

CIRCULAR DATED 8 APRIL 2021

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

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

If you have sold or transferred all your shares in the issued share capital of Koufu Group Limited, you should immediately forward this Circular together with the Notice of Extraordinary General Meeting and the accompanying Proxy Form to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or the transferee.

The Singapore Exchange Securities Trading Limited (“**SGX-ST**”) assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Circular.

This Circular has been made available on SGXNet and the Company’s website at the URL <https://www.koufu.com.sg>. A printed copy of this Circular will NOT be despatched to Shareholders.

Pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the Company has the option to hold a virtual meeting, even where the Company is permitted under safe distancing regulations to hold a physical meeting. Due to the current COVID-19 situation and the Company’s efforts to keep physical interactions and COVID-19 transmission risks to a minimum, the Extraordinary General Meeting (“**EGM**”) of the Company will be held by way of electronic means. Alternative arrangements have been put in place to allow Shareholders who (a) pre-register to participate at the EGM by observing and/or listening to the proceedings via “live” audio-visual webcast or “live” audio-only stream; (b) submitting questions related to the resolutions to be tabled for approval in advance of the EGM; and/or (c) appointing the Chairman of the EGM as proxy to attend, speak and vote on their behalf at the EGM. Please refer to paragraph 9 of this Circular for further information, including the steps to be taken by Shareholders to participate at the EGM. The Notice of Extraordinary General Meeting may also be accessed at the URL <https://www.koufu.com.sg>.

Due to the constantly evolving COVID-19 situation in Singapore, the Company may be required to change its EGM arrangements at short notice. Shareholders should check the Company’s website at the URL <https://www.koufu.com.sg> for the latest updates on the status of the EGM, if any.



KOUFU GROUP LIMITED

(Incorporated in Singapore on 15 November 2017)

(Company Registration No: 201732833D)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- (1) THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE; AND**
- (2) THE PROPOSED RENEWAL OF THE SHAREHOLDERS’ GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS.**

IMPORTANT DATES AND TIMES

Last Date and Time for Lodgement of Proxy Form	:	23 April 2021 at 10.30 a.m.
Last Date and Time to Pre-Register Online to Participate at the Extraordinary General Meeting	:	23 April 2021 at 9.30 a.m.
Date and Time of Extraordinary General Meeting	:	26 April 2021 at 10.30 a.m. by way of electronic means (or as soon thereafter following the conclusion or adjournment of the annual general meeting of the Company to be held by way of electronic means at 9.30 a.m. on the same day)
Place of Extraordinary General Meeting	:	The Extraordinary General Meeting will be held by way of electronic means. Please refer to paragraph 9 of this Circular for further details

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DEFINITIONS

In this Circular, the following definitions apply throughout unless otherwise stated.

"2020 EGM"	:	The extraordinary general meeting of the Company convened on 5 June 2020 to seek Shareholders' approval for the renewal of the Share Purchase Mandate and the IPT General Mandate
"2020 EGM Circular"	:	The circular dated 13 May 2020 issued by the Company in connection with the 2020 EGM
"Abundance Realty Food Court and Coffee Shop Leases"	:	The lease agreements between Koufu Pte. Ltd. and Abundance Realty Pte. Ltd. in respect of one food court property and five coffee shop properties
"ACRA"	:	Accounting and Corporate Regulatory Authority of Singapore
"Audit and Risk Management Committee"	:	The audit and risk management committee of the Company, currently comprising of Mr. Tan Huay Lim (as chairman of the committee), Dr. Yu Lai Boon and Mr. Hoon Tai Meng
"CDP"	:	The Central Depository (Pte) Limited
"Circular"	:	This circular dated 8 April 2021 issued by the Company to the Shareholders
"Companies Act"	:	Companies Act, Chapter 50 of Singapore, as amended or modified from time to time
"Company"	:	Koufu Group Limited
"Constitution"	:	The constitution of the Company, as amended or modified from time to time
"Directors"	:	The directors of the Company for the time being (collectively, the " Board of Directors ")
"EAR Group"	:	The Company, its subsidiaries and associated companies that are considered to be "entities at risk" within the meaning of Chapter 9 of the Listing Manual
"EGM"	:	The extraordinary general meeting of the Company, notice of which is given on pages 31 to 35 of this Circular
"FY2020"	:	Financial year ended 31 December 2020
"Group"	:	The Company, its subsidiaries and subsidiary entity
"Independent Directors"	:	The Independent Directors of the Company as at the date of this Circular, unless otherwise stated
"IPT General Mandate"	:	The general mandate from the Shareholders pursuant to Chapter 9 of the Listing Manual to enable any or all members of the Group, in the ordinary course of their business, to enter into Mandated Transactions with the Mandated Interested Persons which are necessary for the day-to-day operations, provided that all such transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders
"Koufu Performance Share Plan"	:	The performance share plan of the Company adopted by the Company on 27 June 2018
"Latest Practicable Date"	:	6 April 2021, being the latest practicable date prior to the printing of this Circular

DEFINITIONS

"Listing Manual"	:	Listing Manual of the SGX-ST, including any amendments made thereto up to the Latest Practicable Date
"Mandated Interested Persons"	:	Mr. Pang Lim, Mdm. Ng Hoon Tien and their associates (each a " Mandated Interested Person ")
"Mandated Transactions"	:	Transactions proposed to be entered into by the EAR Group and Mandated Interested Persons
"Market Day"	:	A day on which the SGX-ST is open for securities trading
"NTA"	:	Net tangible assets
"Register of Members"	:	The Register of Members of the Company
"ROE"	:	Return on equity
"Securities Accounts"	:	Securities accounts maintained by Depositors with CDP, but not including securities sub-accounts maintained with a Depository Agent
"SFA"	:	Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time
"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"Share Purchase"	:	The purchase or acquisition of issued Share(s) by the Company pursuant to the terms of the Share Purchase Mandate
"Share Purchase Mandate"	:	The general and unconditional mandate given by the 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 Circular as well as the rules and regulations set forth in the Companies Act and the Listing Manual
"Shareholders"	:	Registered holders of Shares in the Register of Members, except that where the registered holder is CDP, the term " Shareholders " shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register maintained by the CDP and whose Securities Accounts maintained with the CDP are credited with those Shares
"Shares"	:	Ordinary shares in the capital of the Company
"SIC"	:	The Securities Industry Council of Singapore
"Substantial Shareholder"	:	A person (including a corporation) who has an interest, directly or indirectly, in 5.0% or more of the total number of voting Shares of the Company
"Take-Over Code"	:	Singapore Code on Take-overs and Mergers
"Treasury Shares"	:	Issued Shares which were (or are treated as having been) purchased by the Company in circumstances in which Section 76H of the Companies Act applies, and have been held by the Company continuously since purchased
"S\$", "\$" and "cents"	:	Singapore dollars and cents, respectively
"%" or "per cent"	:	Per centum or percentage

DEFINITIONS

The terms “**subsidiary**” and “**subsidiary entity**” shall have the meaning ascribed to them in the Companies Act and the Securities and Futures (Offers of investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018, respectively.

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

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

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

Any reference to a date and/or time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

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

Rajah & Tann Singapore LLP has been appointed as the legal adviser to the Company in relation to the proposed renewal of the Share Purchase Mandate and the proposed renewal of the IPT General Mandate.

LETTER TO SHAREHOLDERS

KOUFU GROUP LIMITED

(Company Registration No: 201732833D)
(Incorporated in the Republic of Singapore)

Directors

Mr. Pang Lim (Executive Chairman and Chief Executive Officer)
Mdm. Ng Hoon Tien (Executive Director)
Dr. Yu Lai Boon (Lead Independent Director)
Mr. Tan Huay Lim (Independent Director)
Mr. Hoon Tai Meng (Independent Director)

Registered Office

18 Woodlands Terrace
Singapore 738443

8 April 2021

To: The Shareholders of Koufu Group Limited

Dear Sir / Madam

1. INTRODUCTION

1.1 EGM. The Directors are convening an EGM to be held by way of electronic means on 26 April 2021 at 10.30 a.m. (or as soon thereafter following the conclusion or adjournment of the annual general meeting of the Company to be held by way of electronic means at 9.30 a.m. on the same day) to seek Shareholders' approval for:

- (a) the proposed renewal of the Share Purchase Mandate; and
- (b) the proposed renewal of the IPT General Mandate,

(together, the "**Proposed Resolutions**").

1.2 Circular. The purpose of this Circular is to provide Shareholders with information relating to the Proposed Resolutions.

2. THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

2.1 Introduction. Any purchase or acquisition of Shares by the Company would have to be made in accordance with, and in the manner prescribed by, the Companies Act, the Listing Manual and such other laws and regulations as may, for the time being, be applicable. Regulation 72(2) of the Constitution expressly permits the Company to authorise the Directors in general meeting to purchase or otherwise acquire its issued Shares on such terms as the Company may think fit and in the manner prescribed by the Companies Act. The Company is also required to obtain approval of its Shareholders at a general meeting if it wishes to purchase or acquire its own Shares.

Accordingly, approval is being sought from Shareholders at the EGM for the renewal of the Share Purchase Mandate to enable the Company to purchase or acquire its issued Shares. At the 2020 EGM, Shareholders had approved the adoption of the Share Purchase Mandate. The authority and limitations of the Share Purchase Mandate were set out in the 2020 EGM Circular and the ordinary resolution in the notice of the 2020 EGM dated 13 May 2020, respectively. The authority conferred by the Share Purchase Mandate adopted at the 2020 EGM was expressed to continue in force up to the date on which the next annual general meeting of the Company is held or required by law to be held and, as such, would be expiring on 26 April 2021, being the date of the forthcoming annual general meeting. Accordingly, the Directors propose that the Share Purchase Mandate be renewed at the forthcoming EGM (which will be held following the conclusion or adjournment of the forthcoming annual general meeting).

If approved by Shareholders at the EGM, the authority conferred by the Share Purchase Mandate will continue in force until the next annual general meeting of the Company (whereupon it will lapse, unless renewed at such meeting), or until it is varied or revoked by the Company in general meeting (if so varied or revoked prior to the next annual general meeting), or the date on which purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated, whichever is the earliest.

