pursuant to the Share Purchase Mandate are set out as follows:

(a) Market Purchases

Scenario	A	B
Purchased out of	Capital	Capital
Type of purchase	On-Market	On-Market
Held as Treasury Shares/Cancelled	Held as Treasury Shares	Cancelled
Maximum Price of Share (S\$)	0.3308	0.3308
Maximum number of Shares to be purchased ('000)	104,564	104,564
Total number of issued Shares as at the Latest Practicable Date ('000)	1,045,644	1,045,644
Equivalent % total issued Shares	10%	10%
Maximum funds required (S\$'000)	34,590	34,590

As at 31 December 2023	Group			Company		
	Before Share Purchase	After Share Purchase		Before Share Purchase	After Share Purchase	
		A (Held as Treasury Shares)	B (Cancelled)		A (Held as Treasury Shares)	B (Cancelled)
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Profit attributable to equity holders for the year	28,488	28,488	28,488	9,098	9,098	9,098
Share capital	147,080	147,080	112,490	147,080	147,080	112,490
Other reserves	924	924	924	558	558	558
Accumulated losses	(78,106)	(78,106)	(78,106)	(24,245)	(24,245)	(24,245)
Treasury shares	69,898	69,898	35,308	123,393	123,393	88,803
	–	(34,590)	–	–	(34,590)	–
Non-controlling interests	69,898	35,308	35,308	123,393	88,803	88,803
	391	391	391	–	–	–
Total Equity	70,289	35,699	35,699	123,393	88,803	88,803
Net asset value ⁽¹⁾	70,289	35,699	35,699	123,393	88,803	88,803
Current assets	255,979	221,389	221,389	11,794	11,794	11,794
Current liabilities	229,033	229,033	229,033	8,313	42,903	42,903
Net current assets/(liabilities)	26,946	(7,644)	(7,644)	3,481	(31,109)	(31,109)
Advance from a subsidiary	–	–	–	–	34,590	34,590
Cash and bank balances	216,103	181,513	181,513	599	599	599
Number of shares (in '000)	1,045,644	941,080	941,080	1,045,644	941,080	941,080
Weighted average number of issued and paid up shares (in '000)	1,035,528	930,964	930,964	1,035,528	930,964	930,964
Treasury Shares (in '000)	–	104,564	–	–	104,564	–
Financial Ratios						
Earnings per Share (cents)	2.75	3.06	3.06	0.88	0.98	0.98
Net assets value per Share (cents) ⁽²⁾	6.72	3.79	3.79	11.80	9.44	9.44
Gearing ratios (%) ⁽³⁾	40.44	57.34	57.34	0.00	38.95	38.95
Current ratios (times) ⁽⁴⁾	1.12	0.97	0.97	1.42	0.27	0.27

Notes:

- (1) Net asset value equals to total assets less total liabilities.
- (2) Based on the total number of Shares issued as at the Latest Practicable Date and adjusted for the effect of the Share Purchases or acquisitions.
- (3) Gearing ratio means total debts divided by total capital (total debts + total equity).
- (4) Current ratio means current assets divided by current liabilities.

(b) Off-Market Purchases

Scenario	A	B
Purchased out of	Capital	Capital
Type of purchase	Off-Market	Off-Market
Held as Treasury Shares/Cancelled	Held as Treasury Shares	Cancelled
Maximum Price of Share (S\$)	0.3780	0.3780
Maximum number of Shares to be purchased ('000)	104,564	104,564
Total number of issued Shares as at the Latest Practicable Date ('000)	1,045,644	1,045,644
Equivalent % total issued Shares	10%	10%
Maximum funds required (S\$'000)	39,526	39,526

