

APPENDIX DATED 16 AUGUST 2021

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

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

This Appendix is circulated to shareholders of Capital World Limited (the “**Company**”) together with the Company’s annual report for the financial year ended 30 June 2020. Its purpose is to provide shareholders with the relevant information relating to, and to seek shareholders’ approval for the proposed renewal of share buy-back mandate, at the annual general meeting of the Company to be held on Tuesday, 31 August 2021 at 10.00 a.m. via electronic means.

This Appendix has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “**Sponsor**”). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the “**Exchange**”). The Exchange assumes no responsibility for the contents of this Appendix, including the correctness of any of the statements or opinions made or reports contained in this Appendix. The contact person for the Sponsor is Ms. Lim Hui Ling, 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, sponsorship@ppcf.com.sg.



CAPITAL WORLD LIMITED

(Incorporated in the Cayman Islands on 15 March 2013)
(Company Registration No.: CT-276295)

APPENDIX TO SHAREHOLDERS

in relation to the

PROPOSED RENEWAL OF THE SHARE BUY-BACK MANDATE

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DEFINITIONS

The following definitions apply throughout in this Appendix except where the context otherwise requires:

- “AGM 2020”** : Annual general meeting of the Company to be held on Wednesday, 31 August 2021 at 10.00 a.m.
- “AGM”** : Annual general meeting of the Company
- “Appendix”** : This appendix to Shareholders dated 16 August 2021
- “Articles of Association”** : The articles of association of the Company, as may be amended or modified from time to time
- “Associate(s)”** : (a) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:
- (i) his immediate family;
 - (ii) the trustees, acting in their capacity as such 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; or
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more of the total votes attached to all the voting shares;
- (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 any 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 of the total votes attached to all the voting shares
- “Audit Committee”** : The audit committee of the Company for the time being. As at the date of this Appendix, the Audit Committee comprises Mr. Lim Kian Thong, Ms. Tan Ler Choo, Mr Lam Kwong Fai and Mr. Low Chai Chong
- “Board”** : The board of Directors of the Company as at the date of this Appendix
- “Catalist”** : The sponsor-supervised listing platform of the SGX-ST

“Catalist Rules”	:	SGX-ST Listing Manual Section B: Rules of Catalist, as may be amended, varied or supplemented from time to time
“Cayman Companies Law”	:	The Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“CDP” or “Depository”	:	The Central Depository (Pte) Limited
“CFO/FC”	:	Chief Financial Officer/Financial Controller of the Company, as appointed from time to time
“Company”	:	Capital World Limited
“Controlling Shareholder”	:	As defined in the Catalist Rules a person who: (a) holds directly or indirectly 15% or more of the nominal amount of all voting share in the Company (unless otherwise determined by the SGX-ST); or (b) in fact exercises control over the Company.
“Depositor Proxy Form”	:	The proxy form enclosed with this Appendix to be used by Depositor(s) (being corporations) and/or Depositor(s) (being individuals who are unable to attend the AGM personally) who wish to appoint person(s) to attend the AGM and vote on its/his/her behalf
“Director”	:	A director of the Company as at the date of this Appendix or as appointed from time to time
“AGM 2019”	:	The annual general meeting of the Company held on 30 October 2019
“Entity at Risk”	:	Has the meaning ascribed to it in Paragraph 3.2 of this Appendix
“EPS”	:	Earnings per Share
“FY”	:	Financial year ended 30 June
“Group”	:	The Company and its subsidiaries, collectively
“Latest Practicable Date”	:	10 August 2021, being the latest practicable date prior to the printing of this Appendix
“LPS”	:	Loss per Share
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Market Purchase”	:	Has the meaning ascribed to it in Paragraph 2.3.3 of this Appendix
“Memorandum”	:	The memorandum of association of the Company, as may be amended or modified from time to time

“NAV”	:	Net asset value
“Notice of AGM”	:	The notice to Shareholders of the AGM as set out on pages 135 to 141 of the annual report
“NTA”	:	Net tangible assets
“Off-Market Purchase”	:	Has the meaning ascribed to it in Paragraph 2.3.3 of this Appendix
“Proxy Form”	:	Each of the Depositor Proxy Form or the Shareholder Proxy Form, as the case may be
“Relevant Period”	:	The period commencing from the date on which the last AGM of the Company was held and expiring on the date of the next AGM of the Company is held or is required by law or by the Articles of Association to be held whichever is earlier after the date the resolution relating to the Share Buyback Mandate is passed
“Securities Account”	:	A securities account maintained by a Depositor with CDP but does not include a securities sub-account
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	Persons who are registered as holders of Shares in the register of members of the Company. For the purposes of this Appendix, where the registered holder is CDP, the term “Shareholders” shall, where the context admits, mean the Depositors in the Depository Register maintained by CDP and into whose Securities Accounts those Shares are credited
“Shareholder Proxy Form”	:	The proxy form enclosed with this Appendix to be used by a Shareholder (other than CDP) who wishes to appoint a proxy or proxies to attend the AGM and vote on its/his/her behalf
“Share Buyback Mandate”	:	A general mandate given by Shareholders to authorise the Directors to purchase or otherwise acquire, on behalf of the Company, Shares in accordance with the terms set out in this Appendix as well as the rules and regulations set forth in the Catalist Rules and subject to compliance with the Cayman Companies law
“Shares”	:	Ordinary shares in the capital of the Company
“SIC”	:	The Securities Industry Council of Singapore