LETTER TO SHAREHOLDERS

2.2 **Rationale.** The rationale for the Company to undertake the purchase or acquisition of its Shares is as follows:

- (a) the Share Purchase Mandate will provide the Company with the flexibility to undertake share purchases and acquisitions at any time, subject to market conditions, during the period when the Share Purchase Mandate is in force;
- (b) in managing the business of the Group, the management will strive to increase Shareholders' value by improving, *inter alia*, the ROE of the Company. In addition to growth and expansion of the business, share purchases may be considered as one of the ways through which the ROE of the Company may be enhanced;
- (c) the Share Purchase Mandate will provide the Company with greater flexibility in managing its capital and maximising returns to its Shareholders. To the extent that the Company has capital and surplus funds which are in excess of its financial needs, taking into account its growth and expansion plans, the Share Purchase Mandate will facilitate the return of excess cash and surplus funds to Shareholders in an expedient, effective and cost-efficient manner; and
- (d) repurchased Shares which are held in treasury may, *inter alia*, to the extent permitted by applicable law, be transferred for the purposes of or pursuant to share schemes implemented by the Company, including the Koufu Performance Share Plan. Where Treasury Shares are used for this purpose, such share schemes will not have any dilutive effect to the extent that no new Shares are issued. The use of Treasury Shares in lieu of issuing new shares would also mitigate the dilution impact on existing Shareholders.

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

2.3 **Authority and Limits of the Share Purchase Mandate.** The authority and limitations placed on Share Purchases pursuant to the Share Purchase Mandate, if renewed at the EGM, are summarised below:

2.3.1 *Maximum Number of Shares*

The total number of Shares which may be purchased or acquired by the Company is limited to that number of Shares representing not more than 10.0% of the issued Shares at the date of the EGM at which the Share Purchase Mandate is approved, unless the Company has reduced its share capital by a special resolution under Section 78C of the Companies Act, in which event the total number of Shares shall be taken to be the total number of Shares as altered by the special resolution. Any Shares which are held as Treasury Shares or subsidiary holdings will be disregarded for the purposes of calculating the 10.0% limit.

Purely for illustrative purposes, on the basis of 555,163,000 Shares in issue as at the Latest Practicable Date (and disregarding the 546,600 Treasury Shares held as at the Latest Practicable Date) and assuming that (a) no further Shares are issued on or prior to the EGM; and (b) no further Shares are purchased and held as Treasury Shares, the purchase or acquisition by the Company of up to the maximum limit of 10.0% of its issued Shares will result in the purchase or acquisition of 55,461,640 Shares.

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

LETTER TO SHAREHOLDERS

2.3.2 *Duration of Authority*

Purchases or acquisition of Shares may be made, at any time and from time to time, on and from the date of the EGM, at which the renewal of the Share Purchase Mandate is approved, up to:

- (a) the date on which the next annual general meeting of the Company is held or required by law to be held (whereupon it will lapse, unless renewed at such meeting);
- (b) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by the Company at general meeting (if so varied or revoked prior to the next annual general meeting);
or
- (c) the date on which purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated,

whichever is the earliest.

The authority conferred on the Directors by the Share Purchase Mandate to purchase or acquire Shares may be renewed by the Shareholders in a general meeting of the Company, such as at the next annual general meeting or at an extraordinary general meeting to be convened immediately after the conclusion or adjournment of the next annual general meeting. When seeking the approval of the Shareholders for the renewal of the Share Purchase Mandate, the Company is required to disclose details pertaining to purchases or acquisitions of Shares pursuant to the Share Purchase Mandate made during the previous 12 months, including the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for such purchases or acquisitions of Shares, where relevant, and the total consideration paid for such purchases or acquisitions.

2.3.3 *Manner of Purchases or Acquisitions of Shares*

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

- (a) on-market purchases ("**Market Purchases**"), transacted through the SGX-ST's trading system or on any other securities 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 of the Share Purchase; and/or
- (b) off-market purchases ("**Off-Market Purchases**"), otherwise than on a securities exchange, in accordance with an equal access scheme as defined in Section 76C of the Companies Act.

The Directors may impose such terms and conditions, which are not inconsistent with the Share Purchase Mandate, the Listing Manual, the Companies 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(s). Under the Companies Act, an equal access scheme must, however, satisfy all the following conditions:

- (a) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (b) all of those persons shall be given a reasonable opportunity to accept the offers made; and
- (c) the terms of all the offers are the same, except that there shall be disregarded (i) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements; and (ii) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

LETTER TO SHAREHOLDERS

If the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, the Company will issue a prospectus containing at least the following information:

- (a) the terms and conditions of the offer;
- (b) the period and procedures for acceptances; and
- (c) the information required under Rules 883(2), (3), (4), (5) and (6) of the Listing Manual.

2.3.4 **Purchase Price**

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

- (a) in the case of a Market Purchase, 105.0% of the Average Closing Price of the Shares; and
 - (b) in the case of an Off-Market Purchase, 110.0% of the Average Closing Price of the Shares,
- (the “**Maximum Price**”) in either case, excluding related expenses of the purchase or acquisition.

For the above purposes:

“**Average Closing Price**” means the average of the closing market prices of the Shares over the last five Market Days on which the Shares are transacted on the SGX-ST or, as the case may be, such securities exchange on which the Shares are listed or quoted, immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the Listing Manual, for any corporate action that occurs during the relevant five-day period and the day on which the purchases are made; and

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

2.4 **Status of Purchased Shares.** A Share purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation), unless such Share is held by the Company as a Treasury Share. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company, which are cancelled and are not held as Treasury Shares.

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

2.5.1 **Maximum Holdings**

The aggregate number of Shares held as Treasury Shares cannot at any time exceed 10.0% of the total number of issued Shares. Any Shares held as Treasury Shares in excess of this limit shall be disposed of or cancelled by the Company in accordance with Section 76K of the Companies Act within six months from the date such limit is exceeded, or such further period as may be allowed by the ACRA.

LETTER TO SHAREHOLDERS

2.5.2 *Voting and Other Rights*

The Company cannot exercise any right in respect of Treasury Shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the Treasury Shares shall be treated as having no voting rights.

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

2.5.3 *Disposal and Cancellation*

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

- (a) sell the Treasury Shares for cash;
- (b) transfer the Treasury Shares for the purposes of or pursuant to share schemes implemented by the Company, including the Koufu Performance Share Plan;
- (c) transfer the Treasury Shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the Treasury Shares; or
- (e) sell, transfer or otherwise use the Treasury Shares for such other purposes as may be prescribed by the Minister for Finance.

Under Rule 704(28) of the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares (the "**usage**"). Such announcement must include details such as the date of the usage, the purpose of the usage, the number of treasury shares comprised in the usage, the number of treasury shares before and after the usage, the percentage of the number of treasury shares comprised in the usage against the total number of issued shares (of the same class as the treasury shares) which are listed on the SGX-ST before and after such usage, and the value of the treasury shares comprised in such usage.

- 2.6. **Source of Funds.** The Companies Act permits the Company to purchase or acquire its own Shares out of capital, as well as from its distributable profits, so long as the Company is solvent. Under Section 76F(4) of the Companies Act, the Company is solvent if at the date of payment for the purchase or acquisition of its Shares, there is no ground on which the Company could be found to be unable to pay its debts, if it is intended to commence winding up within the period of 12 months immediately after the date of payment, the Company will be able to pay its debts in full within such period, or if it is not intended so to commence winding up, the Company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of payment, and 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 or acquisition of Shares become less than the value of its liabilities (including contingent liabilities).

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

LETTER TO SHAREHOLDERS

- 2.7 **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 Purchase Mandate would depend on, *inter alia*, whether the Shares are purchased or acquired out of profits and/or capital of the Company, the amount (if any) borrowed by the Company to fund the purchases or acquisitions, the number of Shares purchased or acquired, the price paid for such Shares and whether the Shares purchased or acquired are held in treasury or cancelled.

The financial effects on the Company and the Group, based on the audited financial statements of the Company and the Group for FY2020 are based on the assumptions set out below.

2.7.1 **Purchase or Acquisition out of Capital and/or Profits**

Under the Companies 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 (including any expenses incurred directly in the purchase or acquisition of Shares) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of dividends by the Company will not be reduced.

2.7.2 **Number of Shares Acquired or Purchased**

As at the Latest Practicable Date, the Company has 555,163,000 Shares in issue, of which 546,600 are held as Treasury Shares. The Company does not have any subsidiary holdings.

Purely for illustrative purposes, on the basis of 554,616,400 issued Shares (excluding Treasury Shares) as at the Latest Practicable Date and assuming that (a) no further Shares are issued on or prior to the EGM; and (b) no further Shares are purchased and held as Treasury Shares, not more than 55,461,640 Shares may be purchased or acquired by the Company pursuant to the Share Purchase Mandate.

2.7.3 **Maximum Price Paid for Shares Acquired or Purchased**

- (a) In the case of Market Purchases by the Company, assuming that the Company purchases or acquires the 55,461,640 Shares at the Maximum Price of S\$0.72 for one Share (being the price equivalent to 105.0% of 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 55,461,640 Shares is approximately S\$39,774,315.
- (b) In the case of Off-Market Purchases by the Company, assuming that the Company purchases or acquires the 55,461,640 Shares at the Maximum Price of S\$0.75 for one Share (being the price equivalent to 110% of 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 55,461,640 Shares is approximately S\$41,668,330.

2.7.4 **Illustrative Financial Effects**

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

- (a) such purchase or acquisition of Shares is financed by the internal resources of the Company available as at 31 December 2020;
- (b) there were no issuances of Shares by the Company and no Shares were purchased by the Company after the Latest Practicable Date; and

LETTER TO SHAREHOLDERS

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

the financial effects of the purchase or acquisition of 55,461,640 Shares pursuant to the Share Purchase Mandate:

- (a) by way of Market Purchase made partially out of profits, with the balance out of capital and held as Treasury Shares;
- (b) by way of Market Purchase made partially out of profits, with the balance out of capital and cancelled;
- (c) by way of Off-Market Purchase made partially out of profits, with the balance out of capital and held as Treasury Shares; and
- (d) by way of Off-Market Purchase made partially out of profits, with the balance out of capital and cancelled,

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

- (a) *Market Purchases of 55,461,640 Shares representing 10.0% of such issued Shares made partially out of profits, with the balance out of capital and held as Treasury Shares.*

	Group		Company	
	Before Share Purchase \$'000	After Share Purchase \$'000	Before Share Purchase \$'000	After Share Purchase \$'000
As at 31 December 2020				
Share Capital	44,961	44,961	44,961	44,961
Reserves	(337)	(337)	–	–
Retained earnings	56,595	56,595	7,429	7,429
Non-controlling interests	254	254	–	–
Treasury shares	(350)	(40,124)	(350)	(40,124)
Total Shareholders' Equity	101,123	61,349	52,040	12,266
NTA ⁽¹⁾	85,140	45,366	52,039	12,265
Current Assets	101,180	61,406	51,595	11,821
Current Liabilities	116,405	116,405	556	556
Total Borrowings	13,718	13,718	–	–
Cash and Cash Equivalents ⁽²⁾	76,352	36,578	9,390	9,390
Number of Shares ('000)	554,616	499,155	554,616	499,155
Financial Ratios				
NTA per Share ⁽³⁾ (cents)	15.35	9.09	9.38	2.46
Basic EPS ⁽⁴⁾⁽⁵⁾ (cents)	1.76	1.95	1.18	1.31
Current Ratio (times)	0.87	0.53	92.8	21.26
Gearing Ratio ⁽⁶⁾ (times)	0.14	0.22	–	–

Notes:

- (1) NTA refers to net assets less intangible assets.
- (2) Assuming that the cash utilised for the Share Purchase comprises S\$42.0 million of cash from repayment of a loan by a subsidiary to the Company.
- (3) NTA per Share equals to NTA divided by the number of Shares outstanding as at 31 December 2020.
- (4) Basic Earnings Per Share (EPS) equals to net profit attributable to owners of the Company divided by the weighted average number of Shares during FY2020.
- (5) Based on the total number of 554,616,400 issued Shares (excluding Treasury Shares) before the Share Purchase as at the Latest Practicable Date and 499,154,760 issued Shares (excluding Treasury Shares) after the Share Purchase.
- (6) Gearing equals to total bank and other borrowings divided by total shareholders' equity.

