

## Cortina Holdings Limited: SIAS Q&A for AGM FY2025

S/N	Question	Response
1(i)	For the benefit of shareholders, can management elaborate on the quantum of investment required to acquire a new brand like BOVET? What is the group's framework for evaluating brand acquisitions, in terms of heritage value, exclusivity, margin potential, and alignment with existing portfolio dynamics?	<p>The Group does not acquire ownership of brands; instead, it enters into selective brand partnerships and distribution agreements in line with its strategic focus on curating a differentiated and high-quality brand portfolio. The recent addition of Bovet reflects this approach. For reasons of commercial sensitivity and in respect of brand partners' expectations, the Group does not disclose the terms of individual brand agreements.</p> <p>Brand selection is guided by a structured evaluation framework aligned with the Group's vision and mission. Key criteria include brand heritage and storytelling, exclusivity and personalisation, portfolio complementarity—including breadth of coverage and margin contribution—and the level of craftsmanship and artisanship that meets the expectations of discerning customers. Ultimately, the Group seeks to build a sustainable business by offering customers the finest selection of brands and delivering an exceptional customer experience.</p>
1(ii)	How does the group decide whether to open a boutique under the Cortina or Sincere brand? What are the core brand differentiators?	<p>The Group operates through the Cortina Watch brand and the Sincere Watch brand, each with a differentiated branding strategy tailored to specific market segments. Cortina Watch focuses on internationally recognised luxury brands, targeting a broad aspirational customer base through boutiques that emphasise accessibility and prestige. In contrast, Sincere Watch is positioned for discerning collectors and watch connoisseurs, offering a curated selection of niche, independent, and haute horlogerie brands. The two groups differ in brand positioning, product mix, and retail experience, allowing the Group to segment the market effectively and extend its reach across a wider spectrum of luxury watch consumers.</p> <p>As a new business segment, the Group is entering travel retail with a series of multi-brand boutiques at Changi Airport. Managed under the Sincere Watch banner, these stores will present curated, differentiated offerings tailored to an international clientele.</p>
2(i)	How does the board evaluate the use of capital for share buybacks compared to returning capital through dividends?	Share buybacks provides the Company a flexible alternative to dividends for returning value to shareholders. They provide the Board with greater flexibility in managing the Company's capital structure,

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		optimising earnings per share and potentially enhancing the share price. Buybacks also allow for more efficient use of surplus cash, benefiting both the Company and its shareholders.
2(ii)	What are the board's guiding principles when choosing between conducting on-market purchases and off-market acquisitions (in particular, equal access offer)?	In determining whether to conduct an on-market buyback or an off-market equal access scheme, the Board will be guided by what best serves the interests of the Company and its shareholders as a whole. Key considerations include prevailing market conditions, the potential impact on share price and liquidity, the Company's capital management objectives, and the overall efficiency and fairness of the mechanism. The Board will assess which approach provides the most effective and equitable means of returning surplus capital, taking into account timing, pricing flexibility, shareholder participation, and regulatory requirements.
2(iii)	Given that the current market price is significantly above the company's net tangible assets per share, how does the board determine whether share buybacks will enhance long-term shareholder value or risk being value-destructive? Furthermore, what measures can the board implement to mitigate the risk that share buybacks may inadvertently concentrate control in the hands of majority shareholders, such as enabling them to bypass a takeover offer or crossing the 50% threshold using company cash reserves?	<p>The Board recognises that the current share price (at the time of this writing) is significantly above the Company's net tangible assets (NTA) per share. However, the decision to undertake a share buyback is not based solely on NTA, but on a broader assessment of value and capital efficiency.</p> <p>A share buyback can enhance shareholder value in several ways:</p> <ol style="list-style-type: none"> <li>1) Earnings Per Share (EPS) Accretion: Reducing the number of shares outstanding can improve EPS, which may support the share price and benefit shareholders.</li> <li>2) Signaling Confidence: A buyback signals the Board's confidence in the Company's long-term prospects and intrinsic value, which can help anchor investor sentiment during periods of volatility.</li> <li>3) Efficient Capital Management: If the Company has surplus cash and limited near-term reinvestment needs, a buyback may represent a more efficient use of capital than holding excess reserves or pursuing suboptimal investments.</li> <li>4) Support in Volatile Markets: During periods of price volatility, disciplined buybacks can help smooth market fluctuations and provide price support when shares are undervalued relative to fundamentals or long-term potential.</li> </ol>