	Group			Company		
	Before Share Purchase	After Share Purchase		Before Share Purchase	After Share Purchase	
		A (Held as Treasury Shares)	B (Cancelled)		A (Held as Treasury Shares)	B (Cancelled)
As at 31 December 2023	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Profit attributable to equity holders for the year	28,488	28,488	28,488	9,098	9,098	9,098
Share capital	147,080	147,080	107,554	147,080	147,080	107,554
Other reserves	924	924	924	558	558	558
Accumulated losses	(78,106)	(78,106)	(78,106)	(24,245)	(24,245)	(24,245)
Treasury Shares	69,898	69,898	30,372	123,393	123,393	83,867
	–	(39,526)	–	–	(39,526)	–
Non-controlling interests	69,898	30,372	30,372	123,393	83,867	83,867
	391	391	391	–	–	–
Total Equity	70,289	30,763	30,763	123,393	83,867	83,867
Net asset value ⁽¹⁾	70,289	30,763	30,763	123,393	83,867	83,867
Current assets	255,979	216,453	216,453	11,794	11,794	11,794
Current liabilities	229,033	229,033	229,033	8,313	47,839	47,839
Net current assets/(liabilities)	26,946	(12,580)	(12,580)	3,481	(36,045)	(36,045)
Amount due to a subsidiary	–	–	–	–	39,526	39,526
Cash and bank balances	216,103	176,577	176,577	599	599	599
Number of shares (in '000)	1,045,644	941,080	941,080	1,045,644	941,080	941,080
Weighted aware number of issued and paid up shares (in '000)	1,035,528	930,964	930,964	1,035,528	930,964	930,964
Treasury shares (in '000)	–	104,564	–	–	104,564	–
Financial Ratios						
Earnings per Share (cents)	2.75	3.06	3.06	0.88	0.98	0.98
Net assets value per Share (cents) ⁽²⁾	6.72	3.27	3.27	11.80	8.91	8.91
Gearing ratios (%) ⁽³⁾	40.44	60.98	60.98	0.00	32.03	32.03
Current ratios (times) ⁽⁴⁾	1.12	0.95	0.95	1.42	0.25	0.25

Notes:

- (1) Net asset value equals to total assets less total liabilities.
- (2) Based on the total number of Shares issued as at the Latest Practicable Date and adjusted for the effect of the Share Purchases or acquisitions.
- (3) Gearing ratio means total debts divided by total capital (total debts + total equity).
- (4) Current ratio means current assets divided by current liabilities.

The financial effects set out above are purely for illustrative purposes only. Although the proposed Share Purchase Mandate would authorise the Company to buy back up to 10% of the total number of issued Shares (excluding Treasury Shares) as at the date that the Share Purchase Mandate is obtained, the Company may not necessarily buy back or be able to buy back 10% of the total number of issued Shares (excluding Treasury Shares) in full. In addition, for shares which are purchased for shares which are purchased by the Company, the Company may hold all or some of these as Treasury Shares, otherwise such Shares will be deemed cancelled.

5.8 Listing Rules

Under the Listing Manual of the SGX-ST, a listed company may purchase shares by way of Market Purchases at a price per share which is not more than 5% above the average of the closing market prices of the shares over the last five (5) Market Days, on which transactions in the shares were recorded, before the day on which the purchases were made and deemed to be adjusted for any corporate action that occurs after the relevant five-day period. The Maximum Price for a Share in relation to Market Purchases by the Company, referred to in Section 5.3(d)(ii) of this Appendix, conforms to this restriction.

Rule 886 of the Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m.:

- (a) in the case of a Market Purchase, on the Market Day following the day of purchase 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 must include details of the date of the purchases of the shares, 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, and the cumulative number of shares purchased. Such announcement will be made in the form prescribed by the Listing Manual.

The Company will not undertake any purchase or acquisition of Shares pursuant to the proposed Share Purchase 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, because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued shares.

In observing the best practices recommended in the Listing Manual on securities dealings, the Company is not allowed and will not purchase or acquire any Shares through Market Purchases during the period of two (2) weeks immediately preceding the announcement of the Company’s quarterly results (for quarterly reporting if required) or one (1) month immediately preceding the announcement of the Company’s half year and full-year results (if not required to do quarterly reporting), as the case may be, and ending on the date of announcement of the relevant results.

5.9 Listing Status on the SGX-ST

The Company is required under Rule 723 of the Listing Manual to ensure that at least 10% of the total number of issued Shares (excluding treasury shares, preference shares and convertible equity securities) are in the hands of the public. The “public”, as defined in the Listing Manual, are persons other than the Directors, Chief Executive Officer, Substantial Shareholders and controlling shareholders of the Company and its subsidiaries, as well as the Associates of such persons.

As at the Latest Practicable Date, there were approximately 389,271,100 issued Shares in the hands of the public (as defined above), representing approximately 37.23% of the total number of issued Shares of the Company. Assuming that the Company purchases its Shares through Market Purchases up to the full 10% limit pursuant to the Share Purchase Mandate from the public, the number of issued Shares in the hands of the public would be reduced to 284,706,720 Shares, representing approximately 30.25% of the total number of issued Shares of the Company.