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- (b) *Market Purchases of 55,461,640 Shares representing 10.0% of such issued Shares made partially out of profits, with the balance out of capital and cancelled.*

	Group		Company	
	Before Share Purchase \$'000	After Share Purchase \$'000	Before Share Purchase \$'000	After Share Purchase \$'000
As at 31 December 2020				
Share Capital	44,961	12,616	44,961	12,616
Reserves	(337)	(337)	–	–
Retained earnings	56,595	49,166	7,429	–
Non-controlling interests	254	254	–	–
Treasury shares	(350)	(350)	(350)	(350)
Total Shareholders' Equity	101,123	61,349	52,040	12,266
NTA ⁽¹⁾	85,140	45,366	52,039	12,265
Current Assets	101,180	61,406	51,595	11,821
Current Liabilities	116,405	116,405	556	556
Total Borrowings	13,718	13,718	–	–
Cash and Cash Equivalents ⁽²⁾	76,352	36,578	9,390	9,390
Number of Shares ('000)	554,616	499,155	554,616	499,155
Financial Ratios				
NTA per Share ⁽³⁾ (cents)	15.35	9.09	9.38	2.46
Basic EPS ⁽⁴⁾⁽⁵⁾ (cents)	1.76	1.95	1.18	1.31
Current Ratio (times)	0.87	0.53	92.8	21.26
Gearing Ratio ⁽⁶⁾ (times)	0.14	0.22	–	–

Notes:

- (1) NTA refers to net assets less intangible assets.
- (2) Assuming that the cash utilised for the Share Purchase comprises S\$42.0 million of cash from repayment of a loan by a subsidiary to the Company.
- (3) NTA per Share equals to NTA divided by the number of Shares outstanding as at 31 December 2020.
- (4) Basic Earnings Per Share (EPS) equals to net profit attributable to owners of the Company divided by the weighted average number of Shares during FY2020.
- (5) Based on the total number of 554,616,400 issued Shares (excluding Treasury Shares) before the Share Purchase as at the Latest Practicable Date and 499,154,760 issued Shares (excluding Treasury Shares) after the Share Purchase.
- (6) Gearing equals to total bank and other borrowings divided by total shareholders' equity.

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- (c) *Off-Market Purchases of 55,461,640 Shares representing 10.0% of such issued Shares made partially out of profits, with balance out of capital and held as Treasury Shares.*

	Group		Company	
	Before Share Purchase \$'000	After Share Purchase \$'000	Before Share Purchase \$'000	After Share Purchase \$'000
As at 31 December 2020				
Share Capital	44,961	44,961	44,961	44,961
Reserves	(337)	(337)	–	–
Retained earnings	56,595	56,595	7,429	7,429
Non-controlling interests	254	254	–	–
Treasury shares	(350)	(42,018)	(350)	(42,018)
Total Shareholders' Equity	101,123	59,455	52,040	10,372
NTA ⁽¹⁾	85,140	43,472	52,039	10,371
Current Assets	101,180	59,512	51,595	9,927
Current Liabilities	116,405	116,405	556	556
Total Borrowings	13,718	13,718	–	–
Cash and Cash Equivalents ⁽²⁾	76,352	34,684	9,390	9,390
Number of Shares ('000)	554,616	499,155	554,616	499,155
Financial Ratios				
NTA per Share ⁽³⁾ (cents)	15.35	8.71	9.38	2.08
Basic EPS ⁽⁴⁾⁽⁵⁾ (cents)	1.76	1.95	1.18	1.31
Current Ratio (times)	0.87	0.51	92.8	17.85
Gearing Ratio ⁽⁶⁾ (times)	0.14	0.23	–	–

Notes:

- (1) NTA refers to net assets less intangible assets.
- (2) Assuming that the cash utilised for the Share Purchase comprises S\$42.0 million of cash from repayment of a loan by a subsidiary to the Company.
- (3) NTA per Share equals to NTA divided by the number of Shares outstanding as at 31 December 2020.
- (4) Basic Earnings Per Share (EPS) equals to net profit attributable to owners of the Company divided by the weighted average number of Shares during FY2020.
- (5) Based on the total number of 554,616,400 issued Shares (excluding Treasury Shares) before the Share Purchase as at the Latest Practicable Date and 499,154,760 issued Shares (excluding Treasury Shares) after the Share Purchase.
- (6) Gearing equals to total bank and other borrowings divided by total shareholders' equity.

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- (d) *Off-Market Purchases of 55,461,640 Shares representing 10.0% of such issued Shares made partially out of profits, with the balance out of capital and cancelled.*

	Group		Company	
	Before Share Purchase \$'000	After Share Purchase \$'000	Before Share Purchase \$'000	After Share Purchase \$'000
As at 31 December 2020				
Share Capital	44,961	10,722	44,961	10,722
Reserves	(337)	(337)	–	–
Retained earnings	56,595	49,166	7,429	–
Non-controlling interests	254	254	–	–
Treasury shares	(350)	(350)	(350)	(350)
Total Shareholders' Equity	101,123	59,455	52,040	10,372
NTA ⁽¹⁾	85,140	43,472	52,039	10,371
Current Assets	101,180	59,512	51,595	9,927
Current Liabilities	116,405	116,405	556	556
Total Borrowings	13,718	13,718	–	–
Cash and Cash Equivalents ⁽²⁾	76,352	34,684	9,390	9,390
Number of Shares ('000)	554,616	499,155	554,616	499,155
Financial Ratios				
NTA per Share ⁽³⁾ (cents)	15.35	8.71	9.38	2.08
Basic EPS ⁽⁴⁾⁽⁵⁾ (cents)	1.76	1.95	1.18	1.31
Current Ratio (times)	0.87	0.51	92.8	17.85
Gearing Ratio ⁽⁶⁾ (times)	0.14	0.23	–	–

Notes:

- (1) NTA refers to net assets less intangible assets.
- (2) Assuming that the cash utilised for the Share Purchase comprises S\$42.0 million of cash from repayment of a loan by a subsidiary to the Company.
- (3) NTA per Share equals to NTA divided by the number of Shares outstanding as at 31 December 2020.
- (4) Basic Earnings Per Share (EPS) equals to net profit attributable to owners of the Company divided by the weighted average number of Shares during FY2020.
- (5) Based on the total number of 554,616,400 issued Shares (excluding Treasury Shares) before the Share Purchase as at the Latest Practicable Date and 499,154,760 issued Shares (excluding Treasury Shares) after the Share Purchase.
- (6) Gearing equals to total bank and other borrowings divided by total shareholders' equity.

The actual financial effects of the Share Purchase Mandate will depend on the number and purchase price of the Shares purchased or acquired. As stated, the Directors do not propose to exercise the Share Purchase 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 requirements, availability of financial resources, the expansion and investment plans of the Group, and the prevailing market conditions.

Shareholders should note that the financial effects set out above, based on the respective aforementioned assumptions, are for illustration purposes only. In particular, it is important to note that the above analysis is based on historical numbers for FY2020, and is not necessarily representative of future financial performance.

It should be noted that although the Share Purchase Mandate would authorise the Company to purchase or acquire up to 10.0% of the issued Shares, the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10.0% of the issued Shares as mandated. In addition, the Company may cancel or hold in treasury all or part of the Shares purchased or acquired. The Company will take into account both financial and non-financial factors (for example, the public float of the Company, stock market conditions and the performance of the Shares) in assessing the relative impact of a share purchase or acquisition before execution.

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- 2.8 **Tax Implications.** Shareholders who are in doubt as to their respective tax positions or any tax implications, or who may be subject to tax in a jurisdiction outside Singapore, should consult their own professional advisers.
- 2.9 **Listing Status of the Shares.** The Listing Manual requires a listed company to ensure that at least 10.0% of the total number of issued Shares (excluding preference shares, convertible equity securities and treasury shares) in a class that is listed is held by public shareholders at all times. As at the Latest Practicable Date, on the basis of 554,616,400 issued Shares (excluding Treasury Shares), approximately 22.50% of the issued Shares are held by public Shareholders. Assuming that the Company repurchased the maximum of 10.0% of its issued Shares at the Latest Practicable Date from public Shareholders, the percentage of Shares held by public Shareholders would be approximately 13.89%.

Accordingly, the Company is of the view that there is a sufficient number of issued Shares held by public Shareholders which would permit the Company to undertake purchases or acquisitions of its issued Shares up to the full 10.0% limit pursuant to the Share Purchase 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.

The Board of Directors, when purchasing Shares, will ensure that there is a sufficient float for an orderly market in the Company's securities and that the listing status of the Shares on the SGX-ST is not affected by such purchase.

- 2.10 **No Share Purchases in the Previous 12 Months.** The Company has not purchased any Shares during the 12-month period preceding the Latest Practicable Date.
- 2.11 **Listing Rules.** The Listing Manual restricts a listed company from purchasing its shares by way of market purchases at a price per share which is more than 5.0% above the "average closing price", being the average of the closing market prices of the shares over the last five Market Days on which transactions in the shares were recorded, before the day on which the purchases were made, as deemed to be adjusted for any corporate action that occurs during the relevant five-day period and the day on which the purchases are made. The Maximum Price for the Shares in relation to Market Purchases referred to in paragraph 2.3.4 above complies with this requirement. Although the Listing Manual does not prescribe a maximum price in relation to purchases of shares by way of off-market purchases, the Company has set a cap of 10.0% above the average closing price of the Shares as the Maximum Price for the Shares to be purchased or acquired by way of an Off-Market Purchase.