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		<p>Ultimately, any buyback would be pursued with the objective of delivering long-term value to shareholders, taking into account market conditions, valuation metrics, and strategic priorities.</p> <p>As set out in paragraph 5.5 on page 16 of the letter to shareholders relating to the share buyback (“<b>Letter to Shareholders</b>”) dated 11 July 2025, the Relevant Directors (as defined in the Letter to Shareholders and who are the majority shareholders) and their associates are exempted from the requirement under Rule 14 of the Singapore Code on Take-overs and Mergers to make a general offer for shares held by other shareholders in the event that their aggregate percentage of total voting rights in our Company increases by 1% more as a result of any share buyback carried out pursuant to the share buyback mandate subject to certain conditions set out in aforesaid paragraph 5.5, among them, the Relevant Directors and their concert parties shall abstain from voting on the resolution to approve the share buyback mandate. The resolution must be approved by majority of the shareholders (excluding the Relevant Directors and their concert parties) present and voting at the forthcoming annual general meeting of the Company.</p> <p>The Company is committed to its shareholders to ensure that any share buyback will not cause the number of shares remaining in the hands of the public to affect the orderly trading and listing status of the Shares on the SGX-ST. As set out in paragraph 6.5 on page 18 of the Letter to Shareholders, as at the Practical Date (listed as 19 June 2025 in the Letter to Shareholders) there is a sufficient number of issued shares held in the hands of the public which would permit the Company to undertake share buybacks up to the maximum limit of 10% of the issued shares without affecting the listing status of the Company’s shares on the Singapore Exchange Securities Trading Limited.</p>
3(i)	To enhance transparency, can the board provide greater clarity on the rationale, selection criteria and the search and nomination process that led to the appointment of the new independent directors, as required under the SGX	As set out on pages 51 to 52 of the Annual Report, the Nominating Committee (“ <b>NC</b> ”) will conduct an annual review of the composition of the Board in terms of the size and mix of skills and qualifications of Board members. It may, if it deems appropriate, recommend the appointment of additional Directors to strengthen the composition of the Board.

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	appointment announcement template?	<p>Three Independent Directors (“IDs”) who had served on the Board for more than 9 years and ceased to be independent under Listing Rule 210(5)(d)(iv) retired at the conclusion of last annual general meeting (“last AGM”) held on 26 July 2024. In view of the vacancies in respect of the three then retiring IDs, the identification and search process for candidate to fill the vacancies commenced prior to the last AGM.</p> <p>The NC conducted an evaluation of the competencies and skills of new appointees to the Board. Potential candidates were sourced from a network of contacts and recommendations from members of the Board and Management.</p> <p>Mr Lee Eng Kian, Mr Lim Yeow Hua Kenny and Mr Soh Ee Beng were among the candidates shortlisted and interviewed by the NC to evaluate their independence, integrity, background, qualifications and experience and found to be suitable for appointments as IDs.</p> <p>Mr Lee Eng Kian is currently the Managing Partner of PKF-CAP LLP and its related entities, with 30 years of experience in audit, practice management, and talent development. Mr Lim Yeow Hua Kenny is a chartered accountant and accredited tax advisor (Income tax and Goods and Services Tax). Mr Lim has more than 30 years of experience in the accounting, tax, financial services, and investment banking industries. Mr Soh Ee Beng is currently a Senior Executive Director of UOB Kay Hian Private Limited, where he is involved in the general management and development of the private wealth management business for the group. He has over 26 years of experience in investment banking, primarily focused on Southeast Asia and held senior leadership roles at several international banks. They collectively bring to the Board a wide range of skills and expertise ranging from auditing, accounting, finance, tax and investment banking experience. Please refer to more details of the background, qualifications and experience of the new Directors as set out in the Board of Directors’ section in the Annual Report.</p>
3(ii)	Given that none of the independent directors have relevant industry experience, how do they credibly assess operational plans, challenge key business assumptions, or exercise independent judgement	<p>The Company has 5 IDs. In addition to Mr Lee Eng Kian, Mr Lim Yeow Hua Kenny and Mr Soh Ee Beng, the other IDs are Mr Chuang Keng Chiew and Ms Tan Siew San. Mr Chuang is a lawyer who was previously Director of Advent Law Corporation from November 2003 to December 2014 and currently its consultant since 2015. Ms Tan was Ambassador Extraordinary and</p>

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	<p>in boardroom discussions with the executive directors who collectively bring over a century of watch retail experience?</p>	<p>Plenipotentiary to the Kingdom of Thailand from 2012 to 2019 and had previous various leadership appointments in the Singapore civil service including being Deputy Secretary (Asia-Pacific) in the Ministry of Foreign Affairs and Deputy Secretary (Policy) in the Ministry of Defence. Please refer to more details of the background, qualifications and experience of Mr Chuang and Ms Tan as set out in the Board of Directors' section in the Annual Report.</p> <p>In addition to their core competencies as outlined above, all the IDs have business management experience as business leaders in their own field of expertise. When they joined the Company, the IDs went through the Company's orientation process and were introduced to the Group's businesses and governance practices. All the Directors of the Company (including the IDs) are continually and regularly updated on the Group's businesses and governance practices through Board meetings and regular updates by management which include budgets, forecasts and quarterly management accounts. With their core competencies coupled with their business management experience, the Directors (IDs and Executive Directors) collectively as a Board have the capability and the diversity of perspectives to determine the strategies and the related strategic policies which are in the best interest for the long term growth of the Group and to assess the performance of management to carry out the operational plans and budgets set by management to achieve the strategies.</p>