

**SCHEME DOCUMENT
DATED 18 JULY 2022**

**THIS SCHEME DOCUMENT IS
IMPORTANT AND REQUIRES
YOUR IMMEDIATE ATTENTION.
PLEASE READ IT CAREFULLY.**



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information**



Excelpoint Technology Ltd.

(Registration No: 200103280C)
(Incorporated in the Republic of Singapore)

The proposed acquisition by WT Semiconductor Holdings Pte. Ltd. of all the issued ordinary shares in the capital of Excelpoint Technology Ltd. by way of a scheme of arrangement (“Scheme”)

SCHEME CONSIDERATION

**S\$1.93
in cash
per Target Share**

**Financial Adviser to
WT Semiconductor
Holdings Pte. Ltd.**



DBS Bank Ltd.

(Company Registration No.: 196800306E)
(Incorporated in the Republic of Singapore)

**Independent Financial Adviser
to the Independent Directors**



SAC Capital Private Limited

(Company Registration No.: 200401542N)
(Incorporated in the Republic of Singapore)

IMPORTANT DATES AND TIMES

**Last date and time for lodgement of
Proxy Form for the Scheme Meeting**

**Sunday,
7 August 2022
at 3.00 p.m.**

**Date and time of the Scheme
Meeting**

**Wednesday,
10 August 2022
at 3.00 p.m.**

The Scheme Meeting will be held by electronic means in accordance with the Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation issued by the SGX RegCo

If you are in any doubt about the Scheme, this Scheme Document or the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

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 Scheme Document.

The Notice of Scheme Meeting will be sent to Shareholders by electronic means via publication on the Company’s website at https://excelpoint.listedcompany.com/general_meeting.html, and will also be made available on the SGX website at <https://www.sgx.com/securities/company-announcements>. In addition, printed copies of the Notice of Scheme Meeting together with an extract of the Explanatory Statement and the Proxy Form, will be sent by post to Shareholders.

If you have sold or transferred all or any of your shares in the Company, you should immediately inform the purchaser or transferee or the bank, stockbroker or agent through whom the sale or transfer was effected for onward notification to the purchaser or transferee, that this Scheme Document (together with, the Notice of Scheme Meeting and the accompanying Proxy Form) may be accessed at the Company’s website at https://excelpoint.listedcompany.com/general_meeting.html and SGXNET.

All capitalised terms in this section shall, if not otherwise defined, bear the same meanings as ascribed to them in this Scheme Document.



1 | Transaction Overview

- On 13 April 2022, Excelpoint Technology Ltd. (the “**Company**”) and WT Semiconductor Holdings Pte. Ltd. (the “**Offeror**”) jointly announced the proposed acquisition of all the issued shares of the Company (“**Target Shares**”) to be effected by way of a Scheme.
- The Scheme Consideration shall be satisfied by S\$1.93⁽¹⁾ in cash for each Target Share.
- If the Scheme becomes effective, the Company will become a wholly-owned subsidiary of the Offeror, and will, subject to the approval of the SGX-ST, be delisted from the SGX-ST.

2 | Information on the Offeror and its shareholders

- The Offeror is a special purpose vehicle incorporated in Singapore for the purposes of the Acquisition.
- The sole shareholder of the Offeror is WT Microelectronics Co., Ltd (“**WT**”), a company listed on the Taiwan Stock Exchange.

3 | What do I get as consideration for my Target Shares?

**Scheme Consideration:
S\$1.93⁽¹⁾ in cash for each Target Share**

The Scheme presents Shareholders with an opportunity to realise their investment at an attractive premium to historical trading prices without incurring brokerage fees.

An illustration of the Scheme Consideration to be received by Shareholders:

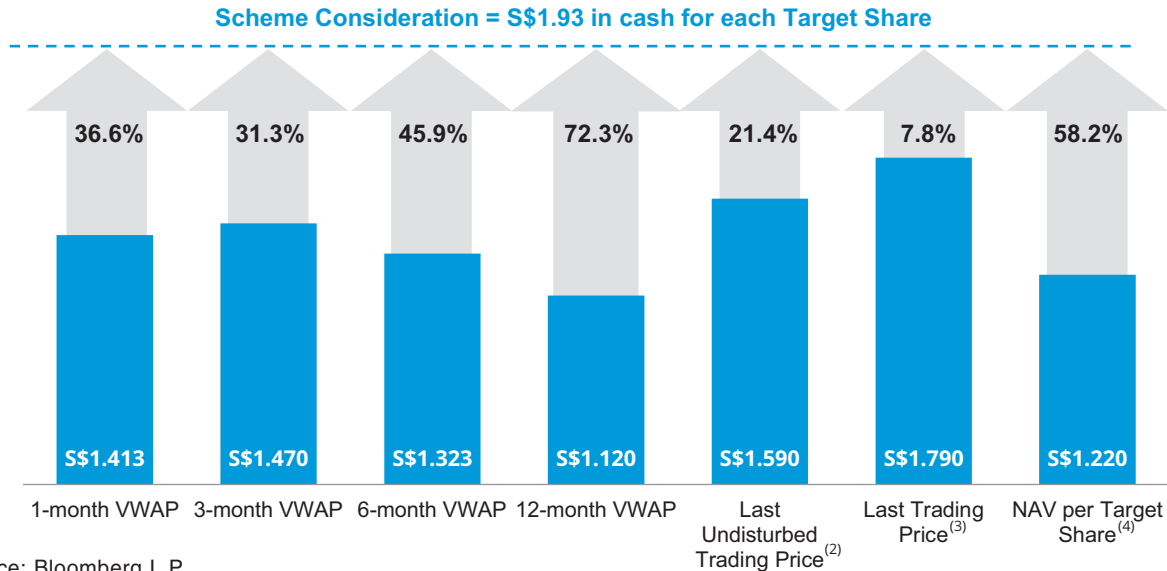
1,000 Target Shares FOR ILLUSTRATION ONLY	=	S\$1,930 in cash FOR ILLUSTRATION ONLY
5,000 Target Shares FOR ILLUSTRATION ONLY	=	S\$9,650 in cash FOR ILLUSTRATION ONLY
10,000 Target Shares FOR ILLUSTRATION ONLY	=	S\$19,300 in cash FOR ILLUSTRATION ONLY

Note:

- (1) If any dividends, rights or other distributions (other than the Final FY2021 Dividend) are announced, declared, paid or made by the Company to the Shareholders on or after the Joint Announcement Date and before the date on which the Scheme becomes effective in accordance with its terms (the “**Effective Date**”), the Offeror reserves the right to reduce the Scheme Consideration by the amount of such dividends, rights or other distributions. For the avoidance of doubt, the Shareholders as at the Record Date will be entitled to receive and retain the Final FY2021 Dividend (if entitled) in addition to the Scheme Consideration.

4 | Financial Evaluation of the Scheme

The Scheme Consideration represents a premium of 36.6%, 31.3%, 45.9% and 72.3% to the 1-month, 3-month, 6-month and 12-month VWAP respectively⁽¹⁾.



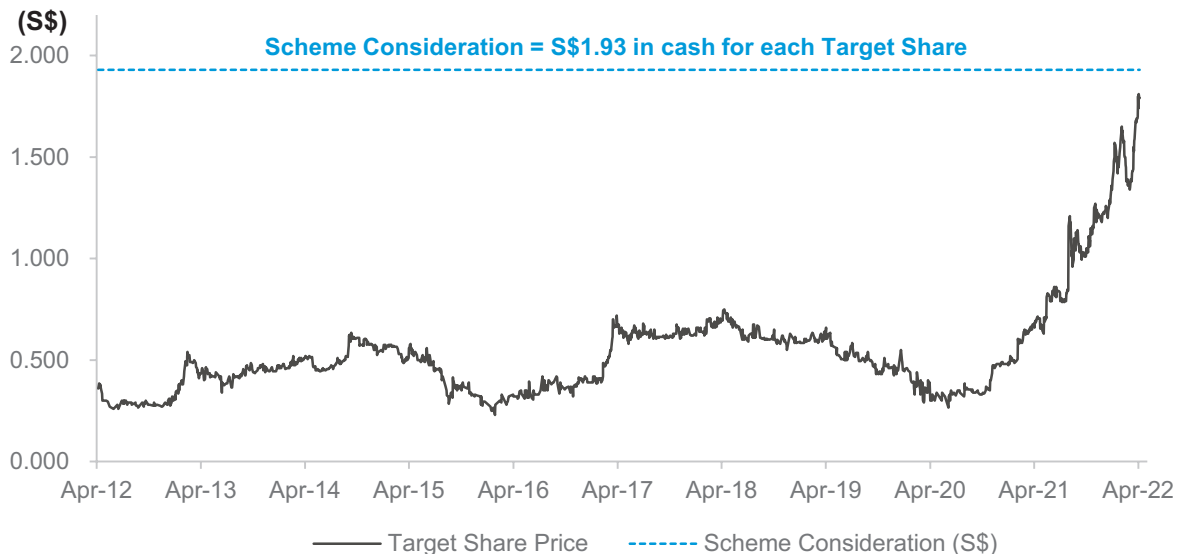
Source: Bloomberg L.P.

Notes:

- (1) Based on data extracted from Bloomberg Finance L.P.. The VWAPs of Target Shares are calculated by using the total value over the total volume of Target Shares traded in the relevant period prior to and including the Last Undisturbed Trading Day.
- (2) As at 25 March 2022, being the Last Undisturbed Trading Day.
- (3) As at 12 April 2022, being the Last Trading Day.
- (4) Based on the net asset value per Target Share as at 31 December 2021 disclosed in the Company's FY2021 Financial Statements at a USD:SGD exchange rate of 1:1.3490.
- (5) The VWAPs, closing prices and NAV per Target Share are rounded to the nearest three decimal places.
- (6) The percentage premium is rounded to the nearest one decimal place.

The Scheme Consideration exceeds the highest closing price of the Target Shares in the 10-year period prior to and including the Last Trading Day.

10-year Target Share Price Chart Preceding the Last Trading Day⁽¹⁾



Source: Bloomberg L.P.

Note:

- (1) The Company undertook a share consolidation of every five existing ordinary shares in the capital of the Company into one consolidated ordinary share on 11 August 2015. The Company's historical traded prices have been adjusted retrospectively to reflect the effect of the share consolidation.



5 | Offeror's Future Intentions for the Company

After the Company joins the WT group, it is expected that the enlarged group would be in a position to:

- i. enhance its offering of product lines to customers as the products of the Company complement those of WT. The customers will benefit from extensive product solutions and technical support provided by the WT group; and
- ii. enlarge its customer base as there is limited overlap of customers between the Company and WT. The established sales channels of the Company across major market segments, industrial application in particular, would significantly improve the distribution capability and customer portfolio of WT in the Asia Pacific region.

The Offeror intends to retain Mr Albert Phuay Yong Hen (“**AP**”) as the chief executive officer (the “**CEO**”) of the Company and to continue to contribute to the development of the Company and its subsidiaries (collectively, the “**Excelpoint Group**” and each, an “**Excelpoint Group Entity**”).

There is presently no intention by the Offeror to (i) introduce any major changes to the business of the Company, (ii) re-deploy the fixed assets of the Company, or (iii) discontinue the employment of the employees of the Excelpoint Group, save in the ordinary course of business or as a result of any internal reorganisation or restructuring within the Excelpoint Group which may be implemented after the Effective Date.

However, the Offeror retains and reserves the right and flexibility at any time to consider any options in relation to the Excelpoint Group which may present themselves and which it may regard to be in the interest of the Excelpoint Group.



6 | What must happen for the Scheme to be approved at the Scheme Meeting?

Two conditions must be met for the Scheme to be approved by the Shareholders at the Scheme Meeting

Head Count Condition

>50%

More than 50% of the Shareholders present and voting by proxy at the Scheme Meeting must vote to approve the Scheme

Share Count Condition

≥75%

Shareholders representing at least 75% in value of the Target Shares held by the Shareholders present and voting by proxy at the Scheme Meeting must vote to approve the Scheme

Irrevocable Undertakings

As at the Latest Practicable Date, the Undertaking Shareholders have given irrevocable undertakings to the Offeror in respect of Target Shares representing approximately **41.96 per cent.**⁽¹⁾ of all the issued Target Shares to vote, or procure the voting, **in favour** of the Scheme at the Scheme Meeting

Note:

(1) Following the issue of 80,000 new ordinary shares, the Company has an issued and paid-up share capital of US\$39,592,000 comprising 120,398,640 Target Shares, with no treasury shares.

7 | What does the Independent Financial Adviser recommend?

IFA Opinion on the Scheme



*In conclusion, we are of the opinion that, on balance, the financial terms of the Scheme are **FAIR AND REASONABLE**. Accordingly, we advise the Independent Directors to recommend Shareholders to **VOTE IN FAVOUR** of the Scheme.*

SAC Capital Private Limited
IFA

8 | What do the Independent Directors recommend?

Recommendation by Independent Directors

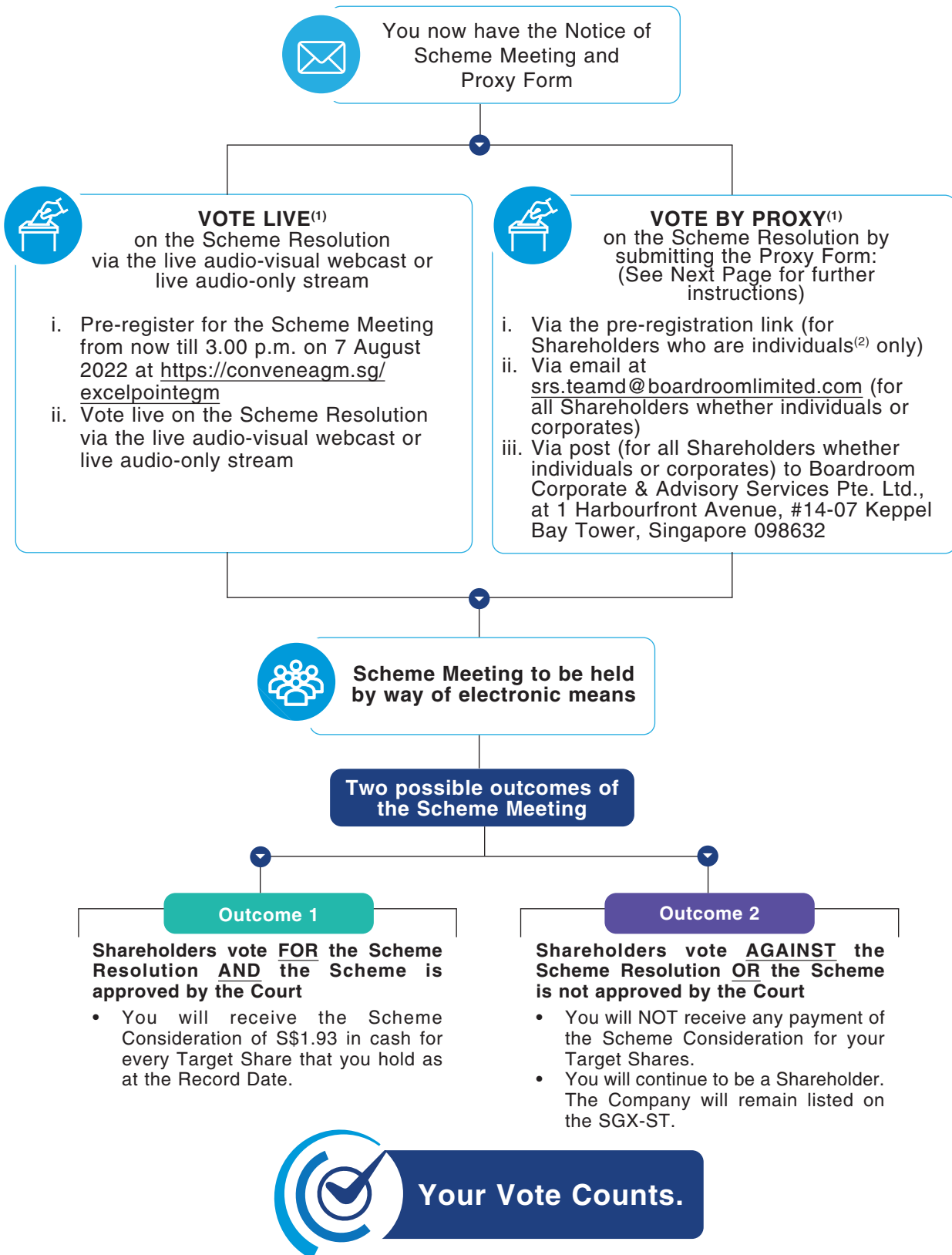


*The Independent Directors, having considered carefully the terms of the Scheme and the advice given by the IFA in the IFA Letter, concur with the recommendation of the IFA in respect of the Scheme. Accordingly, the Independent Directors recommend that Shareholders **VOTE IN FAVOUR** of the Scheme at the Scheme Meeting.*

Independent Directors

IT IS IMPORTANT THAT YOU READ THE ABOVE EXTRACT TOGETHER WITH AND IN THE CONTEXT OF THE LETTER TO SHAREHOLDERS AND THE IFA LETTER, WHICH CAN BE FOUND ON PAGES 17 TO 29 AND APPENDIX 1 OF THIS SCHEME DOCUMENT RESPECTIVELY. YOU ARE ADVISED AGAINST RELYING SOLELY ON THESE EXTRACTS, WHICH ARE ONLY MEANT TO DRAW ATTENTION TO THE OPINION OF THE IFA AND RECOMMENDATIONS OF THE INDEPENDENT DIRECTORS.

9 | How do I vote on the Scheme Resolution?



Notes:

- If you are a Shareholder (other than a Relevant Intermediary), you may only cast all the votes you use at the Scheme Meeting in one way. A Shareholder who is a Relevant Intermediary need not cast all the votes it uses in the same way provided that each vote is exercised in relation to a different Target Share.
- Instruments of proxy executed under a power of attorney on behalf of an individual or by executors on behalf of a deceased individual's estate may only be submitted by email or post with the relevant supporting document where applicable.

9 | How do I vote on the Scheme Resolution? (cont'd)

The Scheme Meeting will be held by way of electronic means only, and accordingly, you will not be able to attend the Scheme Meeting in person. To exercise your votes, you MUST vote via the live audio-visual webcast or live audio-only stream (See Previous Page for further instructions) OR appoint the Chairperson of the Scheme Meeting to vote on your behalf at the Scheme Meeting by completing the Proxy Form.

To vote by completing the Proxy Form:

1. LOCATE PROXY FORM

Proxy Form is enclosed with the Notice of Scheme Meeting and can also be obtained from the Share Registrar:

Boardroom Corporate & Advisory Services Pte. Ltd.

1 Harbourfront Ave
#14-07 Keppel Bay Tower
Singapore 098632
Email address:
srs.teamd@boardroomlimited.com

Operating hours:

Monday to Friday, 8.30 a.m. to 5.30 p.m.

OR

An electronic copy of the Proxy Form is also available on the website of the SGX-ST at www.sgx.com/securities/company-announcements and on the website of the Company at https://excelpoint.listedcompany.com/general_meeting.html.



2. COMPLETE PROXY FORM

- I Fill in your name and particulars.
- II You may appoint the Chairperson of the Scheme Meeting as your proxy to attend, speak and vote on your behalf at the Scheme Meeting if you wish to exercise your voting rights at the Scheme Meeting.
- III If you are a Shareholder (other than a Relevant Intermediary), you may only cast all the votes you use at the Scheme Meeting in one way. If you wish to exercise all your votes **FOR**, **AGAINST** or to **ABSTAIN**, please indicate with a tick (✓) within the relevant box provided.
- IV If you are an individual, you or your attorney **MUST SIGN** and indicate the date. If you are a corporation, the proxy form must be executed under your common seal or under the hand of your duly authorized officer or attorney.
- V Indicate the number of Target Shares you hold.

PROXY FORM

EXCELPOINT TECHNOLOGY LTD.
Company Registration No. 20103280C
(Incorporated in the Republic of Singapore)

PROXY FORM

IMPORTANT:

- All capitalised terms used in this Proxy Form which are not otherwise defined herein shall bear the same meanings ascribed to them in the scheme document to shareholders of the Company dated 18 April 2022 (the "Scheme Document").
- The Scheme Meeting is being convened and will be held by way of electronic means. The Scheme Meeting will be held on 10 August 2022 and will start at 3.00 p.m. This Proxy Form will be able to be downloaded by electronic means via publication on the Company website at the URL: www.sgx.com/securities/company-announcements and will also be made available to the Shareholders of the Company through the Company's contact arrangements. In addition, printed copies of the Proxy Form will be sent to all Shareholders.
- Alternative arrangements relating to attendance at the Scheme Meeting via electronic means (including arrangements to allow the meeting to be electronically conducted via the audio-visual webcast or live audio-only stream, submission of questions to the Chairperson of the Scheme Meeting in advance of such live and the Scheme Meeting, addressing of substantial and relevant questions prior to, and/or at, the Scheme Meeting and voting via live electronic means) will be approved by the Chairperson of the Scheme Meeting at the Scheme Meeting, and set out in the Notice of Scheme Meeting.
- Shareholders will not be able to attend the Scheme Meeting in person. A Shareholder (other than a Relevant Intermediary) or corporation may either vote via the Boardroom or appoint the Chairperson of the Scheme Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Scheme Meeting if such Shareholder wishes to exercise his/her/its voting rights at the Scheme Meeting.
- This Proxy Form is not valid for use by persons who hold Target Shares through Relevant Intermediaries and shall be ineffective for all intents and purposes if used or purported to be used by them. CDD Transfers and CDD Transfers who wish to vote may appoint their respective CDD Agent Banks or their Agent Banks to submit their vote by 2.00 p.m. on 28 July 2022, being seven working days before the Scheme Meeting in order to allow sufficient time for their respective CDD Agent Banks or CDD Agent Banks to have submitted a proxy form to appoint the Chairperson of the Scheme Meeting to vote on their behalf by the cut-off date.
- By submitting an instrument of proxy appointing the Chairperson of the Scheme Meeting as proxy, the Shareholder accepts and agrees to the personal data privacy terms set out in the Notice of Scheme Meeting.
- Please read the notes overleaf which contain instructions on, inter alia, the appointment of the Chairperson of the Scheme Meeting as a Shareholder's proxy to attend, speak and vote on his/her/its behalf at the Scheme Meeting.

I/We, _____ (Name) _____ (NRIC/Passport/Co. Regn. No.) of _____ (Address) and _____ (Telephone Number) being a member/member(s) of Excelpoint Technology Ltd. hereby appoint the Chairperson of the Scheme Meeting as my/our proxy to attend, speak and vote on my/our behalf at the Scheme Meeting to be convened and held by way of electronic means on 10 August 2022 at 3.00 p.m. (Singapore time) and at any adjournment thereof.

I/We direct the Chairperson of the Scheme Meeting as my/our proxy to vote for or against, or to abstain from voting on, the Resolution to be proposed at the Scheme Meeting as indicated hereunder:

RESOLUTION TO APPROVE THE SCHEME OF ARRANGEMENT	For	Against	Abstain
Voting will be conducted by poll. A Shareholder who is not a Relevant Intermediary If you are a Shareholder (other than a Relevant Intermediary), you may only cast all the votes you use at the Scheme Meeting in one way: (i) If you wish to appoint the Chairperson of the Scheme Meeting as your proxy to cast all your votes "For" or "Against" the resolution, please indicate with a tick (✓) in the "For" or "Against" box provided in respect of the resolution. (ii) If you wish to appoint the Chairperson of the Scheme Meeting to abstain from voting on the resolution, please indicate with a tick (✓) in the "Abstain" box provided in respect of the resolution. DO NOT TICK MORE THAN ONE BOX. A Shareholder who is a Relevant Intermediary If you are a Relevant Intermediary, please indicate (i) the number of votes "For" or "Against" the Chairperson of the Scheme Meeting as your proxy is directed to cast in the "For" or "Against" box provided in respect of the resolution and (ii) the number of Target Shares the Chairperson of the Scheme Meeting as your proxy is directed to abstain from voting in the "Abstain" box provided in respect of the resolution. In the absence of specific directions in respect of the resolution, the appointment of the Chairperson of the Scheme Meeting as your proxy for the resolution will be treated as invalid.			

Total Number of Target Shares Held V

Signature or Common Seal of Member(s) _____ Date _____

IMPORTANT: PLEASE READ NOTES OVERLEAF

9 | How do I vote on the Scheme Resolution? (cont'd)

3. RETURN THE COMPLETED PROXY FORM

A If submitted via post (for all Shareholders whether individuals or corporates):

Lodge the completed and signed Proxy Form at the office of the Share Registrar at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632, by **NO LATER THAN SUNDAY, 7 AUGUST 2022 at 3.00 P.M.**


The envelope is prepared for posting in Singapore only. Please affix sufficient postage if posting from outside of Singapore.

B If submitted via email (for all Shareholders whether individuals or corporates):

Scan and send the completed and signed Proxy Form via email to the Share Registrar at srs.teamd@boardroomlimited.com, by **NO LATER THAN SUNDAY, 7 AUGUST 2022 at 3.00 P.M.**

C If submitted via pre-registration link (for Shareholders who are individuals only):

Complete Proxy Form following registration for the Scheme Meeting via the Company's pre-registration website at <https://conveneagm.sg/excelpointegm>, by **NO LATER THAN SUNDAY, 7 AUGUST 2022 at 3.00 P.M.**

<p>BUSINESS REPLY SERVICE PERMIT NO. 08701</p>  <p>The Company Secretary EXCELPOINT TECHNOLOGY LTD. c/o Boardroom Corporate & Advisory Services Pte. Ltd. 1 Harbourfront Avenue #14-07 Keppel Bay Tower Singapore 098632</p>	<p>Postage will be paid by addressee. For posting in Singapore only.</p>	<p>NAME AND ADDRESS OF SENDER:</p> <p>Name : _____</p> <p>Address : _____</p> <p>Postal Code: (_____)</p>
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REMINDER

The Proxy Form must reach the Share Registrar **NO LATER THAN 3.00 P.M. on 7 AUGUST 2022**, being 72 hours before the time fixed for the Scheme Meeting. CPFIS Investors and SRS Investors who wish to appoint the Chairperson of the Scheme Meeting as proxy should approach their respective CPF Agent Banks or SRS Agent Banks to submit their votes by 3.00 p.m. on 28 July 2022, being seven (7) working days before the date of the Scheme Meeting.

10 | Important information

How do I find out the number of Target Shares I own?

You can check your shareholdings with CDP (i) through your online CDP account or (ii) by contacting them at:

- 1 **The Central Depository**
9 North Buona Vista Drive
#01-19/20 The Metropolis
Singapore 138588
Telephone: +65 6535 7511
Fax: +65 6535 0775
Opening hours
Monday to Friday: 8.30 a.m. to 5.00 p.m.
Saturday: 8.30 a.m. to 12.00 p.m.
Closed on Sundays & Public Holidays
- 2 **If you own Target Shares through a bank, broker or any other intermediaries, you can also check by contacting them directly.**
- 3 **If you are a CPFIS Investor or SRS Investor, please consult your CPF Agent Bank or SRS Agent Bank for further information.**

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form for the Scheme Meeting	7 August 2022 at 3.00 p.m.
Latest date and time for online pre-registration to attend the Scheme Meeting	7 August 2022 at 3.00 p.m.
Date and time of the Scheme Meeting	10 August 2022 at 3.00 p.m.
Expected date of Court Hearing of the application to sanction the Scheme ⁽¹⁾	26 August 2022
Expected last day for trading of Target Shares	29 August 2022
Expected Record Date	5 September 2022 at 5.00 p.m.
Expected Effective Date ⁽²⁾	6 September 2022
Expected date for the payment of the Scheme Consideration	By 15 September 2022
Expected date for the delisting of Target Shares	19 September 2022

Notes:

- (1) The date of the Court Hearing for the application to approve the Scheme will depend on the date that is allocated by the Court.
- (2) On the assumption that the Court Order is lodged with ACRA pursuant to Section 210(5) of the Companies Act by the Company within ten Business Days from the date of sanction of the Scheme by the Court.

The Scheme Meeting will be convened and held by way of electronic means

Who should I contact if I need help?

Excelpoint Technology Ltd.

Phuay Li Ying, Investor Relations

Email: phuay.li.ying@excelpoint.com.sg

Telephone: +65 6303 5719

DBS Bank Ltd.

Strategic Advisory

Telephone: +65 6878 1989

THE INFORMATION PRESENTED IN THIS SECTION IS QUALIFIED IN ITS ENTIRETY BY, AND SHOULD BE READ IN CONJUNCTION WITH, THE INFORMATION CONTAINED IN THE REST OF THIS SCHEME DOCUMENT. IF THERE SHOULD BE ANY INCONSISTENCY OR CONFLICT BETWEEN THE INFORMATION CONTAINED IN THIS SECTION AND THE INFORMATION CONTAINED IN THE REST OF THIS SCHEME DOCUMENT, THE INFORMATION CONTAINED IN THE REST OF THIS SCHEME DOCUMENT SHALL PREVAIL. NOTHING IN THIS SECTION IS INTENDED TO BE, OR SHALL BE TAKEN AS, ADVICE, A RECOMMENDATION OR A SOLICITATION TO SHAREHOLDERS OR ANY OTHER PARTY. SHAREHOLDERS ARE ADVISED TO BE CAUTIOUS WHEN DEALING IN THEIR TARGET SHARES AND NOT TO TAKE ANY ACTION IN RELATION TO THEIR TARGET SHARES WHICH MAY NOT PROVE TO BE IN THEIR BEST INTERESTS.