In view of the foregoing, the Company is of the view that there is, at present, a sufficient number of Shares in public hands that would permit the Company to potentially undertake purchases of its Shares through Market Purchases up to the full 10% limit pursuant to the Share Purchase Mandate without:

- (a) affecting adversely the listing status of the Shares on the SGX-ST;
- (b) causing market illiquidity; or
- (c) affecting adversely the orderly trading of Shares.

5.10 Tax Implications

Shareholders who are in doubt as to their respective tax positions or the tax implications of Share Purchases by the Company, or who may be subject to tax whether in or outside Singapore, should consult their own professional advisers.

5.11 Take-over Code Implications Arising from Share Purchases

The resultant increase in the percentage of voting rights held by a Shareholder and persons acting in concert with him, following any Share Purchases, will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code (“Rule 14”). Consequently, depending on the number of Shares purchased by the Company and the Company’s total number of issued Shares at that time, a Shareholder or group of Shareholders acting in concert with each other could obtain or consolidate effective control of the Company and could become obliged to make an offer under Rule 14.

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

Unless the contrary is established, the following persons, inter alia, will be presumed to be acting in concert, namely:

- (a) the following persons and entities: (I) an individual; (II) the close relatives of (I), including immediate family (i.e., parents, siblings, spouse and children), siblings of parents (i.e., uncles and aunts) as well as their children (i.e., cousins), and children of siblings (i.e., nephews and nieces);
- (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) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies and companies of which such companies are associated companies, all with one another, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the aforesaid for the purchase of voting rights. For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status.

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

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 under Rule 14 if, as a result of the Company purchasing or acquiring Shares, the voting rights of such directors and their concert parties would increase to 30% or more, or, in the event that such directors and their concert parties hold between 30% and 50% of the voting rights in the Company, the voting rights of such Directors and their concert parties would increase by more than 1% in any period of 6 months. In calculating the percentages of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

Under Appendix 2, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the voting rights in the Company, the voting rights of such Shareholder would increase by more than 1% in any period of 6 months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

In particular, unless exempted, for Directors and persons acting in concert with them, if such directors and their concert parties hold between 30% and 50% of the voting rights in the Company, an increase in the percentage of voting rights as a result of the Share Purchases will be taken into account in determining whether a Shareholder and persons acting in concert with him have increased their voting rights by more than 1% in any period of 6 months.

If the Company decides to cease the purchase of Shares before it has purchased in full such number of Shares authorised by its Shareholders at the 2024 AGM, the Company will promptly inform its Shareholders of such cessation. This will assist Shareholders to determine if they can buy any more Shares without incurring an obligation under Rule 14.

Based on the Register of Directors' Shareholdings and the Register of Substantial Shareholders, as at the Latest Practicable Date, the shareholdings of the Directors, the Substantial Shareholders, and the Relevant Persons (as defined below) before and after the purchase of Shares pursuant to the Share Purchase Mandate, assuming (i) the Company purchases the maximum 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings), and (ii) there is no change in the number of Shares held by the Directors and the Substantial Shareholders or which they are deemed interested in, are set out in Section 5.12 of this Appendix.

For the purposes of the Take-over Code, Lim Rui Ping, Non-Independent Non-Executive Director, and the Estate of Lim Tze Jong (collectively, the "Relevant Persons") are regarded as persons acting in concert in relation to the Company. As at the Latest Practicable Date, the Relevant Persons own in aggregate 334,220,800 Shares, representing approximately 31.96% of the issued Shares (excluding treasury shares and subsidiary holdings).

Assuming that there is no change in the number of Shares held or deemed to be held by the Relevant Persons in the Company as at the Latest Practicable Date, the purchase or acquisition by the Company of the maximum of 104,564,380 Shares (being 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date) will result in an increase in the Relevant Persons' collective holdings in the Shares from 31.96% to 35.51%. Accordingly, the percentage of voting rights held by the Relevant Persons in the Company may be increased by more than 1% in any 6-month period as a result of the purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate. In the event that the voting rights in the Company controlled by the Relevant Persons increase by more than 1% in any 6-month period, the Relevant Persons will, unless exempted, be required to make a take-over offer for the Shares held by the other Shareholders pursuant to Rule 14 of the Take-over Code.