“Singapore Companies Act”	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
“Subsidiary Holdings”	:	Shares referred in sections 21(4), 21(4B), 21(6A) and 21(6C) of the Singapore Companies Act
“Securities and Futures Act”	:	Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time
“Substantial Shareholder”	:	A person who has an interest in the Shares, the total votes attached to which is not less than five per cent. of the total votes attached to all voting Shares of the Company
“Take-over Code”	:	The Singapore Code on Take-overs and Mergers, as may be amended, varied or supplemented from time to time
“Treasury Shares”	:	Issued Shares of the Company which have been purchased by the Company in circumstances whereby section 37A of the Cayman Companies Law applies and have been continuously held by the Company since such purchase
“%” or “per cent.”	:	Percentage or per centum
“RM”, and “RM cents” respectively	:	Malaysian ringgit and cents respectively
“S\$”	:	Singapore dollars

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** shall have the meanings ascribed to them, respectively, in Section 81SF of the Securities and Futures Act or any statutory modification thereof, as the case may be.

The expressions **“associated company”** and **“subsidiary”**, shall have the meaning ascribed to them respectively in the Securities and Futures Act, and the Catalist Rules, as the case may be.

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

Any reference in this Appendix to any enactment is a reference to that enactment for the time being amended or re-enacted. Any word defined under the Cayman Companies Law, the Securities and Futures Act, and the Catalist Rules or any modification thereof and used in this Appendix shall, where applicable, have the meaning ascribed to it under the Cayman Companies Law, the Securities and Futures Act, and the Catalist Rules or modification as the case may be.

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

Any discrepancy with the tables in this Appendix between the listed amounts and the totals thereof is due to rounding. Headings in this Appendix are inserted for convenience only and shall be ignored in construing this Appendix.

Exchange Rates

Unless otherwise stated, the exchange rate between RM and S\$ was RM3.1155 : S\$1 as at the Latest Practicable Date. This exchange rate should not be construed as a representation that the RM amounts could have been, or could be, converted into Singapore dollars at the rate stated, or at all, and vice versa.

CAPITAL WORLD LIMITED (Incorporated
in the Cayman Islands on 15 March 2013) (Company
Registration No.: CT-276295)

Board of Directors:

Mr. Low Chai Chong (Non-Executive Independent
Chairman)
Mr. Siow Chien Fu (Executive Director and CEO)
Mr. Lim Kian Thong (Non-Executive and Independent
Director)
Mr. Lam Kwong Fai (Non-Executive and Independent
Director)
Ms. Tan Ler Choo (Non-Executive and Non-Independent
Director)

Registered Office:

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

16 August 2021

To: The Shareholders of Capital World Limited

Dear Sir/Madam

1. INTRODUCTION

- 1.1. The Directors refer to the Notice of AGM of the Company dated 16 August 2021 convening the AGM 2020 to be held on 31 August 2021 to seek approval of the Shareholders in relation to the proposed renewal of the Share Buyback Mandate.
- 1.2. The purpose of this Appendix is to provide Shareholders with information relating to the aforesaid matters, and to seek Shareholders' approval in respect of the same at the AGM 2020. The Notice of AGM is set out on pages 135 to 141 of the Annual Report.

2. THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

2.1. Background

The proposed Ordinary Resolution 8 in the Notice of AGM relates to the proposed renewal of the Share Buyback Mandate. The Share Buyback Mandate was approved by Shareholders at the AGM 2019 of the Company held on 30 October 2019 and will expire on the date of the AGM 2020, being 31 August 2021. Accordingly, the Company is proposing to seek the renewal of the Share Buyback Mandate via an ordinary resolution at the AGM 2020.

If renewed at the forthcoming AGM 2020, the authority conferred by the Share Buyback Mandate will, unless revoked or varied by the Company in a general meeting or carried out to the full extent mandated, take effect from the date of the AGM 2020 and continue in force until the date on which the next AGM of the Company is held or is required by law to be held, whichever is the earlier.

2.2. Rationale for the Share Buyback Mandate

The Company strives to increase Shareholders' value in the Company by improving, inter alia, the return on equity of the Group. A share buyback at the appropriate price level is one of the ways in which the return on equity of the Group may be enhanced.

Share buybacks 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. It will also provide the Directors with greater flexibility over the Company's share capital structure with a view to lead to enhancing the EPS per Share.

The Directors believe that a share buyback by the Company will also help mitigate short-term market volatility, offset the effects of short-term speculation and bolster shareholder confidence. Further, share buybacks will allow management to effectively manage and minimise the dilution impact, if any, that may be associated with any share-based incentive scheme of the Company.

If and when circumstances permit, the Directors will decide whether to effect the share purchases via Market Purchases or Off-Market Purchases, after taking into account factors such as the amount of cash available, the prevailing market conditions and the most cost-effective and efficient approach. The Directors do not propose to carry out purchases pursuant to the Share Buyback Mandate to such an extent that would, or in circumstances that might, result in a material adverse effect on the float, liquidity, orderly trading of the Shares and/or financial position of the Group.

2.3. Authority and Limits of the Share Buyback Mandate

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

2.3.1. Maximum Number of Shares

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

The total number of Shares that may be purchased or acquired by the Company is limited to that number of Shares representing not more than 10% of the total number of issued Shares of the Company (excluding Treasury Shares and Subsidiary Holdings (if any)) as at the date of the AGM at which the Share Buyback Mandate is approved, unless the Company has, at any time during the Relevant Period, effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Cayman Companies Law, in which event the total number of Shares shall be taken to be the total number of Shares as altered (excluding any Treasury Shares and Subsidiary Holdings (if any) that may be held by the Company from time to time).