CONTENTS

	Page
DEFINITIONS	4
FORWARD-LOOKING STATEMENTS	13
EXPECTED TIMETABLE	14
CORPORATE INFORMATION	16
LETTER TO SHAREHOLDERS	17
1. INTRODUCTION	17
2. RATIONALE FOR THE ACQUISITION AND FUTURE PLANS FOR THE COMPANY	19
3. THE ACQUISITION AND THE SCHEME	22
4. IRREVOCABLE UNDERTAKINGS	23
5. RETENTION ARRANGEMENTS	24
6. NO CASH OUTLAY	24
7. WAIVER OF RIGHTS TO A GENERAL OFFER	25
8. DELISTING	25
9. CONFIRMATION OF FINANCIAL RESOURCES	25
10. INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT DIRECTORS	26
11. INDEPENDENT DIRECTORS' RECOMMENDATION	27
12. DIRECTORS' INTENTION WITH RESPECT TO THEIR SHARES	28
13. DIRECTORS' RESPONSIBILITY STATEMENT	28
14. GENERAL INFORMATION	29
EXPLANATORY STATEMENT	30
1. INTRODUCTION	30
2. RATIONALE FOR THE ACQUISITION	31
3. THE SCHEME	31
4. IRREVOCABLE UNDERTAKINGS	32

CONTENTS

5. RETENTION ARRANGEMENTS	34
6. INFORMATION ON THE OFFEROR AND WT	34
7. SCHEME MEETING	35
8. CONDITIONS OF THE SCHEME	35
9. SCHEME CONDITIONS AND REGULATORY APPROVALS	39
10. EFFECT OF THE SCHEME AND DELISTING	41
11. IMPLEMENTATION OF THE SCHEME	42
12. RECORD DATE	44
13. SETTLEMENT AND REGISTRATION PROCEDURES	45
14. DIRECTORS' INTERESTS	46
15. OVERSEAS SHAREHOLDERS	46
16. ACTION TO BE TAKEN BY SHAREHOLDERS	47
17. INFORMATION RELATING TO CPFIS INVESTORS AND SRS INVESTORS	48
18. INFORMATION RELATING TO PERSONS WHO HOLD TARGET SHARES THROUGH RELEVANT INTERMEDIARIES	49
19. ADVICE OF THE INDEPENDENT FINANCIAL ADVISER	49
20. INDEPENDENT DIRECTORS' RECOMMENDATION	49
21. GENERAL INFORMATION	49
APPENDIX 1 – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS OF EXCELPOINT TECHNOLOGY LTD. IN RESPECT OF THE SCHEME	50
APPENDIX 2 – LETTER FROM THE OFFEROR TO SHAREHOLDERS	96
APPENDIX 3 – GENERAL INFORMATION RELATING TO THE COMPANY	144
APPENDIX 4 – EXTRACTS FROM THE COMPANY'S CONSTITUTION	152
APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE EXCELPOINT GROUP FOR FY2021	182
APPENDIX 6 – MANNER OF CONVENING SCHEME MEETING	248
APPENDIX 7 – SCHEME CONDITIONS	252

CONTENTS

APPENDIX 8 – PRESCRIBED OCCURRENCES	254
APPENDIX 9 – OFFEROR’S WARRANTIES.....	256
APPENDIX 10 – COMPANY’S WARRANTIES	258
APPENDIX 11 – THE SCHEME	268
APPENDIX 12 – NOTICE OF SCHEME MEETING	276
PROXY FORM FOR SCHEME MEETING	

DEFINITIONS

In this Scheme Document, the following definitions apply throughout unless otherwise stated or the context otherwise requires:

“Acquisition”	:	Has the meaning ascribed to it in paragraph 1.1 of the Letter to Shareholders
“ACRA”	:	The Accounting and Corporate Regulatory Authority of Singapore
“AP”	:	Mr. Albert Phuay Yong Hen
“AP21”	:	AP21 Holdings Pte Ltd
“Business Counterpart”	:	Has the meaning ascribed to it in paragraph 3.1(iii) of Appendix 10
“Business Day”	:	A day other than a Saturday, Sunday and gazetted public holiday on which commercial banks are open for business in Singapore and Taiwan
“Cash Ledger”	:	Has the meaning ascribed to it in CDP’s <i>“The Central Depository (Pte) Limited Operation of Securities Account with the Depository Terms and Conditions”</i>
“CDP”	:	The Central Depository (Pte) Limited
“CEO”	:	Has the meaning ascribed to it in paragraph 5.1 of the Letter to Shareholders
“Claim”	:	Has the meaning ascribed to it in paragraph 5.3 of Appendix 10
“Code”	:	The Singapore Code on Take-overs and Mergers
“Companies Act”	:	Companies Act 1967 of Singapore
“Company” or “Excelpoint”	:	Excelpoint Technology Ltd.
“Company Convertible Securities”	:	Convertible securities, warrants, options and derivatives in respect of Target Shares or other securities (if any) which carry voting rights in the Company
“Company Representative”	:	Has the meaning ascribed to it in paragraph 3.1(iii) of Appendix 10

DEFINITIONS

“Competing Offer”	:	Any expression of interest, offer or proposal by any person other than the Offeror involving (i) a sale, transfer or other disposal of any direct or indirect interest in some or all of the shares in any Relevant Excelpoint Group Entity or substantially all of the assets, business and/or undertakings of any Relevant Excelpoint Group Entity (ii) a general offer for the shares in any Relevant Excelpoint Group Entity (iii) a scheme of arrangement involving any Relevant Excelpoint Group Entity or the merger of any Relevant Excelpoint Group Entity with any other entity (whether by way of joint venture, reverse takeover bid, dual listed company structure or otherwise) or (iv) any other arrangement having an effect similar to any of (i) to (iii), including a merger or amalgamation proposal. For the purpose of this definition, a Competing Offer will be deemed to be for substantially all of the assets, business and/or undertakings of any Relevant Excelpoint Group Entity if the relevant assets, business and/or undertakings in question constitute a “material amount” as defined in Note 2 to Rule 5 of the Code
“Conditions Long-Stop Date”	:	11.59 p.m. on the date falling 12 months from the date of the Implementation Agreement or such other date as the Company and the Offeror may agree in writing
“Consolidated Financial Statements”	:	Balance sheets of the Company and its subsidiaries as at the Excelpoint FY2021 Financial Statements Date, the statement of changes in equity of the Excelpoint Group and the Company and the consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement of the Excelpoint Group for FY2021
“Constitution”	:	The Constitution of the Company
“Court”	:	The High Court of the Republic of Singapore, or where applicable on appeal, the Court of Appeal of the Republic of Singapore
“Court Order”	:	The order of the Court sanctioning the Scheme under Section 210 of the Companies Act
“CPF”	:	The Central Provident Fund
“CPF Agent Banks”	:	Agent banks included under the CPFIS
“CPFIS”	:	CPF Investment Scheme
“CPFIS Investors”	:	Investors who have purchased Target Shares using their CPF savings under the CPF Investment Scheme

DEFINITIONS

“Data Room Index”	:	The index of the Due Diligence Information disclosed by the Company as part of the due diligence process as appended to the Excelpoint Disclosure Letter
“Directors”	:	The directors of the Company as at the Latest Practicable Date
“Due Diligence Information”	:	(i) All documents made available in the data room and (ii) such information provided by or on behalf of the Company to the Offeror (including its representatives, accountants, advisers and counsels) in writing prior to the date of the Implementation Agreement during the Offeror’s due diligence process, each as identified in the Data Room Index
“Effective Date”	:	Has the meaning ascribed to it in paragraph 3.1(i) of the Letter to Shareholders
“Encumbrances”	:	All charges, mortgages, liens, hypothecations, hire purchases, judgments, encumbrances, easements, security, title retention, preferential rights, trust arrangements or any other security interests or any other agreements, arrangements or obligations to create any of the foregoing, and each, an “Encumbrance”
“Entitled Shareholders”	:	Shareholders as at 5.00 p.m. on the Record Date
“Ernst & Young”	:	Ernst & Young LLP
“Excelpoint Disclosure Letter”	:	The letter dated the same date as the Implementation Agreement from the Company to the Offeror (together with the Data Room Index), on a private and confidential basis, disclosing (i) information constituting exceptions to the representations and warranties set out in Schedule 2 of the Implementation Agreement and (ii) details of other matters referred to in the Implementation Agreement
“Excelpoint FY2021 Financial Statements”	:	The consolidated audited financial statements of the Excelpoint Group for the FY2021
“Excelpoint FY2021 Financial Statements Date”	:	31 December 2021
“Excelpoint Group”	:	The Company and its (direct or indirect) subsidiaries
“Excelpoint Group Entity”	:	A member of the Excelpoint Group, and collectively, “Excelpoint Group Entities”

DEFINITIONS

“Excelpoint Licences”	:	Has the meaning ascribed to it in paragraph 3.2(i) of Appendix 10 , and each an “Excelpoint Licence”
“Explanatory Statement”	:	The explanatory statement in compliance with Section 211 of the Companies Act set out in pages 30 to 49 of this Scheme Document
“Final FY2021 Dividend”	:	Has the meaning ascribed to it in paragraph 3.1(i)(c) of the Letter to Shareholders
“FY”	:	Financial year ended or ending 31 December, as the case may be
“Government Official”	:	Has the meaning ascribed to it in paragraph 3.1(iii) of Appendix 10
“Governmental Agency”	:	Any foreign or Singaporean government or governmental, semi-governmental, administrative, regulatory, fiscal or judicial agency, authority, body, commission, department, exchange, tribunal or entity
“Governmental Entity”	:	Has the meaning ascribed to it in paragraph 3.1(iii) of Appendix 10
“HJS”	:	Mdm. Han Jiak Siew
“IFA”	:	SAC Capital Private Limited, being the independent financial adviser to the Independent Directors
“IFA Letter”	:	Has the meaning ascribed to it in paragraph 10.1 of the Letter to Shareholders
“Implementation Agreement”	:	The implementation agreement dated 13 April 2022 entered into between the Offeror and the Company
“Independent Directors”	:	The Directors who are considered independent for the purposes of making a recommendation to the Shareholders on the Scheme, namely Mr. Alan Kwan Wai Loen, Mr. Tonny Phuyay Yong Choon, Mr. Kwah Thiam Hock, Mr. Sunny Wong Fook Choy and Mr. Low Teck Seng
“Intellectual Property Rights”	:	Has the meaning ascribed to it in paragraph 8(i) of Appendix 10
“Irrevocable Undertakings”	:	Has the meaning ascribed to it in paragraph 4.1 of the Letter to Shareholders

DEFINITIONS

“ Joint Announcement ”	:	The joint announcement by the Company and the Offeror dated 13 April 2022 in relation to, <i>inter alia</i> , the Acquisition and the Scheme
“ Joint Announcement Date ”	:	13 April 2022, being the date of the Joint Announcement
“ Latest Practicable Date ”	:	7 July 2022, being the latest practicable date prior to the printing of this Scheme Document
“ Last Trading Day ”	:	12 April 2022
“ Last Undisturbed Trading Day ”	:	25 March 2022, being the date of the holding announcement issued by the Company
“ Letter to Shareholders ”	:	The letter to Shareholders set out in pages 17 to 29 of this Scheme Document
“ Listing Manual ”	:	The listing manual of the SGX-ST, as amended, modified or supplemented from time to time
“ Major Customer/Supplier ”	:	A major customer or supplier of the Excelpoint Group that had, together with such customer’s or supplier’s contract manufacturers, contributed or supplied goods or services (in aggregate) of an amount equivalent to not less than ten per cent. or more to the gross revenue of the Excelpoint Group as disclosed and reflected in the Excelpoint FY2021 Financial Statements
“ Material Adverse Effect ”	:	Has the meaning ascribed to it in paragraph 8.3.1(iv)(b) of the Explanatory Statement
“ Market Day ”	:	A day on which the SGX-ST is open for trading of securities
“ NAV ”	:	net asset value
“ Notice ”	:	Has the meaning ascribed to it in paragraph 13 of Appendix 6
“ OFAC ”	:	Has the meaning ascribed to it in paragraph 3.1(iv) of Appendix 10
“ Offer ”	:	A voluntary conditional cash offer made for or on behalf of the Offeror to acquire all the Target Shares on the terms and subject to the conditions which will be set out in the offer document issued for or on behalf of the Offeror
“ Offeror ”	:	WT Semiconductor Holdings Pte. Ltd.

DEFINITIONS

“Offeror Convertible Securities”	:	Convertible securities, warrants, options and derivatives in respect of the Offeror Shares or other securities (if any) which carry voting rights in the Offeror
“Offeror Shares”	:	Has the meaning ascribed to it in paragraph 5.2.1 of the Letter to Shareholders
“Overseas Shareholders”	:	Has the meaning ascribed to it in paragraph 15.1 of the Explanatory Statement
“Policies”	:	Has the meaning ascribed to it in paragraph 6.2(ii) of Appendix 10
“Proxy Form”	:	Has the meaning ascribed to it in paragraph 15.6 of Appendix 6
“Record Date”	:	A date and time (before the Effective Date) to be announced by the Company on which the transfer books and the Register of Members will be closed in order to determine the entitlements of Entitled Shareholders under the Scheme
“Relevant Date”	:	The Business Day immediately preceding the Effective Date
“Relevant Intermediary”	:	A “relevant intermediary” as defined in Section 181 of the Companies Act or a “depository agent” as defined in Section 81SF of the SFA
“Register of Members”	:	The register of members of the Company
“Reinvestment”	:	Has the meaning ascribed to it in paragraph 5.2.1 of the Letter to Shareholders
“Relevant Excelpoint Group Entity”	:	Any of (i) the Company (ii) Excelpoint Systems (Pte) Ltd (iii) Excelpoint Systems (H.K.) Limited and (iv) PlanetSpark Pte Ltd, and “Relevant Excelpoint Group Entities” means the foregoing entities collectively
“Retention Arrangements”	:	Has the meaning ascribed to it in paragraph 5.3 of the Letter to Shareholders
“Scheme”	:	The scheme of arrangement under Section 210 of the Companies Act dated 18 July 2022 set out in Appendix 11 to this Scheme Document (as may be amended or modified from time to time)

DEFINITIONS

“Scheme Conditions”	:	The conditions precedent in the Implementation Agreement which must be satisfied (or, where applicable, waived) by the Conditions Long-Stop Date for the Scheme to be implemented and which are reproduced in Appendix 7 to this Scheme Document
“Scheme Consideration”	:	Has the meaning ascribed to it in paragraph 3.1(ii) of the Letter to Shareholders
“Scheme Document”	:	This document dated 18 July 2022 and any other document(s) which may be issued by or on behalf of the Company to amend, revise, supplement or update the document(s) from time to time
“Scheme Meeting”	:	The meeting of the Shareholders to be convened pursuant to the order of the Court to approve the Scheme, notice of which is set out in Appendix 12 to this Scheme Document, and any adjournment thereof
“Securities Account”	:	The relevant securities account maintained by a Depositor with CDP but does not include a securities sub-account
“SDN List”	:	Has the meaning ascribed to it in paragraph 3.1(iv) of Appendix 10
“SFA”	:	The Securities and Futures Act 2001 of Singapore
“SGXNET”	:	The website of the SGX-ST
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Registrar”	:	Boardroom Corporate & Advisory Services Pte. Ltd., being the share registrar of the Company
“Shareholders”	:	Persons who are registered as holders of Target Shares in the Register of Members and Depositors registered in the Depository Register as having Target Shares credited to their Securities Account
“Shareholders’ Agreement”	:	Has the meaning ascribed to it in paragraph 5.3 of the Letter to Shareholders
“SIC”	:	Securities Industry Council of Singapore
“SRS”	:	Supplementary Retirement Scheme
“SRS Agent Banks”	:	Agent banks included under the SRS

DEFINITIONS

“SRS Investors”	:	Investors who have purchased Target Shares using their SRS contributions pursuant to the SRS
“Switch Option”	:	Has the meaning ascribed to it in paragraph 3.2 of the Letter to Shareholders
“Target Shares”	:	Issued and paid-up ordinary shares in the capital of the Company
“Undertaking Shareholders”	:	AP, HJS and AP21
“VWAP”	:	volume-weighted average price
“WT”	:	WT Microelectronics Co., Ltd
“WT Concert Party Group”	:	WT, the Offeror and persons acting in concert with them

Acting in Concert and Concert Parties. The expression “acting in concert” and the term “concert parties” shall have the meanings as ascribed to them respectively in the Code.

Depositors and Depository Register. The expressions “Depositor” and “Depository Register” shall have the same meanings ascribed to them respectively in Section 81SF of the SFA.

Expressions. Words importing the singular shall, where applicable, include the plural and vice versa and words indicating a specific gender shall, where applicable, include the other genders (male, female or neuter). References to persons shall, where applicable, include corporations.

Headings. The headings in this Scheme Document are inserted for convenience only and shall be ignored in construing this Scheme Document.

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

Shareholders. References to “you”, “your” and “yours” in this Scheme Document are, as the context so determines, to Shareholders (including persons whose Target Shares are deposited with CDP or who have purchased the Target Shares on the SGX-ST).

Statutes. Any reference in this Scheme Document to any enactment or statutory provision is a reference to that enactment or statutory provision as for the time being amended modified, supplemented or re-enacted. Any word defined under the Companies Act, the Code, the Listing Manual or any modification thereof and not otherwise defined in this Scheme Document shall, where applicable, have the meaning ascribed to that word under the Companies Act, the Code, the Listing Manual or that modification, as the case may be, unless the context otherwise requires.

Subsidiary and Related Corporations. The expressions “subsidiary” and “related corporations” shall have the same meanings ascribed to them respectively in Sections 5 and 6 of the Companies Act.

DEFINITIONS

Time and Date. Any reference to a time of day and date in this Scheme Document shall be a reference to Singapore time and date respectively, unless otherwise specified.

Total Number of Target Shares and Percentage of Target Shares. In this Scheme Document, the total number of Target Shares as at the Latest Practicable Date is 120,398,640. Unless otherwise specified, all references to a percentage shareholding in the capital of the Company in this Scheme Document are based on 120,398,640 Target Shares as at the Latest Practicable Date.

FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Scheme Document are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “seek”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Offeror’s or the Company’s (as the case may be) current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders and investors of the Offeror and the Company should not place undue reliance on such forward-looking statements, and neither the Offeror nor the Company undertakes any obligation to update publicly or revise any forward-looking statements.

EXPECTED TIMETABLE

Latest date and time for lodgement of Proxy Form for the Scheme Meeting	:	7 August 2022 at 3.00 p.m.
Latest date and time for online pre-registration to attend the Scheme Meeting	:	7 August 2022 at 3.00 p.m.
Date and time of the Scheme Meeting	:	10 August 2022 at 3.00 p.m.
Expected date of Court hearing of the application to sanction the Scheme ^(A)	:	26 August 2022
Expected last day for trading of Target Shares	:	29 August 2022
Expected Record Date	:	5 September 2022 at 5.00 p.m.
Expected Effective Date ^(B)	:	6 September 2022
Expected date for the payment of the Scheme Consideration	:	By 15 September 2022
Expected date for the delisting of Target Shares	:	19 September 2022

(A) The date of the Court hearing for the application to sanction the Scheme will depend on the date that is allocated by the Court.

(B) On the assumption that the Court Order is lodged with ACRA pursuant to Section 210(5) of the Companies Act by the Company within ten Business Days from the date of sanction of the Scheme by the Court.

You should note that save for the latest date and time for the lodgement of the Proxy Form and online pre-registration to attend the Scheme Meeting and the date and time of the Scheme Meeting, the above timetable is indicative only and may be subject to change. For the events listed above which are described as “expected”, please refer to future announcement(s) by the Company and/or the SGX-ST for the exact dates of these events.

Notes:

- (1) As the Scheme Meeting will be held electronically, Shareholders will not be able to attend the Scheme Meeting in person.
- (2) Shareholders may exercise his/her/its voting rights at the Scheme Meeting in the following manner:
 - (a) voting live by himself/herself/itself via electronic means; or
 - (b) appointing the Chairperson of the Scheme Meeting as proxy to attend, speak and vote on his/her/its behalf at the Scheme Meeting. In appointing the Chairperson of the Scheme Meeting as proxy, a Shareholder must give specific instructions as to voting or abstention of voting, in respect of the resolutions relating to the Scheme in the Proxy Form failing which the appointment of the Chairperson of the Scheme Meeting as proxy for the Scheme Meeting will be treated as invalid.

EXPECTED TIMETABLE

- (3) Shareholders who wish to attend and/or vote live via electronic means at the Scheme Meeting must first pre-register themselves at the pre-registration website which is accessible from the URL <https://conveneagm.sg/excelpointegm> from now till 3.00 p.m. on 7 August 2022. Shareholders may access the Scheme Meeting proceedings via the live audio-visual webcast or live audio-only stream to vote live at the Scheme Meeting.
- (4) The instruments appointing the Chairperson of the Scheme Meeting as proxy must be submitted to the Company in the following manner:
- (a) if submitted electronically:
- (i) (for Shareholders who are individuals¹ only) be submitted via the pre-registration website at the URL <https://conveneagm.sg/excelpointegm>; or
- (ii) (for all Shareholders whether individuals or corporates) be submitted via email to the Share Registrar at srs.teamd@boardroomlimited.com, or
- (b) (for all Shareholders whether individuals or corporates) if submitted by post, be lodged at the office of the Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632,

in each case, by 3.00 p.m. on 7 August 2022, being 72 hours before the time appointed for the Scheme Meeting.

A Shareholder who is an individual and who wishes to submit an instrument of proxy electronically via the pre-registration website may do so by authorising such appointment using the online proxy appointment process (where available) through the website. Alternatively, a Shareholder who wishes to submit a Proxy Form must complete and sign the Proxy Form, before submitting it by post to the address provided above or sending it by email (e.g. attaching a completed and signed PDF copy of the form) to the email address provided above.

Shareholders are strongly encouraged to submit completed instruments of proxy electronically via the pre-registration website (where available) or via email.

- (5) The Scheme will only be effective and binding upon lodgement of the Court Order with ACRA. The Court Order will be lodged with ACRA upon the satisfaction (or, where applicable, waiver) of all the Scheme Conditions, a list of which is set out in **Appendix 7** to this Scheme Document.

¹ Instruments of proxy executed under a power of attorney on behalf of an individual or by executors on behalf of a deceased individual's estate may only be submitted by email or post with the relevant supporting document where applicable.

CORPORATE INFORMATION

DIRECTORS	:	Mr. Albert Phuay Yong Hen Mr. Alan Kwan Wai Loen Mr. Tonny Phuay Yong Choon Mr. Kwah Thiam Hock Mr. Sunny Wong Fook Choy Mr. Low Teck Seng
COMPANY SECRETARIES	:	Mr. Tan Cher Liang Ms. Wong Yoen Har
REGISTERED OFFICE	:	15 Changi Business Park Central 1 #06-00, Singapore 486057
SHARE REGISTRAR	:	Boardroom Corporate & Advisory Services Pte. Ltd. 1 Harbourfront Avenue #14-07 Keppel Bay Tower Singapore 098632
LEGAL ADVISER TO THE COMPANY	:	Shook Lin & Bok LLP 1 Robinson Road #18-00 AIA Tower Singapore 048542
INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT DIRECTORS	:	SAC Capital Private Limited 1 Robinson Road #21-00 AIA Tower Singapore 048542
AUDITORS	:	Ernst & Young LLP One Raffles Quay North Tower Level 18 Singapore 048583

LETTER TO SHAREHOLDERS

EXCELPOINT TECHNOLOGY LTD.

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200103280C)

Directors:

Mr. Albert Phuai Yong Hen (Chairman and Group Chief Executive Officer)
Mr. Alan Kwan Wai Loen (Executive Director)
Mr. Tonny Phuai Yong Choon (Executive Director)
Mr. Kwah Thiam Hock (Lead Independent Director)
Mr. Sunny Wong Fook Choy (Independent Director)
Mr. Low Teck Seng (Independent Director)

Registered Office:

15 Changi Business Park Central 1
#06-00
Singapore 486057

18 July 2022

To: The Shareholders of Excelpoint Technology Ltd.

Dear Sir/Madam

PROPOSED ACQUISITION BY WT SEMICONDUCTOR HOLDINGS PTE. LTD. OF ALL THE ISSUED ORDINARY SHARES IN THE CAPITAL OF EXCELPOINT TECHNOLOGY LTD. BY WAY OF A SCHEME OF ARRANGEMENT UNDER SECTION 210 OF THE COMPANIES ACT 1967 OF SINGAPORE

1. INTRODUCTION

1.1. Announcement of the Acquisition and the Scheme

On 13 April 2022, the Company and the Offeror jointly announced the proposed acquisition of all the issued ordinary shares in the capital of the Company by the Offeror (the “**Acquisition**”) to be effected by the Company by way of a scheme of arrangement under Section 210 of the Companies Act and in accordance with the Code and the terms and conditions of the Implementation Agreement.

A copy of the Joint Announcement is available on the website of the SGX-ST at www.sgx.com.

1.2. Purpose

The purpose of this Scheme Document is to set out information pertaining to the Scheme, to seek your approval of the Scheme and to give you notice of the Scheme Meeting.

1.3. Explanatory Statement

An Explanatory Statement setting out the key terms of, the rationale for, and the effect of, the Scheme and the procedures for its implementation is set out in pages 30 to 49 of this Scheme Document. The Explanatory Statement should be read in conjunction with the full text of this Scheme Document, including the Scheme set out in **Appendix 11** of this Scheme Document.

LETTER TO SHAREHOLDERS

1.4. Information on the Company

The Company was incorporated in Singapore on 18 May 2001 and was listed on the Mainboard of the SGX-ST on 7 January 2004.

The Excelpoint Group is one of the leading regional business-to-business platforms providing quality electronic components, engineering design services and supply chain management to original equipment manufacturers, original design manufacturers and electronics manufacturing services in the Asia Pacific region. Through the years, the Company has built and grown its businesses based on its strong fundamentals including the long-term trusted relationships with its suppliers, such as Analog Device (ADI), Microchip, Qorvo, Qualcomm, and Samsung, among others. The Company continues to expand its customer base and now works closely with over 4,000 customers.

As at the Latest Practicable Date, the Company has an issued and paid-up share capital of US\$39,592,000 comprising 120,398,640 Target Shares, with no treasury shares.

1.5. Information on the Offeror and WT

As stated in the letter from the Offeror to the Shareholders set out in **Appendix 2** to this Scheme Document, WT was established in 1993 and is currently listed on the Taiwan Stock Exchange. WT is one of the global leading distributors of semiconductor components and has focused on high quality and value-driven businesses to pursue profitable growth and drive competitive advantages. By providing superior supply chain management services to both vendors and customers, WT has successfully positioned itself as a pivotal liaison, bridging upstream and downstream partners. Aiming to co-define the product marketing strategy with upstream vendors as well as to reduce R&D pipeline for downstream customers, WT has persistently strengthened its capability to create value-added services throughout the supply chain. Headquartered in Taiwan, WT has an extensive marketing and sales channel with over 40 regional offices in China, Korea, Singapore, India, Thailand, Malaysia, and Vietnam. After years of higher-than-industry growth, it achieved a revenue close to US\$16 billion in 2021. WT currently partners with over 80 suppliers across every major technology segment to serve over 8,000 customers worldwide.

The Offeror is a special purpose vehicle incorporated in Singapore for the purposes of the Acquisition.

Further details on the Offeror and WT can be found in the letter from the Offeror to Shareholders set out in **Appendix 2** to this Scheme Document.

LETTER TO SHAREHOLDERS

2. RATIONALE AND THE ACQUISITION AND FUTURE PLANS FOR THE COMPANY

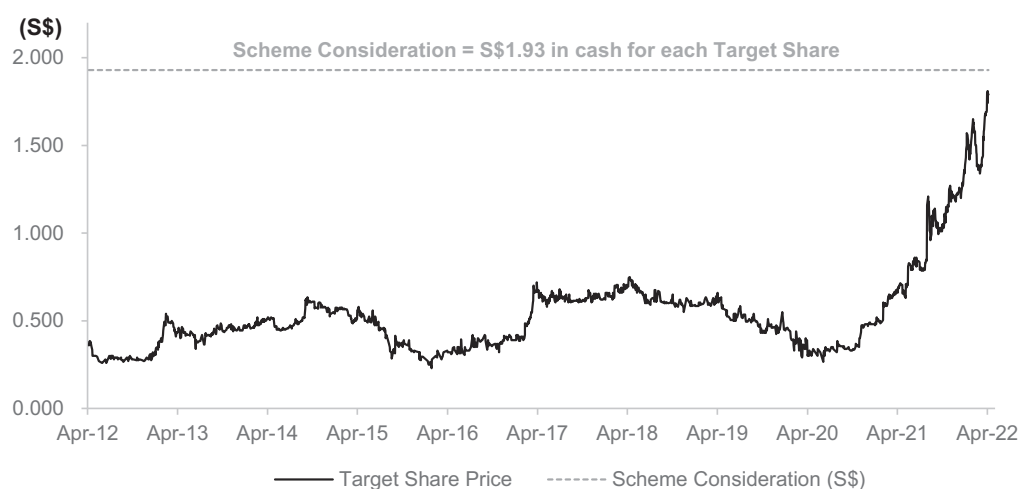
2.1. The Offeror's Rationale

As stated in the letter from the Offeror to Shareholders set out in **Appendix 2** to this Scheme Document, the rationale for the Acquisition is as follows:

“6.1.1 Opportunity for the Shareholders of the Company to Exit at Attractive Premium to the Historical Traded Prices without incurring Brokerage Fees

Shareholders will have the opportunity to realise their entire investment in the Company for cash at an attractive premium to the prevailing market prices, without incurring any brokerage and other trading costs. In particular, the Acquisition presents an opportunity for Shareholders to realise their investments in the Company for cash at a price of S\$1.93 per share, which is higher than all its traded market prices in the ten years prior to and including the Last Trading Day.