Pursuant to Section 3(a) of Appendix 2, the Relevant Persons will be exempted from making a general offer for the Company if their voting rights would increase by more than 1% in any period of 6 months subject to the following conditions: (a) this Appendix on the resolution to approve the adoption of the Share Purchase Mandate contains advice to the effect that by voting for the adoption of the Share Purchase Mandate, Shareholders are waiving their right to a general offer at the Required Price from the Relevant Persons and parties acting in concert with them who, as a result of the Company buying back its Shares, would increase their voting rights by more than 1% in any period of 6 months; and the names of the Relevant Persons and persons acting in concert with them, their voting rights at the time of the resolution and after the proposed Share Purchases are disclosed in the same Appendix; (b) the resolution to approve the adoption of the Share Purchase Mandate is approved by a majority of those Shareholders present and voting at the meeting on a poll who could not become obliged to make an offer as a result of the share purchase or acquisition by the Company under the Share Purchase Mandate; (c) the Relevant Persons and/or persons acting in concert with them to abstain from voting for and/or recommending shareholders to vote in favour of the resolution to authorise the Share Purchase Mandate; (d) within 7 days after the passing of the resolution to authorise the Share Purchase Mandate, each of the directors to submit to the Council a duly signed form as prescribed by the Council; (e) the Relevant Persons and/or persons acting in concert with them have not acquired and will not acquire any Shares between the date on which they know the announcement of the share purchase by the Company under the Share Purchase Mandate is imminent and the earlier of: (i) the date on which the authority of the Share Purchase Mandate expires; and (ii) the date on which the Company announces it has bought back such number of shares as authorised by the Share Purchase Mandate or it has decided to cease buying back its Shares, as the case may be, if such acquisitions, taken together with those purchased under the Share Purchase Mandate, would cause their aggregate voting rights to increase by more than 1% in the preceding 6 months.

Shareholders should note that by voting in favour of the Ordinary Resolution relating to the adoption of the Share Purchase Mandate, they will be waiving their rights to a general offer at the Required Price from the Relevant Persons and persons acting in concert with them.

Save as disclosed herein, the Directors are not aware of any Shareholder or group of Shareholders acting in concert who may become obligated to make a mandatory offer in the event that the Directors exercise the power to buy back Shares pursuant to the Share Purchase Mandate.

Shareholders are advised to consult their professional advisers and/or the Council and/or other relevant authorities at the earliest opportunity as to whether an obligation on their part, if any, to make a mandatory take-over offer under the Take-over Code would arise by reason of any Share Purchases by the Company.

5.12 Interests of Directors and Substantial Shareholders

Please refer to Section 10 of this Appendix below for details on the interests of Directors and Substantial Shareholders.

5.13 Relevant Persons

The interests of the Relevant Persons in the Shares as at the Latest Practicable Date are set out below:

Relevant Persons	Before Share Purchases (No. of Shares)			Before Share Purchases	After Share Purchases
	Direct Interest	Deemed Interest	Total Interest	% ⁽¹⁾	% ⁽²⁾
Lim Rui Ping	–	–	–	–	–
Estate of Lim Tze Jong	334,220,800	–	334,220,800	31.96	35.51

Notes:–

- (1) As a percentage of the total number of issued Shares as at the Latest Practicable Date, comprising 1,045,643,800 Shares (excluding treasury shares and subsidiary holdings).
- (2) As a percentage of the total number of issued Shares, comprising 941,079,420 Shares (assuming that the Company purchases the maximum number of 104,564,380 Shares under the Share Purchase Mandate and excluding treasury shares and subsidiary holdings).

5.14 Reporting Requirements

In accordance with Section 76B(9)(a) of the Act, within 30 days of the passing of the Shareholders' resolution to approve the proposed adoption of the Share Purchase Mandate, the Directors shall lodge a copy of such resolution with the Registrar.

In accordance with Section 76B(9)(b) of the Act, the Directors shall lodge with the Registrar a notice of Share Purchase within 30 days of a share purchase. Such notification shall include the date of the purchase, the number of Shares purchased by the Company, the number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued share capital before and after the purchase, the amount of consideration paid by the Company for the purchase and such other particulars as may be required in the prescribed form.