For illustrative purposes only, based on the existing issued and paid-up share capital of the Company as at the Latest Practicable Date comprising 1,832,094,554 Shares (excluding Treasury Shares and Subsidiary Holdings), and assuming no further Shares are issued on or prior to the AGM 2020, not more than 183,209,455 Shares (representing 10% of the issued Shares of the Company (excluding Treasury Shares and Subsidiary Holdings)) may be purchased or acquired by the Company pursuant to the Share Buyback Mandate proposed to be renewed. As at the Latest Practicable Date, the Company does not hold any Treasury Shares and does not have any Subsidiary Holdings.

While the Share Buyback Mandate proposed to be renewed would authorise a purchase or acquisition of Shares up to the 10% limit, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buyback Mandate may not be carried out up to the full 10% limit as authorised. In particular, the Board will not effect the purchase or acquisition of the Shares to be made in circumstances which would have an adverse effect on the float, liquidity, orderly trading of the Shares and/or financial position of the Group.

2.3.2. Duration of Authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the AGM 2020 at which the proposed renewal of the Share Buyback Mandate is approved, up to the earliest of:

- (a) the conclusion of the next AGM, or the date by which the next AGM is required by law or by the Articles of Association to be held; or
- (b) the date on which the purchases or acquisitions of Shares are carried out to the full extent of the Share Buyback Mandate; or
- (c) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied by an ordinary resolution of the Shareholders in a general meeting.

The authority conferred on the Directors by the Share Buyback Mandate to purchase Shares may be renewed by Shareholders at the next AGM or at any other general meeting of the Company. When seeking the approval of the Shareholders for the renewal of the Share Buyback Mandate, the Company is required to disclose details pertaining to purchases or acquisitions of Shares pursuant to the proposed Share Buyback Mandate made during the previous 12 months, including the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such purchases of Shares, where relevant, and the total consideration paid for such purchases.

2.3.3. Manner of Purchase or Acquisition of Shares

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

- (a) on-market purchases (the “**Market Purchase**”), transacted on the SGX-ST through the SGX-ST’s trading system or, as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed dealers appointed by the Company for the purpose; and/or
- (b) off-market purchases (the “**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 Singapore Companies Act, and which will satisfy all the conditions prescribed by the Articles of Association and the Catalist Rules.

The Directors may impose such terms and conditions which are not inconsistent with the Share Buyback Mandate, the Catalist Rules, the Memorandum and Articles of Association and the Cayman Companies Law, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme or schemes.

While the Company is not bound by Singapore Companies Act, any Off-Market Purchase in accordance with an equal access scheme must also satisfy all of the following conditions:

- (i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (ii) all of the abovementioned 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 offers may relate to Shares with different accrued dividend entitlements, (B) differences in consideration attributable to the fact that 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 Catalist Rules 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:

- (1) the terms and conditions of the offer;
- (2) the period and procedures for acceptances;
- (3) the reasons for the proposed share buyback;
- (4) the consequences, if any, of share purchases by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (5) whether the share buybacks, if made, could affect the listing of the Company's equity securities on the SGX-ST;
- (6) details of any share buybacks made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases in accordance with an equal access scheme), giving the total number of the Shares purchased, the purchase price per Share or the highest or lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (7) whether the Shares purchased by the Company will be cancelled or kept as Treasury Shares.

2.4. Maximum Purchase Price

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

- (a) in the case of a Market Purchase, 105% of the Average Closing Market Price (as defined below); and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Market Price (as defined below),

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

For the purposes of determining the Maximum Price:

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

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

2.5. Status of Purchased or Acquired Shares

A Share purchased or acquired by the Company is, unless held as a Treasury Share in accordance with the Cayman Companies Law, treated as cancelled immediately on purchase or acquisition. On such cancellation, all rights and privileges attached to the Share will expire and the Company’s issued share capital (but not the authorised capital) shall be diminished by the nominal value of that Share. The total number of issued Shares (but not the Company’s authorised share capital) will be diminished by the number of Shares which are purchased or acquired and cancelled by the Company.

All Shares purchased and cancelled by the Company 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 settlement of any such purchase.

At the time of each purchase of Shares by the Company, the Directors will decide whether the Shares purchased will be cancelled or kept as Treasury Shares, or partly cancelled and partly kept as Treasury Shares, depending on the needs of the Company at that time.

2.6. Treasury Shares

Under the Cayman Companies Law, a company may hold shares so purchased or acquired as treasury shares provided that:

- (a) the memorandum and articles of association of the company do not prohibit it from holding treasury shares;

- (b) the relevant provisions of the memorandum and articles of association (if any) are complied with; and
- (c) the company is authorised in accordance with the company's articles of association or by a resolution of the directors to hold such shares in the name of the company as treasury shares prior to the purchase, redemption or surrender of such shares.

Treasury Shares held by the Company will continue to be classified as treasury shares until they are either cancelled or transferred. If the Company holds Treasury Shares, it may at any time:

- (i) cancel the Treasury Shares in accordance with the provisions of the Articles of Association, or in absence of any such provisions, by a resolution of its Directors, and if so cancelled the amount of the Company's issued share capital shall be diminished by the nominal or par value of those shares accordingly but the Company's authorised share capital shall not be reduced; or
- (ii) transfer some or all of the Treasury Shares to any person whether or not for valuable consideration (including at a discount to the nominal or par value of such shares).