10-year Target Share Price Chart Preceding the Last Trading Day⁽¹⁾



Note:

1. The Company undertook a share consolidation of every five existing ordinary shares in the capital of the Company into one consolidated ordinary share on 11 August 2015. The Company's historical traded prices have been adjusted retrospectively to reflect the effect of the share consolidation.

LETTER TO SHAREHOLDERS

The Scheme Consideration represents a premium over the relevant VWAP, closing prices and NAV of the Company as follows:

Description	Benchmark Price (S\$)⁽²⁾	Premium over Benchmark Price (%)⁽³⁾
VWAP of the Target Shares traded on the SGX-ST for the one-month period prior to and including the Last Undisturbed Trading Day ⁽¹⁾	1.413	36.6
VWAP of the Target Shares traded on the SGX-ST for the three-month period prior to and including the Last Undisturbed Trading Day ⁽¹⁾	1.470	31.3
VWAP of the Target Shares traded on the SGX-ST for the six-month period prior to and including the Last Undisturbed Trading Day ⁽¹⁾	1.323	45.9
VWAP of the Target Shares traded on the SGX-ST for the twelve-month period prior to and including the Last Undisturbed Trading Day ⁽¹⁾	1.120	72.3
Closing price on the Last Undisturbed Trading Day	1.590	21.4
Closing price on the Last Trading Day	1.790	7.8
NAV per Target Share as at 31 December 2021 ⁽⁴⁾	1.220	58.2

Notes:

1. Based on data extracted from Bloomberg Finance L.P.. The VWAPs of Target Shares are calculated by using the total value over the total volume of Target Shares traded in the relevant period prior to and including the Last Undisturbed Trading Day.
2. Rounded to the nearest three decimal place.
3. Rounded to the nearest one decimal place.
4. Based on as reported net asset value per Target Share as at 31 December 2021 disclosed in the Company's FY2021 Financial Statements. Based on a USD:SGD exchange rate of 1:1.3490.

LETTER TO SHAREHOLDERS

6.1.2 Operational Flexibility

The Offeror believes that the Acquisition and subsequent privatisation of the Company would provide the Offeror with greater flexibility to manage and develop the existing businesses of the Company.

After the Company joins the WT group, it is expected that the enlarged group would be in a position to:

- (i) enhance its offering of product lines to customers as the products of the Company complement those of WT. The customers will benefit from extensive product solutions and technical support provided by the WT group; and*
- (ii) enlarge its customer base as there is limited overlap of customers between the Company and WT. The established sales channels of the Company across major market segments, industrial application in particular, would significantly improve the distribution capability and customer portfolio of WT in the Asia Pacific region. Cross selling of various products to the customers of the Company and WT would not only realise potential synergies for the enlarged WT group but also bring more demand creation opportunities for the suppliers.”*

2.2. The Offeror’s Future Plans

As stated in the letter from the Offeror to Shareholders set out in **Appendix 2** to this Scheme Document:

“6.2 Future Intentions for the Company

- 6.2.1** *The Offeror intends to retain AP, the Chairman and Group Chief Executive Officer of the Company, as the CEO of the Company and to continue to contribute to the development of the Excelpoint Group.*
- 6.2.2** *There is presently no intention by the Offeror to (i) introduce any major changes to the business of the Company, (ii) re-deploy the fixed assets of the Company, or (iii) discontinue the employment of the employees of the Excelpoint Group, save in the ordinary course of business or as a result of any internal reorganisation or restructuring within the Excelpoint Group which may be implemented after the Effective Date.*
- 6.2.3** *However, the Offeror retains and reserves the right and flexibility at any time to consider any options in relation to the Excelpoint Group which may present themselves and which it may regard to be in the interest of the Excelpoint Group.”*

LETTER TO SHAREHOLDERS

3. THE ACQUISITION AND THE SCHEME

3.1. Terms of the Scheme

The Acquisition will be effected by way of a scheme of arrangement pursuant to Section 210 of the Companies Act and in accordance with the Code and the terms and conditions of the Implementation Agreement.

Under the Scheme:

- (i) all the Target Shares held by the Shareholders as at the Record Date will be transferred to the Offeror:
 - (a) fully paid up;
 - (b) free from all Encumbrances; and
 - (c) together with all rights, benefits and entitlements as at the Joint Announcement Date and thereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions (if any) announced, declared, made or paid by the Company on or after the Joint Announcement Date, other than the first and final ordinary dividend of S\$0.04 per Target Share and special dividend of S\$0.048 per Target Share announced by the Company on 16 February 2022 (the “**Final FY2021 Dividend**”).

If any dividends, rights or other distributions (other than the Final FY2021 Dividend) are announced, declared, paid or made by the Company to the Shareholders on or after the Joint Announcement Date and before the date on which the Scheme becomes effective in accordance with its terms (the “**Effective Date**”), the Offeror reserves the right to reduce the Scheme Consideration by the amount of such dividends, rights or other distributions. **For the avoidance of doubt, the Shareholders as at the Record Date will be entitled to receive and retain the Final FY2021 Dividend (if entitled) in addition to the Scheme Consideration;** and

- (ii) in consideration for such transfer, each of the Shareholders as at the Record Date will be entitled to receive for each Target Share S\$1.93 in cash (the “**Scheme Consideration**”).

3.2. Switch Option

Pursuant to the terms of the Implementation Agreement, in the event of a Competing Offer or in the event that an intention to make a Competing Offer is announced (whether or not such Competing Offer is pre-conditional), the Offeror shall have the right at its discretion to elect at any time, subject to prior consultation with the SIC, to proceed by way of an Offer in lieu of proceeding with the Acquisition by way of the Scheme (“**Switch Option**”).

If the Offeror exercises the Switch Option, the Offeror will make the Offer on the same or better terms as those which apply to the Scheme, including the same or a higher consideration than the Scheme Consideration for each Target Share, and an acceptance condition set at only more than 50 per cent. of the shares to which the Offer relates and not conditional on a higher level of acceptances.

LETTER TO SHAREHOLDERS

In such event:

- (i) the Implementation Agreement shall terminate with effect from the date of announcement of the Offer; and
- (ii) each of the Undertaking Shareholders will undertake to accept or procure the acceptance of the Offer in respect of the Target Shares held by him or her, and his or her obligations under the relevant Irrevocable Undertaking shall apply *mutatis mutandis* to the Offer.

3.3. Termination of the Implementation Agreement

In the event of termination of the Implementation Agreement by either the Company or the Offeror (as the case may be) pursuant to the terms of the Implementation Agreement, the Implementation Agreement shall terminate (save for certain surviving provisions) and there shall be no liability on the part of any of the Company or the Offeror.

3.4. Analysis of the Scheme Consideration

Please refer to paragraph 6.1.1 of the letter from the Offeror to Shareholders set out in **Appendix 2** to this Scheme Document for the premium of the Scheme Consideration over the relevant closing prices and VWAP of the Company.

4. IRREVOCABLE UNDERTAKINGS

4.1. Each of the Undertaking Shareholders has given an irrevocable undertaking to the Offeror (the “**Irrevocable Undertakings**”) to, *inter alia*:

- (i) vote, or procure the voting, in favour of the Scheme at the Scheme Meeting;
- (ii) vote, or procure the voting, against and reject any and all resolutions or proposals to approve, implement, carry out or give effect to any Competing Offer by a third party; and
- (iii) comply with certain non-solicitation and no-talk provisions, in their capacity as a Shareholder.

In addition, AP has undertaken in his Irrevocable Undertaking to effect the Reinvestment (as further described in paragraph 5.2 below).

As at the Latest Practicable Date, the Undertaking Shareholders hold an aggregate of 50,513,372 Target Shares, representing approximately 41.96 per cent. of the total number of Target Shares.

Further details of the Irrevocable Undertakings and the Target Shares held by the Undertaking Shareholders are set out in paragraph 4.1 of the Explanatory Statement.

LETTER TO SHAREHOLDERS

5. RETENTION ARRANGEMENTS

5.1. Retention of AP

The Offeror intends to retain AP as the Chief Executive Officer (“**CEO**”) of the Company and to continue to contribute to the development of the Excelpoint Group, as AP is the founder and CEO of the Excelpoint Group and is intimately involved in the management and operations of the business of the Excelpoint Group.

5.2. Reinvestment

5.2.1. Pursuant to the Irrevocable Undertaking provided by AP, AP has undertaken to the Offeror to reinvest an agreed amount from the aggregate Scheme Consideration due to him pursuant to the Scheme, to subscribe for a certain number of new shares in the Offeror (the “**Offeror Shares**”), at an issue price per Offeror Share equivalent to the Scheme Consideration (converted into US dollars at the exchange rate on the Effective Date), in lieu of receiving the relevant amount of the Scheme Consideration due to him in cash (the “**Reinvestment**”).

5.2.2. Following completion of the Scheme and the Reinvestment, WT will hold 80 per cent. of the shares of the Offeror and AP will hold 20 per cent. of the shares of the Offeror.

5.3. Shareholder Arrangements

In addition to the Reinvestment, WT and AP have entered into a shareholders’ agreement (the “**Shareholders’ Agreement**”), which will take effect only if the Scheme becomes effective and upon the Reinvestment taking place. The Shareholders’ Agreement contains provisions governing the relationship between WT and AP, such as those relating to board appointment rights, reserved matters which will require the approval of AP, and a put and call option in respect of the Offeror Shares held by AP (such arrangements, together with the Reinvestment, the “**Retention Arrangements**”). AP will have to bear the risks associated with the business and financial performance of the Offeror and its subsidiaries going forward and will have to accept the restricted rights of a minority shareholder in a privately held company.

5.4. SIC Confirmation

The SIC has by way of a letter dated 6 April 2022 confirmed, *inter alia*, that the Retention Arrangements do not constitute special deals for the purposes of Rule 10 of the Code, do not amount to an agreement or arrangement between the Offeror and AP to co-operate to obtain or consolidate effective control of the Company, and that AP will be permitted to attend and vote on the Scheme at the Scheme Meeting, subject to the IFA publicly stating that in its opinion the Retention Arrangements (including the put and call option in respect of the Offeror Shares held by AP) are fair and reasonable.

6. NO CASH OUTLAY

Shareholders should note that no cash outlay (including any stamp duties or brokerage expenses) will be required from the Entitled Shareholders under the Scheme.

LETTER TO SHAREHOLDERS

7. WAIVER OF RIGHTS TO A GENERAL OFFER

Shareholders should note that by voting in favour of the Scheme, Shareholders will be regarded as having waived their rights to a general offer by the WT Concert Party Group to acquire the Target Shares under the Code and are agreeing to the WT Concert Party Group acquiring or consolidating effective control of the Company without having to make a general offer.

8. DELISTING

- 8.1. Upon the Scheme becoming effective and binding in accordance with its terms, the Company will become a wholly-owned subsidiary of the Offeror, and will, subject to the approval of the SGX-ST, be delisted from the Official List of the SGX-ST.

An application was made to seek approval from the SGX-ST to delist the Company from the Official List of the SGX-ST upon the Scheme becoming effective and binding in accordance with its terms. The SGX-ST has, on 5 July 2022, advised that it has no objection to the Company's application to delist from the Official List of the SGX-ST, subject to:

- 8.1.1. compliance with the SGX-ST's listing requirements;
- 8.1.2. approval of the Scheme by a majority in number of Shareholders present and voting, either in person or by proxy, at the Scheme Meeting, such majority holding not less than three-fourths in value of the shares voted at the Scheme Meeting;
- 8.1.3. the IFA opining that the financial terms of the Scheme are both fair and reasonable; and
- 8.1.4. the Court's approval being obtained for the Scheme.

The above decision of the SGX-ST is not to be taken as an indication of the merits of the Scheme, the proposed delisting and the removal of the Company from the Official List of the SGX-ST, the Company, its subsidiaries and/or their securities.

SHAREHOLDERS SHOULD NOTE THAT BY VOTING IN FAVOUR OF THE SCHEME, THE TARGET SHARES WILL BE DELISTED FROM THE OFFICIAL LIST OF THE SGX-ST IF THE SCHEME BECOMES EFFECTIVE AND BINDING IN ACCORDANCE WITH ITS TERMS.

9. CONFIRMATION OF FINANCIAL RESOURCES

As stated in the letter from the Offeror to Shareholders set out in **Appendix 2** to this Scheme Document, DBS Bank Ltd., in its capacity as a financial adviser to the Offeror in connection with the Acquisition and the Scheme, has confirmed that sufficient financial resources are available to the Offeror to satisfy in full the aggregate Scheme Consideration payable by the Offeror for all the Target Shares to be acquired by the Offeror pursuant to the Scheme (excluding the amount which AP will undertake to receive in the form of Offeror Shares pursuant to the Irrevocable Undertaking and the Reinvestment).

LETTER TO SHAREHOLDERS

10. INDEPENDENT FINANCIAL ADVISER TO THE INDEPENDENT DIRECTORS

10.1. Appointment of IFA

SAC Capital Private Limited has been appointed as the independent financial adviser to advise the Independent Directors in respect of the Scheme and the Retention Arrangements. Shareholders should consider carefully the recommendation of the Independent Directors and the advice of the IFA to the Independent Directors before deciding whether or not to vote in favour of the Scheme. The advice of the IFA is set out in its letter dated 18 July 2022 (the “**IFA Letter**”) set out in **Appendix 1** to this Scheme Document.

10.2. Factors Taken Into Consideration by the IFA

In arriving at its recommendation, the IFA has taken into account certain considerations (an extract of which is reproduced in italics below). Shareholders should read the following extract in conjunction with, and in the context of, the IFA Letter in its entirety set out in **Appendix 1** to this Scheme Document.

“In assessing the financial terms of the Scheme, we have taken into account the following factors which we consider to have a significant bearing on our assessment:

- (a) Market quotation and trading liquidity of the Target Shares;*
- (b) Historical financial performance of the Excelpoint Group;*
- (c) Net asset value (“NAV”) and net tangible asset (“NTA”) of the Excelpoint Group;*
- (d) Comparison of valuation statistics of companies broadly comparable to the Excelpoint Group;*
- (e) Comparison with recent successful privatisation transactions and delisting offers of companies listed on the SGX-ST;*
- (f) Dividend track record of the Company and selected alternative investments; and*
- (g) Other relevant considerations.”*

10.3. Advice of the IFA

After having regard to the considerations set out in the IFA Letter, and based on the information available to the IFA as at the Latest Practicable Date, the IFA has made certain recommendations to the Independent Directors, an extract of which is reproduced in italics below. Shareholders should read the following extract in conjunction with, and in the context of, the IFA Letter in its entirety set out in **Appendix 1** to this Scheme Document:

“Our opinion on the Scheme

*In conclusion, we are of the opinion that, on balance, the financial terms of the Scheme are **fair and reasonable**. Accordingly, we advise the Independent Directors to recommend Shareholders to vote **in favour** of the Scheme.*

LETTER TO SHAREHOLDERS

The Independent Directors should also highlight to Shareholders that the Scheme, when it becomes effective, will be binding on all Shareholders, whether or not they have attended or voted at the Scheme Meeting, and if they have attended and voted, whether or not they have voted in favour of the Scheme.

Our opinion on the Retention Arrangements

With respect to the Retention Arrangements, we have reviewed the terms of AP's Irrevocable Undertaking and the Shareholders' Agreement as set out in paragraph 8 of this letter.

*Overall, based on our evaluation of the terms of the Retention Arrangements and the information available to us as at the Latest Practicable Date, we are of the opinion that the terms of the Retention Arrangements are **fair and reasonable** in the context of Rule 10 of the Code."*

11. INDEPENDENT DIRECTORS' RECOMMENDATION

11.1. Exemption Relating to Directors' Recommendations

While the SIC has confirmed that the Retention Arrangements in relation to AP, who is a director of the Company and is the Company's Chairman and Group CEO, do not constitute special deals for the purposes of Rule 10 of the Code, and that AP will be permitted to attend and vote on the Scheme at the Scheme Meeting (subject to the IFA's opinion as described in paragraph 5.4), AP might not be perceived as being truly independent for the purpose of making a recommendation to the Shareholders on the Scheme, taking into account his Retention Arrangements (including his continuation as CEO of the Company following the implementation of the Scheme).

Accordingly, pursuant to Note 1 to Rule 8.3 of the Code, the Company had sought the SIC's confirmation that AP is exempted from making a recommendation to the Shareholders on the Scheme.

The SIC had confirmed on 27 June 2022 that AP is exempted from the requirement to make a recommendation on the Scheme to the Shareholders.

However, AP remains (together with the other Directors) responsible for the accuracy of facts stated or opinions expressed in documents and advertisements issued by or on behalf of the Company in connection with the Scheme.

11.2. Independence

All the Independent Directors consider themselves to be independent for the purpose of making a recommendation to the Shareholders in respect of the Scheme.

As at the Latest Practicable Date, none of the Directors and controlling shareholders of the Company are related to the directors and controlling shareholders of the Offeror and/or WT.

LETTER TO SHAREHOLDERS

11.3. Recommendation

The Independent Directors, having considered carefully the terms of the Scheme and the advice given by the IFA in the IFA Letter, concur with the recommendation of the IFA in respect of the Scheme. Accordingly, the Independent Directors recommend that Shareholders **VOTE IN FAVOUR** of the Scheme at the Scheme Meeting.

Shareholders should also be aware and note that there is no assurance that the trading volumes and market prices of the Target Shares will be maintained at the current levels prevailing as at the Latest Practicable Date if the Scheme does not become effective and binding for whatever reason. In the event the Scheme becomes effective, it will be binding on all Shareholders. Shareholders should also be aware and note that there is currently no certainty that the Scheme will become effective and binding.

Shareholders should read and consider carefully this Scheme Document in its entirety, in particular, the advice of the IFA set out in **Appendix 1** to this Scheme Document before deciding whether or not to vote in favour of the Scheme.

11.4. No Regard to Specific Objectives

The Independent Directors advise Shareholders, in deciding whether or not to vote in favour of the Scheme, to carefully consider the advice of the IFA and in particular, the various considerations highlighted by the IFA in the IFA Letter.

In giving the above recommendation, the Independent Directors have not had regard to the specific objectives, financial situation, tax position, tax status, risk profiles or particular needs and constraints and circumstances of any individual Shareholder. As each Shareholder would have different investment objectives and profiles, the Independent Directors recommend that any individual Shareholder who may require advice in the context of his specific investment objectives or portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

12. DIRECTORS' INTENTIONS WITH RESPECT TO THEIR SHARES

In the absence of a Competing Offer, all of the Directors who own legally and/or beneficially Target Shares (amounting to 45.49 per cent. of the total number of Target Shares), as set out in paragraph 5.3 of **Appendix 3** to this Scheme Document (including AP, who has executed an Irrevocable Undertaking in relation to the Target Shares owned legally and/or beneficially by him) have informed the Company that they will **VOTE IN FAVOUR** of the Scheme.

13. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Scheme Document (other than information in **Appendices 1 and 2** to this Scheme Document, and any information relating to or opinions expressed by the Offeror, WT, Ernst & Young and/or the IFA) and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Scheme Document constitutes full and true disclosure of all material facts about the Acquisition, the Scheme and the Excelpoint Group, and the Directors are not aware of any facts the omission of which would make any statement in this Scheme Document misleading.

LETTER TO SHAREHOLDERS

Where any information has been extracted or reproduced 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 Scheme Document in its proper form and context.

In respect of the IFA Letter, the sole responsibility of the Directors has been to ensure that the facts stated with respect to the Excelpoint Group are fair and accurate.

14. GENERAL INFORMATION

Your attention is drawn to the further relevant information in the Explanatory Statement and the Appendices to this Scheme Document.

Yours faithfully
For and on behalf of
the Board of Directors of
EXCELPOINT TECHNOLOGY LTD.

Alan Kwan Wai Loen
Executive Director

EXPLANATORY STATEMENT
(in compliance with Section 211 of the Companies Act)

**PROPOSED ACQUISITION OF THE COMPANY BY THE OFFER OR
BY WAY OF THE SCHEME**

1. INTRODUCTION

1.1. Announcement of the Acquisition and the Scheme

On 13 April 2022, the Company and the Offeror jointly announced the proposed acquisition by the Offeror to be effected by way of a scheme of arrangement under Section 210 of the Companies Act and in accordance with the Code and the terms and conditions of the Implementation Agreement.

A copy of the Joint Announcement is available on the website of the SGX-ST at www.sgx.com.

1.2. Effect of the Scheme and the Delisting

Upon the Scheme becoming effective and binding in accordance with its terms, the Company will become a wholly-owned subsidiary of the Offeror, and will, subject to the approval of the SGX-ST, be delisted from the Official List of the SGX-ST.

An application was made to seek approval from the SGX-ST to delist the Company from the Official List of the SGX-ST upon the Scheme becoming effective and binding in accordance with its terms. The SGX-ST has, on 5 July 2022, advised that it has no objection to the Company's application to delist from the Official List of the SGX-ST, subject to:

- 1.2.1.** compliance with the SGX-ST's listing requirements;
- 1.2.2.** approval of the Scheme by a majority in number of Shareholders present and voting, either in person or by proxy, at the Scheme Meeting, such majority holding not less than three-fourths in value of the shares voted at the Scheme Meeting;
- 1.2.3.** the IFA opining that the financial terms of the Scheme are both fair and reasonable; and
- 1.2.4.** the Court's approval being obtained for the Scheme.

The above decision of the SGX-ST is not to be taken as an indication of the merits of the Scheme, the proposed delisting and the removal of the Company from the Official List of the SGX-ST, the Company, its subsidiaries and/or their securities.

1.3. Explanatory Statement

This Explanatory Statement should be read in conjunction with the full text of this Scheme Document, including the Scheme set out in **Appendix 11** of this Scheme Document. Capitalised terms used in this Explanatory Statement which are not defined herein shall bear the same meanings ascribed to them on pages 4 to 12 of this Scheme Document.

EXPLANATORY STATEMENT (in compliance with Section 211 of the Companies Act)

2. RATIONALE FOR THE ACQUISITION

The rationale for the Acquisition is set out in paragraph 6 of the letter from the Offeror to Shareholders set out in **Appendix 2** to this Scheme Document.

3. THE SCHEME

3.1. Terms of the Scheme

The Scheme is proposed to all Shareholders.

Under the Scheme:

3.1.1. all the Target Shares held by the Shareholders as at the Record Date will be transferred to the Offeror:

- (i) fully paid up;
- (ii) free from Encumbrances; and
- (iii) together with all rights, benefits and entitlements as at the Joint Announcement Date and thereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions (if any) announced, declared, made or paid by the Company on or after the Joint Announcement Date, other than the Final FY2021 Dividend.

If any dividends, rights or other distributions (other than the Final FY2021 Dividend) are announced, declared, paid or made by the Company to the Shareholders on or after the Joint Announcement Date and before the Effective Date, the Offeror reserves the right to reduce the Scheme Consideration by the amount of such dividends, rights or other distributions. **For the avoidance of doubt, the Shareholders as at the Record Date will be entitled to receive and retain the Final FY2021 Dividend (if entitled) in addition to the Scheme Consideration;** and

3.1.2. in consideration for such transfer, each of the Shareholders as at the Record Date will be entitled to receive the Scheme Consideration.

3.2. Delisting

Upon the Scheme becoming effective and binding in accordance with its terms, the Company will become a wholly-owned subsidiary of the Offeror, and will, subject to the approval of the SGX-ST, be delisted from the Official List of the SGX-ST.

EXPLANATORY STATEMENT
(in compliance with Section 211 of the Companies Act)

3.3. Switch Option

Pursuant to the terms of the Implementation Agreement, in the event of a Competing Offer or in the event that an intention to make a Competing Offer is announced (whether or not such Competing Offer is pre-conditional), the Offeror shall have the right at its discretion to elect at any time, subject to prior consultation with the SIC, to proceed by way of an Offer in lieu of proceeding with the Acquisition by way of the Scheme.

If the Offeror exercises the Switch Option, the Offeror will make the Offer on the same or better terms as those which apply to the Scheme, including the same or a higher consideration than the Scheme Consideration for each Target Share, and an acceptance condition set at only more than 50 per cent. of the shares to which the Offer relates and not conditional on a higher level of acceptances.

In such event, the Offeror and the Company have agreed that the Implementation Agreement shall terminate with effect from the date of announcement of the Offer, and each of the Undertaking Shareholders will undertake to accept or procure the acceptance of the Offer in respect of the Target Shares held by him or her, and his or her obligations under the relevant Irrevocable Undertaking in paragraph 4 below shall apply *mutatis mutandis* to the Offer.

3.4. No Cash Outlay

Shareholders should note that no cash outlay (including any stamp duties or brokerage expenses) will be required from the Entitled Shareholders under the Scheme.

3.5. Waiver of Rights to a General Offer

Shareholders should note that by voting in favour of the Scheme, Shareholders will be regarded as having waived their rights to a general offer by the WT Concert Party Group to acquire the Target Shares under the Code and are agreeing to the WT Concert Party Group acquiring or consolidating effective control of the Company without having to make a general offer.

4. IRREVOCABLE UNDERTAKINGS

4.1. Deeds of Undertaking

Each of the Undertaking Shareholders has given an Irrevocable Undertaking to, *inter alia*:

- 4.1.1.** vote, or procure the voting, in favour of the Scheme at the Scheme Meeting;
- 4.1.2.** vote, or procure the voting, against and reject any and all resolutions or proposals to approve, implement, carry out or give effect to any Competing Offer by a third party; and
- 4.1.3.** comply with certain non-solicitation and no-talk provisions, in their capacity as a Shareholder.

In addition, AP has undertaken in his Irrevocable Undertaking to effect the Reinvestment.

The Undertaking Shareholders have each given the Irrevocable Undertaking to the Offeror in respect of 50,513,372 Target Shares held legally and/or beneficially by the Undertaking Shareholders in the aggregate, representing approximately 41.96 per cent. of all the Target Shares.

EXPLANATORY STATEMENT
(in compliance with Section 211 of the Companies Act)

The Irrevocable Undertakings relate to the following Target Shares:

Name of Undertaking Shareholder	Description	Total Number of Target Shares Owned Legally and/or Beneficially that are Subject to the Irrevocable Undertakings as at the Latest Practicable Date	Number of Target Shares Owned Legally and/or Beneficially that are Subject to the Irrevocable Undertakings as at the Latest Practicable Date as a Percentage of the Total Number of Target Shares ⁽¹⁾
Mr. Albert Phuay Yong Hen	Chairman and Group Chief Executive Officer of Company	47,915,204	39.80 per cent.
Mdm. Han Jiak Siew	Shareholder of Company	2,432,168	2.02 per cent.
AP21 Holdings Pte Ltd	Shareholder of Company	166,000	0.14 per cent.
	Total:	50,513,372	41.96 per cent.

Note:

(1) Rounded to the nearest two decimal places and based on there being 120,398,640 Target Shares in issue, with no treasury shares, as at the Latest Practicable Date.

4.2. Termination of Deeds of Undertaking

The Irrevocable Undertakings will terminate on the earlier of the following dates:

- 4.2.1.** if the Implementation Agreement is not terminated, the Effective Date; or
- 4.2.2.** if the Implementation Agreement lapses or is terminated, the earlier of:
- (i) if the Switch Option is not exercised by the Offeror, the date on which the Implementation Agreement is terminated or lapses;
 - (ii) if the Switch Option is exercised by the Offeror, the date on which the Offer lapses or is withdrawn; or
 - (iii) if the Switch Option is exercised by the Offeror, the date on which the Offer becomes unconditional.

EXPLANATORY STATEMENT
(in compliance with Section 211 of the Companies Act)

5. RETENTION ARRANGEMENTS

5.1. Retention of AP

The Offeror intends to retain AP as the CEO of the Company to continue to contribute to the development of the Excelpoint Group, as AP is the founder and CEO of the Excelpoint Group and is intimately involved in the management and operations of the business of the Excelpoint Group.

5.2. Reinvestment

5.2.1. Pursuant to the Irrevocable Undertaking provided by AP, AP has undertaken to the Offeror to effect the Reinvestment.

5.2.2. Following completion of the Scheme and the Reinvestment, WT will hold 80 per cent. of the shares of the Offeror and AP will hold 20 per cent. of the shares of the Offeror.

5.3. Shareholder Arrangements

In addition to the Reinvestment, WT and AP have entered into the Shareholders' Agreement, which will take effect only if the Scheme becomes effective and upon the Reinvestment taking place. The Shareholders' Agreement contains provisions governing the relationship between WT and AP, such as those relating to the Retention Arrangements. AP will have to bear the risks associated with the business and financial performance of the Offeror and its subsidiaries going forward and will have to accept the restricted rights of a minority shareholder in a privately held company.

5.4. SIC Confirmation

The SIC has by way of a letter dated 6 April 2022 confirmed, *inter alia*, that the Retention Arrangements do not constitute special deals for the purposes of Rule 10 of the Code, do not amount to an agreement or arrangement between the Offeror and AP to co-operate to obtain or consolidate effective control of the Company, and that AP will be permitted to attend and vote on the Scheme at the Scheme Meeting, subject to the IFA publicly stating that in its opinion the Retention Arrangements (including the put and call option in respect of the Offeror Shares held by AP) are fair and reasonable.