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 issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Purchase Mandate at any time when there are material developments or any unannounced material information which may have an impact on the Company's share price or trading volume, until such insider information has been publicly announced. In particular, in line with the best practices guide on securities dealings issued by the SGX-ST and as the Company is not required to announce quarterly financial statements under Rule 705(2) of the Listing Manual, the Company will not purchase or acquire any Shares pursuant to the Share Purchase Mandate during the period of one month immediately preceding the announcement of the Company's half-year and full-year financial statements.

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2.12 **Reporting Requirements.** The Listing Manual specifies that a listed company shall report all purchase 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 (which must be in the form of Appendix 8.3.1 to the Listing Manual) must include, *inter alia*, details of the date of the purchase, the total number of shares purchased, the number of shares cancelled, the number of shares held as treasury shares, the purchase price per share or the highest and lowest prices paid for such shares, as applicable, the total consideration (including stamp duties and clearing charges) paid or payable for the shares, the number of shares purchased as at the date of announcement (on a cumulative basis), the number of issued shares excluding treasury shares and the number of treasury shares after the purchase.

The Directors are required under the Companies Act to lodge with the ACRA within 30 days of the purchase or acquisition of Shares on the SGX-ST the notice of purchase or acquisition of the Shares in the prescribed form and providing certain particulars including the date of the purchase or acquisition, the number of Shares purchased or acquired, the number of Shares cancelled, the number of Shares held as Treasury Shares, the issued share capital of the Company before and after the purchase or acquisition, the amount of consideration paid by the Company for the purchase or acquisition of the Shares, and whether the Shares were purchased or acquired out of the profits or the capital of the Company.

2.13 **Take-over Implications.** Appendix 2 of the Take-Over Code ("**Appendix 2**") contains the Share Buy-Back Guidance Note. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below:

2.13.1 **Obligation to make a Take-over Offer**

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

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

- (a) any person acquires, whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30.0% or more of the voting rights of a company; or
- (b) any person who, together with persons acting in concert with him, holds not less than 30.0% but not more than 50.0% of the voting rights and such person, or any person acting in concert with him, acquires in any period of six months additional shares carrying more than 1.0% of the voting rights, such person shall extend immediately an offer on the basis set out below to the holders of any class of shares in the capital which carries votes and in which such person or persons acting in concert with him hold shares. In addition to such person, each of the principal members of the group of persons acting in concert with him may, according to the circumstances of the case, have the obligation to extend an offer.

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The offer required to be made under the provisions of Rule 14.1 of the Take-Over Code shall, in respect of each class of shares in the capital involved, be in cash or be accompanied by a cash alternative at the Required Price.

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

2.13.2 *Persons Acting in Concert*

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

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

- (a) the following companies:
 - (i) a company;
 - (ii) the parent company of (i);
 - (iii) the subsidiaries of (i);
 - (iv) the fellow subsidiaries of (i);
 - (v) the associated companies of any of (i), (ii), (iii) or (iv);
 - (vi) companies whose associated companies include any of (i), (ii), (iii), (iv) or (v); and
 - (vii) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights;
- (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);
- (c) a company with any of its pension funds and employee share schemes;
- (d) 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;
- (e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and persons controlling, controlled by or under the same control as the adviser;
- (f) directors of a company (together with their close relative, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent;

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- (g) partners; and
- (h) the following persons and entities:
 - (i) an individual;
 - (ii) the close relatives of (i);
 - (iii) the related trusts of (i);
 - (iv) any person who is accustomed to act in accordance with the instructions of (i); and
 - (v) companies controlled by any of (i), (ii), (iii) or (iv); and
 - (vi) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.

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

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

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

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

Based on the interests of substantial Shareholders as recorded in the Register of Substantial Shareholders as at the Latest Practicable Date, none of the substantial Shareholders would become obliged to make a take-over offer for the Company under Rule 14 of the Take-Over Code as a result of the acquisition or purchase by the Company of 10.0% of its issued Shares as at the Latest Practicable Date. Further details of the Directors and substantial Shareholders in the Shares as at the Latest Practicable Date are set out in paragraph 4 of this Circular.

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

Shareholders are advised to consult their professional advisers and/or the Securities Industry Council and/or other relevant authority at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any share purchase by the Company.

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2.14 **Interested Persons.** The Company is prohibited from knowingly buying Shares on the SGX- ST from an interested person, that is a Director, the chief executive officer or controlling shareholder of the Company or any of their associates, and an interested person is prohibited from knowingly selling his Shares to the Company.

3. THE PROPOSED RENEWAL OF THE SHAREHOLDERS' GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

3.1 **Background.** At the 2020 EGM, Shareholders had approved the renewal of the IPT General Mandate. The terms of the IPT General Mandate were set out in the 2020 EGM Circular and the ordinary resolution in the notice of the 2020 EGM dated 13 May 2020. The IPT General Mandate was expressed to take effect until the conclusion of the next annual general meeting of the Company and, as such, would be expiring on 26 April 2021, being the date of the forthcoming annual general meeting. Accordingly, the Directors propose that the IPT General Mandate be renewed at the forthcoming EGM (which will be held following the conclusion or adjournment of the forthcoming annual general meeting), to take effect until the conclusion of the next annual general meeting of the Company.

The IPT General Mandate enables the Company, its subsidiaries and associated companies that are considered to be “entities at risk” within the meaning of Chapter 9 of the Listing Manual (the “**EAR Group**”), in the ordinary course of business, to enter into the Mandated Transactions with the Mandated Interested Persons which are necessary for the day-to-day operations, provided that all such transactions are carried out at arm’s length and on normal commercial terms, and are not prejudicial to the interests of the Company and its minority Shareholders.

3.2 **Particulars of the IPT General Mandate to be Renewed.** The nature of the Mandated Transactions and the classes of Mandated Interested Persons in respect of which the IPT General Mandate is sought to be renewed remain unchanged. Particulars of the IPT General Mandate, including the rationale for the IPT General Mandate, the benefits to be derived by the Company, as well as the review procedures for determining transaction prices with the Mandated Interested Persons, are set out in paragraph 3.5 of this Circular.

3.3 **Audit and Risk Management Committee's Confirmation.** Pursuant to Rule 920(1)(c) of the Listing Manual, the Audit and Risk Management Committee confirms that:

- (a) the methods or procedures for determining the transaction prices under the IPT General Mandate have not changed since the IPT General Mandate was last approved by Shareholders; and
- (b) the methods or procedures referred to in sub-paragraph (a) above are sufficient to ensure that the Mandated Transactions carried out thereunder will be on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

3.4 **Chapter 9 of the Listing Manual.** Chapter 9 of the Listing Manual governs transactions by a listed company, as well as transactions by its subsidiaries and associated companies that are considered to be at risk, with the listed company’s interested persons. When this Chapter applies to a transaction and the value of that transaction alone or on aggregation with other transactions conducted with the interested person during the financial year reaches, or exceeds, certain materiality thresholds, the listed company is required to make an immediate announcement, or to make an immediate announcement and seek its shareholders’ approval for that transaction.

Except for certain transactions which, by reason of the nature of such transactions, are not considered to put the listed company at risk to its interested person and hence are excluded from the ambit of Chapter 9 of the Listing Manual, an immediate announcement and/or shareholders’ approval would be required in respect of transactions with interested persons if certain financial thresholds (which are based on the value of the transaction as compared with the group’s latest audited NTA are reached or exceeded). In particular:

- (a) where the value of such transaction is equal to or exceeds 3.0% of the group’s latest audited NTA, an immediate announcement is required;
- (b) where the value of such transaction is equal to or exceeds 5.0% of the group’s latest audited NTA, an immediate announcement and shareholders’ approval is required;

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- (c) if the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 3.0% or more of the group's latest audited NTA, an immediate announcement of the latest transaction and all future transactions entered into with that same interested person during that financial year is required; and
- (d) if the aggregate value of all transactions entered into with the same interested person during the same financial year amounts to 5.0% or more of the group's latest audited NTA, an immediate announcement and shareholders' approval is required in respect of the latest and all future transactions entered into with that interested person during that financial year. However, a transaction which has been approved by shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.

Based on the latest audited consolidated financial statements of the Group for FY2020, the latest audited NTA of the Group was S\$85,029,000. Accordingly, in relation to the Group, and for the purposes of complying with Chapter 9 of the Listing Manual, in the current financial year and until such time as the consolidated audited financial statements of the Group for the financial year ending 31 December 2020 are published, 5.0% of the Group's latest audited NTA would be approximately S\$4,251,450.

Chapter 9 of the Listing Manual allows a listed company to obtain a mandate from its shareholders 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) that may be carried out with the listed company's interested persons. A general mandate is subject to annual renewal.

Under the Listing Manual:

- (a) an “**approved exchange**” means a stock exchange that has rules which safeguard the interests of shareholders against interested person transactions according to similar principles in Chapter 9 of the Listing Manual;
- (b) (in the case of a company) an “**associate**” in relation to an interested person who is a director, chief executive officer or controlling shareholder, includes an immediate family member (that is, the spouse, child, adopted child, step-child, sibling or parent) of such director, chief executive officer or controlling shareholder, the trustees of any trust of which the director/his immediate family, the chief executive officer/his immediate family or the controlling shareholder/his immediate family is a beneficiary, or in the case of a discretionary trust, is a discretionary object, and any company in which the director/his immediate family, the chief executive officer/his immediate family or the controlling shareholder/his immediate family has or have an aggregate interest (directly or indirectly) of 30.0% or more, and, where a controlling shareholder is a corporation, its subsidiary or holding company or fellow subsidiary or a company in which it and/or they have (directly or indirectly) an interest of 30.0% or more;
- (c) an “**associated company**” means a company in which at least 20.0% but not more than 50.0% of its shares are held by the listed company or group;
- (d) an “**entity at risk**” means:
 - (i) the listed company;
 - (ii) a subsidiary of the listed company that is not listed on the SGX-ST or an approved exchange; or
 - (iii) an associated company of the listed company that is not listed on the SGX-ST or an approved exchange, provided that the listed company and/or its subsidiaries (the “**listed group**”), or the listed group and its interested person(s), has control over the associated company;

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- (e) (in the case of a company) an **“interested person”** means a director, chief executive officer or controlling shareholder of the listed company or an associate of such director, chief executive officer or controlling shareholder;
- (f) the SGX-ST may deem any person or entity to be an interested person if the person or entity has entered into, or proposes to enter into (i) a transaction with an entity at risk; and (ii) an agreement or arrangement with an interested person in connection with that transaction;
- (g) (in the case of a company) a **“primary interested person”** means a director, chief executive officer or controlling shareholder of the listed company;
- (h) an **“interested person transaction”** means a transaction between an entity at risk and an interested person;
- (i) a **“transaction”** includes (i) the provision or receipt of financial assistance; (ii) the acquisition, disposal or leasing of assets; (iii) the provision or receipt of goods or services; (iv) the issuance or subscription of securities; (v) the granting of or being granted options; and (vi) the establishment of joint ventures or joint investments, whether or not entered into in the ordinary course of business, and whether entered into directly or indirectly (for example, through one or more interposed entities); and
- (j) in interpreting the term **“same interested person”** for the purpose of aggregation of the values of all transactions entered into with the same interested person during the same financial year under Rules 905, 906 and 907 of Chapter 9 of the Listing Manual, the following applies:
 - (i) transactions between (A) an entity at risk and a primary interested person; and (B) an entity at risk and an associate of that primary interested person, are deemed to be transactions between an entity at risk with the same interested person.