In accordance with Section 76K(1D) of the Act, within 30 days of the cancellation or disposal of Treasury Shares in accordance with the provisions of the Act, the Directors shall lodge with the Registrar the notice of cancellation or disposal of Treasury Shares in the prescribed form.

5.15 Share Purchases in the Previous 12 months

The Company had not made any Share Purchases in the last 12 months immediately preceding the Latest Practicable Date.

5.16 Limits on shareholdings

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

6. RECOMMENDATION BY THE DIRECTORS

None of the Directors have any interest, direct and indirect, in the IPT Mandate. None of the Directors or Substantial Shareholders has any interest, direct or indirect, in the proposed adoption of the Share Purchase Mandate (other than through their respective shareholdings in the Company).

The Independent Directors, having reviewed and considered the guidelines and review procedures in relation to the IPT Mandate, the rationale for and benefits of the IPT Mandate, the Independent Directors are of the view that the IPT Mandate is in the best interests of the Company and recommend that the Independent Shareholders vote in favour of the resolution approving the renewal of the IPT Mandate as set out in Ordinary Resolution No. 10 under the heading "Special Business" set out in the Notice of AGM.

The Directors, save for Lim Rui Ping, who has abstained from making any recommendation to Shareholders pursuant to the conditions for exemption under Appendix 2 of the Take-over Code (as set out in Section 5.11 of this Appendix) are of the opinion that the proposed adoption of the Share Purchase Mandate is in the best interests of the Company and recommend that Shareholders vote in favour of the resolution relating to the proposed adoption of the Share Purchase Mandate as set out in Ordinary Resolution No. 11 under the heading "Special Business" set out in the Notice of AGM.

7. ABSTENTION FROM VOTING

KIH, any other Interested Persons and any Shareholder who is an interested person and is interested in the IPT Mandate will abstain, and will procure that each of its associates will abstain from voting in respect of each of their shareholdings in the Company on the approval for the renewal of the IPT Mandate to be proposed at the AGM and shall also not accept nominations to act as proxy, corporate representative or attorney for any Shareholder in relation to the ordinary resolutions relating to the approval for the renewal of the IPT Mandate, unless the Shareholder appointing him indicates clearly how his vote is to be cast in respect of such ordinary resolution.

The Relevant Persons will abstain from voting at the AGM in respect of the resolution relating to the proposed adoption of the Share Purchase Mandate pursuant to the conditions under Appendix 2 of the Take-over Code as set out in Section 5.11 of this Appendix. Furthermore, the Relevant Persons shall also not accept nominations to act as proxy, corporate representative or attorney for any Shareholder in relation to the resolution relating to the proposed adoption of the Share Purchase Mandate, unless the Shareholder appointing the said Relevant Person indicates clearly how his vote is to be cast in respect of such ordinary resolution.

8. ANNUAL GENERAL MEETING

The 2024 AGM will be held in a wholly physical format at 45 Gul Road, Singapore 629350 on 25 April 2024 at 10.00 a.m. for the purpose of considering and, if thought fit, passing, with or without modification the ordinary resolutions set out in the Notice of 2024 AGM.

A copy of this Appendix, the Notice of 2024 AGM and the Proxy Form have been uploaded on SGXNet and the Company's website.

Shareholders are advised to read the Appendix carefully in order to decide whether they should vote in favour of or against the resolutions to be proposed at the 2024 AGM.

9. ACTION TO BE TAKEN BY SHAREHOLDERS

9.1 Appointment of Proxies

Shareholders who are unable to attend the 2024 AGM and who wish to appoint a proxy or proxies to attend and vote at the 2024 AGM on their behalf, will find attached to this Appendix a Proxy Form which they are requested to complete, sign and return in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach the office of the Company's Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue Keppel Bay Tower #14-07 Singapore 098632 not less than 72 hours before the time fixed for the 2024 AGM. The completion and return of the Proxy Form by a Shareholder does not preclude him from attending and voting in person at the 2024 AGM if he so wishes.

9.2 When Depositor regarded as Shareholder

A depositor shall not be regarded as a Shareholder entitled to attend the 2024 AGM and to speak and vote thereat unless he is shown to have Shares entered against his name in the depository register as certified by CDP not less than 72 hours before the time fixed for the 2024 AGM.