6. INFORMATION ON THE OFFEROR AND WT

Information on the Offeror and WT, as well as the Offeror's rationale for the Acquisition and future plans for the Excelpoint Group, are set out in the letter from the Offeror to Shareholders set out in **Appendix 2** to this Scheme Document.

EXPLANATORY STATEMENT
(in compliance with Section 211 of the Companies Act)

7. SCHEME MEETING

7.1. Scheme Meeting

The Scheme, which is proposed pursuant to Section 210 of the Companies Act, is required to be approved by Shareholders at the Scheme Meeting. By an order of the Court, the Scheme Meeting was directed to be convened for the purpose of approving the Scheme.

By proposing that the Acquisition be implemented by way of a scheme of arrangement under Section 210 of the Companies Act, the Company is providing Shareholders with the opportunity to decide at the Scheme Meeting whether they consider the Scheme to be in their best interests.

The Scheme must be approved at the Scheme Meeting by a majority in number of Shareholders present and voting, either in person or by proxy, at the Scheme Meeting, such majority holding not less than 75 per cent. in value of the Target Shares voted at the Scheme Meeting.

When the Scheme, with or without modification, becomes effective, it will be binding on all Shareholders, whether or not they were present in person or by proxy or voted at the Scheme Meeting.

7.2. Notice

The notice of the Scheme Meeting is set out in **Appendix 12** to this Scheme Document. You are requested to take note of the date, time and place of the Scheme Meeting.

8. CONDITIONS OF THE SCHEME

8.1. Scheme Conditions

8.1.1. Scheme Conditions. The Scheme is conditional upon the satisfaction (or, where applicable, waiver) of all the Scheme Conditions by the Conditions Long-Stop Date.

A list of the Scheme Conditions is set out in **Appendix 7** to this Scheme Document.

8.1.2. Benefit of Scheme Conditions

- (i) The Offeror alone may waive the Scheme Conditions in paragraphs 7, 8 (insofar as it relates to a Prescribed Occurrence set out in **Appendix 8** to this Scheme Document in relation to any Excelpoint Group Entity), 9 and 10 of **Appendix 7** to this Scheme Document. Any breach or non-fulfilment of any such Scheme Conditions may be relied upon only by the Offeror. The Offeror may at any time and from time to time at its sole and absolute discretion waive any such breach or non-fulfilment.
- (ii) The Company alone may waive the Scheme Conditions in paragraphs 8 (insofar as it relates to a Prescribed Occurrence set out in **Appendix 8** to this Scheme Document in relation to the Offeror) and 11 of **Appendix 7** to this

EXPLANATORY STATEMENT (in compliance with Section 211 of the Companies Act)

Scheme Document. Any breach or non-fulfilment of any such Scheme Condition may be relied upon only by the Company. The Company may at any time and from time to time at its sole and absolute discretion waive any such breach or non-fulfilment.

- (iii) The Offeror and the Company may jointly waive the Scheme Conditions in paragraphs 5 and 6 of **Appendix 7** to this Scheme Document (in each case, to the extent legally permissible). For the avoidance of doubt, the Scheme Conditions in paragraphs 1 to 4 of **Appendix 7** to this Scheme Document are not capable of being waived by either or both of the Company and the Offeror.

8.1.3. Update on Status of Scheme Conditions.

- (i) the SIC has by way of a letter dated 6 April 2022 confirmed, *inter alia*, that:
 - (a) the Scheme is exempted from complying with Rules 14, 15, 16, 17, 20.1, 21, 22, 28, 29 and 33.2 and Note 1(b) to Rule 19 of the Code, subject to certain conditions;
 - (b) it has no objections to the Scheme Conditions; and
 - (c) the Retention Arrangements do not constitute special deals for the purposes of Rule 10 of the Code, do not amount to an agreement or arrangement between the Offeror and AP to co-operate to obtain or consolidate effective control of the Company, and AP will be permitted to attend and vote on the Scheme at the Scheme Meeting, subject to certain conditions.

Please refer to paragraph 9.1 for further details;

- (ii) the State Administration for Market Regulation has issued a formal notice on 9 June 2022 confirming that it will not conduct further review of the Acquisition and the Scheme;
- (iii) the SGX-ST has, on 5 July 2022, given its clearance for this Scheme Document and has also advised that it has no objection to the Company's application for delisting from the Official List of the SGX-ST. Please refer to paragraph 10.1 for further details; and
- (iv) other than as set out in this paragraph 8.1.3, none of the other Scheme Conditions have, as at the Latest Practicable Date, been satisfied or waived.

8.1.4. Remaining Scheme Conditions.

Accordingly, as at the Latest Practicable Date, the Scheme is conditional upon the satisfaction (or, where applicable, waiver) of the remaining Scheme Conditions as set out in **Appendix 7** to this Scheme Document by the Conditions Long-Stop Date.

EXPLANATORY STATEMENT
(in compliance with Section 211 of the Companies Act)

8.2. Non-fulfilment of Scheme Conditions

The Scheme will only become effective and binding if all the Scheme Conditions have been satisfied or, where applicable, waived in accordance with the Implementation Agreement. The Shareholders should note that if any of the Scheme Conditions is not satisfied or, where applicable, waived by the Conditions Long-Stop Date, the Scheme will not become effective and binding.

8.3. Termination Rights

Shareholders should note that:

- 8.3.1.** the Implementation Agreement provides that the Implementation Agreement may be terminated with immediate effect by giving notice in writing at any time prior to the Relevant Date, subject to the prior consultation with the SIC, and the SIC giving its approval for, or stating that it has no objection to, such termination:
- (i) by either the Offeror or the Company, if any court of competent jurisdiction or Governmental Agency has issued an order, decree or ruling or taken any other action permanently enjoining, restraining or otherwise prohibiting the Scheme, the Acquisition or any part thereof, or has refused to do anything necessary to permit the Scheme, the Acquisition or any part thereof, and such order, decree, ruling, other action or refusal shall have become final and non-appealable;
 - (ii) by either –
 - (a) the Offeror, if the Company is in breach of the representations and warranties of the Excelpoint Group set out in the Implementation Agreement (or would be if the representations and warranties were repeated at that time) which are material in the context of the Scheme, and the Company fails to remedy such breach (if capable of remedy) within 30 days after being given written notice by the Offeror to do so; or
 - (b) the Company, if the Offeror is in breach of the representations and warranties of the Offeror set out in the Implementation Agreement (or would be if the representations and warranties were repeated at that time) which are material in the context of the Scheme, and the Offeror fails to remedy such breach (if capable of remedy) within 30 days after being given written notice by the Company to do so,
 - (iii) by either the Offeror or the Company, if the resolutions in respect of the Scheme are not approved by the requisite majority of the Shareholders at the Scheme Meeting;

EXPLANATORY STATEMENT
(in compliance with Section 211 of the Companies Act)

- (iv) by the Offeror, if there has been an occurrence of –
- (a) the loss of any Major Customer/Supplier or any notice of cessation or termination given by any Major Customer/Supplier to cease or terminate its relationship as a customer or supplier of the Excelpoint Group; or
 - (b) an event or events whether individually or in aggregate, occurring from the date of the Implementation Agreement and up to the Relevant Date, which has or have the effect of causing a diminution in:
 - (i) the EBITDA of the Excelpoint Group by more than ten per cent. as compared to the EBITDA of US\$33.8 million of the Excelpoint Group as reflected in or derived from the Excelpoint FY2021 Financial Statements, such first mentioned EBITDA of the Excelpoint Group determined by reference to the later of (x) the latest publicly released consolidated unaudited financial statement of the Excelpoint Group immediately prior to the Relevant Date; or (y) the latest available consolidated unaudited management accounts (to be prepared in accordance with the accounting principles, policies, bases, practices and estimation techniques used in preparing the Excelpoint FY2021 Financial Statements applied on a consistent basis) immediately prior to the Relevant Date; or
 - (ii) the revenue of the Excelpoint Group by more than ten per cent. as compared to the revenue of US\$1,598.5 million of the Excelpoint Group as reflected in the Excelpoint FY2021 Financial Statements, such first mentioned revenue of the Excelpoint Group determined by reference to the later of (x) the latest publicly released consolidated unaudited financial statement of Excelpoint Group immediately prior to the Relevant Date; or (y) the latest available consolidated unaudited management accounts (to be prepared in accordance with the accounting principles, policies, bases, practices and estimation techniques used in preparing the Excelpoint FY2021 Financial Statements applied on a consistent basis) immediately prior to the Relevant Date,
- (each, a “**Material Adverse Effect**”); or
- (v) by either the Offeror or the Company, if a Competing Offer becomes or is declared unconditional in all respects (or its equivalent) and/or is completed,

8.3.2. subject to paragraph 8.1.2 of the Explanatory Statement, if for any reason:

- (i) any of the Conditions at paragraphs 1 to 6 of **Appendix 7** to this Scheme Document is not satisfied (or, where applicable, has not been waived), or if the Scheme has not become effective on or before the Conditions Long-Stop Date, either the Offeror or the Company may immediately terminate the Implementation Agreement, the Acquisition and the Scheme by notice in writing to the Company or the Offeror (as the case may be);

EXPLANATORY STATEMENT
(in compliance with Section 211 of the Companies Act)

- (ii) any of the Scheme Conditions set out in paragraphs 7, 8 (in relation to any Prescribed Occurrence as set out in **Appendix 8** to this Scheme Document relating to any Relevant Excelpoint Group Entity), 9 and 10 of **Appendix 7** to this Scheme Document is not satisfied (or, if applicable, has not been waived), on or before the Conditions Long-Stop Date, the Offeror may immediately terminate the Implementation Agreement (save for certain surviving provisions), the Acquisition and the Scheme by notice in writing to the Company; or
- (iii) any of the Scheme Conditions set out in paragraphs 8 (in relation to any Prescribed Occurrence as set out in **Appendix 8** to this Scheme Document relating to the Offeror) and 11 of **Appendix 7** to this Scheme Document is not satisfied (or, if applicable, has not been waived), on or before the Conditions Long-Stop Date, the Company may immediately terminate the Implementation Agreement (save for certain surviving provisions), the Acquisition and the Scheme by notice in writing to the Offeror,

in each case, provided that (i) the non-fulfilment of any Scheme Condition is material in the context of the Acquisition, (ii) there was prior consultation with the SIC, and (iii) the SIC has given its approval for, or stated that it has no objection to, such termination; and

- 8.3.3.** in the event of termination of the Implementation Agreement by either the Company or the Offeror (as the case may be) pursuant to the terms of the Implementation Agreement, the Implementation Agreement shall terminate (save for certain surviving provisions) and there shall be no liability on the part of any of the Company or the Offeror.

9. SCHEME CONDITIONS AND REGULATORY APPROVALS

9.1. SIC

9.1.1. Code

The SIC has by way of a letter dated 6 April 2022 confirmed, *inter alia*, that the Scheme is exempted from complying with Rules 14, 15, 16, 17, 20.1, 21, 22, 28, 29 and 33.2 and Note 1(b) to Rule 19 of the Code, subject to the following conditions:

- (i) the common substantial shareholders of the Offeror and its concert parties on the one hand, and the Company on the other hand, abstain from voting on the Scheme;
- (ii) the Offeror and its concert parties abstain from voting on the Scheme;
- (iii) the Directors who are also directors of the Offeror or who are acting in concert with those persons in (i) or (ii) above abstain from making a recommendation on the Scheme to the Shareholders;

EXPLANATORY STATEMENT
(in compliance with Section 211 of the Companies Act)

- (iv) the Scheme Document contains advice to the effect that by voting for the Scheme, the Shareholders are agreeing to the Offeror and its concert parties acquiring or consolidating effective control of the Company without having to make a general offer for the Company;
- (v) the Scheme Document discloses the names of the Offeror and its concert parties, their current voting rights in the Company as of the latest practicable date and their voting rights in the Offeror and the Company after the Scheme;
- (vi) the Company appoints an independent financial adviser to advise the Shareholders on the Scheme; and
- (vii) the Scheme being completed within 12 months (unless extended with the SIC's consent) from the date of the Joint Announcement.

As at the Latest Practicable Date:

- (a) there are no common substantial shareholders of the Offeror and its concert parties and the Company;
- (b) none of the Directors are directors of the Offeror and its concert parties; and
- (c) the Company has appointed the IFA to advise the Shareholders on the Scheme and the Retention Arrangements.

9.1.2. Scheme Conditions

The SIC has by way of its letter dated 6 April 2022 confirmed, *inter alia*, that it has no objections to the Scheme Conditions.

9.1.3. Retention Arrangements

The SIC has by way of its letter dated 6 April 2022 also confirmed that:

- (i) the Retention Arrangements do not constitute special deals for the purposes of Rule 10 of the Code;
- (ii) the Retention Arrangements do not amount to an agreement or arrangement between the Offeror and AP to co-operate to obtain or consolidate effective control of the Company; and
- (iii) AP will be permitted to attend and vote on the Scheme at the Scheme Meeting,

subject to the IFA publicly stating that in its opinion the Retention Arrangements, including the put and call option in respect of Offeror Shares held by AP, are fair and reasonable.

EXPLANATORY STATEMENT
(in compliance with Section 211 of the Companies Act)

9.2. Court

The Scheme is subject to the sanction of the Court as stated in **paragraph 2 of Appendix 7** to this Scheme Document.

9.3. SGX-ST

An application was made to seek approval from the SGX-ST to delist the Company from the Official List of the SGX-ST upon the Scheme becoming effective and binding as set out in paragraph 10.

9.4. State Administration for Market Regulation

The State Administration for Market Regulation has issued a formal notice on 9 June 2022 confirming that it will not conduct further review of the Acquisition and the Scheme.

9.5. Taiwan Investment Commission, Ministry of Economic Affairs

An application was submitted by WT on 6 May 2022 to the Taiwan Investment Commission, Ministry of Economic Affairs to obtain its approval for the Acquisition.

10. EFFECT OF THE SCHEME AND DELISTING

- 10.1.** Upon the Scheme becoming effective and binding in accordance with its terms, the Company will become a wholly-owned subsidiary of the Offeror, and will, subject to the approval of the SGX-ST, be delisted from the Official List of the SGX-ST.

An application was made to seek approval from the SGX-ST to delist the Company from the Official List of the SGX-ST upon the Scheme becoming effective and binding in accordance with its terms. The SGX-ST has, on 5 July 2022, advised that it has no objection to the Company's application to delist from the Official List of the SGX-ST, subject to:

- 10.1.1.** compliance with the SGX-ST's listing requirements;
- 10.1.2.** approval of the Scheme by a majority in number of Shareholders present and voting, either in person or by proxy, at the Scheme Meeting, such majority holding not less than three-fourths in value of the shares voted at the Scheme Meeting;
- 10.1.3.** the IFA opining that the financial terms of the Scheme are both fair and reasonable; and
- 10.1.4.** the Court's approval being obtained for the Scheme.

The above decision of the SGX-ST is not to be taken as an indication of the merits of the Scheme, the proposed delisting and the removal of the Company from the Official List of the SGX-ST, the Company, its subsidiaries and/or their securities.

SHAREHOLDERS SHOULD NOTE THAT BY VOTING IN FAVOUR OF THE SCHEME, THE SHARES WILL BE DELISTED FROM THE OFFICIAL LIST OF THE SGX-ST IF THE SCHEME BECOMES EFFECTIVE AND BINDING IN ACCORDANCE WITH ITS TERMS.

EXPLANATORY STATEMENT
(in compliance with Section 211 of the Companies Act)

11. IMPLEMENTATION OF THE SCHEME

11.1. Application to Court for Sanction

Upon the Scheme being approved by a majority in number of Shareholders present and voting, either in person or by proxy, at the Scheme Meeting, such majority holding not less than three-fourths in value of the Target Shares voted at the Scheme Meeting, an application will be made to the Court by the Company for the sanction of the Scheme.

11.2. Procedure for Implementation

If the Court sanctions the Scheme, the Offeror and the Company will (subject to the satisfaction (or, where applicable, waiver) of all the Scheme Conditions in accordance with the Implementation Agreement on or before the Conditions Long-Stop Date) take the necessary steps to render the Scheme effective and binding, and the following will be implemented:

11.2.1. the Target Shares held by the Entitled Shareholders will be transferred to the Offeror for the Scheme Consideration to be paid by the Offeror to the Entitled Shareholders for each Target Share transferred as follows:

- (i) in the case of the Entitled Shareholders (not being Depositors), the Company shall authorise any person to execute or effect on behalf of all such Entitled Shareholders an instrument or instruction of transfer of all the Target Shares held by such Entitled Shareholders and every such instrument or instruction of transfer so executed shall be effective as if it had been executed by the relevant Entitled Shareholder; and
- (ii) in the case of the Entitled Shareholders (being Depositors), the Company shall instruct CDP, for and on behalf of such Entitled Shareholders, to debit, not later than three Business Days after the Effective Date, all the Target Shares standing to the credit of the Securities Account of such Entitled Shareholders and credit all of such Target Shares to the Securities Account of the Offeror or such Securities Account(s) as directed by the Offeror,

11.2.2. from the Effective Date, all existing share certificates relating to the Target Shares held by the Entitled Shareholders (not being Depositors) will cease to be evidence of title of the Target Shares represented thereby;

11.2.3. the Entitled Shareholders (not being Depositors) are required to forward their existing share certificates relating to their Target Shares to the Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632 as soon as possible, but not later than seven Business Days after the Effective Date for cancellation; and

EXPLANATORY STATEMENT
(in compliance with Section 211 of the Companies Act)

11.2.4. not later than seven Business Days after the Effective Date, and against the transfer of the Target Shares set out in this paragraph 11.2, the Offeror shall pay cash to the Entitled Shareholders who are entitled to receive the Scheme Consideration for their Target Shares as follows:

(i) Entitled Shareholders whose Target Shares are not deposited with CDP

the Offeror shall pay each Entitled Shareholder (not being a Depositor) by sending a cheque for the Scheme Consideration payable to and made out in favour of such Entitled Shareholder by ordinary post to his address as appearing in the Register of Members at the close of business on the Record Date, at the sole risk of such Entitled Shareholder, or in the case of joint Entitled Shareholders, to the first-named Entitled Shareholder made out in favour of such Entitled Shareholder by ordinary post to his address as appearing in the Register of Members at the close of business on the Record Date, at the sole risk of such joint Entitled Shareholders; and

(ii) Entitled Shareholders whose Target Shares are deposited with CDP

the Offeror shall pay each Entitled Shareholder (being a Depositor) by making payment of the Scheme Consideration payable to such Entitled Shareholder to CDP. CDP shall:

- (a) in the case of an Entitled Shareholder (being a Depositor) who has registered for CDP's direct crediting service, credit the Scheme Consideration payable to such Entitled Shareholder, to the designated bank account of such Entitled Shareholder; and
- (b) in the case of an Entitled Shareholder (being a Depositor) who has not registered for CDP's direct crediting service, credit the Scheme Consideration to such Entitled Shareholder's Cash Ledger and such Scheme Consideration shall be subject to the same terms and conditions as applicable to "*Cash Distributions*" under CDP's "*The Central Depository (Pte) Limited Operation of Securities Account with the Depository Terms and Conditions*" as amended, modified or supplemented from time to time, copies of which are available from CDP.

Assuming that the Scheme becomes effective and binding in accordance with its terms on 6 September 2022, the crediting by CDP of the Scheme Consideration into the designated bank accounts of the Entitled Shareholders (in the case of Entitled Shareholders (being Depositors) who have registered with CDP for its direct crediting service), the posting of cheques for the Scheme Consideration as set out in paragraph 11.2.4(i) or the crediting by CDP of the Scheme Consideration to the Cash Ledger of the Entitled Shareholders (in the case of Entitled Shareholders (being Depositors) who have not registered with CDP for its direct crediting service) (as the case may be), is expected to take place on or before 15 September 2022.

EXPLANATORY STATEMENT
(in compliance with Section 211 of the Companies Act)

The despatch of payment by the Offeror to each Entitled Shareholder's address and/or CDP (as the case may be) in accordance with the above shall discharge the Offeror from any liability in respect of those payments.

11.3. Retention and Release of Proceeds

- 11.3.1.** On and after the day being six calendar months after the posting of such cheques relating to the Scheme Consideration, the Offeror shall have the right to cancel or countermand payment of any such cheque which has not been cashed (or has been returned uncashed) and shall place all such moneys in a bank account in the Company's name with a licensed bank in Singapore selected by the Company.
- 11.3.2.** The Company or its successor entity shall hold such moneys until the expiration of six years from the Effective Date and shall prior to such date make payments therefrom of the sums payable pursuant to clause 5 of the Scheme set out in **Appendix 11** to this Scheme Document to persons who satisfy the Company or its successor entity that they are respectively entitled thereto and that the cheques referred to in clause 5 of the Scheme set out in **Appendix 11** to this Scheme Document for which they are payees have not been cashed. Any such determination shall be conclusive and binding upon all persons claiming an interest in the relevant moneys, and any payments made by the Company hereunder shall not include any interest accrued on the sums to which the respective persons are entitled pursuant to clause 4 of the Scheme set out in **Appendix 11** to this Scheme Document.
- 11.3.3.** On the expiry of six years from the Effective Date, the Company and the Offeror shall be released from any further obligation to make any payments of the Scheme Consideration under this Scheme and the Company or its successor entity shall transfer to the Offeror the balance (if any) of the sums then standing to the credit of the bank account referred to in clause 6(i) of the Scheme set out in **Appendix 11** to this Scheme Document including accrued interest, subject, if applicable, to the deduction of interest, tax or any withholding tax or any other deduction required by law and subject to the deduction of any expenses.

12. RECORD DATE

12.1. Notice of Record Date

Subject to approval by Shareholders of the Scheme at the Scheme Meeting and the sanction of the Scheme by the Court, notice of the Record Date will be given in due course for the purposes of determining the entitlements of the Entitled Shareholders to the Scheme Consideration under the Scheme.

The Record Date is tentatively scheduled to be 5 September 2022 at 5.00 p.m.. The Company will make further announcement in due course of the Record Date.

EXPLANATORY STATEMENT
(in compliance with Section 211 of the Companies Act)

12.2. Transfer of Target Shares after Record Date

No transfer of the Target Shares where the certificates relating thereto are not deposited with CDP may be effected after the Record Date, unless such transfer is made pursuant to the Scheme.

12.3. Trading in Target Shares on the SGX-ST

The Scheme is tentatively scheduled to become effective and binding on or about 6 September 2022 and accordingly (assuming the Scheme becomes effective and binding on 6 September 2022), the Target Shares are expected to be delisted and withdrawn from the Official List of the SGX-ST after payment of the Scheme Consideration. It is therefore expected that, subject to the approval of the SGX-ST, the Target Shares will cease to be traded on the SGX-ST on or about 29 August 2022 at 5.00 p.m..

Shareholders (not being Depositors) who wish to trade in their Target Shares on the SGX-ST are required to deposit with CDP their certificates relating to their Target Shares, together with the duly executed instruments of transfer in favour of CDP, 15 Market Days prior to the tentative last day for trading of the Target Shares.

13. SETTLEMENT AND REGISTRATION PROCEDURES

Subject to the Scheme becoming effective and binding, the following settlement and registration procedures will apply:

13.1. Entitled Shareholders whose Target Shares are not deposited with CDP

Entitlements to the Scheme Consideration will be determined on the basis of the Entitled Shareholders (not being Depositors) and their holdings of Target Shares appearing in the Register of Members as at 5.00 p.m. on the Record Date.

Entitled Shareholders (not being Depositors) who have not already done so are requested to take the necessary action to ensure that the Target Shares owned by them are registered in their names with the Share Registrar by 5.00 p.m. on the Record Date.

From the Effective Date, each existing share certificate representing a former holding of Target Shares by Entitled Shareholders (not being Depositors) will cease to be evidence of title of the Target Shares represented thereby.

Within seven business days of the Effective Date, the Offeror shall make payment of the Scheme Consideration to each Entitled Shareholder (not being a Depositor) based on his holding of the Target Shares as at 5.00 p.m. on the Record Date.

13.2. Entitled Shareholders whose Target Shares are deposited with CDP

Entitlements to the Scheme Consideration will be determined on the basis of Entitled Shareholders (being Depositors) and the number of Target Shares standing to the credit of their Securities Account as at 5.00 p.m. on the Record Date.

EXPLANATORY STATEMENT

(in compliance with Section 211 of the Companies Act)

Entitled Shareholders (being Depositors) who have not already done so are requested to take the necessary action to ensure that the Target Shares owned by them are credited to their Securities Account by 5.00 p.m. on the Record Date.

Following the Effective Date, CDP will debit all the Target Shares standing to the credit of each relevant Securities Account of each Entitled Shareholder (being a Depositor) and credit all of such Target Shares to the Securities Account of the Offeror or such Securities Account(s) as directed by the Offeror.

Within seven business days of the Effective Date, CDP shall make payment of the Scheme Consideration to each Entitled Shareholder (being a Depositor) based on the number of Target Shares standing to the credit of his or its Securities Account as at 5:00 p.m. on the Record Date.

14. DIRECTORS' INTERESTS

The interests of the Directors in the Target Shares as at the Latest Practicable Date are set out in **Appendix 3** to this Scheme Document.

15. OVERSEAS SHAREHOLDERS

15.1. Overseas Shareholders

The applicability of the Scheme to Shareholders whose addresses are outside Singapore, as shown on the Register of Members or Depository Register (as the case may be) ("**Overseas Shareholders**") may be affected by the laws of the relevant overseas jurisdictions. Accordingly, all Overseas Shareholders should inform themselves about, and observe, any applicable requirements in their own jurisdictions.

15.2. Copies of Scheme Document

The Constitution provides that any Shareholder whose registered address is outside Singapore and who has not supplied an address within Singapore for the service of notices and documents shall not be entitled to receive any such notices or documents from the Company. Accordingly, the Scheme Document has not been and will not be sent to any Overseas Shareholder.

Shareholders (including Overseas Shareholders) may obtain copies of the Scheme Document and any related documents during normal business hours and up to the date of the Scheme Meeting from the Company at 15 Changi Business Park Central 1, #06-00, Singapore 486057. Alternatively, Shareholders (including Overseas Shareholders) may write in to the Company at the same address to request for the Scheme Document and any related documents to be sent to an address in Singapore by ordinary post at his own risk, up to three Market Days prior to the date of the Scheme Meeting.

For the avoidance of doubt, the Scheme is being proposed to all Shareholders (including the Overseas Shareholders), including those to whom the Scheme Document have not been, or will not be, sent, provided that the Scheme Document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful and the Scheme is not being proposed in any jurisdiction in which the introduction or implementation of the Scheme would not be in compliance with the laws of such jurisdiction.

EXPLANATORY STATEMENT

(in compliance with Section 211 of the Companies Act)

It is the responsibility of any Overseas Shareholder who wishes to request for the Scheme Document and any related documents to satisfy himself as to the full observance of the laws of the relevant jurisdiction in that connection, including the obtaining of any governmental or other consent which may be required, and compliance with all necessary formalities or legal requirements. In requesting for the Scheme Document and any related documents or participating in the Scheme, the Overseas Shareholder represents and warrants to the Offeror and the Company that he is in full observance of the laws of the relevant jurisdiction in that connection, and that he is in full compliance with all necessary formalities or legal requirements. If any Overseas Shareholder is in any doubt about his position, he should consult his professional adviser in the relevant jurisdiction.

15.3. Notice

The Offeror and the Company each reserves the right to notify any matter, including the fact that the Scheme has been proposed, to any or all Shareholders (including Overseas Shareholders) by announcement to the SGX-ST or paid advertisement in a daily newspaper published and circulated in Singapore, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder (including any Overseas Shareholder) to receive or see such announcement or advertisement. For the avoidance of doubt, for as long as the Company remains listed on the SGX-ST, it will continue to notify all Shareholders (including Overseas Shareholders) of any matter relating to the Scheme by announcement via SGXNET.

Notwithstanding that any Overseas Shareholder may not receive the notice of the Scheme Meeting, they shall be bound by the Scheme if the Scheme becomes effective in accordance with its terms.

16. ACTION TO BE TAKEN BY SHAREHOLDERS

As the Scheme Meeting will be held electronically, Shareholders will not be able to attend the Scheme Meeting in person. A Shareholder who has Target Shares entered against his/her/its name in (a) the Register of Members or (b) the Depository Register, as at the cut-off time being 72 hours prior to the time of the Scheme Meeting (being the time at which the name of the Shareholder must appear in the Register of Members or the Depository Register, in order for him/her/it to be considered to have Target Shares entered against his/her/its name in the said registers), shall be entitled to participate in the Scheme Meeting by:

- 16.1.** observing and/or listening to the Scheme Meeting proceedings via live audio-visual webcast or live audio-only stream;
- 16.2.** submitting questions in advance of and/or live at the Scheme Meeting; and/or
- 16.3.** voting live by himself/herself/itself via electronic means or by appointing the Chairperson of the Scheme Meeting as proxy to attend, speak and vote on their behalf at the Scheme Meeting.

Shareholders will be able to observe and/or listen to the Scheme Meeting proceedings through a live audio-visual webcast or live audio-only stream via their mobile phones, tablets or computers. In order to do so, Shareholders must pre-register at the Company's pre-registration website at the URL <https://conveneagm.sg/excelpointegm> from now till 3.00 p.m. on 7 August 2022 to enable the Company to verify their status as Shareholders.