For so long as the Company holds Treasury Shares:

- (A) notwithstanding that the Company shall be entered in its register of members as holding those shares:
 - (1) the Company shall not be treated as a member for any purpose and shall not exercise any right in respect of the Treasury Shares, and any purported exercise of such a right shall be void; and
 - (2) a Treasury Share shall not be voted, directly or indirectly, at any meeting of the Company and shall not be counted in determining the total number of issued Shares at any given time, whether for the purposes of the Articles of Association or the Cayman Companies Law;
- (B) no dividend may be declared or paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up) may be made to the Company, in respect of a Treasury Share; and
- (C) Shares may be allotted and issued as fully paid bonus Shares in respect of Treasury Shares and such Shares allotted shall be treated as Treasury Shares.

2.7. Reporting and Catalist Rules Requirements

Under the Catalist Rule 704(31), an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares.

Catalist Rule 871 specifies that a listed company shall announce all purchases or acquisitions of its shares via SGXNET 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.

(c) The announcement must be in the form of Appendix 8D of the Catalist Rules.

The Company shall make arrangements with its stockbrokers to ensure that they provide the Company in a timely fashion the necessary information which will enable the Company to make the notifications via SGXNET.

Dealing in Shares

While the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its Shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Buyback 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.

In particular, the Company will not purchase or acquire any Shares through Market Purchases and/or Off-Market Purchases during two (2) weeks immediately preceding the announcement of the Company’s results for each of the first three (3) quarters of its financial year and one (1) month before the announcement of the Company’s full year financial statements.

Shares Held by the Public

The Catalist Rules requires a listed company to ensure that at least 10% of the total number of issued shares excluding treasury shares is at all time held by the public. The “public”, as defined under the Catalist Rules, are persons other than the Directors, chief executive officers, Substantial Shareholders or Controlling Shareholders of the company and its subsidiaries, as well as the Associates of such persons.

As at the Latest Practicable Date, 561,563,127 Shares representing 30.65% of the issued Shares are held in the hands of the public. For illustration only, in the event that the Company purchases the maximum of 10% of the total number of issued Shares from public Shareholders by way of a Market Purchase, the number of Shares in the hands

of the public would be reduced to 378,353,672 Shares, representing approximately 22.95% of the issued Shares of the Company. Accordingly, the Company is of the view that there is a sufficient number of the Shares in issue held by public Shareholders which would permit the Company to undertake purchases or acquisitions of its Shares through Market Purchases up to the full 10% limit pursuant to the Share Buyback Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to affect orderly trading.

2.8. Source of Funds

The Company may only apply funds for the share purchase(s) pursuant to the Share Buyback Mandate in accordance with the Cayman Companies Law, the Articles of Association, Catalist Rules and any other applicable laws, rules and regulations in the Cayman Islands and Singapore. The Company may not purchase its Shares for a consideration other than in cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the trading rules of the SGX-ST.

Pursuant to the Articles of Association and the Cayman Companies Law, so long as the Company is solvent, any payment made by the Company in consideration

of the purchase or acquisition of its own Shares may only be made out of the profits of the Company, out of the share premium account, out of the proceeds of a fresh issue of Shares made for the purposes of the purchase or out of capital as the Directors may determine in accordance with the provisions of the Articles of Association and the Cayman Companies Law.

A payment out of capital by the Company for the purchase of its own Shares is not lawful unless immediately following the date on which the payment out of capital is proposed to be made, the Company shall be able to pay its debts as they fall due in the ordinary course of business.

The Company may use internal resources and/or external borrowings to finance purchases of its Shares pursuant to the Share Buyback Mandate. The amount of funding required for the Company to purchase or acquire its Shares and the financial impact on the Company and the Group arising from such purchases of Shares pursuant to the Share Buyback Mandate will depend on, inter alia, the aggregate number of Shares purchased, the consideration paid at the relevant time, and the amount (if any) borrowed by the Company to fund the purchases of Shares. However, in considering the option of external financing, the Board will consider particularly the prevailing gearing level of the Group.

The Directors do not propose to exercise the Share Buyback Mandate in a manner and to such extent that the liquidity and capital adequacy position of the Group or the Company will be adversely affected.

2.9. Financial Effects

The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Buyback Mandate will depend on, inter alia, the aggregate number of Shares purchased or acquired, the amount borrowed by the Group (if any) to fund the purchases or acquisitions, whether the Shares are purchased or acquired out of capital or profits, the price paid for such Shares and whether the Shares purchased or acquired are held in treasury or cancelled. The Directors do not propose to exercise the Share Buy-Back Mandate to such an extent that it would have a material adverse effect on the working capital requirements of the Group. The purchase of the Shares will only be effected after considering relevant factors such as working capital requirement, availability of financial resources and the prevailing market conditions. Such purchase will be exercised with a view to enhance the EPS and/or NTA per Share of the Group.

Shareholders should note that the financial effects illustrated below are for illustration purposes only. The financial effects on the Group and the Company, based on the audited financial statements of the Group for FY2020, are based on the assumptions set out below and are not necessary representative of the future financial performance of the Group.

(a) Number of Shares purchased or acquired

As at the Latest Practicable Date, the issued and paid-up share capital of the Company was S\$9,160,473, comprising 1,832,094,554 Shares (excluding Treasury Shares) with market price on last trading day before suspension of S\$0.005 each. Based on the issued and paid-up share capital of the Company as at the Latest Practicable Date and assuming no further Shares are issued on or prior to the AGM 2020, the purchase by the Company of up to the maximum limit of 10% of its issued ordinary Shares will result in the purchase or acquisition of 183,209,455 Shares.