Transactions between (1) an entity at risk and a primary interested person; and (2) an entity at risk and another primary interested person, are deemed to be transactions between an entity at risk with the same interested person if the primary interested person is also an associate of the other primary interested person.
 - (ii) transactions between an entity at risk and interested persons who are members of the same group are deemed to be transactions between the entity at risk with the same interested person.

If an interested person (which is a member of a group) is listed, its transactions with the entity at risk need not be aggregated with transactions between the entity at risk and other interested persons of the same group, provided that the listed interested person and other listed interested persons have boards the majority of whose directors are different and are not accustomed to act on the instructions of the other interested persons and have audit committees whose members are completely different; and
- (k) while transactions below S\$100,000 are not normally aggregated under Rules 905(2) and 906(2) of Chapter 9 of the Listing Manual, the SGX-ST may aggregate any such transaction entered into during the same financial year and treat them as if they were one transaction in accordance with Rule 902.

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3.6 Renewal of the IPT General Mandate

3.6.1 Introduction

The Company anticipates that the EAR Group would, in the ordinary course of business, continue to enter into certain transactions with its interested persons (as such term is defined in the Listing Manual), including but not limited to those categories of transactions described below. In view of the time-sensitive and recurrent nature of commercial transactions, it would be advantageous for the Company to obtain a renewal of the IPT General Mandate from its Shareholders to enter into the Mandated Transactions with the Mandated Interested Persons in the EAR Group's ordinary course of business, which are necessary for the day-to-day operations of the EAR Group, provided that all such transactions are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders.

The IPT General Mandate will take effect from the passing of the ordinary resolution relating thereto, and will continue in force until the conclusion of the next annual general meeting of the Company (unless sooner revoked or varied by the Company in general meeting). Approval from Shareholders will be sought for the renewal of the IPT General Mandate at the next annual general meeting (or extraordinary general meeting following such annual general meeting) and each subsequent annual general meeting (or extraordinary general meeting following such annual general meeting) of the Company, subject to satisfactory review by the Audit and Risk Management Committee of the Company of its continued application to the Mandated Transactions.

3.6.3 Classes of Mandated Interested Persons

The IPT General Mandate will apply to the following transactions that are carried out between any entity at risk and the following interested persons, who are associates of Mr. Pang Lim and/or Mdm. Ng Hoon Tien:

- (a) in respect of leases of food court properties and/or coffee shop properties, Jun Yuan Holdings Pte. Ltd. and Abundance Realty Pte. Ltd., each of whom is an associate of Mr. Pang Lim and Mdm. Ng Hoon Tien;
- (b) in respect of purchases of dishwashing equipment, Mr. Pang Pok and GS Holdings Limited, which is listed on the Catalist Board of the SGX-ST and is controlled by Mr. Pang Pok, each of whom is an associate of Mr. Pang Lim;
- (c) in respect of dishwashing, cleaning, landscaping and vector control services, Mr. Pang Pok and Greatsolutions Pte. Ltd., which is a subsidiary of GS Holdings Limited, each of whom is an associate of Mr. Pang Lim; and
- (d) in respect of electrical services, Mr. Pang Pong San and Brightlink Electrical Pte. Ltd., which is 50.0% owned by Mr. Pang Pong San, each of whom is an associate of Mr. Pang Lim,

(the "**Mandated Interested Persons**", and each a "**Mandated Interested Person**", all being "interested persons" as defined in the Listing Manual).

For the avoidance of doubt, such Mandated Interested Persons would include such persons who may, during such period while the IPT General Mandate is in effect, become Mandated interested Persons where previously they were not so.

Transactions between the Mandated Interested Persons and the Group which do not fall within the ambit of the proposed IPT General Mandate shall be subject to the relevant provisions of Chapter 9 of the Listing Manual. In particular, if such transactions are of an aggregate value equal to or more than 5.0% of the Group's latest audited NTA, future transactions of such a nature will be subject to Shareholders' approval before they can be entered into.

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3.6.4 *Categories of Mandated Interested Person Transactions*

The Company envisages that in the ordinary course of its business, the following transactions between the Group and the Mandated Interested Persons are likely to occur from time to time:

- (a) renewal of the Abundance Realty Food Court and Coffee Shop Leases;
- (b) leasing of food court properties and/or coffee shop properties from Mandated Interested Persons other than those which are the subject of the Abundance Realty Food Court and Coffee Shop Leases (“**New Leases**”);
- (c) renewal of the New Leases;
- (d) purchase of dishwashing equipment from Mandated Interested Persons;
- (e) provision of dishwashing, cleaning, landscaping and vector control services by Mandated Interested Persons; and
- (f) provision of electrical services by Mandated Interested Persons,

(the “**Mandated Transactions**”).

For the avoidance of doubt, there will be no sale or purchase of any assets, undertakings or businesses within the scope of the IPT General Mandate.

Transactions with other interested persons will be subject to the relevant provisions of Chapter 9 of the Listing Manual and/or applicable provisions of the Listing Manual and/or any applicable law. Transactions conducted under the IPT General Mandate are not subject to Rules 905 and 906 of Chapter 9 of the Listing Manual pertaining to threshold and aggregation requirements.

3.6.5 *Rationale for and Benefits of the IPT General Mandate*

The IPT General Mandate and its subsequent renewal on an annual basis would eliminate the need to announce, or to announce and convene separate general meetings from time to time to seek Shareholders’ prior approval as and when potential Mandated Transactions with Mandated Interested Persons arise, thereby saving substantial administrative time and costs expended in convening such meetings, without compromising the corporate objectives of the EAR Group and adversely affecting the business opportunities available to the EAR Group.

The IPT General Mandate is intended to facilitate transactions in the normal course of business of the EAR Group which are transacted from time to time with the Mandated Interested Persons, provided that they are carried out at arm’s length and on normal commercial terms, and are not prejudicial to the interests of the Company and its minority Shareholders. The EAR Group will benefit from having access to competitive quotes from the Mandated Interested Persons in addition to obtaining quotes from, or transacting with, non-Mandated Interested Persons.

In accordance with the requirements of Chapter 9 of the Listing Manual, the Company will (a) disclose in its annual report the aggregate value of transactions conducted with Mandated Interested Persons pursuant to the IPT General Mandate during the financial year (as well as in the annual reports for subsequent financial years that the IPT General Mandate continues to be in force); and (b) announce the aggregate value of transactions conducted with Mandated Interested Persons pursuant to the IPT General Mandate for the financial periods that the Company is required to report on pursuant to Rule 705 of the Listing Manual (which relates to quarterly reporting by listed companies) within the time required for the announcement of such report.

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3.6.6 *Review Procedures for Mandated Transactions with Mandated Interested Persons*

To ensure that Mandated Transactions with Mandated Interested Persons are undertaken at: (a) arm's length and on normal commercial terms consistent with the Group's usual business practices and on terms which are generally not more favourable than those extended to unrelated third parties; or (b) in any event on terms no less favourable to the Group than prevailing open market rates, and will not be prejudicial to the interests of the Group and its minority Shareholders, the Group will adopt the following procedures for the review and approval of Mandated Transactions under the IPT General Mandate:

- (a) The following procedures will be adopted in relation to the rental of food courts and/or coffee shops from Mandated Interested Persons:
 - (i) In relation to the rental of food courts and/or coffee shops from the Mandated Interested Persons (whether new leases or renewal of the existing Abundance Realty Food Court and Coffee Shop Leases or any other lease), which should be upon similar covenants and conditions of lease, the rent payable by the Group to the Mandated Interested Persons shall be at a monthly rent being no higher than an independent valuation conducted by an independent valuer with the relevant track record or experience not more than two months prior to lease and/or the renewal of the lease, with such cost of valuation to be borne by the Group.
 - (ii) In general, the Group will only enter into New Leases or renew the Abundance Realty Food Court and Coffee Shop Leases with Abundance Realty if the Group is satisfied that the rent payable is in line with or better than prevailing market rental rates for comparable spaces, taking into account factors such as the type and variety of food offerings, vibrancy and location of the food court or coffee shop, number of competing venues in the vicinity, traffic flow, overall atmosphere and any other relevant factors that may affect rental rates or terms of the lease.
- (b) The following procedures will be adopted in relation to the purchase of dishwashing equipment and the provision of dishwashing, cleaning, landscaping and vector control services and electrical services from Mandated Interested Persons:
 - (i) Before any purchase of dishwashing equipment from the Mandated Interested Persons, quotations from at least two unrelated third party suppliers for the same type or similar specifications of equipment will be obtained for comparison wherever appropriate and practicable. In general, the Group will only purchase dishwashing equipment from the Mandated Interested Persons if the Group is satisfied that the sale price of such equipment from the Mandated Interested Persons is not higher than the most competitive quote provided by other third party suppliers for equipment of similar specifications, after obtaining competing quotes from at least two unrelated third party suppliers, and taking into account factors such as warranty period, grade of equipment, useful life, and any other relevant factors.
 - (ii) Before entering into any contracts for the provision of dishwashing, cleaning, landscaping and vector control services or electrical services by the Mandated Interested Persons, quotations from at least two unrelated third party service providers for comparable services will be obtained for comparison wherever appropriate and practicable. In general, the Group will only enter into contracts for the provision of dishwashing, cleaning, landscaping and vector control services or electrical services by the Mandated Interested Persons if the Group is satisfied that the rates or prices from the relevant Mandated Interested Persons are not higher than the most competitive quote provided by other third party service providers for comparable services, after obtaining competing quotes from at least two unrelated third party service providers, and taking into account factors such as the quality of services, track record, experience and expertise, estimated time for completion and delivery of such services, credit terms and any other relevant factors.