EXPLANATORY STATEMENT

(in compliance with Section 211 of the Companies Act)

Following the verification, authenticated Shareholders will receive an email confirming successful registration, which will contain instructions on how to access the live audio-visual webcast or live audio-only stream of the Scheme Meeting proceedings and how to ask questions through the “Ask a Question” function at the Scheme Meeting. Shareholders who do not receive such email by 3.00 p.m. on 9 August 2022 but have registered by the deadline on 7 August 2022 should contact the Company’s Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. for assistance at (65) 6536-5355 (during office hours) or via email at srs.teamd@boardroomlimited.com before 3.00 p.m. on 10 August 2022.

Shareholders who wish to vote live via electronic means at the Scheme Meeting must first pre-register themselves at the pre-registration website which is accessible from the URL <https://conveneagm.sg/excelpointegm> from now till 3.00 p.m. on 7 August 2022. Shareholders may access the Scheme Meeting proceedings via the live audio-visual webcast or live audio-only stream to vote live at the Scheme Meeting.

Shareholders who wish to appoint the Chairperson of the Scheme Meeting as their proxy are requested to complete the enclosed Proxy Form in accordance with the instructions printed thereon and lodge it with the Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632 or via email to the Company’s Share Registrar at srs.teamd@boardroomlimited.com, in each case not less than 72 hours before the time fixed for the Scheme Meeting. Alternatively, Shareholders who are individuals¹ may submit the instrument appointing the Chairperson of the Scheme Meeting electronically via the pre-registration website at the URL <https://conveneagm.sg/excelpointegm> not less than 72 hours before the time fixed for the Scheme Meeting.

Shareholders are strongly encouraged to submit completed instruments of proxy electronically via the pre-registration website (where available) or via email.

The completion and submission of the Proxy Form does not preclude a Shareholder from attending, speaking and voting at the Scheme Meeting. If the Shareholder attends the Scheme Meeting without withdrawing the proxy form, the proxy will continue to have voting rights. However, the Shareholder may revoke the appointment of a proxy at any time before voting commences when the Shareholder accesses the live audio-visual webcast or live audio-only stream of the Scheme Meeting proceedings.

17. INFORMATION RELATING TO CPFIS INVESTORS AND SRS INVESTORS

CPFIS Investors and SRS Investors who wish to vote may approach their respective CPF Agent Banks or SRS Agent Banks to submit their votes by 3.00 p.m. on 28 July 2022, being seven working days before the Scheme Meeting in order to allow sufficient time for their respective CPF Agent Banks or SRS Agent Banks to in turn submit a proxy form to appoint the Chairperson of the Scheme Meeting to vote on their behalf by the cut-off date.

¹ Instruments of proxy executed under a power of attorney on behalf of an individual or by executors on behalf of a deceased individual’s estate may only be submitted by email or post with the relevant supporting document where applicable.

EXPLANATORY STATEMENT

(in compliance with Section 211 of the Companies Act)

CPFIS Investors and SRS Investors will be able to observe and/or listen to the Scheme Meeting proceedings through a live audio-visual webcast or live audio-only stream via their mobile phones, tablets or computers. In order to do so, CPFIS Investors and SRS Investors must pre-register at the Company's pre-registration website at the URL <https://conveneagm.sg/excelpointegm> from now till 3.00 p.m. on 7 August 2022 to enable the Company to verify their status as CPFIS Investors or SRS Investors.

Following the verification, authenticated CPFIS Investors and SRS Investors will receive an email confirming successful registration, which will contain instructions on how to access the live audio-visual webcast or live audio-only stream of the Scheme Meeting proceedings and how to ask questions through the "Ask a Question" function at the Scheme Meeting. CPFIS Investors and SRS Investors who do not receive such email by 3.00 p.m. on 9 August 2022 but have registered by the deadline on 7 August 2022 should contact the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. for assistance at (65) 6536-5355 (during office hours) or via email at srs.teamd@boardroomlimited.com before 3.00 p.m. on 10 August 2022.

18. INFORMATION RELATING TO PERSONS WHO HOLD TARGET SHARES THROUGH RELEVANT INTERMEDIARIES

Persons who hold Target Shares through Relevant Intermediaries, other than CPFIS Investors and SRS Investors, and who wish to participate in the Scheme Meeting can do so by: (a) observing and/or listening to the Scheme Meeting proceedings via live audio-visual webcast or live audio-only stream (b) submitting questions to the Chairperson of the Scheme Meeting in advance of and/or live at the Scheme Meeting and/or (c) voting live through their Relevant Intermediary(s) via electronic means or by such Relevant Intermediary(s) in turn appointing the Chairperson of the Scheme Meeting as proxy to vote on their behalf at the Scheme Meeting. Such persons should contact the Relevant Intermediary(s) through which they hold Target Shares as soon as possible in order for the necessary arrangements to be made for their participation in the Scheme Meeting.

19. ADVICE OF THE INDEPENDENT FINANCIAL ADVISER

The IFA Letter setting out the advice of the IFA to the Independent Directors is set out in **Appendix 1** to this Scheme Document.

20. INDEPENDENT DIRECTORS' RECOMMENDATION

The recommendation of the Independent Directors in relation to the Scheme is set out in paragraph 11 of the Letter to Shareholders.

21. GENERAL INFORMATION

Your attention is drawn to the further relevant information, including the interests in the Target Shares of the Directors, which is set out in the Appendices to this Scheme Document. These Appendices form part of this Scheme Document. This Explanatory Statement should be read in conjunction with, and is qualified by, the full text of this Scheme Document, including the Scheme set out in **Appendix 11** of this Scheme Document.

APPENDIX 1 – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS OF EXCELPOINT TECHNOLOGY LTD. IN RESPECT OF THE SCHEME

18 July 2022

To: The directors of the Excelpoint Technology Ltd. who are considered independent for the purposes of making a recommendation to the Shareholders in connection with the Scheme

Mr. Alan Kwan Wai Loen	(Executive Director)
Mr. Tonny Phuay Yong Choon	(Executive Director)
Mr. Kwah Thiam Hock	(Lead Independent Director)
Mr. Sunny Wong Fook Choy	(Independent Director)
Mr. Low Teck Seng	(Independent Director)

Dear Sirs,

PROPOSED ACQUISITION BY WT SEMICONDUCTOR HOLDINGS PTE. LTD. OF ALL THE ISSUED ORDINARY SHARES IN THE CAPITAL OF EXCELPOINT TECHNOLOGY LTD. BY WAY OF A SCHEME OF ARRANGEMENT

Unless otherwise defined or the context otherwise requires, all terms defined in the scheme document of Excelpoint Technology Ltd. dated 18 July 2022 (the “Scheme Document”) shall have the same meanings herein.

1. INTRODUCTION

On 13 April 2022 (the “**Joint Announcement Date**”), WT Semiconductor Holdings Pte. Ltd. (the “**Offeror**”), a special purpose vehicle incorporated in Singapore which is a wholly-owned subsidiary of WT Microelectronics Co., Ltd (“**WT**”), and Excelpoint Technology Ltd. (the “**Company**” or the “**Target**”), and together with its direct or indirect subsidiaries, the “**Excelpoint Group**”), jointly announced that the Offeror intends to acquire all the issued ordinary shares in the capital of the Company (the “**Target Shares**”) (the “**Joint Announcement**”). The acquisition of the Target Shares (the “**Acquisition**”) will be effected by way of a scheme of arrangement (the “**Scheme**”) in accordance with Section 210 of the Companies Act 1967 of Singapore (the “**Companies Act**”), the Singapore Code on Take-overs and Mergers (the “**Code**”).

The Scheme is also conditional upon the satisfaction or waiver (as the case may be) of a number of conditions precedent (the “**Scheme Conditions**”) in the implementation agreement dated 13 April 2022 entered into between the Offeror and the Company (the “**Implementation Agreement**”). The Scheme Conditions include the approval of the Scheme by the shareholders of the Company (the “**Shareholders**”) at the Scheme meeting to be convened (the “**Scheme Meeting**”) and the sanction of the Scheme by the High Court of the Republic of Singapore (the “**Court**”). In this regard, certain existing Shareholders (the “**Undertaking Shareholders**”) who hold 50,513,372 Target Shares in the aggregate, representing approximately 41.96% of the total number of Target Shares, have each given an irrevocable undertaking to the Offeror (the “**Irrevocable Undertaking**”) to, *inter alia*, vote in favour of the Scheme at the Scheme Meeting.

The Scheme will be satisfied by a scheme consideration of S\$1.93 in cash for each Target Share (the “**Scheme Consideration**”), to be paid by the Offeror to Shareholders on the Record Date (as defined in the Scheme Document) (the “**Entitled Shareholders**”) in accordance with the terms of the Scheme.

Upon the Scheme becoming effective and binding in accordance with its terms, the Company will become a wholly-owned subsidiary of the Offeror, and will, subject to the approval of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”), be delisted from the Official List of the SGX-ST.

APPENDIX 1 – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS OF EXCELPOINT TECHNOLOGY LTD. IN RESPECT OF THE SCHEME

The Offeror intends to retain Mr. Albert Phuyay Yong Hen (“**AP**”) as the Chief Executive Officer (the “**CEO**”) of the Company and to continue to contribute to the development of the Excelpoint Group, as AP is the founder and CEO of the Excelpoint Group and is intimately involved in the management and operations of the business of the Excelpoint Group. Pursuant to the Irrevocable Undertaking provided by AP, AP has undertaken to the Offeror to, *inter alia*, reinvest an agreed amount from the aggregate Scheme Consideration due to him pursuant to the Scheme, and to subscribe for a certain number of new shares in the Offeror (the “**Offeror Shares**”) at an issue price per Offeror Share equivalent to the Scheme Consideration (converted into US dollars at the exchange rate on the date on which the Scheme becomes effective in accordance with its terms (the “**Effective Date**”), in lieu of receiving the relevant amount of the Scheme Consideration due to him in cash (the “**Reinvestment**”). Following completion of the Scheme and the Reinvestment, WT and AP will hold 80 per cent and 20 per cent of the Offeror Shares respectively.

In addition to the Reinvestment, WT and AP have entered into a shareholders’ agreement (the “**Shareholders’ Agreement**”), which will take effect only if the Scheme becomes effective and upon the Reinvestment taking place. The Shareholders’ Agreement contains provisions governing the relationship between WT and AP, such as those relating to board appointment rights, reserved matters which will require the approval of AP, and a put and call option in respect of the Offeror Shares held by AP (such arrangements, together with the Reinvestment, the “**Retention Arrangements**”).

Pursuant to an application made by the Offeror to the Securities Industry Council (“**SIC**”) to seek certain rulings and confirmations in relation to the Acquisition and the Scheme (the “**SIC Application**”), the SIC has by way of a letter dated 6 April 2022 confirmed, *inter alia*, that the Retention Arrangements do not constitute special deals for the purposes of Rule 10 of the Code, do not amount to an agreement or arrangement between the Offeror and AP to co-operate to obtain or consolidate effective control of the Company, and that AP will be permitted to attend and vote on the Scheme at the Scheme Meeting, subject to the independent financial adviser (the “**IFA**”) publicly stating that in its opinion the Retention Arrangements (including the put and call option in respect of the Offeror Shares held by AP) are fair and reasonable.

Accordingly, the Company has appointed SAC Capital Private Limited (“**SAC Capital**”) as the IFA to the directors of the Company who are considered independent for the purposes of the Scheme (the “**Independent Directors**”) and to opine on the Retention Arrangements pursuant to Rule 10 of the Code.

2. OUR TERMS OF REFERENCE

We have been appointed as the independent financial adviser to the Independent Directors to advise the Independent Directors in respect of the Scheme, and to opine on the Retention Arrangements pursuant to Rule 10 of the Code.

We are not and were not involved in any aspect of the negotiations entered into by the Excelpoint Group in relation to the Acquisition and/or the Scheme (including the Retention Arrangements), or in the deliberations leading up to the decision by the Offeror to undertake the Acquisition and/or the Scheme (including the Retention Arrangements). Accordingly, we do not, by this letter warrant the merits of the Scheme (including the Retention Arrangements), other than to advise the Independent Directors on the terms of the Scheme (including the Retention Arrangements) from a financial point of view.

We have not conducted a comprehensive independent review of the business, operations or financial condition of the Excelpoint Group. We have not been provided with, nor do we have access to, any business plans or financial projections of the future performance of the Excelpoint Group and its associates, for the purpose of our evaluation of the Scheme and/or the Retention Arrangements. Our evaluation is confined to the financial terms of the Scheme and related matters (including the Retention Arrangements) and it is not within our terms of

APPENDIX 1 – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS OF EXCELPOINT TECHNOLOGY LTD. IN RESPECT OF THE SCHEME

reference to evaluate the strategic, legal or commercial merits or risks of the Scheme (including the Retention Arrangements) or the future growth prospects or earnings potential of the Excelpoint Group after the completion of the Scheme, and the related matters. Accordingly, we do not express any view as to the future prices at which the Target Shares may trade or on the future financial performance of the Excelpoint Group and its associates, or the Offeror after the completion of the Scheme.

We have not been requested or authorised to solicit, and we have not solicited, any indication of interest from any third party with respect to the Target Shares. It is also not within our terms of reference to compare the relative merits of the Scheme *vis-à-vis* any alternative transaction that the Company may consider in the future, or any alternative offer that might otherwise be available in the future, and as such, we do not express an opinion thereon.

In the course of our evaluation of the financial terms of the Scheme, we have held discussions with the directors and the management of the Company (the “**Directors**” and “**Management**” respectively) and have relied on the information and representations, whether written or verbal, provided to us by the Directors and the Management, including the information contained in the Scheme Document. The Directors (including those who may have delegated detailed supervision of the Scheme Document) have confirmed that, having made all reasonable enquiries and to the best of their knowledge: (a) all material information available to them in connection with the Scheme has been disclosed in the Scheme Document; (b) such information (other than those relating to the Offeror, parties acting in concert or deemed to be acting in concert with the Offeror) is fair and accurate in all material respects; and (c) there is no other information or fact, the omission of which would cause any information disclosed to us or the facts stated in the Scheme Document to be inaccurate, incomplete or misleading in any material respect. Whilst care has been exercised in reviewing the information which we have relied on, we have not independently verified the information or representations. Accordingly, no representation or warranty, expressed or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of such information or representations. We have, however, made reasonable enquiries and exercised our judgement (as deemed necessary) in assessing the information and representations provided to us, and have found no reason to doubt the accuracy or reliability of such information or representations which we have relied on in our evaluation.

Save as disclosed, all information relating to the Excelpoint Group or its associates that we have relied upon in arriving at our opinion and advice has been obtained from the Scheme Document, publicly available information, the Directors and/or the Management. We have not independently assessed and do not warrant or accept any responsibility as to whether the aforesaid information adequately represents a true and fair position of the financial, operational and business affairs of the Excelpoint Group or its associates at any time or as at 7 July 2022 (the “**Latest Practicable Date**”). We have also not made any independent evaluation or appraisal of the assets and liabilities of the Excelpoint Group and have not been furnished with any such evaluation or appraisals.

Our opinion and advice, as set out in this letter, are based on the market, economic, industry and other applicable conditions prevailing on, and the information made available to us as at the Latest Practicable Date. Such conditions may change significantly over a relatively short period of time and we assume no responsibility to update, revise or reaffirm our opinion and advice in the light of any subsequent development after the Latest Practicable Date that may affect our opinion and advice contained herein.

In rendering our opinion and advice, we have not had regard to the specific investment objectives, financial situation, tax position or individual circumstances of any Shareholder or any specific group of Shareholders. We recommend that any individual Shareholder or specific group of Shareholders who may require specific advice in relation to his or their investment portfolio(s) should consult his or their legal, financial, tax or other professional adviser.

APPENDIX 1 – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS OF EXCELPOINT TECHNOLOGY LTD. IN RESPECT OF THE SCHEME

Our opinion and advice in relation to the Scheme, and the Retention Arrangements pursuant to Rule 10 of the Code should be considered in the context of the entirety of this letter and the Scheme Document.

The Company has been separately advised by its own professional advisers in the preparation of the Scheme Document (other than this letter). We have had no role or involvement and have not provided any advice, financial or otherwise, in the preparation, review and verification of the Scheme Document (other than this letter). Accordingly, we take no responsibility for and express no views, expressed or implied, on the contents of the Scheme Document (other than this).

3. INFORMATION ON THE OFFEROR AND WT

The Offeror is a special purpose vehicle incorporated in Singapore for the purposes of the Acquisition.

As set out in Appendix 2 to the Scheme Document, WT was established in 1993 and is currently listed on the Taiwan Stock Exchange. WT is one of the global leading distributors of semiconductor components and has focused on high quality and value-driven businesses to pursue profitable growth and drive competitive advantages. Headquartered in Taiwan, WT has an extensive marketing and sales channel with over 40 regional offices in China, Korea, Singapore, India, Thailand, Malaysia, and Vietnam. The Offeror is a special purpose vehicle incorporated in Singapore for the purposes of the Acquisition.

Additional information on the Offeror and WT is set out in paragraph 1.5 in the “Letter to Shareholders” and Appendix 2 to the Scheme Document.

4. INFORMATION ON THE COMPANY AND THE EXCELPOINT GROUP

As set out in paragraph 1.4 in the “Letter to Shareholders”, the Company was incorporated in Singapore on 18 May 2001 and was listed on the Mainboard of the SGX-ST on 7 January 2004. The Excelpoint Group is one of the leading regional business-to-business platforms providing quality electronic components, engineering design services and supply chain management to original equipment manufacturers, original design manufacturers and electronics manufacturing services in the Asia Pacific region.

As at the Latest Practicable Date, the Company has an issued and paid-up share capital of US\$39,592,000 comprising 120,398,640 Target Shares, with no treasury shares.

Additional information on the Company and the Excelpoint Group is set out in paragraph 1.4 in the “Letter to Shareholders” and Appendix 3 of the Scheme Document.

5. THE SCHEME

The detailed terms of the Scheme are set out in paragraphs 3 to 5 in the “Letter to Shareholders”, the “Explanatory Statement” and Appendices 6 to 12 of the Scheme Document. Shareholders are advised to refer to the Scheme Document for further details on the Scheme and read the information carefully.

The key terms of the Scheme and the related matters are set out below.

APPENDIX 1 – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS OF EXCELPOINT TECHNOLOGY LTD. IN RESPECT OF THE SCHEME

5.1 Scheme Consideration

S\$1.93 in cash for each Target Share (the “**Scheme Consideration**”).

5.2 Rights and Encumbrances

Under the Scheme, all the Target Shares held by Shareholders as at a date and time to be announced (before the Effective Date) by the Company on which the transfer books and the register of members of the Company will be closed in order to determine the entitlements of the Shareholders under the Scheme (the “**Record Date**”) will be transferred to the Offeror:

- (i) fully paid up;
- (ii) free from all charges, mortgages, liens, hypothecations, hire purchases, judgments, encumbrances, easements, security, title retention, preferential rights, trust arrangements or any other security interests or any other agreements, arrangements or obligations to create any of the foregoing (“**Encumbrances**”); and
- (iii) together with all rights, benefits and entitlements as at the Joint Announcement Date and thereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions (if any) announced, declared, made or paid by the Company on or after the Joint Announcement Date, other than the first and final ordinary dividend of S\$0.040 per Target Share and special dividend of S\$0.048 per Target Share announced by the Company on 16 February 2022 (the “**Final FY2021 Dividend**”).

If any dividends, rights or other distributions (other than the Final FY2021 Dividend) are announced, declared, paid or made by the Company to the Shareholders on or after the Joint Announcement Date and before the Effective Date, the Offeror reserves the right to reduce the Scheme Consideration by the amount of such dividends, rights or other distributions. For the avoidance of doubt, the Shareholders as at the Record Date will be entitled to receive and retain the Final FY2021 Dividend (if entitled) in addition to the Scheme Consideration.

5.3 Switch Option

Pursuant to the terms of the Implementation Agreement, in the event of a competing offer or in the event that an intention to make a competing offer is announced (whether or not such competing offer is pre-conditional), the Offeror shall have the right at its discretion to elect at any time, subject to prior consultation with the SIC, to proceed by way of a voluntary conditional cash offer made for or on behalf of the Offeror to acquire all the Target Shares on the terms and subject to the conditions which will be set out in the offer document issued for or on behalf of the Offeror in lieu of proceeding with the Acquisition by way of the Scheme (“**Switch Option**”).

Further details of the Switch Option are set out in paragraph 3.2 in the “Letter to Shareholders” and Shareholders are advised to read the information carefully.

5.4 Scheme Conditions

The Scheme is conditional upon the satisfaction (or, where applicable, waiver) of all the Scheme Conditions by 11.59 p.m. on 13 April 2023, being the date falling twelve (12) months from the date of the Implementation Agreement or such other date as the Company and the Offeror may agree in writing) (the “**Conditions Long-Stop Date**”), which includes, among others, approval of the Scheme by Shareholders at the Scheme Meeting, approval-in-principle from the SGX-ST of the Scheme, the Scheme Document and the proposed delisting of the Company from the SGX-ST.

APPENDIX 1 – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS OF EXCELPOINT TECHNOLOGY LTD. IN RESPECT OF THE SCHEME

Further details of the Scheme Conditions are set out in Appendix 7 to the Scheme Document and Shareholders are advised to read the information carefully.

5.5 Termination of the Implementation Agreement

In the event of termination of the Implementation Agreement by either the Company or the Offeror (as the case may be) pursuant to the terms of the Implementation Agreement, the Implementation Agreement shall terminate (save for certain surviving provisions) and there shall be no liability on the part of any of the Company or the Offeror.

Further details of the termination rights of the Implementation Agreement are set out in paragraph 8.3 in the “Explanatory Statement” and Shareholders are advised to read the information carefully.

5.6 Irrevocable Undertakings

Each of the Undertaking Shareholders has given the Irrevocable Undertaking to, *inter alia*:

- (i) vote, or procure the voting, in favour of the Scheme at the Scheme Meeting;
- (ii) vote, or procure the voting, against and reject any and all resolutions or proposals to approve, implement, carry out or give effect to any competing offer by a third party; and
- (iii) comply with certain non-solicitation and no-talk provisions, in their capacity as a Shareholder.

In addition, AP has undertaken in his Irrevocable Undertaking to effect the Reinvestment.

As at the Latest Practicable Date, the Undertaking Shareholders hold an aggregate of 50,513,372 Target Shares, representing approximately 41.96% of the total number of Target Shares.

Further details of the Irrevocable Undertaking and the Target Shares held by the Undertaking Shareholders are set out in paragraph 4.1 of the “Explanatory Statement”, and Shareholders are advised to read the information carefully.

5.7 Retention Arrangements

The Offeror intends to retain AP as the CEO of the Company and to continue to contribute to the development of the Excelpoint Group. AP has undertaken in his Irrevocable Undertaking to effect the Reinvestment. In addition to the Reinvestment, WT and AP have entered into a Shareholders’ Agreement, which will contain provisions such as those relating to board appointment rights, reserved matters which will require the approval of AP, and a put and call option in respect of the Offeror Shares held by AP.

Further details of the Retention Arrangements are set out in paragraph 5 of the “Letter to Shareholders”, and Shareholders are advised to read the information carefully.

5.8 No Cash Outlay

Shareholders should note that no cash outlay (including any stamp duties or brokerage expenses) will be required from the Entitled Shareholders under the Scheme.

5.9 Waiver of Rights to a General Offer

Shareholders should note that by voting in favour of the Scheme, Shareholders will be regarded as having waived their rights to a general offer by the WT, the Offeror and persons acting in

APPENDIX 1 – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS OF EXCELPOINT TECHNOLOGY LTD. IN RESPECT OF THE SCHEME

concert with them (the “**WT Concert Party Group**”) to acquire the Target Shares under the Code and are agreeing to the WT Concert Party Group acquiring or consolidating effective control of the Company without having to make a general offer.

5.10 Delisting

Upon the Scheme becoming effective and binding in accordance with its terms, the Company will become a wholly-owned subsidiary of the Offeror, and will, subject to the approval of the SGX-ST, be delisted from the Official List of the SGX-ST.

6. RATIONALE FOR THE SCHEME AND THE OFFEROR’S INTENTIONS IN RELATION TO THE COMPANY

Information on the Offeror’s rationale for the Acquisition and future intentions for the Company is set out in Appendix 2 of the Scheme Document, and Shareholders are advised to read the information carefully.

7. FINANCIAL ASSESSMENT OF THE SCHEME

In assessing the financial terms of the Scheme, we have taken into account the following factors which we consider to have a significant bearing on our assessment:

- (a) Market quotation and trading liquidity of the Target Shares;
- (b) Historical financial performance of the Excelpoint Group;
- (c) Net asset value (“**NAV**”) and net tangible assets (“**NTA**”) of the Excelpoint Group;
- (d) Comparison of valuation statistics of companies broadly comparable to the Excelpoint Group;
- (e) Comparison with recent successful privatisation transactions and delisting offers of companies listed on the SGX-ST;
- (f) Dividend track record of the Company and selected alternative investments; and
- (g) Other relevant considerations.

7.1 Market Quotation and Trading Liquidity of the Target Shares

7.1.1 Share price benchmarks

On 25 March 2022 (the “**Last Undisturbed Trading Day**”), after trading hours, the Company announced that it is in discussions with a third party in connection with a possible transaction involving the Target Shares (the “**Holding Announcement**”). As such, we consider 25 March 2022 to be the Last Undisturbed Trading Day.

Subsequently, the Company released the Joint Announcement on 13 April 2022, being the Joint Announcement Date, in relation to the Acquisition and the Scheme. Prior to the Joint Announcement, the Target Shares were last transacted on 12 April 2022 (the “**Last Trading Day**”), being the last Market Day¹ on which the Target Shares traded prior to the Joint Announcement Date. Trading was halted after trading hours on the Last Trading Day and lifted after trading hours on the Joint Announcement Date.

¹ Being a day on which the SGX-ST is open for trading of securities.

APPENDIX 1 – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS OF EXCELPOINT TECHNOLOGY LTD. IN RESPECT OF THE SCHEME

For the purpose of our analysis of the trading performance of the Target Shares in respect of the Scheme, we have compared the Scheme Consideration against the historical market price performance of the Target Shares and considered the historical trading volume of the Target Shares for the 12-month period prior to the Holding Announcement from 26 March 2021 to the Last Undisturbed Trading Day, and up to the Latest Practicable Date (the “**Period Under Review**”).

We have also compared the Scheme Consideration against the historical market price performance of the Target Shares since the Company’s initial public offering (“**IPO**”) on the Mainboard of the SGX-ST on 7 January 2004 and up to the Latest Practicable Date.

7.1.2 Trading liquidity of the Target Shares

In evaluating the Scheme Consideration, it is relevant to examine the price performance and trading volume of the Target Shares over a reasonable period, during which the market price of the Target Shares may reflect public investors’ valuation of the Target Shares, based on publicly available information.

In order to evaluate whether the historical market prices of the Target Shares provide a meaningful reference point for comparison with the Scheme Consideration, we have considered the trading liquidity and free float of the Target Shares relative to the equity of the top 10 companies by market capitalisation (“**Top 10 STI Companies**”) in the FTSE Straits Times Index (“**FSSTI**”)⁽¹⁾ during the 12-month period up to and including the Last Undisturbed Trading Day. Additional information on the market capitalisation, average daily trading volumes (“**ADTV**”) as a percentage of free float, and ADTV as a percentage of market capitalisation is set out as follows:

Company	Market Capitalisation⁽²⁾ (S\$' m)	ADTV / Free Float⁽²⁾⁽³⁾ (Last 12 Months) (%)	ADTV / Market Capitalisation⁽²⁾⁽⁴⁾ (Last 12 Months) (%)
DBS Group Holdings Ltd	91,610	0.21	0.13
Jardine Matheson Holdings Ltd	57,814	0.09	0.03
Oversea-Chinese Banking Corp	55,470	0.16	0.13
United Overseas Bank Ltd	53,754	0.19	0.14
Singapore Telecommunications Ltd	43,746	0.37	0.16
Wilmar International Ltd	30,364	0.35	0.10
CapitalLand Investment Ltd	20,081	0.39	0.16
Thai Beverage PCL	17,710	0.31	0.09
Singapore Airlines Ltd	16,203	0.38	0.23
Hongkong Land Holdings Ltd	16,102	0.18	0.09
High		0.39	0.23
Mean		0.26	0.13
Median		0.26	0.13
Low		0.09	0.03
Company	191⁽²⁾	0.40⁽⁵⁾	0.11

Source: Bloomberg L.P. and SAC Capital’s computations

APPENDIX 1 – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS OF EXCELPOINT TECHNOLOGY LTD. IN RESPECT OF THE SCHEME

Notes:

- (1) The FSSTI is a capitalisation-weighted stock market index that is regarded as the benchmark index for the Singapore stock market. It tracks the performance of the top 30 companies listed on the SGX-ST.
- (2) Figures are as at the Last Undisturbed Trading Day.
- (3) Based on ADTV (in number of shares) divided by the free float of shares.
- (4) Based on ADTV (in value) divided by the market capitalisation.
- (5) For the purpose of computing the ADTV as a percentage of free float, we have used the free float of approximately 46,972,397 Target Shares based on the free float of 39.04% as disclosed in the annual report of the Company for FY2021.

Based on the above, we note the following:

- (a) the Company's ADTV as a percentage of free float during the 12-month period up to and including the Last Undisturbed Trading Day is marginally higher than the range and higher than the mean and median of the Top 10 STI Companies; and
- (b) the Company's ADTV as a percentage of market capitalisation during the 12-month period up to and including the Last Undisturbed Trading Day is within the range and lower than the mean and median of the Top 10 STI Companies.