(b) Maximum price paid for Shares purchased or acquired

In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 183,209,455 Shares at the Maximum Price of S\$0.00525 for one Share (being the price equivalent to five per cent. above the last Average Closing Market Price of the Shares for the five Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 183,209,455 Shares is S\$961,850 (equivalent to approximately RM2,996,643), excluding brokerage, stamp duties, 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 183,209,455 Shares at the Maximum Price of S\$0.006 for one Share (being the price equivalent to 20% above the Average Closing Market Price of the Shares as recorded for the last five Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 183,209,455 Shares is S\$1,099,257 (equivalent to approximately RM3,424,735, excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses.

For illustrative purposes only, on the basis of the assumptions set out above, and assuming that:

- (i) the purchase of Shares is financed by long-term borrowings by the Group and/or the Company;
- (ii) the Share Buyback Mandate had been effective on 1 July 2019;
- (iii) the purchase or acquisition of Shares pursuant to the Share Buyback Mandate had taken place on 1 July 2019 for the purpose of computing the financial effects on the LPS of the Group and the Company;
- (iv) the purchase or acquisition of Shares pursuant to the Share Buyback Mandate had taken place on 30 June 2020 for the purpose of computing the financial effects on Shareholders' equity, NTA per Share and gearing of the Company and the Group; and
- (v) transaction costs incurred for the purchase or acquisition of Shares pursuant to the Share Buyback Mandate are insignificant and are ignored for the purpose of computing the financial effects;

the financial effects of the purchase of the 183,209,455 Shares by the Company pursuant to the Share Buyback Mandate:

- (1) by way of purchases made entirely out of capital and held as Treasury Shares; and
- (2) by way of purchases made entirely out of capital and cancelled,

on the audited financial statements of the Company and the Group for FY2020 are set out below.

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

	Group			Company		
	Before	After Share Buyback		Before	After Share Buyback	
	Share Buyback	Market Purchase	Off-Market Purchase	Share Buyback	Market Purchase	Off-Market Purchase
As at 30 June 2020/For FY2020 (RM' 000)						
Share Capital and Reserves	186,775	186,775	186,775	874,012	874,012	874,012
Accumulated losses	(35,551)	(35,851)	(35,894)	(725,746)	(726,727)	(726,867)
Treasury Shares	-	(2,997)	(3,425)	-	(2,997)	(3,425)
Total Shareholders' Equity	151,224	147,927	147,457	148,266	144,288	143,720
NTA	150,792	144,199	143,257	148,266	140,991	139,953
Current Assets	580,467	580,467	580,467	80,828	80,828	80,828
Current Liabilities	489,425	489,725	489,768	40,175	40,175	40,175
Net Working Capital	91,042	90,742	90,700	40,653	40,653	40,653
Total Borrowings	44,689	47,686	48,114	17,027	20,024	20,452
Cash and bank balances	1,299	1,299	1,299	11	11	11
Number of issued Shares ('000) ⁽¹⁾	1,832,095	1,648,886	1,648,886	1,832,095	1,648,886	1,648,886
Weighted average number of Shares ('000)	1,832,095	1,740,491	1,740,491	1,832,095	1,740,491	1,740,491
Number of Treasury Shares ('000)	-	183,209	183,209	-	183,209	183,209
Loss for the year attributable to Shareholders	(152,370)	(152,670)	(152,713)	(586,758)	(587,058)	(587,101)
<u>Financial Ratios</u>						
NTA per Share ⁽²⁾ (RM cents)	8.2	8.7	8.7	8.1	8.6	8.5
Gearing ⁽³⁾ (times)	29.55%	32.24%	32.63%	11.48%	13.88%	14.23%
Current Ratio ⁽⁴⁾ (times)	1.19	1.19	1.19	2.01	2.01	2.01
Basic LPS ⁽⁵⁾ (RM cents)	(8.32)	(8.77)	(8.77)	(32.03)	(33.73)	(33.73)

Notes:

- (1) Number of issued Shares is based on the Shares in issue as at 30 June 2020, excluding Treasury Shares.
- (2) NTA per Share is calculated based on NTA divided by the number of issued Shares (excluding Treasury Shares) as at 30 June 2020.
- (3) Gearing is calculated based on total borrowings divided by total equity.
- (4) Current ratio is calculated based on current assets divided by current liabilities.
- (5) Basic (LPS) is calculated based on (loss) for the financial year divided by the weighted average number of Shares (excluding Treasury Shares) for FY2020.

(2) Purchases made entirely out of capital and cancelled

	Group			Company		
	Before Share Buyback	After Share Buyback Market Purchase	Off- Market Purchase	Before Share Buyback	After Share Buyback Market Purchase	Off- Market Purchase
As at 30 June 2020/For FY2020 (RM' 000)						
Share Capital and Reserves	186,775	183,778	183,350	874,012	871,015	870,587
Accumulated losses	(35,551)	(35,551)	(35,851)	(725,746)	(726,727)	(726,867)
Treasury Shares	-	-	-	-	-	-
Total Shareholders' Equity	151,224	148,227	147,499	148,266	144,288	143,720
NTA	150,792	144,498	143,300	148,266	144,288	143,720
Current Assets	580,467	580,467	580,467	80,828	80,828	80,828
Current Liabilities	489,425	489,725	489,768	40,175	40,175	40,175
Net Working Capital	91,042	90,742	90,700	40,653	40,653	40,653
Total Borrowings	44,689	47,686	48,114	17,027	20,024	20,452
Cash and bank balances	1,299	1,299	1,299	11	11	11
Number of issued Shares ('000) ⁽¹⁾	1,832,095	1,648,886	1,648,886	1,832,095	1,648,886	1,648,886
Weighted average number of Shares ('000)	1,832,095	1,740,491	1,740,491	1,832,095	1,740,491	1,740,491
Loss for the year attributable to Shareholders	(152,370)	(152,670)	(152,713)	(586,758)	(587,058)	(587,101)
<u>Financial Ratios</u>						
NTA per Share ⁽²⁾ (RM cents)	8.2	8.8	8.7	8.1	8.8	8.7
Gearing ⁽³⁾ (times)	29.55%	32.17%	32.62%	11.48%	13.88%	14.23%
Current Ratio ⁽⁴⁾ (times)	1.19	1.19	1.19	2.01	2.01	2.01
Basic LPS ⁽⁵⁾ (RM cents)	(8.32)	(8.77)	(8.77)	(32.03)	(33.73)	(33.73)