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- (iii) In the event that such competing quotes from unrelated third party suppliers or service providers cannot be obtained (for instance, if there are no unrelated third party suppliers or service providers of similar products or services, or if the product is a proprietary item), the Group will obtain two recent contracts (wherever possible or available) entered into between the Mandated Interested Persons and their unrelated third party customers for the same or substantially similar products and/or services, prior to the entry into of the contract or transaction with the Mandated Interested Persons, as a basis for comparison to determine whether the prices and terms offered by the Mandated Interested Persons are fair and reasonable, and comparable to those offered by the Mandated Interested Person to their unrelated third party customers. The Chief Financial Officer (who must have no interest, direct or indirect in the transaction) will determine whether the prices and terms offered by the relevant Mandated Interested Persons are fair and reasonable and in accordance with the Group's usual business practices and pricing policies or industry norms, and taking into account factors such as the specifications or scope of work required, warranty period, grade of equipment, useful life, quality of services, track record, experience and expertise, estimated time for completion and delivery of such services, historical rates or prices paid by the Group for such products or services, credit terms and any other relevant factors.

- (c) The following review and approval procedures will apply to the Mandated Transactions:
 - (i) Transactions below 3.0% of the value of the Group's latest audited NTA will be subject to review and prior approval by the Chief Financial Officer or an officer of equivalent rank, who does not have an interest in the transaction.

 - (ii) Transactions (either individually or as part of a series or if aggregated with other transactions involving the same interested person during the same financial year) equal to or exceeding 3.0% of the value of the Group's latest audited NTA will be subject to the review and prior approval of the Audit and Risk Management Committee. In the event that a member of the Audit and Risk Management Committee has an interest in a transaction, or is a nominee for the time being of the Mandated Interested Person, or if he also serves as an independent non-executive director on the board of directors or (as the case may be) an audit or other board committee of the Mandated Interested Person, and he participates in the review and approval process of the Audit and Risk Management Committee in relation to a transaction with that Mandated Interested Person, or if any associate (as defined in the Listing Manual) of a member of the Audit and Risk Management Committee is involved in the decision making process on the part of the Mandated Interested Person, he shall abstain from participating in the review and approval process of the Audit and Risk Management Committee in relation to that transaction.

Any transaction to be entered into under the IPT General Mandate shall only be approved by the above approving authority if the transactions are carried out at arm's length and on normal commercial terms, in accordance with the guidelines and review procedures outlined in paragraphs (a) and (b) of this section, and the basis on which the transactions are entered into are properly documented in the IPT Register (as defined below), accompanied with supporting documents.

For the purposes of sub-paragraphs (i) and (ii) above, the value of a transaction shall be determined based on the full contract value at the time of entry into the transaction. In the case of rental agreements, the value of the transaction shall be based on the total rent payable for the duration of the lease and excludes the optional renewal term.

The review procedures for the Mandated Transactions with Mandated Interested Persons remain the same as those disclosed in the 2020 EGM Circular.

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3.6.7 *Additional Guidelines and Review Procedures*

In addition to the guidelines and review procedures set out above, the Group will implement the following additional guidelines and review procedures to ensure that the Mandated Transactions carried out under the IPT General Mandate are undertaken at arm's length basis and on normal commercial terms:

- (a) A register will be maintained to record the list of interested persons and their associates (which is to be updated immediately if there are any changes) to enable identification of interested persons. The list of interested persons shall be reviewed on a quarterly basis by the Chief Financial Officer and subject to such verifications or declarations as required by the Audit and Risk Management Committee for such period as determined by them. This list of interested persons shall be disseminated to any staff of the Group that the Group's finance team considers relevant for the purposes of entering into transactions that fall under the IPT General Mandate.
- (b) A register will be maintained to record all interested person transactions (including the Mandated Transactions) carried out with interested persons (including the Mandated Interested Persons) (including the bases on which the interested person transactions are entered into, amount and nature) (the "**IPT Register**") by the Group's finance team, which shall be reviewed by the Chief Financial Officer on a monthly basis.
- (c) The Audit and Risk Management Committee shall review all Mandated Transactions (except where Mandated Transactions are required under the review procedures to be approved by the Audit and Risk Management Committee prior to the entry thereof) at least on a quarterly basis to ensure that they are carried out on normal commercial terms and in accordance with the procedures outlined above. All relevant non-quantitative factors will also be taken into account. Such review includes the examination of the transaction and its supporting documents or such other data deemed necessary by the Audit and Risk Management Committee. The Audit and Risk Management Committee shall, when it deems fit, request for any additional information pertaining to the transaction under review from independent sources, advisers or valuers, or require the appointment of internal auditors to provide additional review of the internal control procedures and review procedures and their implementation pertaining to interested person transactions (including the Mandated Transactions) under review.
- (d) The Audit and Risk Management Committee will also review from time to time such guidelines and procedures to determine if they are adequate and/or commercially practicable in ensuring that transactions between the Group and the interested persons are conducted at arm's length and on normal commercial terms. If during any of the reviews by the Audit and Risk Management Committee, the Audit and Risk Management Committee is of the view that the internal control procedures and review procedures for Mandated Transactions have become inappropriate or insufficient in the event of changes to the nature of, or manner in which, the business activities of the Group or the Mandated Interested Persons are conducted, it will, in consultation with the Board of Directors, take such actions as it deems proper in respect of such procedures and guidelines and/or modify or implement such procedures and guidelines as may be necessary to ensure that the Mandated Transactions will be conducted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders, and the Company will revert to Shareholders for a fresh general mandate based on new internal control procedures and review procedures so that Mandated Transactions will be carried out at arm's length, on normal commercial terms and will not be prejudicial to the interests of the Company and its minority Shareholders. In the interim, the Audit and Risk Management Committee will review every Mandated Transaction pending the grant of the fresh mandate, which will be in accordance with the requirements of the relevant provisions of Chapter 9 and/or other applicable provisions of the Listing Manual (as from time to time amended).

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- (e) The Board of Directors will also ensure that all disclosure, approval and other requirements on interested person transactions, including those required by prevailing legislation, the Listing Manual (in particular, Chapter 9 thereof) and relevant accounting standards, are complied with. The Company will also endeavour to comply with the recommendations set out in the Code of Corporate Governance.

The additional guidelines and review procedures for the Mandated Transactions remain the same as those disclosed in the 2020 EGM Circular.

3.6.8 **Review of Non-Mandated Interested Person Transactions and Review by Audit and Risk Management Committee**

All other existing and future interested person transactions not subject to the IPT General Mandate will be reviewed and approved in accordance with the threshold limits as set out under Chapter 9 of the Listing Manual, to ensure that they are carried out on normal commercial terms and are not prejudicial to the interests of the Company and its minority Shareholders. In the event that such interested person transactions require the approval of the Board of Directors and the Audit and Risk Management Committee, the relevant information will be submitted to the Board of Directors and the Audit and Risk Management Committee for review. In the event that such interested person transactions require the approval of the Shareholders, additional information may be required to be presented to Shareholders and an independent financial adviser may be appointed for an opinion.

The Audit and Risk Management Committee will also review all interested person transactions to ensure that the prevailing rules and regulations of the SGX-ST (in particular, Chapter 9 of the Listing Manual) are complied with.

The review procedures for all other existing and future interested person transactions not subject to the IPT General Mandate remain the same as those disclosed in the 2020 EGM Circular.

4. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

- 4.1 **Directors' Interests.** As at the Latest Practicable Date, the interests of the Directors in the Shares before and after the Share Purchase pursuant to the Share Purchase Mandate, assuming (a) the Company purchases 55,461,640 Shares; and (b) there is no change in the number of Shares (whether deemed or direct) held by the Directors, are set out below:

Directors	Before the Share Purchase						After the Share Purchase
	Direct Interest		Deemed Interest ⁽²⁾		Total Interest		Total Interest
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾	% ⁽⁶⁾
Mr. Pang Lim ⁽³⁾	–	–	428,048,800	77.15	428,048,800	77.15	85.75
Mdm. Ng Hoon Tien ⁽⁴⁾	–	–	428,048,800	77.15	428,048,800	77.15	85.75
Dr. Yu Lai Boon	100,000	0.018	–	–	100,000	0.015	0.020
Mr. Tan Huay Lim ⁽⁵⁾	–	–	100,000	0.018	100,000	0.018	0.020
Mr. Hoon Tai Meng	100,000	0.018	–	–	100,000	0.018	0.020

Notes:

- (1) Based on the total number of issued Shares (excluding Treasury Shares) as at the Latest Practicable Date.
(1) Deemed interests refer to interests determined pursuant to Section 4 of the SFA.
(2) Mr. Pang Lim is deemed to be interested in 428,048,800 Shares held by Jun Yuan Holdings Pte. Ltd..
(3) Mdm. Ng Hoon Tien is deemed to be interested in the 428,048,800 Shares held by Jun Yuan Holdings Pte. Ltd..
(4) Mr. Tay Huay Lim is deemed to be interested in the 100,000 Shares held through a nominee company.
(5) Assuming the Company purchases or acquires 55,461,640 Shares pursuant to the Share Purchase Mandate, the percentage after the Share Purchase is calculated based on 499,154,760 Shares.

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- 4.2 **Substantial Shareholders' Interests.** As at the Latest Practicable Date, the interests of the Substantial Shareholders in the Shares, before and after the Share Purchase pursuant to the Share Purchase Mandate, assuming (a) the Company purchases 55,461,640 Shares; and (b) there is no change in the number of Shares (whether deemed or direct) held by the Substantial Shareholders, are set out below:

Substantial Shareholders (other than Directors)	Before the Share Purchase						After the Share Purchase
	Direct Interest		Deemed Interest ⁽²⁾		Total Interest		Total Interest
	No. of Shares	%(¹)	No. of Shares	%(¹)	No. of Shares	%(¹)	%(³)
Jun Yuan Holdings Pte. Ltd.	428,048,800	77.15	–	–	428,048,800	77.15	85.75

Notes:

(1) Based on the total number of issued Shares (excluding Treasury Shares) as at the Latest Practicable Date.

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

(3) Assuming the Company purchases or acquires 55,461,640 Shares pursuant to the Share Purchase Mandate, the percentage after the Share Purchase is calculated based on 499,154,760 Shares.

5. DIRECTORS' RECOMMENDATIONS

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

Accordingly, the Directors recommend that the Shareholders vote in favour of Ordinary Resolution 1 relating to the proposed renewal of the Share Purchase Mandate to be proposed at the EGM.

- 5.2 **The Proposed Renewal of the IPT General Mandate.** Save for Mr. Pang Lim and Mdm. Ng Hoon Tien, the Directors who are considered independent for the purposes of the proposed renewal of the IPT General Mandate, having considered, *inter alia*, the scope, procedures, rationale and benefits of the IPT General Mandate, are of the opinion that the proposed renewal of the IPT General Mandate is in the best interests of the Company.

Accordingly, the Directors (save for Mr. Pang Lim and Mdm. Ng Hoon Tien) recommend that the Shareholders vote in favour of Ordinary Resolution 2 in relation to the proposed renewal of the IPT General Mandate.

6. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 31 to 35 of this Circular, will be held by way of electronic means on 26 April 2021 at 10.30 a.m. (or as soon thereafter following the conclusion or adjournment of the annual general meeting of the Company to be held by way of electronic means at 9.30 a.m. on the same day) for the purpose of considering and, if thought fit, passing with or without modifications the ordinary resolutions set out in the notice of EGM on pages 31 to 35 of this Circular.

7. ABSTENTION FROM VOTING

- 7.1 **The Proposed Renewal of the IPT General Mandate.** Mr. Pang Lim and Mdm. Ng Hoon Tien, who are each a Mandated Interested Person, will abstain from, and has undertaken to ensure that their respective associates (if any) will abstain from voting on Ordinary Resolution 2 in relation to the proposed renewal of the IPT General Mandate.

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- 7.2 **Appointment of Chairman of the EGM as Proxy.** The Chairman of the EGM will accept appointment as proxy for any Shareholder to vote in respect of any ordinary resolution relating to the proposed renewal of the IPT General Mandate and/or the proposed renewal of the IPT General Mandate to be proposed at the EGM, where such Shareholder has given specific voting instructions in a validly completed and submitted Proxy Form as to voting, or abstention from voting, in respect of such ordinary resolution.

8. NO DESPATCH OF PRINTED COPIES OF CIRCULAR, NOTICE OF EGM AND PROXY FORM

- 8.1 No printed copies of this Circular, the Notice of EGM and the Proxy Form in respect of the EGM will be despatched to Shareholders. Copies of this Circular, the Notice of EGM and the Proxy Form have been uploaded on the Company's website at the URL <https://www.koufu.com.sg> and will also be made available on SGXNet at the URL <https://www.sgx.com/securities/company-announcements>. A Shareholder will need an Internet browser and PDF reader to view these documents on the Company's website and on SGXNet.
- 8.2 Shareholders are advised to read this Circular carefully in order to decide whether they should vote in favour of or against the Proposed Resolutions.

9. ACTION TO BE TAKEN BY SHAREHOLDERS

- 9.1 **No Attendance at EGM.** Pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the Company has the option to hold a virtual meeting, even where the Company is permitted under safe distancing regulations to hold a physical meeting. Due to the current COVID-19 situation and the Company's efforts to keep physical interactions and COVID-19 transmission risks to a minimum, the EGM of the Company will be held by way of electronic means pursuant to the COVID-19 (Temporary Measures) Act 2020 passed by Parliament on 7 April 2020 which enables the Minister for Law by order to prescribe alternative arrangements for listed companies in Singapore to, *inter alia*, conduct general meetings, either wholly or partly, by electronic communication, video conferencing, tele-conferencing or other electronic means, and the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, which is deemed to have come into operation on 27 March 2020, and which sets out the alternative arrangements in respect of, *inter alia*, general meetings of companies.
- 9.2 **Alternative Arrangements.** Instead, alternative arrangements have been put in place to allow Shareholders who pre-register to (a) participate at the EGM by observing and/or listening to the proceedings via "live" audio-visual webcast or "live" audio-only stream (collectively referred to as the "**live webcast**"); (b) submitting questions related to the Proposed Resolutions for approval in advance of the EGM; and/or (c) appointing the Chairman of the EGM as proxy to attend, speak and vote on their behalf at the EGM.

Shareholders may begin to pre-register at <https://online.meetings.vision/koufugroup-agm-registration> for the live webcast of the EGM proceedings and/or submit any questions that are related to the resolutions to be tabled in advance for approval to ir@koufu.com.sg. Shareholders are to pre-register for the live webcast of the EGM proceedings by **9.30 a.m. on 23 April 2021**.

- 9.3 **Appointment of Chairman of EGM as Proxy.** A Shareholder entitled to vote at the EGM must appoint the Chairman of the EGM to act as proxy to attend, speak and vote on their behalf at the EGM. The instrument appointing the Chairman of the EGM as proxy must:
- (a) if sent personally or by post, be deposited at the office of the Company's Share Registrar, In.Corp Corporate Services Pte. Ltd. (formerly known as RHT Corporate Advisory Pte. Ltd.), at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712; or
 - (b) if submitted electronically, via email, be received by In.Corp Corporate Services Pte. Ltd. at shareregistry@incorp.asia,

and in either case, by 10.30 a.m. on 23 April 2021, being not less than 72 hours before the time appointed for the EGM and, in default the instrument of proxy shall not be treated as valid.

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9.4 The key dates which Shareholders should take note of are set out in the table below:–

<u>Key dates</u>	<u>Actions</u>
8 April 2021, 9.30 a.m.	: Shareholders may begin to pre-register at https://online.meetings.vision/koufugroup-agm-registration for the live webcast of the EGM proceedings and/or submit any questions that are related to the Proposed Resolutions to be tabled in advance for approval to ir@koufu.com.sg .
By 5.00 p.m. on 14 April 2021	: Deadline for CPF or SRS investors who wish to appoint the Chairman of the EGM as proxy to approach their respective CPF Agent Banks or SRS Operators to submit their votes.
By 12 noon on 19 April 2021	: Deadline for Shareholders to submit questions related to the Proposed Resolutions for approval in advance.
By 9.30 a.m. on 23 April 2021	: Deadline for Shareholders to pre-register for the live webcast
By 10.30 a.m. on 23 April 2021	: Deadline for Shareholders to submit proxy forms
After trading hours on 23 April 2021	: The Company to address and publish its responses to those substantial and relevant questions received from Shareholders via the Company's website and SGXNet.
By 12 noon on 25 April 2021	: Authenticated Shareholders will receive an email which will contain user ID and password details, as well as the link to access the "live" audio-visual webcast and toll-free telephone number to access the "live" audio-only stream of the proceedings of the EGM (the " Confirmation Email "). Shareholders who do not receive the Confirmation Email by 12 noon on 25 April 2021, but have registered by the 23 April 2021 deadline should contact the Company's Share Registrar, In.Corp Corporate Services Pte. Ltd. (formerly known as RHT Corporate Advisory Pte. Ltd.), at shareregistry@incorp.asia , with the full name of the Shareholder and his/her identification number (by 5.00 p.m. on 25 April 2021).
10.30 a.m. on 26 April 2021	: <ul style="list-style-type: none">• Click on the link in the Confirmation Email and enter the user ID and password to access the "live" audio-visual webcast of the EGM proceedings; or• Call the toll-free telephone number in the Confirmation Email to access the "live" audio-only stream of the EGM proceedings.

9.5 Due to the constantly evolving COVID-19 situation in Singapore, the Company may be required to change its EGM arrangements at short notice. Shareholders should check at the URL <https://www.koufu.com.sg> for the latest updates on the status of the EGM, if any. Shareholders are advised to keep abreast of any such changes as may be announced by the Company from time to time on SGXNET.

LETTER TO SHAREHOLDERS

10. DIRECTORS' RESPONSIBILITY STATEMENT

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

11. INSPECTION OF DOCUMENTS

The following documents are available for inspection at the Company's website at the URL <https://www.koufu.com.sg> up to the date of the EGM:

- (a) the annual report of the Company for FY2020;
- (b) the 2020 EGM Circular; and
- (c) the Constitution of the Company.

Yours faithfully

For and on behalf of the Board of Directors of
KOUFU GROUP LIMITED

Pang Lim
Executive Chairman and Chief Executive Officer
8 April 2021

NOTICE OF EXTRAORDINARY GENERAL MEETING

KOUFU GROUP LIMITED

(Company Registration No: 201732833D)
(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting (the “**EGM**”) of Koufu Group Limited (the “**Company**”) will be held by way of electronic means on 26 April 2021 at 10.30 a.m. (or as soon thereafter following the conclusion or adjournment of the annual general meeting of the Company to be held by way of electronic means at 9.30 a.m. on the same day) for the purpose of considering and, if thought fit, passing with or without modifications, the resolutions as set out below:

Capitalised terms not defined herein shall refer to the definitions set out in the circular to shareholders dated 8 April 2021 (the “**Circular**”).

ORDINARY RESOLUTION 1 – THE PROPOSED RENEWAL OF SHARE PURCHASE MANDATE

That:

- (a) for the purposes of Sections 76C and 76E of the Companies Act, Chapter 50 of Singapore (the “**Companies Act**”), the exercise by the Directors of the Company (the “**Directors**”) of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company (the “**Shares**”) not exceeding in aggregate the Maximum Percentage (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to but not exceeding the Maximum Price (as hereafter defined), whether by way of:
- (i) on-market purchases (“**Market Purchases**”), transacted through the Singapore Exchange Securities Trading Limited’s (“**SGX-ST**”) trading system or on any other securities exchange on which the Shares may for the time being be listed and quoted (the “**Other Exchange**”) through one or more duly licensed dealers appointed by the Company for the purpose; and/or
 - (ii) off-market purchases (“**Off-Market Purchases**”) (if effected otherwise than on the SGX-ST or, as the case may be, the Other Exchange) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act.

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST or, as the case may be, the Other Exchange, as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Purchase Mandate**”);

- (b) unless revoked or varied by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:
- (i) the date on which the next annual general meeting of the Company is held;
 - (ii) the date on which the next annual general meeting of the Company is required by law to be held; and
 - (iii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate are carried out to the full extent mandated;
- (c) in this Resolution:

“**Average Closing Price**” means:

- (i) in the case of a Market Purchase, the average of the closing market prices of the Shares over the last five Market Days on which the Shares are transacted on the SGX-ST or, as the case may be, the Other Exchange, immediately preceding the date of the Market Purchase by the Company; or

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (ii) in the case of an Off-Market Purchase, the average of the closing market prices of the Shares over the last five Market Days on which the Shares are transacted on the SGX-ST or, as they case may be, the Other Exchange, immediately preceding the date of the making of the offer pursuant to the Off-Market Purchase,

and deemed to be adjusted, in accordance with the listing rules of the SGX-ST, for any corporate action that occurs during the relevant five-day period and the day on which the purchases are made;

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

“Market Day” means a day on which the SGX-ST is open for trading in securities;

“Maximum Percentage” means that number of issued Shares representing 10.0% of the issued Shares as at the date of the passing of this Resolution; and

“Maximum Price” in relation to a Share to be purchased or acquired, means the purchase price (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) which shall not exceed:

- (i) in the case of a Market Purchase, 105.0% of the Average Closing Price of the Shares; and
- (ii) in the case of an Off-Market Purchase, 110.0% of the Average Closing Price of the Shares; and

- (d) the Directors and/or any of them be and are and/or is hereby authorised and empowered to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.