We further note that:

- (ii) the ADTV of the Target Shares for the period during the 12-month period up to and including the Last Undisturbed Trading Day was approximately 190,125 Target Shares, representing approximately S\$0.2 million in value; and
- (iii) the trading in the Target Shares occurred on all but seven Market Days during the 12-month period up to and including the Last Undisturbed Trading Day. Hence, the Target Shares are regularly traded, indicating a ready market for the Target Shares during the aforesaid period.

Based on the above, we conclude that there is reasonable liquidity in the Target Shares in the 12-month period up to and including the Last Undisturbed Trading Day and that the historical market prices of the Target Shares provide a reasonable and valid benchmark for assessing the Scheme Consideration.

APPENDIX 1 – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS OF EXCELPOINT TECHNOLOGY LTD. IN RESPECT OF THE SCHEME

7.1.3 Share price chart during the Period Under Review

A graphical representation of the daily closing prices and volume traded of the Target Shares for the Period Under Review is set out as follows:



Source: Bloomberg L.P.

A summary of the salient announcements relating to the Excelpoint Group's business operations and Scheme during the Period Under Review is as follows:

Date	Event
28 April 2021	Target Shares trade ex-dividend for final dividend that was announced for the financial year ended 31 December 2020 ("FY2020") of the Company
11 May 2021	Announcement of the Excelpoint Group's business outlook and the performance review for the 3-month financial period ended 31 March 2021 ("3M2021") of the Company, which reported an increase in net profit after tax from US\$0.2 million from the 3-month financial period ended 31 March 2020 to US\$4.4 million in 3M2021.
21 May 2021	Announcement that the Company is not aware of any information not previously announced concerning the Company, its subsidiaries or associated companies which may explain the unusual price movements in the Target Shares in response to queries from the SGX-ST on the same day.
5 August 2021	Announcement on the unaudited interim financial results for the 6-month financial period ended 30 June 2021 ("1H2021") of the Company, which reported a 483.8% increase in net profit after tax from US\$2.0 million for the 6-month financial period ended 30 June 2020 to US\$12.0 million in 1H2021.

APPENDIX 1 – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS OF EXCELPOINT TECHNOLOGY LTD. IN RESPECT OF THE SCHEME

Date	Event
9 November 2021	Announcement of the Excelpoint Group's business outlook and the performance review for the 9-month financial period ended 30 September 2021 (" 9M2021 ") of the Company, which reported a 264.3% increase in net profit after tax from US\$5.4 million from the 9-month financial period ended 30 September 2020 to US\$19.7 million in 9M2021.
16 February 2022	Announcement on the unaudited financial results for the financial year ended 31 December 2021 (" FY2021 ") of the Company, which reported 137.2% increase in net profit after tax from US\$10.3 million in FY2020 to US\$24.5 million in FY2021.
24 March 2022	Release of the annual report for FY2021.
25 March 2022	Release of the Holding Announcement after market hours.
12 April 2022	Announcement on the request for trading halt of the Target Shares after market hours.
13 April 2022	Release of the Joint Announcement. Announcement on the request for lifting of trading halt of the Target Shares after market hours.
28 April 2022 (the " Ex-dividend Date ")	Target Shares trade ex-dividend for Final FY2021 Dividend that was announced for FY2021 of the Company. Accordingly, the last cum-dividend date is 27 April 2022 (the " Cum-dividend Date "), being the last Market Day prior to the Ex-dividend Date.
6 May 2022	Allotment and issue of 80,000 new Target Shares to the independent directors of the Company, being Mr. Kwah Thiam Hock, Mr. Sunny Wong Fook Choy, Mr. Low Teck Seng and Ms. Joanne Khoo Su Nee (who has retired as Director of the Company at the conclusion of the 21 st Annual General Meeting held on 8 April 2022), pursuant to the vesting of share awards under the Excelpoint Performance Share Scheme.

Source: *Company's announcements*

As shown in the chart above, the Target Shares have traded consistently below the Scheme Consideration for the 12-month period up to and including the Last Undisturbed Trading Day, with closing prices of the Target Shares fluctuating between S\$0.630 and S\$1.650. The Target Shares last traded at S\$1.590 on the Last Undisturbed Trading Day. Following the release of the Joint Announcement which disclosed the Scheme Consideration, the Shares traded above the Scheme Consideration until 27 April 2022, the Cum-dividend Date. Since the Ex-dividend Date to the Latest Practicable Date, the Shares have mostly traded close to but below the Offer Price.

Additional information on the traded closing prices of the Target Shares, volume-weighted average prices ("**VWAP**") and ADTV for the reference period(s) (a) prior to the Holding Announcement Date; and (b) after the Holding Announcement Date; and (c) up to the Latest Practicable Date is set out as follows:

APPENDIX 1 – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS OF EXCELPOINT TECHNOLOGY LTD. IN RESPECT OF THE SCHEME

	Highest closing price (S\$)	Lowest closing price (S\$)	VWAP ⁽¹⁾ (S\$)	Premium/ (Discount) of Scheme Consideration over VWAP (%)	ADTV ⁽²⁾ (shares)	ADTV / Free Float ⁽³⁾ (%)
Periods prior to the Holding Announcement						
Last 12 months	1.650	0.630	1.120	72.3%	190,125	0.40
Last 6 months	1.650	1.010	1.323	45.9%	163,774	0.35
Last 3 months	1.650	1.270	1.470	31.3%	167,327	0.36
Last 1 month	1.590	1.340	1.413	36.6%	110,200	0.23
25 March 2022 (Last Undisturbed Trading Day)	1.590	1.590	1.578	22.3%	108,400	0.23
Period after the Holding Announcement to the Joint Announcement						
Period between and including 28 March 2022 and up to 12 April 2022 (Last Trading Day)	1.810	1.670	1.738	11.0%	252,800	0.54
12 April 2022 (Last Trading Day)	1.790	1.790	1.794	7.6%	196,400	0.42
Period after the Joint Announcement to the Cum-dividend Date						
Period between and including 14 April 2022 and up to 27 April 2022 (Cum-dividend Date)	1.990	1.960	1.960	(1.5)%	931,856	1.98
27 April 2022 (Cum-dividend Date)	1.990	1.990	1.979	(2.5)%	500,600	1.07
Period from the Ex-dividend Date and up to the Latest Practicable Date						
Period between and including 28 April 2022 and up to 7 July 2022 (Latest Practicable Date)	1.910	1.880	1.893	2.0%	161,333	0.34
7 July 2022 (Latest Practicable Date)	1.900	1.900	1.900	1.6%	561,100	1.19

Source: Bloomberg L.P.

Notes:

- (1) Based on data extracted from Bloomberg L.P. and with the figures rounded to the nearest three (3) decimal places.
- (2) The ADTV of the Target Shares is calculated based on the total volume of Target Shares traded divided by the number of Market Days during the relevant periods.
- (3) For the purpose of computing the ADTV as a percentage of free float, we have used the free float of approximately 46,972,397 Target Shares based on the free float of 39.04% as disclosed in the annual report of the Company for FY2021.

APPENDIX 1 – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS OF EXCELPOINT TECHNOLOGY LTD. IN RESPECT OF THE SCHEME

We note the following with regard to the Target Share prices and the ADTV of the Target Shares:

Periods prior to the Holding Announcement

- (a) during the 12-month period up to and including the Last Undisturbed Trading Day, the closing prices of the Target Shares ranged between a low of S\$0.630 (on 11 May 2021) and a high of S\$1.650 (on 8 February 2022). The Scheme Consideration represents: (i) a premium of 206.3% over the lowest closing price of the Target Shares; and (ii) a premium of 17.0% over the highest closing price of the Target Shares, during the 12-month period;
- (b) the Scheme Consideration represents a premium of 72.3%, 45.9%, 31.3% and 36.6% over the VWAP of the Target Shares for the 12-, 6-, 3- and 1-month periods up to and including the Last Undisturbed Trading Day respectively;
- (c) the Scheme Consideration represents a premium of 21.4% over the closing price of the Target Shares of S\$1.590 on the Last Undisturbed Trading Day; and
- (d) the ADTV of the Target Shares as a percentage of the free float ranged between approximately 0.23% and 0.40% for the 12-, 6-, 3- and 1-month periods up to and including the Last Undisturbed Trading Day.

Period after the Holding Announcement to the Joint Announcement

- (e) the Scheme Consideration represents a premium of 11.0% to the VWAP of the Target Shares for the period after the Holding Announcement and up to the Last Trading Day;
- (f) the Scheme Consideration represents a premium of 7.8% over the closing price of the Target Shares of S\$1.790 on the Last Trading Day; and
- (g) the ADTV of the Target Shares as a percentage of the free float was approximately 0.54% for the period after the Holding Announcement and up to the Last Trading Day.

Period after the Joint Announcement to the Cum-dividend Date

- (h) the Scheme Consideration represents a discount of 1.5% to the VWAP of the Target Shares for the period after the Joint Announcement and up to the Cum-dividend Date;
- (i) the Scheme Consideration represents a discount of 3.0% over the closing price of the Target Shares of S\$1.990 on the Cum-dividend Date; and
- (j) the ADTV of the Target Shares as a percentage of the free float was approximately 1.98% for the period after the Joint Announcement and up to the Cum-dividend Date.

Period from the Ex-dividend Date and up to the Latest Practicable Date

- (k) the Scheme Consideration represents a premium of 2.0% to the VWAP of the Target Shares for the period from the Ex-dividend Date and up to the Latest Practicable Date;
- (l) the Scheme Consideration represents a premium of 1.6% over the closing price of the Target Shares of S\$1.900 on the Latest Practicable Date; and
- (m) the ADTV of the Target Shares as a percentage of the free float was approximately 0.34% for the period from the Ex-dividend Date and up to the Latest Practicable Date.

APPENDIX 1 – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS OF EXCELPOINT TECHNOLOGY LTD. IN RESPECT OF THE SCHEME

Based on the above observations, we note that the trading volume and closing price of the Target Shares was relatively higher after the Holding Announcement, and continued to increase after the Joint Announcement and up to the Cum-dividend Date. We believe that the general upward trend after the Holding Announcement is likely supported by the speculative effect of the Holding Announcement and thereafter by the Joint Announcement. Since the Ex-dividend Date and up to the Latest Practicable Date, the trading activity of the Target Shares was relatively lower.

Shareholders should note that there is no assurance that the closing price of the Target Shares would remain at the current level prevailing as at the Latest Practicable Date and after the completion of the Scheme. Shareholders should note that the past trading performance of the Target Shares should not in any way be relied upon as an indication or a guarantee of its future trading performance, which will depend on, amongst other factors, the performance and prospects of the Company, prevailing economic conditions, economic outlook, stock market conditions and sentiment.

7.1.4 Target Share price chart since the IPO of the Company up to the Latest Practicable Date

A graphical representation of the daily closing prices and volume traded of the Target Shares since the IPO of the Company up to the Latest Practicable Date is set out as follows:



Source: Bloomberg L.P.

The Company was listed on the Mainboard of the SGX-ST on 7 January 2004 at an issue price of S\$0.26. The Company undertook a share consolidation of every five (5) existing ordinary shares in the capital of the Company into one (1) consolidated share in the capital of the Company, which was completed and became effective on 11 August 2015 (the “**Share Consolidation**”). The issued share capital decrease from 510,620,200 Target Shares to 102,124,040 Target Shares after the Share Consolidation.

From the share price chart above, we further note that since 11 February 2004 and up to the Last Undisturbed Trading Date, the Target Shares (on a recalibrated basis taking into account the Share Consolidation) have never closed at or above the Scheme Consideration.

APPENDIX 1 – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS OF EXCELPOINT TECHNOLOGY LTD. IN RESPECT OF THE SCHEME

7.2 Historical Financial Performance of the Excelpoint Group

The salient financial information of the Excelpoint Group for the financial years ended 31 December (“FY”) 2019, FY2020 and FY2021 respectively is set out in the tables below. The following summary financial information should be read in conjunction with the full text of the annual reports and results announcements of the Excelpoint Group in respect of the relevant financial periods including the notes thereto.

7.2.1 Consolidated Income Statement

(US\$'000)	----- Audited -----		
	FY2019	FY2020	FY2021
Revenue	976,976	1,108,638	1,598,467
Cost of sales	(922,790)	(1,048,356)	(1,496,649)
Gross profit	54,186	60,282	101,818
Other income	1,592	2,701	980
Sales and distribution costs	(31,857)	(31,584)	(46,634)
General and administrative expenses	(14,691)	(16,403)	(24,615)
Finance costs	(5,561)	(2,924)	(2,383)
Impairment losses on financial assets	(1,734)	(7)	(59)
Profit before tax	1,935	12,065	29,107
Income tax expense	(336)	(1,726)	(4,585)
Profit for the year attributable to equity holders of the Company	1,599	10,339	24,522

Source: Annual reports of the Company for FY2020 and FY2021

FY2019 vs FY2020

The Excelpoint Group’s revenue increased by US\$131.6 million or 13.5% from US\$977.0 million to US\$1,108.6 million. Revenue from Hong Kong business unit increased by 10.9% to US\$615.9 million and revenue from Singapore business unit increased by 16.9% to US\$492.7 million. The increase was mainly due to an increase in demand for semiconductors on the back of accelerated technology adoption, resulting in a global chip shortage.

Overall gross profit margins decreased to 5.4% from 5.5% in FY2019, due to lower margins recorded by Singapore Business Unit as a result of different product mix.

Other income increased by US\$1.1 million, mainly due to government grants received from governments in Singapore and Hong Kong to help businesses deal with the impact from COVID-19 pandemic.

Sales and distribution expenses decreased by US\$0.3 million, mainly due to foreign exchange gain arising from the translation of foreign currency denominated balances into functional currency and lower travelling expenses due to the COVID-19 pandemic. This was partially offset by higher staff and related costs in FY2020.

General and administrative expenses increased by US\$1.7 million, mainly due to higher staff and related costs in FY2020.

APPENDIX 1 – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS OF EXCELPOINT TECHNOLOGY LTD. IN RESPECT OF THE SCHEME

Finance costs decreased by US\$2.6 million, mainly due to lower interest rate and borrowings. Impairment losses on financial assets decreased by US\$1.7 million, mainly due to lower impairment loss on trade debtors in FY2020.

As a result of the above, net profit after tax increased by US\$8.7 million or 546.6% from US\$1.6 million in FY2019 to US\$10.3 million in FY2020.

FY2020 vs FY2021

The Excelpoint Group's revenue increased by US\$489.9 million or 44.2% from US\$1,108.6 million in FY2020 to US\$1,598.5 million in FY2021. Revenue from Hong Kong business unit increased by 46.8% to US\$904.3 million and revenue from Singapore business unit increased by 40.9% to US\$694.2 million. The increase was mainly due to the increase in demand for semiconductors on the back of accelerated technology adoption, resulting in a global chip shortage.

Overall gross profit margins increased from 5.4% in FY2020 to 6.4% in FY2021, as a result of higher margin product mix.

Other income decreased by US\$1.7 million, mainly due to the absence of government grants received from governments in Singapore and Hong Kong to help businesses deal with the impact from COVID-19 pandemic in FY2020.

Sales and distribution expenses increased by US\$15.1 million and general and administrative expenses increased by US\$8.2 million. These were mainly attributable to higher staff cost and higher travelling expenses due to partial resumption of business travel.

Finance costs decreased by US\$0.5 million, mainly due to lower interest rate.

As a result of the above, net profit after tax increased by US\$14.2 million or 137.2% from US\$10.3 million in FY2020 to US\$24.5 million in FY2021.

7.2.2 Consolidated Cash Flow Statement

(US\$'000)	----- Audited -----		
	FY2019	FY2020	FY2021
Net cash flows generated from operating activities	45,555	50,141	5,096
Net cash flows used in investing activities	(1,112)	(1,099)	(2,078)
Net cash flows used in financing activities	(50,596)	(24,429)	(8,069)
Net (decrease)/increase in cash and cash equivalents	(6,153)	24,613	(5,051)
Effects of exchange rate changes on cash and cash equivalents	65	78	23
Cash and cash equivalents at end of financial year	14,483	39,174	34,146

Source: Annual reports of the Company for FY2020 and FY2021

The Excelpoint Group generated positive net cash flows from operating activities, which increased from US\$45.6 million in FY2019 to US\$50.1 million in FY2020 and subsequently decreased to US\$5.1 million in FY2021.

APPENDIX 1 – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS OF EXCELPOINT TECHNOLOGY LTD. IN RESPECT OF THE SCHEME

The Excelpoint Group recorded net cash flows generated from operating activities of approximately US\$5.1 million in FY2021 mainly due to operating cash flows before changes in working capital of approximately US\$37.0 million, net working capital outflow of approximately US\$27.3 million, interest received of US\$0.3 million, interest paid of US\$2.4 million and income tax paid of US\$2.5 million. The net working capital outflow was mainly due to: (i) an increase in stocks of US\$33.5 million due to higher stock level to mitigate against supply disruptions; and (ii) an increase in trade and other debtors and prepayments of US\$47.4 million arising from higher sales, partially offset by an increase in trade and other creditors and contract liabilities of US\$53.6 million.

The Excelpoint Group's net cash flows used in/from investing activities in FY2019, FY2020 and FY2021 mainly relate to purchase of property, plant and equipment ("PPE") and other investments, partially offset by: (i) proceeds from disposal of PPE; (ii) proceeds from disposal of investment security; (iii) proceeds from derivatives; and (iv) dividend income from equity security.

The Excelpoint Group's net cash flows used for financing activities in FY2019, FY2020 and FY2021 mainly relate to: (i) payment of principal portion of lease liabilities; (ii) repayment of bank loans; (iii) net repayment of bills payable; (iv) purchase of treasury shares; and (v) dividends paid on ordinary shares, partially offset by proceeds from bank loans.

Taking into account: (i) the cash and cash equivalents at the beginning of FY2021 of US\$39.2 million; and (ii) the net decrease in cash and cash equivalents net of exchange rate changes of US\$5.0 million, the Excelpoint Group's cash and cash equivalent as at 31 December 2021 amounted to US\$34.1 million.

7.3 NAV and NTA of the Excelpoint Group

7.3.1 Balance Sheet

A summary of the audited financial position of the Excelpoint Group as at 31 December 2021 is set out as follows:

(US\$'000)	As at 31 December 2021
Non-current assets	
Property, plant and equipment	3,818
Right-of-use assets	5,851
Intangible assets	752
Other investments	3,812
Deferred tax assets	98
Total non-current assets	14,331
Current assets	
Trade and other debtors	219,348
Prepayments	491
Stocks	211,396
Cash and short-term deposits	34,146
Total current assets	465,381
Total assets	479,712

APPENDIX 1 – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS OF EXCELPOINT TECHNOLOGY LTD. IN RESPECT OF THE SCHEME

(US\$'000)	As at 31 December 2021
Current liabilities	
Trade and other creditors	268,387
Contract liabilities	11,654
Interest-bearing loans and borrowings	72,034
Lease liabilities	2,425
Income tax payable	4,039
Total current liabilities	358,539
Net current assets	106,842
Non-current liabilities	
Interest-bearing loans and borrowings	8,284
Lease liabilities	4,044
Total non-current liabilities	12,328
Total liabilities	370,867
Share capital	39,483
Revenue reserves	67,914
Other reserves	1,448
Total equity	108,845
NAV of the Excelpoint Group	108,845
NTA of the Excelpoint Group	108,093
Number of issued shares (excluding treasury shares) as at 31 December 2021 ⁽¹⁾	120,318,640
NAV per Target Share (US\$ cents)	90.46
NTA per Target Share (US\$ cents)	89.84
NAV per Target Share (S\$ cents) ⁽¹⁾⁽²⁾	122.04
NTA per Target Share (S\$ cents) ⁽¹⁾⁽²⁾	121.19

Source: Annual report of the Company for FY2021

Notes:

- (1) Based on 120,318,640 Target Shares as at 31 December 2021. On 6 May 2022, 80,000 new Target Shares were issued to the independent directors of the Company, being Mr Kwah Thiam Hock, Mr. Sunny Wong Fook Choy, Mr. Low Teck Seng and Ms. Joanne Khoo Su Nee (whom has retired as director as of 8 April 2022), following which there are 120,398,640 Target Shares. There is no change in the number of issued Target Shares since 6 May 2022 and up to the Latest Practicable Date. Based on 120,398,640 Target Shares and the exchange rate of US\$1 to S\$1.4005 as at the Latest Practicable Date, the NAV and NTA per Target Share are 126.61 Singapore cents and 125.74 Singapore cents respectively.
- (2) Based on the exchange rate of US\$1 to S\$1.3490 as at 31 December 2021. The exchange rate is extracted from Bloomberg and serves as a reference only.

Assets

As at 31 December 2021, the Excelpoint Group has total assets of US\$479.7 million comprising current assets of US\$465.4 million (97.0% of total assets) and non-current assets of US\$14.3 million (3.0% of total assets).

The main current assets of the Excelpoint Group are trade and other debtors of US\$219.3 million (47.1% of current assets) and stocks of US\$211.4 million (45.4% of current assets).

APPENDIX 1 – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS OF EXCELPOINT TECHNOLOGY LTD. IN RESPECT OF THE SCHEME

The main non-current assets of the Excelpoint Group are property, plant and equipment of US\$3.8 million (26.6% of non-current assets), right-of-use assets of US\$5.9 million (40.8% of non-current assets) and other investments of US\$3.8 million (26.6% of non-current assets).

Property, plant and equipment mainly comprised motor vehicles amounting to US\$2.0 million (52.1% of PPE), computers and IT equipment amounting to US\$1.0 million (26.6% of PPE), and renovations amounting to US\$0.5 million (14.2% of PPE). We understand from the Management that as at the Latest Practicable Date, the Excelpoint Group does not have any current plans for an imminent material disposal and/or conversion of the use of the Excelpoint Group's assets and/or material change in the nature of the Excelpoint Group's business. Accordingly, no adjustments have been made to the NAV or NTA of the Excelpoint Group in this regard.

Other investments comprised quoted equity securities amounting to US\$0.9 million and unquoted equity securities amounting to US\$2.9 million, which the Excelpoint Group intends to hold for long-term investment. We note that the quoted equity securities, representing approximately 0.2% of the Excelpoint Group's total assets as at 31 December 2021, are immaterial relative to its total assets and based on the closing price of the quoted securities as at the Latest Practicable Date, there are no material differences between the carrying value and the market value of these quoted securities as at 31 December 2021. We further understand from the Directors that as at the Latest Practicable Date, there is no new information which might result in a material change in the value of the unquoted equity securities. Accordingly, no adjustments have been made to the NAV or NTA of the Excelpoint Group in this regard.

Right-of-use assets comprise leases of buildings and office equipment.

Intangible assets comprise club memberships. The useful lives of the memberships are estimated to be indefinite because these are lifetime memberships with no dates of expiry. During FY2019, FY2020 and FY2021, there has been no impairment loss recognised to write-down the carrying amount of club memberships.

Liabilities and equity

As at 31 December 2021, the Excelpoint Group has total liabilities of US\$370.9 million, comprising trade and other creditors of US\$268.4 million (72.4% of total liabilities), interest-bearing loans and borrowings of US\$80.3 million (21.7% of total liabilities), contract liabilities of US\$11.7 million (3.1% of total liabilities), lease liabilities of US\$6.5 million (1.7% of total liabilities) and income tax payable of US\$4.0 million (1.1% of total liabilities).

Total equity of the Excelpoint Group as at 31 December 2021 was US\$108.8 million. There is no non-controlling interest. Accordingly, the NAV of the Excelpoint Group as at 31 December 2021 was US\$108.8 million. After deducting intangible assets of US\$0.8 million, the NTA of the Excelpoint Group was US\$108.1 million as at 31 December 2021.

7.3.2 Book NTA of the Excelpoint Group

The NAV of a group refers to the aggregate value of all the assets in their existing condition, net of any non-controlling interests and all the liabilities of the group. The NAV approach may provide an estimate of the value of a group assuming the hypothetical sale of all its assets over a reasonable period of time, the proceeds of which would be first used to settle the liabilities of the group with the balance available for distribution to its shareholders. Therefore, the net assets of a group are perceived as providing support for the value of the shareholders' equity.

Notwithstanding the foregoing, Shareholders should note that an analysis based on the NAV of the Excelpoint Group provides an estimate of the value of the Excelpoint Group based on a hypothetical scenario, and such hypothetical scenario is assumed without considering factors such as, *inter alia*, time value of money, market conditions, legal and professional fees,

APPENDIX 1 – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS OF EXCELPOINT TECHNOLOGY LTD. IN RESPECT OF THE SCHEME

liquidation costs, taxes, contractual obligations, regulatory requirements and availability of potential buyers, which would theoretically lower the NAV that can be realised. While the asset base of the Excelpoint Group can be a basis for valuation, such a valuation does not necessarily imply a realisable market value as the market value of the assets and liabilities may vary depending on prevailing market and economic conditions. Furthermore, the NAV approach is more relevant in circumstances where the business is to cease operations or where the profitability of the business being valued is not sufficient to sustain an earnings-based valuation.

We note that the Excelpoint Group has intangible assets amounting to US\$725,000, comprising club memberships which represent in aggregate approximately 0.2% of total assets as at 31 December 2021. Based on the Excelpoint Group's FY2021 audited financial statements and 120,318,640 Target Shares in issue as at 31 December 2021, the NTA of the Excelpoint Group amounted to approximately US\$108.1 million or S\$1.21² per Target Share. We note that the Scheme Consideration represents a premium of approximately 59.4% against the NTA per Target Share of S\$1.21² as at 31 December 2021. Accordingly, the Price-to-NTA ("**P/NTA**") of the Excelpoint Group implied by the Scheme Consideration would be approximately 1.59 times as at 31 December 2021.

On 6 May 2022, 80,000 new Target Shares were issued to the independent directors of the Company, being Mr Kwah Thiam Hock, Mr. Sunny Wong Fook Choy, Mr. Low Teck Seng and Ms. Joanne Khoo Su Nee (whom has retired as director as of 8 April 2022), following which there are 120,398,640 Target Shares. Based on 120,398,640 Target Shares as at the Latest Practicable Date, the NTA of the Excelpoint Group is approximately US\$108.1 million or S\$1.26³ per Target Share. We further note that the Scheme Consideration represents a premium of approximately 53.5% against the NTA per Target Share of S\$1.26³. Accordingly, the P/NTA of the Excelpoint Group implied by the Scheme Consideration would be approximately 1.53 times based on the 120,398,640 Target Shares as at the Latest Practicable Date.

In our evaluation of the financial terms of the Scheme, we have also considered whether there is any other asset which should be valued at an amount that is materially different from that as recorded in the statement of financial position of the Excelpoint Group as at 31 December 2021 and whether there are any factors which have not been otherwise disclosed in the financial statements of the Excelpoint Group that may have a material impact on the audited NTA of the Excelpoint Group as at 31 December 2021.

We note that as disclosed in paragraph 2.2 of the "Letter to Shareholders", the Offeror currently has no plans to: (a) introduce any major changes to the business of the Company; (b) re-deploy the fixed assets of the Company; or (c) discontinue the employment of the employees of the Excelpoint Group, save in the ordinary course of business or as a result of any internal reorganisation or restructuring within the Excelpoint Group which may be implemented after the Effective Date. However, the board of directors of the Offeror retains and reserves the right and flexibility at any time to consider any options in relation to the Excelpoint Group which may present themselves and which it may regard to be in the interest of the Excelpoint Group.

² Based on the exchange rate of US\$1 to S\$1.3490 as at 31 December 2021. The exchange rate is extracted from Bloomberg and serves as a reference only.

³ Based on the exchange rate of US\$1 to S\$1.4005 as at the Latest Practicable Date. The exchange rate is extracted from Bloomberg and serves as a reference only.

APPENDIX 1 – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS OF EXCELPOINT TECHNOLOGY LTD. IN RESPECT OF THE SCHEME

Save as disclosed above, the Directors have confirmed that as at the Latest Practicable Date and to the best of their knowledge and belief:

- (a) they are not aware of any material difference between the estimated market value of the assets held by the Excelpoint Group and its associates *vis-à-vis* their respective book values recorded in the audited statements of financial position of the Excelpoint Group as at 31 December 2021;
- (b) they are not aware of any circumstances which may cause the NTA of the Excelpoint Group as at the Latest Practicable Date to be materially different from that recorded in the audited statement of financial position of the Excelpoint Group as at 31 December 2021;
- (c) there have been no material disposals or acquisitions of assets by the Excelpoint Group between 31 December 2021 and the Latest Practicable Date, and the Excelpoint Group does not have any plans for such impending material disposal or acquisition of assets, conversion of the use of the Excelpoint Group's material assets or material change in the nature of the Excelpoint Group's business;
- (d) there are no indicators of impairment on the intangible assets that would require the Excelpoint Group to perform further impairment tests;
- (e) there are no contingent liabilities, bad or doubtful debts or impairment losses or material events at as the Latest Practicable Date which are likely to have a material impact on the NAV of the Excelpoint Group as at 31 December 2021;
- (f) there are no litigation, claim or proceedings pending or threatened against the Excelpoint Group or of any fact likely to give rise to any proceedings as at the Latest Practicable Date which would have a material impact on the financial position of the Excelpoint Group as at 31 December 2021; and
- (g) there are no other intangible assets as at the Latest Practicable Date which ought to be disclosed in the statement of financial position of the Excelpoint Group in accordance with the Singapore Financial Reporting Standards (International) and which have not been disclosed that would have a material impact on the NTA of the Excelpoint Group as at 31 December 2021.

The Excelpoint Group recorded cash and short-term deposits of US\$34.1 million as at 31 December 2021. After deducting for current and non-current borrowings and lease liabilities, the Excelpoint Group would record a net debt position of US\$52.6 million (or net debt of S\$0.590⁴ per Target Share). Accordingly, we have not compared the Scheme Consideration *vis-à-vis* the NAV or NTA of the Excelpoint Group on an ex-cash basis.