Notes:

(1) Number of issued Shares is based on the Share in issue as at 30 June 2020, excluding Treasury Shares.

(2) NTA per Share is calculated based on NTA divided by the number of issued Shares (excluding Treasury Shares) as at 30 June 2020.

(3) Gearing is calculated based on total borrowings divided by total equity.

(4) Current ratio is calculated based on current assets divided by current liabilities.

(5) Basic LPS is calculated based on (loss) for the year divided by the weighted average number of Shares (excluding Treasury Shares) for FY2020.

The actual impact will depend on the number and price of the Shares bought back. As stated, the Directors do not propose to exercise the Share Buyback Mandate to such an extent that it would have a material adverse effect on the working capital requirements, financial position and/or gearing of the Group. The purchase of the Shares will only be effected after considering relevant factors such as the working capital requirement, availability of financial resources, the expansion and investment plans of the Group, and the prevailing market conditions. The Share Buyback Mandate will be exercised with a view to enhance the EPS and/or NTA of the Group.

Shareholders should note that the financial effects set out above are purely for illustrative purposes only. Although the proposed renewal of the Share Buyback Mandate would authorise the Company to purchase or acquire up to 10% of the total number of issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of the total number of issued Shares. In addition, the Company may cancel all or part of the Shares purchased, or hold all or part of the Shares repurchased in treasury.

The Company will take into account both financial and non-financial factors (for example, stock market conditions and the performance of the Shares) in assessing the relative impact of a Share Buy-Back before execution.

2.10. Take-over Code Implications

Pursuant to Rule 14 of the Take-over Code, a person will be required to make a general offer for a public company if:

- (a) he acquires 30% or more of the voting rights of the company whether by a series of transactions over a period of time or not; or
- (b) he holds between 30% and 50% of the voting rights of the company and he increases his voting rights in the company by more than one per cent. in any six-month period.

If the proportionate shareholding in the voting capital of the company of a shareholder and persons acting in concert with him increases as a result of the company buying back its shares, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. If such increase results in the shareholder and persons acting in concert with him obtaining or consolidating effective control of the company, they may be obliged to make a take-over offer under Rule 14 of the Take-over Code.

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

The following individuals will, inter alia, be presumed to be acting in concert unless the contrary is established:

- (i) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the above companies, any company whose associated companies include any of the above companies and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights. For this purpose, a company is an associated company of another company if the second company owns or controls at least 20% but not more than 50% of the voting rights of the first-mentioned company;
- (ii) a company with any of its directors, together with their close relatives, related trusts

and any companies controlled by any of the directors, their close relatives and related trusts;

- (iii) a company with any of its pension funds and employee share schemes;
- (iv) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (v) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10% or more of the client's equity share capital;
- (vi) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where they have reason to believe a bona fide offer for their company may be imminent;
- (vii) partners; and
- (viii) an individual, his close relatives, his related trusts, and any person who is accustomed to act according to his instructions, companies controlled by any of the above persons, and any person who has provided financial assistance (other than a bank in its ordinary course of business) to any of the above for the purchase of voting rights.

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

2.10.1. Effect of Rule 14 and Appendix 2 "Share Buy-Back Guidance Note" of the Take-over Code

Generally, the effect of Rule 14 and Appendix 2 is that, unless exempted, Directors of the Company and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or in the event that such Directors and their concert parties hold between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than one per cent. in any period of six months. In calculating the percentages of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

Under Appendix 2 of the Take-over Code, 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 own Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than one per cent. in any period of six months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buyback Mandate unless so required under Singapore Companies Act.

Shareholders are advised to consult their professional advisers and/or the SIC at the earliest opportunity as to whether an obligation on them to make a mandatory

take-over offer would arise by reason of any purchases or acquisitions of Shares by the Company.

2.10.2. Information on Mr. Siow Chien Fu, the Company's Executive Director and CEO and Controlling Shareholder

As at the Latest Practicable Date, Mr. Siow Chien Fu holds 503,745,713 Shares, representing approximately 27.50% of the issued Shares (excluding Treasury Shares).

Pursuant to Appendix 2 read together with Rule 14 of the Take-over Code, if, as a result of any purchase or acquisition by the Company of the Shares, the proportionate interest in the voting rights held by Mr. Siow Chien Fu and persons acting in concert with him, increases, such increase will be treated as an acquisition for the purpose of Rule 14 of the Take-over Code. Consequently, Mr. Siow Chien Fu, and persons acting in concert with him, could obtain or consolidate effective control of the Company and become obliged to make a general offer under Rule 14 of the Take-over Code.