10. INTERESTS OF DIRECTORS AND/OR SUBSTANTIAL SHAREHOLDERS

The interests of the Directors in the Shares as recorded in the Register of Directors' Shareholdings as at the Latest Practicable Date as set out below:

Directors	Before Share Purchases (No. of Shares)			Before	After
	Direct Interest	Deemed Interest	Total Interest	Share Purchases % ⁽¹⁾	Share Purchases % ⁽²⁾
Lim Ah Cheng	11,465,500	–	11,465,500	1.10	1.22
Henry Tan Song Kok	500,000	–	500,000	0.05	0.05
Lee Kim Lian, Juliana	–	–	–	–	–
Lim Rui Ping	–	–	–	–	–

Notes:–

(1) As a percentage of the total number of issued Shares as at the Latest Practicable Date, comprising 1,045,643,800 Shares (excluding treasury shares and subsidiary holdings).

(2) As a percentage of the total number of issued Shares, comprising 1,139,830,670 Shares (assuming that the Company purchases the maximum number of 104,564,380 Shares under the Share Purchase Mandate and excluding treasury shares and subsidiary holdings).

The interests of the Substantial Shareholders in the Shares as recorded in the Register of Substantial Shareholders as at the Latest Practicable Date are set out below:

Substantial Shareholders (other than Directors)	As at the Latest Practicable Date (No. of Shares)			Before Share Purchases (In percentage terms) % ⁽¹⁾	After Share Purchases (In percentage terms) % ⁽²⁾
	Direct Interest	Deemed Interest	Total Interest		
Estate of Lim Tze Jong ⁽³⁾	334,220,800	–	334,220,800	31.96	35.51
Lim Lie Tjing @ Lim Lee Cheng ⁽³⁾	36,347,600	358,059,600	394,407,200	37.72	41.91
Lee Soo Chye	–	334,220,800	334,220,800	31.96	35.51
KIH ⁽⁴⁾	250,000,000	–	250,000,000	23.91	26.57
KL ⁽⁴⁾⁽⁵⁾	–	250,000,000	250,000,000	23.91	26.57
Temasek Holdings (Private) Limited ⁽⁵⁾	–	250,000,000	250,000,000	23.91	26.57

Notes:-

- (1) As a percentage of the total number of issued Shares as at the Latest Practicable Date, comprising 1,045,643,800 Shares (excluding treasury shares and subsidiary holdings).
- (2) As a percentage of the total number of issued Shares, comprising 941,079,420 Shares (assuming that the Company purchases the maximum number of 104,564,380 Shares under the Share Purchase Mandate and excluding treasury shares and subsidiary holdings).
- (3) The Estate of Lim Tze Jong has a direct interest in the 334,220,800 shares, comprising of 134,220,800 shares registered under his Estate and the remaining 200,000,000 shares are held through Raffles Nominees (Pte) Ltd.

The Joint Executors, Lim Lie Tjing @ Lim Lee Cheng and Lee Soo Chye are deemed interested in their capacity as Joint Executors of the Estate of Lim Tze Jong in the 334,220,800 shares in which the Estate has a direct interest in. Lim Lie Tjing @ Lim Lee Cheng has an additional deemed interest of 20,838,800 from shares held by her spouse and her brother.
- (4) KL owns 100% of KIH and accordingly is deemed by virtue of Section 7(4) of the Act to have an interest in Shares held by KSI.
- (5) Temasek Holdings (Private) Limited's deemed interest arises from the deemed interest held by KL by virtue of Section 7(4A) of the Act.

11. 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, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the IPT Mandate, the IPTs, the proposed adoption 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 these sources and/or reproduced in the Appendix in its proper form and context.

12. INSPECTION OF DOCUMENTS

The Annual Report 2023 and the Appendix relating to the proposed renewal of the IPT Mandate and the proposed adoption of the Share Purchase Mandate may be accessed at the Company's Website at the URLs <https://investor.dyna-mac.com/ar.html> and <https://investor.dyna-mac.com/annual-general-meeting.html>.

The Constitution may also be inspected at the registered office of the Company at 59 Gul Road, Singapore 629354 during normal business hours from the date of this Appendix up to and including the date of the 2024 AGM.

Yours faithfully

For and on behalf of the Board of Directors of
DYNA-MAC HOLDINGS LTD.

Lim Ah Cheng
Executive Chairman and Chief Executive Officer