⁴ Based on the exchange rate of US\$1 to S\$1.3490 as at 31 December 2021. The exchange rate is extracted from Bloomberg and serves as a reference only.

APPENDIX 1 – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS OF EXCELPOINT TECHNOLOGY LTD. IN RESPECT OF THE SCHEME

7.4 Comparison of Valuation Statistics of Companies Broadly Comparable to the Excelpoint Group

In considering what may be regarded as a reasonable range of valuation for the purpose of assessing the financial terms of the Scheme, we have referred to selected listed companies on various stock exchanges which business activities are broadly comparable with those of the Excelpoint Group to give an indication of the current market expectations with regard to the perceived valuation of these businesses.

The Company is an SGX-listed company and is principally engaged in the distribution of electronics components. In light of the lack of direct comparable companies on the SGX-ST, we have, in consultation with the Management, used the following companies listed on the SGX-ST, Taiwan Stock Exchange or the Hong Kong Stock Exchange which are engaged in a similar business, and with market capitalisations of not more than S\$1.0 billion (the “**Comparable Companies**”) to get an indication of the current market expectations with regard to the perceived valuation of the Excelpoint Group.

We wish to highlight that the Comparable Companies are not exhaustive and there is no listed company or group which may be considered identical to the Excelpoint Group in terms of, *inter alia*, business activities, market capitalisation, scale of operations, risk profile, geographical spread, operating and financial leverage, accounting policies, adherence to accounting standards, tax factors, track record and future prospects. In addition, each of the Comparable Companies may engage in other separate business activities which are not related to the principal business of the Excelpoint Group. As such, any comparison made herein is strictly limited in scope and merely serves as an illustrative guide to Shareholders.

Details on the Comparable Companies, including their business descriptions and selected key financial and valuation statistics, are set out below and in Annex A to this letter:

- (a) Supreme Electronics Co., Ltd.;
- (b) Weikeng Industrial Co., Ltd.;
- (c) S.A.S. Dragon Holdings Limited;
- (d) EDOM Technology Co., Ltd.;
- (e) Serial System Ltd;
- (f) Karin Technology Holdings Ltd;
- (g) Willas-Array Electronics (Holdings) Limited;
- (h) AV Concept Holdings Limited; and
- (i) Mobicon Group Limited.

APPENDIX 1 – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS OF EXCELPPOINT TECHNOLOGY LTD. IN RESPECT OF THE SCHEME

In assessing the financial terms of the Scheme, we have used the following valuation parameters in our analysis:

Valuation parameter	Description
Price-earnings ratio (“ PER ”)	<p>The historical PER, which illustrates the ratio of the market price of a company’s shares relative to its historical consolidated earnings per share, is commonly used for the purpose of illustrating the profitability, and hence valuation, of a company.</p> <p>We have considered the historical PERs of the Comparable Companies based on their respective last transacted prices on the Latest Practicable Date and trailing 12 months earnings per share <i>vis-à-vis</i> the corresponding historical PER of the Excelpoint Group based on the Scheme Consideration and the latest announced audited earnings per share for FY2021.</p>
Price-to-NTA ratio (“ P/NTA ”)	<p>An NTA-based approach is useful to illustrate the extent that the value of each share is backed by assets, and would be more relevant in the case where the group were to change the nature of its business or realise or convert the use of all or most of its assets. The NTA-based valuation approach may provide an estimate of the value of a company or group assuming the hypothetical sale of all its assets over a reasonable period of time at the aggregate value of the assets used in the computation of the NTA, with the balance to be distributed to its shareholders after the settlement of all the liabilities and obligations of the company or group.</p> <p>We have considered the historical P/NTA ratios of the Comparable Companies based on their respective last transacted prices on the Latest Practicable Date and latest announced NTA per share as at the end of the relevant financial year/period (as adjusted for any corporate activities which were undertaken after the latest available balance sheet date that may affect the NTA per share, where relevant), <i>vis-à-vis</i> the corresponding historical P/NTA ratio of the Excelpoint Group based on the Scheme Consideration and the latest announced NTA per Target Share of the Excelpoint Group as at 31 December 2021.</p>
Enterprise value to EBITDA ratio (“ EV/EBITDA ”)	<p>The historical EV/EBITDA ratio illustrates the ratio of the market value of a company’s business relative to its historical consolidated pre-tax operating cashflow performance, without regard to its capital structure, and provides an indication of current market valuation relative to operating performance. “EV” is the sum of a company’s market capitalisation, preferred equity, minority interests, short- and long-term debts less cash and cash equivalents, and represents the actual cost to acquire the entire company. “EBITDA” refers to historical consolidated earnings before interest, tax, depreciation and amortisation expenses. EBITDA can be used to analyse the profitability between companies as it eliminates the effects of financing and accounting decisions.</p> <p>We have considered the historical EV/EBITDA ratios of the Comparable Companies based on their respective last transacted prices on the Latest Practicable Date, latest available balance sheet values (as adjusted for any corporate activities which were undertaken after the latest available balance sheet date that may affect the EV, where relevant) and trailing 12 months EBITDA <i>vis-à-vis</i> the corresponding historical EV/EBITDA ratio of the Excelpoint Group based on the Scheme Consideration and the latest announced FY2021 EBITDA of the Excelpoint Group.</p>

APPENDIX 1 – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS OF EXCELPOINT TECHNOLOGY LTD. IN RESPECT OF THE SCHEME

Comparative valuation statistics of the Comparable Companies vis-à-vis the Excelpoint Group

The following table sets out the comparative valuation statistics of the Comparable Companies vis-à-vis the Excelpoint Group as implied by the Scheme Consideration:

Comparable Companies	Market Capitalisation ⁽¹⁾ (S\$ millions)	Historical PER (times)	Historical P/NTA ratio (times)	Historical EV/EBITDA ratio (times)
Supreme Electronics Co., Ltd.	807.0	5.35	1.43	9.52
Weikeng Industrial Co., Ltd.	516.2	5.23	1.47	6.07
S.A.S. Dragon Holdings Limited	417.8	3.28	0.99	2.99
EDOM Technology Co., Ltd.	386.4	6.36	1.55	9.55
Serial System Ltd	97.7	6.23	0.47	10.69
AV Concept Holdings Limited	87.6	2.12	0.30	1.71
Karin Technology Holdings Ltd	73.0	11.69	0.92	9.25
Willas-Array Electronics (Holdings) Limited	66.5	4.45	0.48	4.56
Mobicon Group Limited	13.0	5.53	0.53	4.98

High		11.69	1.55	10.69
Mean		5.58	0.91	6.59
Median		5.35	0.92	6.07
Low		2.12	0.30	1.71

Company (Implied by the Scheme Consideration)⁽²⁾	S\$232.4	6.77	1.53	6.33
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Sources: *Bloomberg L.P.*, annual reports and/or announcements of the respective Comparable Companies and SAC Capital's computations

Notes:

- (1) Based on last traded prices of the respective companies and exchange rates as at the Latest Practicable Date.
- (2) Based on 120,398,640 Target Shares and the exchange rate of US\$1 to S\$1.4005 as at the Latest Practicable Date.

Historical PER comparison

We note that the historical PER of 6.77 times of the Excelpoint Group as implied by the Scheme Consideration is:

- (a) within the range of historical PERs of the Comparable Companies of between 2.12 times and 11.69 times; and
- (b) above the corresponding mean and median historical PER of the Comparable Companies of 5.58 times and 5.35 times respectively.

APPENDIX 1 – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS OF EXCELPOINT TECHNOLOGY LTD. IN RESPECT OF THE SCHEME

Historical P/NTA ratio comparison

We note that the historical P/NTA ratio of 1.53 times of the Excelpoint Group as implied by the Scheme Consideration is:

- (a) within the range of historical P/NTA ratios of the Comparable Companies of between 0.30 times and 1.55 times; and
- (b) above the corresponding mean and median historical P/NTA ratios of the Comparable Companies of 0.91 times and 0.92 times respectively.

Historical EV/EBITDA ratio comparison

We note that the historical EV/EBITDA ratio of 6.33 times of the Excelpoint Group as implied by the Scheme Consideration is:

- (a) within the range of historical EV/EBITDA ratios of the Comparable Companies of between 1.71 times and 10.69 times; and
- (b) within the range of the corresponding mean and median historical EV/EBITDA ratios of the Comparable Companies of 6.59 times and 6.07 times respectively.

Estimated range of value of the Target Shares

In deriving a range of values for the Target Shares, we have considered the mean and median PER, P/NTA and EV/EBITDA valuation multiples as our primary valuation methodology.

Valuation Parameter	Implied Valuation Range (S\$ million)	
	Lower Bound	Upper Bound
PER	183.8	191.7
P/NTA	137.2	139.5
EV/EBITDA	219.5	244.8
Average	180.2	192.0
Implied Share Price (S\$)	1.50	1.59

Based on the above, the overall range of derived theoretical valuations is between approximately S\$180.2 million and S\$192.0 million, which translate to between S\$1.50 and S\$1.59 per Target Share. We note that the Scheme Consideration of S\$1.93 is above our estimated value range of the Target Shares.

APPENDIX 1 – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS OF EXCELPOINT TECHNOLOGY LTD. IN RESPECT OF THE SCHEME

7.5 Comparison with Recent Successful Privatisation Transactions and Delisting Offers of Companies Listed on the SGX-ST

In assessing the reasonableness of the Scheme in light of the stated intention of the Offeror to delist the Target Shares from the Official List of the SGX-ST, we have compared the financial terms of the Scheme with: (a) selected recent successful privatisation transactions in cash announced on the SGX-ST during the 12-month period prior to the Last Undisturbed Trading Day, whether by way of a general offer under the Code or a scheme of arrangement under Section 210 of the Companies Act where the offeror has stated its intention to delist the target company from the Official List of the SGX-ST; and (b) selected recent completed delisting cash offers under Rule 1307 of the Listing Manual announced during the 12-month period prior to the Last Undisturbed Trading Day (collectively, the “**Take-over Transactions**”).

This analysis serves as a general indication of the relevant premium/discount that the offerors had paid in order to acquire the target companies without having regard to their specific industry characteristics or other considerations, and the comparison sets out:

- (a) the premium or discount represented by each of the respective offer prices to the last transacted prices and VWAPs over the 1-month, 3-month, 6-month and 12-month periods prior to the announcement of the Take-over Transactions; and
- (b) the premium or discount represented by each of the respective offer prices to the NAV/NTA of the respective target companies, where applicable. As some of the Take-over Transactions had undertaken revaluations and/or adjustments to their assets which may have a material impact on their last announced book values, we have also, where relevant, compared the financial terms of such offer transactions with the revalued NAV (or revalued NTA where applicable) and/or adjusted NAV (or adjusted NTA where applicable) of the Take-over Transactions, where available.

We wish to highlight that the Take-over Transactions set out below are by no means exhaustive. In addition, as the Excelpoint Group is not directly comparable to the target companies involved in the Take-over Transactions in terms of business activities, scale of operations, market capitalisation, geographical spread, risk profile, accounting policies, financial performance, operating and financial leverage, track record and future prospects, the comparison merely serves as a general guide to provide an indication of the premia/discounts paid in connection with privatisation transactions and delisting offers of companies listed on the SGX-ST. Each of the Take-over Transactions must be judged on its own commercial and financial merits. Shareholders should also note that the premium (if any) to be paid by an offeror in a privatisation transaction or delisting offer varies in different circumstances depending on, *inter alia*, the offeror’s intentions with regard to the target company, the potential synergy that the offeror can gain from acquiring the target company, the attractiveness of the underlying business, prevailing market expectations and the presence of competing bids. Conclusions drawn from the comparisons made may not reflect any perceived market valuation of the Company.

**APPENDIX 1 – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS OF EXCELPOINT TECHNOLOGY LTD.
IN RESPECT OF THE SCHEME**

Company	Date of offer announcement	Offer price (S\$)	Premium of offer price over					Offer price-to-NAV / NTA ratio (times) ⁽¹⁾	
			Last transacted price	1-month VWAP	3-month VWAP	6-month VWAP	12-month VWAP		
			Prior to announcement of offer (%)						
Neo Group Limited	30 March 2021	0.600	20.0	17.9	14.5	15.4	31.0	1.66 ⁽²⁾	
Sin Ghee Huat Corporation Ltd	29 April 2021	0.270	25.6 ⁽³⁾	52.5 ⁽³⁾	60.7 ⁽³⁾	66.7 ⁽³⁾	61.7 ⁽³⁾	0.57 ⁽⁴⁾	
Top Global Limited	30 April 2021	0.390	122.9 ⁽⁵⁾	132.1 ⁽⁵⁾	146.8 ⁽⁵⁾	148.4 ⁽⁵⁾	142.2 ⁽⁵⁾	0.32 ⁽⁶⁾	
Cheung Woh Technologies Ltd	6 May 2021	0.285	90.0	90.0	92.6	109.6	141.5	1.10 ⁽⁷⁾	
Dutech Holdings Limited	31 May 2021	0.435 ⁽⁸⁾	74.0 ⁽⁸⁾	73.3 ⁽⁸⁾	74.7 ⁽⁸⁾	73.3 ⁽⁸⁾	61.1 ⁽⁸⁾	0.77 ⁽⁸⁾⁽⁹⁾	
Fragrance Group Limited	9 July 2021	0.138	16.9	19.0	19.0	20.0	21.1	0.70 ⁽¹⁰⁾	
Roxy-Pacific Holdings Limited	20 September 2021	0.485	19.8 ⁽¹¹⁾	20.9 ⁽¹¹⁾	23.4 ⁽¹¹⁾	30.4 ⁽¹¹⁾	37.0 ⁽¹¹⁾	0.64 ⁽¹²⁾	
SingHaiyi Group Ltd	9 November 2021	0.117	8.3	7.3	10.4	18.2	19.4	0.60 ⁽¹³⁾	
Starburst Holdings Limited	10 November 2021	0.238	5.8	3.9	9.2	12.8	25.3	1.84 ⁽¹⁴⁾	
United Global Limited	10 December 2021	0.450	12.5	16.6	16.6	16.3	14.2	1.06 ⁽¹⁵⁾	
Koufu Group Limited	29 December 2021	0.770	15.8	14.4	13.6	15.1	15.3	3.21 ⁽¹⁶⁾	
Shinvest Holding Ltd	16 February 2022	3.500	12.9	8.5	10.2	10.1	14.3	0.66 ⁽¹⁷⁾	
Singapore O&G Ltd	7 March 2022	0.295	15.7	14.8	12.2	11.3	11.3	3.30	
			High	122.9	132.1	146.8	148.4	142.2	3.30
			Mean	33.9	36.2	38.8	42.1	45.8	1.26
			Median	16.9	17.9	16.6	18.2	25.3	0.77
			Low	5.8	3.9	9.2	10.1	11.3	0.32
Company (Implied by the Scheme Consideration)	13 April 2022	0.193	21.4⁽¹⁸⁾	36.6⁽¹⁸⁾	31.3⁽¹⁸⁾	45.9⁽¹⁸⁾	72.3⁽¹⁸⁾	1.53⁽¹⁹⁾	

Sources: Announcements and circulars to shareholders in relation to the respective Take-over Transactions and SAC Capital's computations.

APPENDIX 1 – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS OF EXCELPOINT TECHNOLOGY LTD. IN RESPECT OF THE SCHEME

Notes:

- (1) Based on the revalued NAV per share or adjusted NAV per share or NTA per share or revalued NTA per share or adjusted revalued NTA per share as extracted from the independent financial adviser's letters for the respective companies.
- (2) Based on the revalued NTA per share of Neo Group Limited as at 30 September 2020.
- (3) On 21 April 2021, Sin Ghee Huat Corporation Ltd announced that its controlling shareholders has entered into negotiations with third parties to explore a possible transaction involving its shares which may or may not lead to an offer being made. The market premia in the table above were computed based on the share prices for the period(s) prior to and including 21 April 2021, being the last Market Day prior to the announcement of the possible transaction.
- (4) Based on the revalued NAV per share of Sin Ghee Huat Corporation Ltd as at 31 December 2020.
- (5) On 10 March 2021, an announcement was released on the disclosure of changes in interest in relation to Mdm. Oei Siu Hoa @ Sukmawati Widjaja's ("**Mdm Oei**") acquisition of 26,023,193 shares at S\$0.390 per share by way of an off-market transaction on 10 March 2021. The premia in the table above were computed based on the share prices for the period(s) prior to and including 9 March 2021, being the last Market Day prior to the disclosure of change in interest announcement. The offeror for Top Global Limited is wholly owned by Mdm Oei.
- (6) Based on the revalued NAV per share of Top Global Limited as at 31 December 2020.
- (7) Based on the revalued NAV per share of Cheung Woh Technologies Ltd as at 28 February 2021.
- (8) On 26 July 2021, the board of Dutech Holdings Limited issued a supplemental letter in connection with the revised offer from S\$0.40 per share to S\$0.435 per share. Accordingly, the market premia in the table above were computed based on the revised offer price of S\$0.435 per share.
- (9) Based on the NTA per share of Dutech Holdings Limited as at 31 December 2020.
- (10) Based on the revalued NAV per share of Fragrance Group Limited as at 30 June 2021.
- (11) On 15 September 2021, Roxy-Pacific Holdings Limited's shares were halted before the pre-conditional offer announcement that was announced on 20 September 2021. The market premia in the table above were computed based on the share prices for the period(s) prior to and including 14 September 2021, being the last Market Day prior to the announcement of the possible transaction.
- (12) Based on the revalued NAV per share of Roxy-Pacific Holdings Limited as at 30 June 2021.
- (13) Based on the revalued NAV per share of SingHaiyi Group Ltd as at 30 September 2021.
- (14) Based on the revalued NAV per share of Starburst Holdings Limited as at 30 June 2021.
- (15) Based on the NTA per share of United Global Limited as at 30 June 2021.
- (16) Based on the revalued NAV per share of Koufu Group Limited as at 30 June 2021.
- (17) Based on the adjusted revalued NTA per share of Shinvest Holding Ltd as at 31 August 2021.

**APPENDIX 1 – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS OF EXCELPOINT TECHNOLOGY LTD.
IN RESPECT OF THE SCHEME**

- (18) On 25 March 2022, the Company released the Holding Announcement. The market premia in the table above were computed based on the share prices for the period(s) prior to and including 25 March 2022, being the Last Undisturbed Trading Day.
- (19) Based on 120,398,640 Target Shares and the exchange rate of US\$1 to S\$1.4005 as at the Latest Practicable Date.

APPENDIX 1 – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS OF EXCELPOINT TECHNOLOGY LTD. IN RESPECT OF THE SCHEME

We note that in respect of the Take-over Transactions:

- (a) the premium of the Scheme Consideration over the last transacted price of the Target Shares on the Last Undisturbed Trading Day of approximately 21.4% is:
 - (i) within the range of the corresponding premia of the Take-over Transactions of between 5.8% and 122.9%; and
 - (ii) above the median premium of 16.9% but below the mean premium of 33.9% of the Take-over Transactions;
- (b) the premium of the Scheme Consideration over the last transacted price of the Target Shares for the 1-month period prior to the Last Undisturbed Trading Day of approximately 36.6% is:
 - (i) within the range of the corresponding premia of the Take-over Transactions of between 3.9% and 132.1%; and
 - (ii) above the median premium of 17.9% and approximately on par with the mean premium of 36.2% of the Take-over Transactions;
- (c) the premium of the Scheme Consideration over the last transacted price of the Target Shares for the 3-month period prior to the Last Undisturbed Trading Day of approximately 31.3% is:
 - (i) within the range of the corresponding premia of the Take-over Transactions of between 9.2% and 146.8%; and
 - (ii) above the median premium of 16.6% but below the mean premium of 38.8% of the Take-over Transactions;
- (d) the premium of the Scheme Consideration over the last transacted price of the Target Shares for the 6-month period prior to the Last Undisturbed Trading Day of approximately 45.9% is:
 - (i) within the range of the corresponding premia of the Take-over Transactions of between 10.1% and 148.4%; and
 - (ii) above the corresponding median and mean premia of 18.2% and 42.1% of the Take-over Transactions respectively;
- (e) the premium of the Scheme Consideration over the last transacted price of the Target Shares for the 12-month period prior to the Last Undisturbed Trading Day of approximately 72.3% is:
 - (i) within the range of the corresponding premia of the Take-over Transactions of between 11.3% and 142.2%; and
 - (ii) above the corresponding median and mean premia of 25.3% and 45.8% of the Take-over Transactions respectively;

APPENDIX 1 – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS OF EXCELPOINT TECHNOLOGY LTD. IN RESPECT OF THE SCHEME

- (f) the P/NTA ratio as implied by the Scheme Consideration and the NTA per Target Share as at 31 December 2021 of 1.53 times is:
- (i) within the range of Price-to-NAV/NTA ratios of the Take-over Transactions of between 0.32 times and 3.30 times; and
 - (ii) above the corresponding mean and median Price-to-NAV/NTA ratios of the Take-over Transactions of 1.26 times and 0.77 times respectively.

7.6 Dividend track record of the Company and selected alternative investments

We set out below an analysis of the dividends declared and the dividend payout ratio for the last five financial years ended 31 December, the implied dividend yield based on the closing price of the Target Shares on the final cum-dividend date; and the implied dividend yield based on the Scheme Consideration.

	FY2017	FY2018	FY2019	FY2020	FY2021
Final tax-exempt one-tier dividend per Target Share (S\$)	0.030	0.030	-	0.030	0.040
Special tax exempt one-tier dividend per Target Share (S\$)	0.015	0.010	-	0.015	0.048
Total dividend per Target Share (S\$)	0.045	0.040	-	0.045	0.088
Dividend payout ratio	47.7%	43.4%	-	37.9%	32.0%
Share price on final cum-dividend date (S\$) ⁽¹⁾	0.730	0.635	-	0.705	1.990
Dividend yield (based on Target Share price on final cum-dividend date) ⁽¹⁾	6.16%	6.30%	-	6.38%	4.42%
Dividend yield (implied by the Scheme Consideration)	2.33%	2.07%	-	2.33%	4.56%

Sources: Bloomberg L.P., Company's announcements on SGXNET and SAC Capital's computations.

Note:

- (1) Based on the closing market prices of the Company as at the final cum-dividend date in respect of the dividends declared for each of the respective financial years.

From the table above, we note that the Company's total annual dividend ranged from nil to S\$0.088 per Target Share from FY2017 to FY2021. We understand from the Management that no dividend was declared for FY2019 due to the uncertain business environment to maintain the Excelpoint Group's working capital. Excluding FY2019, the Company's dividend yield per annum ranged from 4.42% to 6.38%, and the implied dividend yield based on the Scheme Consideration ranged from 2.07% to 4.56%.

We wish to further highlight that as set out in paragraph 3.1 of the "Letter to Shareholders", the Scheme Consideration will not be reduced or otherwise adjusted for the Final FY2021 Dividend. The Target Shares went ex-dividend on 28 April 2022, and the Final FY2021 Dividend was paid on 13 May 2022. Shareholders as at the Record Date will be entitled to receive and retain the Final FY2021 Dividend (if entitled) in addition to the Scheme Consideration.

APPENDIX 1 – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS OF EXCELPOINT TECHNOLOGY LTD. IN RESPECT OF THE SCHEME

Notwithstanding the past dividend payouts, the Directors have confirmed that the Company does not have a fixed dividend policy. As stated in the Company's annual report for FY2021, the Company targets to provide sustainable dividend payouts depending upon the Excelpoint Group's operating results, financial conditions, cash position, other cash requirements including capital expenditure or requirements for Excelpoint Group's profit growth, terms of borrowing arrangements and other factors as the Board may deem appropriate. The Company endeavours to pay dividends and where dividends are not paid, the Company will disclose the reason(s) accordingly.

Shareholders should note that past dividend payouts should not be in any way relied upon as an indication or promise of the Company's future dividend payouts. There is no assurance that the Company will continue to pay dividend in future and/or maintain the level of dividends paid in the past financial years, after the completion of the Scheme or if the Scheme does not become effective. If the Scheme becomes effective, the decision on any dividend payment will be decided by the directors and controlling shareholders of the Offeror.

Investment in selected alternative investments

We have considered the dividend track record of the Company and the dividend yield of the Target Shares implied by the Scheme Consideration relative to alternative investments.

Upon the Scheme being effective, Shareholders have the ability to re-invest the proceeds from the Scheme in selected alternative investments including the equity of the Comparable Companies. For illustrative purposes, the dividend yields of the Comparable Companies (based on their respective dividends in the trailing twelve months period and the closing prices on the Latest Practicable Date) are set out in the table below.

Comparable Companies	Prevailing dividend yield (%)
Supreme Electronics Co., Ltd.	9.99
Weikeng Industrial Co., Ltd.	11.70
S.A.S. Dragon Holdings Limited	12.03
EDOM Technology Co., Ltd.	11.17
Serial System Ltd	6.20
Karin Technology Holdings Ltd	12.39
Willas-Array Electronics (Holdings) Limited	17.03
AV Concept Holdings Limited	9.26
Mobicon Group Limited	2.74
Mean	10.28
Median	11.17

Sources: *Bloomberg L.P., annual reports and/or announcements of the respective Comparable Companies and SAC Capital's computations*

We note that the Company's latest dividend yield implied by the Scheme Consideration of 4.56% is lower than the mean and median dividend yields of the Comparable Companies of 10.28% and 11.17% respectively.

APPENDIX 1 – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS OF EXCELPOINT TECHNOLOGY LTD. IN RESPECT OF THE SCHEME

On the surface of the above-mentioned analysis, it would appear that Shareholders may be able to achieve comparable or better dividend yields than they did on their Target Shares assuming the Scheme becoming effective and if they reinvest their proceeds from the Scheme in the shares of certain of the selected Comparable Companies.

We wish to highlight that the above dividend analysis merely serves as an illustrative guide only. It should be noted that an investment in the equity of the Comparable Companies also presents different risk-return profiles as compared to an investment in the Company and the above analysis ignores the effect of any potential capital gain or capital loss (including any taxes that may be applicable) that may accrue to Shareholders arising from their investment in the Target Shares due to market fluctuations in the price of the Target Shares during the relevant corresponding periods in respect of which the above dividend yields were analysed. Moreover, there is no assurance that, *inter alia*, the Company or any of the Comparable Companies will continue to pay or not to pay any dividends in the future and/or maintain the level of dividends paid in past periods and as such, past dividends are not an indication of the future dividend policy for the Company or the Comparable Companies.

7.7 Other Relevant Considerations

7.7.1 Effects of the Scheme and delisting

Upon the Scheme becoming effective and binding in accordance with its terms, the Company will become a wholly-owned subsidiary of the Offeror, and will, subject to the approval of the SGX-ST, be delisted from the Official List of the SGX-ST.

Upon the Scheme becoming effective, it will be binding on all Shareholders, whether or not they attended or voted at the Scheme Meeting, and if they attended and voted, whether or not they voted in favour of the Scheme.

Shareholders should note that by voting in favour of the Scheme, they are agreeing to the Offeror and its concert parties acquiring or consolidating effective control of the Company without having to make a general offer for the Company.

7.7.2 Irrevocable Undertakings

The Scheme is subject to Shareholders' approval at the Scheme Meeting, constituting a majority in number of Shareholders holding at least 75% in value of the Target Shares, present and voting, either in person or by proxy, at the Scheme Meeting.

The Undertaking Shareholders, being AP, Mdm Han Jiak Siew, being the spouse of AP ("HJS"), and AP21 Holdings Pte Ltd, a company wholly owned by AP and HJS ("AP21"), holding an aggregate of 50,513,372 Target Shares, representing approximately 41.96% of all the Target Shares as at the Latest Practicable Date, have each given the Irrevocable Undertaking to, *inter alia*: (a) vote, or procure the voting, in favour of the Scheme at the Scheme Meeting; (b) vote, or procure the voting, against and reject any and all resolutions or proposals to approve, implement, carry out or give effect to any Competing Offer by a third party; (c) comply with certain non-solicitation and no-talk provisions, in their capacity as a Shareholder. In the event the Offeror exercises the Switch Option, the Undertaking Shareholders will undertake to accept or procure the acceptance of the Offer in respect of the Target Shares held by him or her, and his or her obligations under the relevant Irrevocable Undertaking shall apply mutatis mutandis to the offer.

APPENDIX 1 – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS OF EXCELPOINT TECHNOLOGY LTD. IN RESPECT OF THE SCHEME

7.7.3 Directors' intentions with respect to their Target Shares

As set out in paragraph 12 of the “Letter to Shareholders”, in the absence of a Competing Offer, all of the Directors who own legally and/or beneficially Target Shares (amounting to approximately 45.49% of the total number of Target Shares), as set out in paragraph 5.3 of Appendix 3 to the Scheme Document (including AP, who has executed an Irrevocable Undertaking in relation to the Target Shares owned legally and/or beneficially by him) have informed the Company that they will vote in favour of the Scheme.

7.7.4 Absence of alternative or competing offers

As at the Latest Practicable Date, other than the Scheme, there is no publicly available evidence of an alternative or competing offer for the Target Shares from any other party. In addition, the Directors have confirmed that as at the Latest Practicable Date, apart from the Scheme, they have not received any alternative or competing offer for the Target Shares from any other party.

Apart from the above, any potential third party may also be discouraged from making a competing offer for the Company at a price higher than the Scheme Consideration in view of the Irrevocable Undertaking. In addition, we note that the market price of the Target Shares had not traded above the Scheme Consideration since the Ex-dividend Date to the Latest Practicable Date, and hence the present offer by the Offeror, as at the Latest Practicable Date, appears to be the highest exit offer price for the Shareholders.