For illustrative purposes only, the purchase or acquisition of 183,209,455 Shares by the Company, representing 10% of the issued Shares (excluding Treasury Shares) as at the Latest Practicable Date, from the independent Shareholders pursuant to the maximum limit permitted under the Share Buyback Mandate, would result in the interest in Shares of Mr. Siow Chien Fu increasing from approximately 27.50% to approximately 30.55% of the issued Shares (excluding Treasury Shares).

2.10.3 Information on Mr. Tan June Teng Colin @ Chen Junting ("Colin Tan") and Mr. Tan Ping Huang Edwin @ Chen Binghuang ("Edwin Tan") (the "Tan Brothers"), the Substantial Shareholders

As at the Latest Practicable Date, Mr. Tan June Teng Colin @ Chen Junting ("Colin Tan") and Mr. Tan Ping Huang Edwin @ Chen Binghuang ("Edwin Tan") (the "**Tan Brothers**"), who are brothers and parties acting in concert, holds aggregate 501,785,714 Shares in aggregate, account for approximately 27.39% of the total issued Shares of the Company (excluding Treasury Shares).

Pursuant to Appendix 2 read together with Rule 14 of the Take-over Code, if, as a result of any purchase or acquisition by the Company of the Shares, the proportionate interest in the voting rights held by Tan Brothers, and persons acting in concert with them, increases, such increase will be treated as an acquisition for the purpose of Rule 14 of the Take-over Code. Consequently, Tan Brothers, and persons acting in concert with them, could obtain or consolidate effective control of the Company and become obliged to make a general offer under Rule 14 of the Take-over Code.

For illustrative purposes only, the purchase or acquisition of 183,209,455 Shares by the Company, representing 10% of the issued Shares (excluding Treasury Shares) as at the Latest Practicable Date, from the independent Shareholders pursuant to the maximum limit permitted under the Share Buyback Mandate, would result in the interest in Shares of Tan Brothers increasing from approximately 27.39% to approximately 30.43% of the issued Shares (excluding Treasury Shares).

2.10.4. Conditional Exemption from having to make a Take-over Offer

Under Appendix 2 of the Take-over Code, Mr. Siow Chien Fu or Tan Brothers, and persons acting in concert with him/them respectively, will be exempted from the requirement to make a general offer under Rule 14 of the Take-over Code, subject to the following conditions:

- (a) This Appendix to Shareholders on the resolution to authorise the proposed renewal of the Share Buyback Mandate to contain advice to the effect that by voting for such resolution, Shareholders are waiving their rights to a general offer at the required price from Mr. Siow Chien Fu or Tan Brothers, and persons acting in concert with him or them respectively, which, as a result of the Company buying back its Shares, would, in aggregate, increase voting rights of Mr. Siow Chien Fu or Tan Brothers, and persons acting in concert with him or them respectively, by more than one per cent. in any period of six months, and the names of Mr. Siow Chien Fu or Tan Brothers, and persons acting in concert with him or them respectively, their voting rights at the time of the resolution and after the proposed share buyback;
- (b) the resolution to authorise a share buyback to be approved by a majority of those Shareholders present and voting at the meeting on a poll who could not become obliged to make an offer as a result of the buyback of Shares by the Company;
- (c) Mr. Siow Chien Fu or Tan Brothers, and persons acting in concert with him or them respectively, to abstain from voting for and/or recommending Shareholders to vote in favour of the resolution to authorise the proposed renewal of the Share Buyback Mandate;
- (d) within seven days after passing the resolution to authorise the proposed renewal of the Share Buyback Mandate, Mr. Siow Chien Fu and Tan Brothers to submit to the SIC a duly signed form as prescribed by the SIC;
- (e) Mr. Siow Chien Fu or Tan Brothers, and persons acting in concert with him or them respectively, not to have acquired and not to acquire any Shares between the date on which they know that the announcement of the renewal of the Share Buyback Mandate proposal is imminent and the earlier of (i) the date on which the authority of the Share Buyback Mandate expires, and (ii) the date on which the Company announces it has bought back such number of Shares as authorised by the Share Buyback Mandate or it has decided to cease buying back its Shares, as the case may be, if such acquisitions, taken together with the buyback of Shares by the Company, would cause each of their respective voting rights in the Company to increase to 30% or more; and
- (f) Mr. Siow Chien Fu or Tan Brothers, and persons acting in concert with him or them respectively, not to have acquired and not to acquire any Shares between the date on which they know that the announcement of the renewal of the Share Buyback Mandate proposal is imminent and the earlier of (i) the date on which the authority of the Share Buyback Mandate expires, and (ii) the date on which the Company announces it has bought back such number of Shares as authorised by the Share Buyback Mandate or it has decided to cease buying back its Shares, as the case may be, if such acquisitions, taken together with the buyback of Shares by the Company, would cause each of their respective aggregate voting rights in the Company to increase by more than one per cent. in the preceding six months.

To-date, there are no parties in concert with Mr. Siow Chien Fu or Tan Brothers who hold Shares in the Company.

Form 2 (Submission by directors pursuant to Appendix 2 “Share Buy-Back Guidance Note” of the Take-over Code) is the prescribed form to be submitted to the SIC by a director acting in concert with a shareholder of a listed company who could become obliged to make a take-over offer under Rule 14 of the Take-over Code as a result of the buy-back of Shares by the Company pursuant to the conditions for exemption (as set out above).

As at the Latest Practicable Date, Mr. Siow Chien Fu and Tan Brothers has informed the Company that he will submit a Form 2 to the SIC within seven days after the passing of the ordinary resolution relating to the proposed renewal of the Share Buyback Mandate.