ORDINARY RESOLUTION 2 – THE PROPOSED RENEWAL OF THE SHAREHOLDERS’ GENERAL MANDATE FOR INTERESTED PERSON TRANSACTIONS

That:

- (a) approval be and is hereby given for the purposes of Chapter 9 of the Listing Manual of the SGX-ST, for the Company, its subsidiaries and associated companies that are considered to be “entities at risk” (as that term is used in Chapter 9), or any of them to enter into any of the transactions falling within the types of Mandated Transactions described in the Circular with any Mandated Interested Persons described in the Circular, provided that such transactions are made on normal commercial terms and in accordance with the review procedures for such interested person transactions;
- (b) the approval given in paragraph (a) above shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next annual general meeting of the Company; and
- (c) the Directors and/or any of them be and are and/or is hereby authorised and empowered to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.

By Order of the Board

Siau Kuei Lian
Company Secretary
8 April 2021

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTES:

1. Pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the Company has the option to hold a virtual meeting, even where the Company is permitted under safe distancing regulations to hold a physical meeting. Due to the current COVID-19 situation and the Company's efforts to keep physical interactions and COVID-19 transmission risks to a minimum, the EGM of the Company will be held by way of electronic means.
2. The Circular, Notice of EGM and Proxy Form will be sent to members solely by electronic means via publication on the Company's website at the URL <https://www.koufu.com.sg> and will also be made available on SGXNet at the URL <https://www.sgx.com/securities/company-announcements>. Printed copies of these documents will NOT be despatched to members.
3. Members (including a Relevant Intermediary*) will not be able to attend the EGM in person. Members may:-
 - (a) pre-register to participate at the EGM by watching and/or listening to the proceedings via "live" audio-visual webcast or "live" audio-only stream (collectively referred to as the "**live webcast**");
 - (b) submit questions related to the Proposed Resolutions for approval in advance of the EGM; and/or
 - (c) appoint the Chairman of the EGM as proxy to attend, speak and vote on their behalf at the EGM.
4. A member of the Company (including a Relevant Intermediary*) entitled to vote at the EGM must appoint the Chairman of the EGM to act as proxy and direct the vote at the EGM.

***Relevant Intermediary**" has the same meaning as ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

5. An investor who holds shares under the Central Provident Fund Investment Scheme ("**CPF Investor**") and/or the Supplementary Retirement Scheme ("**SRS Investor**") (as may be applicable) and wishes to appoint the Chairman of the EGM as proxy should approach their respective CPF Agent Banks and/or SRS Operators to submit their votes at least seven (7) working days before the EGM.
6. The instrument appointing the Chairman of the EGM as proxy must (i) if sent personally or by post, be deposited at the office of the Company's Share Registrar, In.Corp Corporate Services Pte. Ltd. (formerly known as RHT Corporate Advisory Pte. Ltd.), at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712; or (ii) if submitted electronically, via email, be received by In.Corp Corporate Services Pte. Ltd. at shareregistry@incorp.asia, and in either case, by 10.30 a.m. on 23 April 2021, being no less than 72 hours before the time appointed for the EGM, and in default of the instrument of proxy shall not be treated as valid.

In view of the current COVID-19 situation and the related safe distancing measures, members are strongly encouraged to submit completed proxy forms electronically via email.

7. The Circular may be accessed on the Company's website at the URL <https://www.koufu.com.sg> and is also available on the SGXNet at the URL <https://www.sgx.com/securities/company-announcements>.

NOTICE OF EXTRAORDINARY GENERAL MEETING

IMPORTANT NOTES TO MEMBERS:

A. The key dates which members should take note of are set out in the table below:–

Key dates	Actions
8 April 2021, 9.30 a.m.	: Members may begin to pre-register at https://online.meetings.vision/koufugroup-agm-registration for the live webcast of the EGM proceedings and/or submit any questions that are related to the Proposed Resolutions to be tabled in advance for approval to ir@koufu.com.sg .
By 5.00 p.m. on 14 April 2021	: Deadline for CPF or SRS investors who wish to appoint the Chairman of the EGM as proxy to approach their respective CPF Agent Banks or SRS Operators to submit their votes.
By 12 noon on 19 April 2021	: Deadline for members to submit questions related to the Proposed Resolutions for approval in advance.
By 9.30 a.m. on 23 April 2021	: Deadline for members to pre-register for the live webcast
By 10.30 a.m. on 23 April 2021	: Deadline for members to submit proxy forms
After trading hours on 23 April 2021	: The Company to address and publish its responses to those substantial and relevant questions received from members via the Company's website and SGXNet.
By 12 noon on 25 April 2021	: Authenticated members will receive an email which will contain user ID and password details, as well as the link to access the "live" audio-visual webcast and toll-free telephone number to access the "live" audio-only stream of the proceedings of the EGM (the " Confirmation Email "). Members who do not receive the Confirmation Email by 12 noon on 25 April 2021, but have registered by the 23 April 2021 deadline should contact the Company's Share Registrar, In.Corp Corporate Services Pte. Ltd. , for assistance at shareregistry@incorp.asia , with the full name of the Shareholder and his/her identification number (by 5.00 p.m. on 25 April 2021).
10.30 a.m. on 26 April 2021	: <ul style="list-style-type: none">• Click on the link in the Confirmation Email and enter the user ID and password to access the "live" audio-visual webcast of the EGM proceedings; or• Call the toll-free telephone number in the Confirmation Email to access the "live" audio-only stream of the EGM proceedings.

B. Due to the constantly evolving COVID-19 situation in Singapore, the Company may be required to change its EGM arrangements at short notice. Members should check at the URL <https://www.koufu.com.sg> for the latest updates on the states of the EGM, if any.

NOTICE OF EXTRAORDINARY GENERAL MEETING

PERSONAL DATA PRIVACY:

By submitting the proxy form appointing the Chairman of the EGM as proxy to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company: (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) the appointment as the Chairman of the EGM as proxy for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"); (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes; and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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KOUFU GROUP LIMITED
(Company Registration No: 201732833D)
(Incorporated in the Republic of Singapore)

PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT:

1. Pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the Company has the option to hold a virtual meeting, even where the Company is permitted under safe distancing regulations to hold a physical meeting. Due to the current COVID-19 situation and the Company's efforts to keep physical interactions and COVID-19 transmission risks to a minimum, the Extraordinary General Meeting of the Company will be held by way of electronic means.
2. A member will not be able to attend the EGM in person. A member will also not be able to vote online on the resolutions to be tabled for approval at the EGM. A member (whether individual or corporate) who wishes to exercise his/her/its vote must appoint the Chairman of the EGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the EGM. In appointing the Chairman of the EGM as proxy, a member must give specific instructions as to voting or abstentions from voting in the proxy form, failing which the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.
3. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investor") (as may be applicable) and wishes to appoint the Chairman of the EGM as proxy should inform their respective CPF Agent Banks and/or SRS Operations to submit their votes at least 7 working days before the EGM.
4. This Proxy Form is not valid for use by CPF and SRS Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We*, _____ (Name) _____ (NRIC/ Passport Number/ Company Regn. No.)
of _____ (Address)

being a member/members* of KOUFU GROUP LIMITED (the "**Company**"), hereby appoint the **Chairman of the EGM** as my/our* proxy to vote for me/us* on my/our* behalf at the Extraordinary General Meeting ("**EGM**") of the Company to be held by way of electronic means on 26 April 2021 at 10.30 a.m. (or as soon thereafter following the conclusion or adjournment of the annual general meeting of the Company to be held by way of electronic means at 9.30 a.m. on the same day) and at any adjournment thereof.

I/We* direct the Chairman of the EGM to vote for, against or to abstain from voting on the Resolutions set out in the notice of the EGM in accordance with my/our* directions as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.

(If you wish to exercise all your votes "For", "Against" or to "Abstain" from voting, please indicate with a tick (✓) within the box provided. Alternatively, please indicate the number of votes as appropriate. If you mark the abstain box for a particular resolution, you are directing your proxy not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll.)

No.	Resolutions relating to:	For	Against	Abstain
1	The Proposed Renewal of the Share Purchase Mandate (Ordinary Resolution 1)			
2	The Proposed Renewal of the Shareholders' General Mandate for Interested Person Transactions (Ordinary Resolution 2)			

Dated this _____ day of _____ 2021

Total Number of Shares held in:	
(a) CDP Register	
(b) Register of Members	

Signature(s) of Shareholder(s)
and/or Common Seal of Corporate Shareholder

* Delete where inapplicable

NOTES:-

The Proxy Form will be sent to members solely by electronic means via publication on the Company's website at the URL <https://www.koufu.com.sg> and will also be made available on the SGXNet at the URL <https://sgx.com/securities/company-announcements>. Printed copies of the proxy form will **NOT be despatched to members.**

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing the Chairman of the EGM as a proxy shall be deemed to relate to all the Shares held by you.
2. A member of the Company (including a Relevant Intermediary*) entitled to vote at the EGM must appoint the Chairman of the EGM to act as proxy and direct the vote at the EGM.

*"Relevant Intermediary" has the same meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

3. In appointing the Chairman of the EGM as proxy, members must give specific instructions as to his/her/its manner of voting, or abstentions from voting, in the Proxy Form. Failing which, the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.
4. The Chairman of the EGM, as proxy, need not be a member of the Company. Proxy forms appointing such person other than the Chairman of the EGM shall be deemed to appoint the Chairman of the EGM as proxy.
5. The instrument appointing the Chairman of the EGM as proxy must (i) if sent personally or by post, be deposited at the office of the Company's Share Registrar, In.Corp Corporate Services Pte. Ltd. (formerly known as RHT Corporate Advisory Pte. Ltd.), at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712; or (ii) if submitted electronically, via email, be received by In.Corp Corporate Services Pte. Ltd. at shareregistry@incorp.asia, and in either case, by 10.30 a.m. on 23 April 2021, being no less than 72 hours before the time appointed for the EGM, and in default the instrument of proxy shall not be treated as valid.

In view of the current COVID-19 situation and the related safe distancing measures, members are strongly encouraged to submit completed proxy forms electronically via email.

6. The instrument appointing the Chairman of the EGM as proxy must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing the Chairman of the EGM as proxy is executed by a corporation, it must be executed either under its common seal or under the hand of an attorney or duly authorised officer. Where the instrument appointing the Chairman of the EGM as proxy is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument, failing which the instrument may be treated as invalid.
7. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investor") (as may be applicable) and wishes to appoint the Chairman of the EGM as proxy should approach their respective CPF Agent Banks and or SRS Operators to submit their votes at least seven working days before the EGM.

GENERAL:

The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares against his name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY:

By submitting this proxy form, the member accepts and agrees to the personal data privacy terms set out in the Notice of Extraordinary General Meeting dated 8 April 2021.

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