SHAREHOLDERS ARE ADVISED THAT BY VOTING IN FAVOUR OF THE ORDINARY RESOLUTION RELATING TO THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE, THEY WILL BE WAIVING THEIR RIGHT TO A GENERAL OFFER AT THE REQUIRED PRICE FROM MR. SIOW CHIEN FU OR TAN BROTHERS, AND PERSONS ACTING IN CONCERT WITH HIM OR THEM RESPECTIVELY.

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at the Latest Practicable Date, the interests of Directors and Substantial Shareholders of the Company are as follows:

	Interest	Before Share buyback		After Share buyback	
		Number of shares	% of total issued shares	Number of shares	% of total issued shares
Directors					
Mr. Low Chai Chong	Direct	-	-	-	-
Mr. Siow Chien Fu		503,745,713	27.50	503,745,713	30.55
Mr. Lim Kian Thong		-	-	-	-
Mr. Lam Kwong Fai		-	-	-	-
Ms. Tan Ler Choo		-	-	-	-
Substantial Shareholders (other than the Directors)					
Mr. Tan June Teng Colin @ Chen Junting ("Colin Tan") ⁽¹⁾	Direct	250,892,857	13.694	250,892,857	15.22
Mr. Tan Ping Huang Edwin @ Chen Binghuang ("Edwin Tan") ⁽¹⁾	Direct	250,892,857	13.694	250,892,857	15.22
PRG Holdings Berhad ⁽²⁾	Direct Deemed	15,000,000 250,000,000	0.82 13.65	15,000,000 250,000,000	0.91 15.16

Notes:

(1) Mr. Colin Tan and Mr. Edwin Tan are brothers. The aggregate shares held by Mr. Colin Tan and Mr. Edwin Tan, as parties acting in concert, account for approximately 27.39% of the total issued Shares of the Company.

(2) 250 million shares are held under the nominee of May Bank Kim Eng Securities (Pte) Ltd.

3.1. No share buybacks in the previous 12 months

The Company has not purchased or acquired any Shares under the Share Buyback Mandate (whether by way of Market Purchase or Off-Market Purchase) during the 12-month period preceding the Latest Practicable Date.

3.2. Tax Implications

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

3.3 Limits on Shareholdings

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

3.4. Interested Persons

The Company is prohibited from knowingly purchasing Shares on Catalist of SGX-ST from an interested person, that is, a Director, the chief executive officer of the Company or Controlling Shareholder of the Company or any of their Associates, and an interested person is prohibited from knowingly selling his/her Shares to the Company.

3.5 Shareholders' approval

For the reasons set out above, the Company is proposing to seek the approval from Shareholders for the renewal of the Share Buyback Mandate, which will be proposed as Ordinary Resolution 8 at AGM.

4. DIRECTORS' RECOMMENDATION

Having fully considered, *inter alia*, the rationale and benefit of the Share Buyback Mandate, the Directors (other than Mr. Siow Chien Fu) are of the opinion that the proposed renewal of the Share Buyback Mandate is in the best interests of the Company. Accordingly, the Directors (other than Mr. Siow Chien Fu) recommend that Shareholders vote in favour of the ordinary resolution 8 relating to the proposed renewal of the Share Buyback Mandate to be proposed at the AGM 2020 as set out in the Notice of AGM.

In accordance with the exemption referred to in Paragraph 2.10.3 of this Appendix, Mr. Siow Chien Fu has abstained from making any recommendation to Shareholders on the ordinary resolution relating to the proposed renewal of the Share Buyback Mandate.

5. ABSTENTION FROM VOTING

Mr. Siow Chien Fu and Tan Brothers, and persons acting in concert with them (if any), will not be accepting any appointment as proxy, corporate representative, attorney or otherwise for purposes of voting on the ordinary resolution relating to the proposed renewal of the Share Buyback Mandate.

In accordance with the exemption referred to in Paragraph 2.10.3 and 2.10.4 of this Appendix, Mr. Siow Chien Fu and Tan Brothers, and persons acting in concert respectively with them (if any), shall abstain from voting at the AGM 2020 in respect of the ordinary resolution 8 relating to the proposed renewal of the Share Buyback Mandate.

6. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the proposed renewal of the Share Buyback 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 the Appendix has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Appendix in its proper form and context.

7. ANNUAL GENERAL MEETING

The AGM 2020, notice of which is set out on pages 135 to 141 of the annual report, will be held on by way of electronic means via live webcast on Tuesday, 31 August 2021 at 10.00 a.m. and at any adjournment thereof for the purpose of considering and, if thought fit, passing with or without modifications, the ordinary resolutions 8 relating to the proposed renewal of the Share Buyback Mandate.

8. ADVICE TO SHAREHOLDERS

As different Shareholders would have different investment objectives and profiles with specific investment objectives, financial situation, tax position or unique needs or constraints, the Directors recommend that any individual Shareholder who may require specific advice in relation to his specific investment portfolio or who are in any doubt as to the action they should take, should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers.

9. DOCUMENTS AVAILABLE FOR INSPECTION

The Memorandum and Articles of Association and the Annual Report of the Company are available for inspection at the registered office of the Company's Singapore Share Registrar and Share Transfer Agent at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623 during normal business hours from the date of this Appendix up to and including the date of the AGM 2020.

Yours faithfully,

CAPITAL WORLD LIMITED

For and on behalf of the Board of Directors
Siow Chien Fu
Executive Director and Chief Executive Officer