7.7.5 No certainty of share price trading performance

As the Acquisition is being proposed to be effected by way of the Scheme, in the event that the Scheme is not approved by the requisite majority of the Shareholders at the Scheme Meeting, no part of the Acquisition will be further proceeded with.

If the Scheme does not proceed to completion and Company remains listed on the SGX-ST, there is no certainty that the Company's share price will trade at or close to the Scheme Consideration.

In addition, pursuant to Rule 33.1 of the Code, in the event that the Scheme does not become effective and binding in accordance with its terms, is withdrawn or lapses, neither the Offeror, any persons who acted in concert with it in the course of the Scheme nor any person who is subsequently acting in concert with any of them may within 12 months from the date on which the Scheme is withdrawn or lapses: (i) announce an offer or possible offer for the Company; or (ii) acquire any voting rights of the Company if the Offeror or any persons acting in concert with it would thereby become obliged under Rule 14 of the Code to make an offer.

7.7.6 Retention Arrangements

As set out in paragraph 5 of the “Letter to Shareholders”, we note that the Offeror intends to retain AP as the CEO of the Company and to continue to contribute to the development of the Target Group, as AP is the founder and CEO of the Target Group and is intimately involved in the management and operations of the business of the Target Group.

Our evaluation of the Retention Arrangements is set out in paragraph 8 of this letter below.

APPENDIX 1 – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS OF EXCELPOINT TECHNOLOGY LTD. IN RESPECT OF THE SCHEME

7.7.7 Outlook of the Excelpoint Group

We note that the Excelpoint Group had, in its unaudited FY2021 results announcement dated 16 February 2022, included a commentary on the significant trends and competitive conditions of the industry in which the Excelpoint Group operates and any known factors or events that may affect the Excelpoint Group in the next reporting period and the next 12 months which is reproduced in italics below:

“The business environment amidst the Covid-19 pandemic has been an uncertain one, with significant impacts to the semiconductor supply chain such as the global chip shortages and lifestyle shifts. While this has given rise to exceptional business opportunities, we are still cautious of geopolitical risks and the impact that the ongoing pandemic may have on the macro business environment.

Overall, we continue to see rising demand for semiconductor chips and with the sustained momentum of remote working and remote learning, we see traction coming from segments such as high performance computing, fast connectivity and secure networks, as well as communications and sensors. These would in turn generate more demand for Excelpoint’s value-added solutions.

We remain focused on strengthening our core business through innovation, enhancing our engineering capabilities and forging new partnerships to sharpen our competitive edge and increase our business resilience for a sustainable growth.”

We further note the following commentary on the markets and outlook from the letter to Shareholders in the Company’s FY2021 annual report:

“China is one of our leading markets and their resilience has exemplified their positioning as a manufacturing powerhouse. With the China government implementing a slew of new policies and stimulus to develop next generation infrastructure across the telecommunication networks, advanced manufacturing, data centres and artificial intelligence (“AI”), the China market is set for the next wave of growth. Through its “Made in China 2025” policy to bolster domestic production, we expect to see new opportunities arising in Industrial Robotics, 5G & Wireless Communications, Smart Home and Electric Vehicles (“EV”) segments. The Renewable Energy Technologies space is nascent following China’s recent declaration to achieve carbon neutrality by 2060, giving rise to emerging technologies that will contribute to our growth.

Vietnam’s semiconductor industry has matured over the years and we see tremendous growth potential arising from manufacturing shifts, as well as more focus on infrastructure projects and developments. Given Vietnam’s government strong push to drive technology adoption and economic transformation, we have added new growth engines to capture new opportunities in AI, Internet of Things (“IoT”), EV and Urban Development.

We continue to deepen our footprints in India as it remains one of our key emerging markets despite its slow recovery from the impact of COVID-19. We foresee demand traction to resume with India’s various infrastructural projects underway and its strong push to boost domestic production in its electronics manufacturing sector.”

APPENDIX 1 – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS OF EXCELPOINT TECHNOLOGY LTD. IN RESPECT OF THE SCHEME

8. EVALUATION OF THE RETENTION ARRANGEMENTS

As disclosed in paragraph 1 of this letter, the SIC had, *inter alia*, ruled that the Retention Arrangements do not constitute special deals for purposes of Rule 10 of the Code, subject to the IFA publicly stating that in its opinion such arrangements are fair and reasonable.

The salient points of the Retention Arrangements are set out in paragraph 5 of the “Letter to Shareholders”, which includes (a) the Reinvestment of AP in the Offeror, and (b) Shareholders’ Agreement between WT and AP in respect of the Offeror, including a put and call option in respect of the Offeror Shares held by AP.

The purpose of the Retention Arrangements is to retain AP as the CEO of the Company and continue to contribute to the development of the Excelpoint Group, as AP is the founder and CEO of the Excelpoint Group and is intimately involved in the management and operations of the business of the Excelpoint Group.

Our evaluation of the Retention Arrangements is set out below.

8.1 Reinvestment

The Offeror is a special purpose vehicle incorporated in Singapore for the purposes of the Acquisition.

Pursuant to the Irrevocable Undertaking provided by AP, AP has undertaken to the Offeror to reinvest an agreed amount from the aggregate Scheme Consideration due to him pursuant to the Scheme, to subscribe for a certain number of Offeror Shares, at an issue price per Offeror Share equivalent to the Scheme Consideration (converted into US dollars at the exchange rate on the Effective Date), in lieu of receiving the relevant amount of the Scheme Consideration due to him in cash. Following completion of the Scheme and the Reinvestment, WT and AP will hold 80 per cent and 20 per cent of Offeror Shares respectively.

We are of the opinion that the terms of the Reinvestment offered to AP are fair and reasonable in the context of Rule 10 of the Code based on the following reasons:

- (a) the subscription price to be paid by AP for the Offeror Shares is at an issue price per Offeror Share equivalent to the Scheme Consideration (converted into US dollars at the exchange rate on the Effective Date), in lieu of receiving the relevant amount of the Scheme Consideration due to him in cash;
- (b) AP’s reinvestment in the Group is a show of his commitment as the CEO of the Excelpoint Group post-Acquisition;
- (c) unlike the present situation where the Target Shares are listed and traded on the SGX-ST, the Offeror is a privately held company and there is no public platform to trade the Offeror Shares. By reinvesting in the Offeror Shares, AP will have to bear the risks associated with the business and financial performance of the Offeror and its subsidiaries going forward and will have to accept the restricted rights of a minority shareholder in a privately held company; and
- (d) AP is subject to transfer restrictions on his shareholdings in the Offeror as set out in paragraph 8.2 of this letter below.

APPENDIX 1 – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS OF EXCELPOINT TECHNOLOGY LTD. IN RESPECT OF THE SCHEME

8.2 The Shareholders' Agreement

The Shareholders' Agreement includes, among other things, the following:

- (a) The appointment of board of directors of the Offeror and the Excelpoint Group. The Offeror's board shall consist of not more than three (3) directors, and WT shall have the right to appoint two (2) directors and one (1) director appointed by AP. The board of directors of the Company shall also consist of up to three (3) directors, with WT having the right to appoint two (2) directors and AP having the right to appoint one (1) director;
- (b) AP shall remain as the CEO of the Company for the period commencing from the date of the allotment and issuance of the Offeror Shares to AP to 31 December 2024 and shall be responsible for the day-to-day management and operations of the Excelpoint Group. This is no different from the present situation as AP is currently the CEO of the Excelpoint. In addition, we understand, and AP has confirmed that there are no changes to the terms of his existing employment agreement post-Acquisition;
- (c) There is no material change in the nature and/or scope of the business of the Excelpoint Group. The board of the Company shall be responsible for the overall strategy, direction and management of the Excelpoint Group;
- (d) AP is subject to transfer restrictions on his shareholdings in the Offeror during the period commencing from the date of the allotment and issuance of the Offeror Shares to AP to 31 December 2024, except in certain permitted circumstances;
- (e) Following the completion of the financial year ending 31 December 2024 (the "**Relevant FY**"), AP shall have the option to require WT to purchase all (and not some only) of the Offeror Shares held by AP ("**Option Shares**") (the "**Put Option**") and WT shall have the option to require AP to sell to WT all (and not some only) of the Option Shares (the "**Call Option**") at a price based on a pre-determined formula as set out in the Shareholders' Agreement. The Put Option and Call Option may be exercised by AP and WT respectively at any time within the three (3) month period following the adoption of the consolidated audited financial statements of the Offeror in respect of the Relevant FY; and
- (f) AP is bound by confidentiality covenants and non-competition covenants not to compete with the Excelpoint Group while employed by the Excelpoint Group and for an agreed duration after his termination of employment within the Excelpoint Group.

We note that the Shareholders' Agreement between AP and WT is for the benefit of the Excelpoint Group as AP provides continuity of management and minimal interruption to the Excelpoint Group's business. We also note that there is no special benefit being accorded to AP as a result of the Shareholders' Agreement. Instead, there are restrictions being imposed on the shareholdings in the Offeror held by AP in the form of moratorium / transfer restrictions on his Offeror Shares. In addition, AP is a minority shareholder of the Offeror and AP will have to bear the risks associated with minority shareholders in a privately held company.

We also note that AP is bound by confidentiality covenants and non-competition covenants not to compete with the Excelpoint Group while employed by the Excelpoint Group and for an agreed duration after his termination of employment within the Excelpoint Group.

In the case of the Put Option and Call Option, the pre-determined formula for the exit price of the Option Shares held by AP gives certainty and transparency on the basis in determining the exit price of the Option Shares.

Hence, based on our review of the above, we are therefore of the opinion that the terms of the Shareholders' Agreement are fair and reasonable in the context of Rule 10 of the Code.

APPENDIX 1 – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS OF EXCELPOINT TECHNOLOGY LTD. IN RESPECT OF THE SCHEME

8.3 Our opinion on the Retention Arrangements

We note that the Retention Agreement binds AP's commitment to the Excelpoint Group to continue to render his services to the Excelpoint Group so that there is continuity of management and minimal interruption to the Excelpoint Group's business following the completion of the Acquisition.

We note that there are no changes to the terms of AP's existing employment agreement as the CEO of Excelpoint Group post-Acquisition. In the case of the Put Option and Call Option, the pre-determined formula for the exit price of the Option Shares held by AP gives certainty and transparency on the basis of determining the exit price of the Option Shares.

Accordingly, no special benefit is being accorded to AP as a result of the Retention Arrangements. Instead, AP is bound by confidentiality and non-competition covenants not to compete with the Excelpoint Group while employed and for an agreed duration after their termination of employment with the Excelpoint Group which are beneficial to the Excelpoint Group.

Overall, based on our evaluation of the terms of the Retention Arrangements and the information available to us as at the Latest Practicable Date, we are of the opinion that the Retention Arrangements are fair and reasonable in the context of Rule 10 of the Code.

9. OUR OPINION AND ADVICE

9.1 Key Considerations of the Scheme

In arriving at our opinion and advice in respect of the Scheme, we have taken into account, and reviewed the following key considerations, which we consider to be pertinent in our assessment of the Scheme. The following should be read in conjunction with, and in the context of, the full text of this letter:

- (a) an assessment of the market quotation and trading liquidity of the Target Shares as follows:
 - (i) in relation to the Target Share prices:
 - (aa) the closing prices of the Target Shares being below the Scheme Consideration for the 12-month period up to and including the Last Undisturbed Trading Day;
 - (bb) the Scheme Consideration representing a premium of approximately 206.3% and 17.0% over the lowest and highest closing prices of the Target Shares during the 12-month period up to and including the Last Undisturbed Trading Day respectively;
 - (cc) the Scheme Consideration represents a premium of 72.3%, 45.9%, 31.3% and 36.6% over the VWAP of the Target Shares for the 12-, 6-, 3- and 1-month periods up to and including the Last Undisturbed Trading Day respectively;
 - (dd) the Scheme Consideration representing a premium of approximately 21.4% over the closing price of the Target Shares of S\$1.590 on the Last Undisturbed Trading Day;
 - (ee) the Scheme Consideration represents a premium of 11.0% to the VWAP of the Target Shares for the period after the Holding Announcement and up to the Last Trading Day;

APPENDIX 1 – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS OF EXCELPOINT TECHNOLOGY LTD. IN RESPECT OF THE SCHEME

- (ff) the Scheme Consideration represents a discount of 1.5% to the VWAP of the Target Shares for the period after the Joint Announcement and up to the Cum-dividend Date;
 - (gg) the Scheme Consideration represents a premium of 2.0% to the VWAP of the Target Shares for the period from the Ex-dividend Date and up to the Latest Practicable Date; and
 - (hh) since 11 February 2004 and up to the Last Undisturbed Trading Date, the Target Shares (on a recalibrated basis taking into account the Share Consolidation) have never closed at or above the Scheme Consideration;
- (ii) in relation to trading liquidity of the Target Shares:
- (aa) the ADTV of the Target Shares as a percentage of the free float ranged between approximately 0.23% and 0.40% for the 12-, 6-, 3- and 1-month periods up to and including the Last Undisturbed Trading Day;
 - (bb) the ADTV of the Target Shares as a percentage of the free float was approximately 0.54% for the period after the Holding Announcement and up to the Last Trading Day;
 - (cc) the ADTV of the Target Shares as a percentage of the free float was approximately 1.98% for the period after the Joint Announcement and up to the Cum-dividend Date; and
 - (dd) the ADTV of the Target Shares as a percentage of the free float was approximately 0.34% for the period from the Ex-dividend Date and up to the Latest Practicable Date;
- (b) historical financial performance of the Excelpoint Group, as set out in section 7.2 of this letter;
- (c) as set out in section 7.3.2 of this letter, the Scheme Consideration represents a premium of approximately 59.4% against the NTA per Target Share of S\$1.21⁵ as at 31 December 2021. Based on 120,398,640 Target Shares as at the Latest Practicable Date, the NTA of the Excelpoint Group is approximately US\$108.1 million or S\$1.26⁶ per Target Share. We further note that the Scheme Consideration represents a premium of approximately 53.5% against the NTA per Target Share of S\$1.26;
- (d) a comparison with the valuation statistics of the Comparable Companies as follows:
- (i) the historical PER of 6.77 times of the Excelpoint Group as implied by the Scheme Consideration being: (aa) within the range of historical PERs of the Comparable Companies of between 2.12 times and 11.69 times; and (bb) above the corresponding mean and median historical PER of the Comparable Companies of 5.58 times and 5.35 times respectively;

⁵ Based on the exchange rate of US\$1 to S\$1.3490 as at 31 December 2021. The exchange rate is extracted from Bloomberg and serves as a reference only.

⁶ Based on the exchange rate of US\$1 to S\$1.4005 as at the Latest Practicable Date. The exchange rate is extracted from Bloomberg and serves as a reference only.

APPENDIX 1 – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS OF EXCELPOINT TECHNOLOGY LTD. IN RESPECT OF THE SCHEME

- (ii) the historical P/NTA ratio of 1.53 times of the Excelpoint Group as implied by the Scheme Consideration being: (aa) within the range of historical P/NTA ratios of the Comparable Companies of between 0.30 times and 1.55 times; and (bb) above the corresponding mean and median historical P/NTA ratios of the Comparable Companies of 0.91 times and 0.92 times respectively;
 - (iii) the historical EV/EBITDA ratio of 6.33 times of the Excelpoint Group as implied by the Scheme Consideration being: (aa) within the range of historical EV/EBITDA ratios of the Comparable Companies of between 1.71 times and 10.69 times; and (bb) within the range of the corresponding mean and median historical EV/EBITDA ratios of the Comparable Companies of 6.59 times and 6.07 times respectively;
 - (iv) the Scheme Consideration of S\$1.93 is above the estimated value range of the Target Shares of S\$1.50 and S\$1.59 per Target Share;
- (e) a comparison with recent successful privatisation transactions and delisting offers of companies listed on the SGX-ST as follows:
- (i) the premium of the Scheme Consideration over the last transacted price of the Target Shares on the Last Undisturbed Trading Day of approximately 21.4% being: (aa) within the range of the corresponding premia of the Take-over Transactions of between 5.8% and 122.9%; and (bb) above the median premium of 16.9% but below the mean premium of 33.9% of the Take-over Transactions;
 - (ii) the premium of the Scheme Consideration over the last transacted price of the Target Shares for the 1-month period prior to the Last Undisturbed Trading Day of approximately 36.6% being: (aa) within the range of the corresponding premia of the Take-over Transactions of between 3.9% and 132.1%; and (bb) above the median premium of 17.9% but approximately on par with the mean premium of 36.2% of the Take-over Transactions;
 - (iii) the premium of the Scheme Consideration over the last transacted price of the Target Shares for the 3-month period prior to the Last Undisturbed Trading Day of approximately 31.3% being: (aa) within the range of the corresponding premia of the Take-over Transactions of between 9.2% and 146.8%; and (bb) above the median premium of 16.6% but below the mean premium of 38.8% of the Take-over Transactions;
 - (iv) the premium of the Scheme Consideration over the last transacted price of the Target Shares for the 6-month period prior to the Last Undisturbed Trading Day of approximately 45.9% being: (aa) within the range of the corresponding premia of the Take-over Transactions of between 10.1% and 148.4%; and (bb) above the corresponding median and mean premia of 18.2% and 42.1% of the Take-over Transactions respectively;
 - (v) the premium of the Scheme Consideration over the last transacted price of the Target Shares for the 12-month period prior to the Last Undisturbed Trading Day of approximately 72.3% being: (aa) within the range of the corresponding premia of the Take-over Transactions of between 11.3% and 142.2%; and (bb) above the corresponding median and mean premia of 25.3% and 45.8% of the Take-over Transactions respectively; and

APPENDIX 1 – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS OF EXCELPOINT TECHNOLOGY LTD. IN RESPECT OF THE SCHEME

- (vi) the P/NTA ratio as implied by the Scheme Consideration and the NTA per Target Share as at 31 December 2021 of 1.53 times is: (aa) within the range of Price-to-NAV/NTA ratios of the Take-over Transactions of between 0.32 times and 3.30 times; and (bb) above the corresponding mean and median Price-to-NAV/NTA ratios of the Take-over Transactions of 1.26 times and 0.77 times respectively;
- (f) dividend analysis, as set out in section 7.6 of this letter:
 - (i) excluding FY2019, the Company's dividend yield per annum for FY2017 to FY2021 ranged from 4.42% to 6.38%, and the implied dividend yield based on the Scheme Consideration ranged from 2.07% to 4.56%; and
 - (ii) the Company's dividend yield implied by the Scheme Consideration of 4.56% is lower than the mean and median dividend yields of the Comparable Companies of 10.28% and 11.17% respectively;
- (g) other relevant considerations as follows:
 - (i) effects of the Scheme and delisting, as set out in section 7.7.1 of this letter;
 - (ii) the Irrevocable Undertaking, as set out in section 7.7.2 of this letter;
 - (iii) the Directors' intentions with respect to their Target Shares, as set out in section 7.7.3 of this letter;
 - (iv) the absence of alternative or competing offers, as set out in section 7.7.4 of this letter;
 - (v) no certainty of share price trading performance if the Scheme does not proceed to completion, as set out in section 7.7.5 of this letter;
 - (vi) the Retention Arrangements, as set out in section 7.7.6 of this letter; and
 - (vii) the outlook of the Excelpoint Group, as set out in section 7.7.7 of this letter.

9.2 Assessment of the Scheme

For the purpose of evaluating the Scheme, we have adopted the approach that the term "fair" and "reasonable" are regarded as two different concepts. The term "fair" relates to an opinion on the value of the offer price against the value of the securities subject to the offer (the "**Securities**"), and an offer is "fair" if the price offered is equal to or greater than the value of the Securities. In considering whether an offer is "reasonable", other matters as well as the value of the Securities are taken into consideration. Such other matters include, but are not limited to, existing voting rights in the company held by an offeror and its concert parties or the market liquidity of the relevant securities.

APPENDIX 1 – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS OF EXCELPOINT TECHNOLOGY LTD. IN RESPECT OF THE SCHEME

9.2.1 Assessment of Fairness of the Scheme

In determining the fairness of the Scheme, we have considered, *inter alia*, the following pertinent factors:

- (a) based on the NAV approach, which provides an estimate of the value of a group assuming the hypothetical sale of all its assets over a reasonable period of time, the Scheme Consideration represents a premium of approximately 59.4% against the NTA per Target Share of S\$1.21⁷ as at 31 December 2021. Based on 120,398,640 Target Shares as at the Latest Practicable Date, the NTA of the Excelpoint Group is approximately US\$108.1 million or S\$1.26⁸ per Target Share. We further note that the Scheme Consideration represents a premium of approximately 53.5% against the NTA per Target Share of S\$1.26;
- (b) the historical PER and P/NTA ratios as implied by the Scheme Consideration compare favourably against those of the Comparable Companies, and the historical EV/EBITDA ratio as implied by the Scheme Consideration is on within the mean and median EV/EBITDA ratios of the Comparable Companies;
- (c) the Scheme Consideration of S\$1.93 is above the estimated value range of the Target Shares of S\$1.50 and S\$1.59 per Target Share;
- (d) the premia as implied by the Scheme Consideration over the VWAP of the Target Shares for the 12-, 6- and 1-month periods up to and including the Last Undisturbed Trading Day are higher than the respective mean and median premia of the Take-Over Transactions, and the premia implied by the Scheme Consideration over the last transacted price of the Target Shares on the Last Undisturbed Trading Day and the VWAP of the Target Shares for the 3-month period is within the respective mean and median premia of the Take-Over Transactions; and
- (e) the P/NTA ratio as implied by the Scheme Consideration and the NTA per Target Share of 1.53 times compare favourably against the mean and median Price-to-NAV/NTA ratios for the Take-Over Transactions.

In view of the above, we are of the opinion that the Offer is **FAIR**.

9.2.2 Assessment of Reasonableness of the Scheme

In determining the reasonableness of the Scheme, we have considered, *inter alia*, the following pertinent factors:

- (a) the Scheme Consideration representing a premium of approximately 21.4% over the closing price of the Target Shares of S\$1.590 on the Last Undisturbed Trading Day;
- (b) the Scheme Consideration represents a premium of 72.3%, 45.9%, 31.3% and 36.6% over the VWAP of the Target Shares for the 12-, 6-, 3- and 1-month periods up to and including the Last Undisturbed Trading Day respectively;

⁷ Based on the exchange rate of US\$1 to S\$1.3490 as at 31 December 2021. The exchange rate is extracted from Bloomberg and serves as a reference only.

⁸ Based on the exchange rate of US\$1 to S\$1.4005 as at the Latest Practicable Date. The exchange rate is extracted from Bloomberg and serves as a reference only.

APPENDIX 1 – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS OF EXCELPOINT TECHNOLOGY LTD. IN RESPECT OF THE SCHEME

- (c) the Scheme Consideration representing a premium of approximately 206.3% and 17.0% over the lowest and highest closing prices of the Target Shares during the 12-month period up to and including the Last Undisturbed Trading Day respectively;
- (d) since 11 February 2004 and up to the Last Undisturbed Trading Date, the Target Shares (on a recalibrated basis taking into account the Share Consolidation) have never closed at or above the Scheme Consideration;
- (e) there is reasonable liquidity in the Target Shares in the 12-month period up to and including the Last Undisturbed Trading Day and that the historical market prices of the Target Shares provide a reasonable and valid benchmark for assessing the Scheme Consideration;
- (f) the Company's latest dividend yield implied by the Scheme Consideration of 4.56% is lower than the mean and median dividend yields of the Comparable Companies of 10.28% and 11.17% respectively, which may suggest that Shareholders may potentially experience an increase in dividend income if they reinvest their proceeds from the Scheme in selected Comparable Companies; and
- (g) as at the Latest Practicable Date, apart from the Scheme, no alternative offer or proposal has been received by the Company. In addition, any potential third party may also be discouraged from making a competing offer for the Company at a price higher than the Scheme Consideration in view of the Irrevocable Undertaking.

In view of the above, we are of the opinion that the Offer is **REASONABLE**.

9.3 Our opinion on the Scheme

In conclusion, we are of the opinion that, on balance, the financial terms of the Scheme are **fair and reasonable**. Accordingly, we advise the Independent Directors to recommend Shareholders to vote **in favour** of the Scheme.

The Independent Directors should also highlight to Shareholders that the Scheme, when it becomes effective, will be binding on all Shareholders, whether or not they have attended or voted at the Scheme Meeting, and if they have attended and voted, whether or not they have voted in favour of the Scheme.

9.4 Our opinion on the Retention Arrangements

With respect to the Retention Arrangements, we have reviewed the terms of AP's Irrevocable Undertaking and the Shareholders' Agreement as set out in paragraph 8 of this letter.

Overall, based on our evaluation of the terms of the Retention Arrangements and the information available to us as at the Latest Practicable Date, we are of the opinion that the terms of the Retention Arrangements are **fair and reasonable** in the context of Rule 10 of the Code.

In rendering our opinion and advice, we have not had regard to the specific investment objectives, financial situation, tax position or individual circumstances of any Shareholder or any specific group of Shareholders. We recommend that any individual Shareholder or specific group of Shareholders who may require specific advice in relation to his or their investment portfolio(s) should consult his or their legal, financial, tax or other professional adviser.

APPENDIX 1 – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS OF EXCELPOINT TECHNOLOGY LTD. IN RESPECT OF THE SCHEME

Our opinion and advice are addressed to the Independent Directors for their benefit and for the purposes of their consideration of the Scheme. The recommendation to be made by them to the Shareholders in respect of the Scheme shall remain the responsibility of the Independent Directors. Whilst a copy of this letter may be reproduced in the Circular, no other person may reproduce, disseminate or quote this letter (or any part thereof) for any purpose at any time and in any manner without the prior written consent of SAC Capital in each specific case, except for the purpose of the Scheme.

This letter is governed by and shall be construed in accordance with the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully
For and on behalf of
SAC CAPITAL PRIVATE LIMITED

Bernard Lim
Executive Director

Tan Kian Tiong
Partner

**APPENDIX 1 – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS OF EXCELPOINT TECHNOLOGY LTD.
IN RESPECT OF THE SCHEME**

Annex A

Company	Stock exchange	Business description (as extracted from Bloomberg)	Share price as at the Latest Practicable Date	Market capitalisation as at the Latest Practicable Date (millions)	Financial year end	----- Trailing 12 Months -----	
						Revenue (millions)	Net profit/(loss) after tax attributable to shareholders (millions)
Supreme Electronics Co., Ltd.	Taiwan Stock Exchange	Supreme Electronics Co., Ltd. distributes semiconductor parts and components, such as DRAMs (dynamic random access memories), SDRAMs (static dynamic random access memories), RDRAMs (RAMBUS dynamic random access memories), and Flash memories for Samsung, Fairchild, Trumtion, Holtek, Promax-Johnnton, etc.	NT\$40.05	NT\$17,161.3	31 December	NT\$214,070.2	NT\$3,164.1
Weikeng Industrial Co., Ltd.	Taiwan Stock Exchange	Weikeng Industrial Co., Ltd. distributes electronic components and computer peripherals. The Company's products include central processing units (CPUs), flash memories, hard disk drives, and computer motherboards.	NT\$26.10	NT\$10,976.7	31 December	NT\$73,506.3	NT\$1,953.0
S.A.S. Dragon Holdings Limited	Hong Kong Stock Exchange	S.A.S. Dragon Holdings Ltd. designs, develops, sources, and provides quality assurance and logistics management services of electronic components and semiconductors products. The products are used in mobile phones, consumer electronics, computers, telecommunication and lighting products. The Company operates in China, Hong Kong, Taiwan and Korea.	HK\$3.74	HK\$2,340.6	31 December	HK\$35,297.8	HK\$713.2
EDOM Technology Co., Ltd.	Taiwan Stock Exchange	Edom Technology Co., Ltd. distributes ICs (Integrated Circuits), electronic components, memory, and discrete device products. The Company's products are applied to multimedia, like DVD decoder software, portable products, such as notebook computer graphic chips, and communication products used for cellular phones and wireless web access.	NT\$30.45	NT\$8,216.3	31 December	NT\$112,744.7	NT\$1,177.4
Serial System Ltd	Singapore Stock Exchange	Serial System Limited trades computer peripherals and components and provides board level integration services and solutions. The Company also designs, develops, and manufactures consumer digital appliances, integrated circuits, and related electronic components.	S\$0.108	S\$97.7	31 December	US\$895.9	US\$11.1

**APPENDIX 1 – LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS OF EXCELPOINT TECHNOLOGY LTD.
IN RESPECT OF THE SCHEME**

Company	Stock exchange	Business description (as extracted from Bloomberg)	Share price as at the Latest Practicable Date	Market capitalisation as at the Latest Practicable Date (millions)	Financial year end	----- Trailing 12 Months -----	
						Revenue (millions)	Net profit/(loss) after tax attributable to shareholders (millions)
Karin Technology Holdings Limited	Singapore Stock Exchange	Karin Technology Holdings Limited provides electronic components, integrated circuit software, and information technology infrastructure solutions. The Company distributes components from various suppliers, provides integrated circuit application design, and information technology infrastructure to customers in Hong Kong and the People's Republic of China.	S\$0.34	S\$73.0	30 June	HK\$1,981.2	HK\$35.0
Willas-Array Electronics (Holdings) Limited	Singapore Stock Exchange	Willas-Array distributes active and passive electronics components for use in the audio and video, telecommunications, industrial, consumer and computer segments. The Company also provides value added services such as technical advice, application and development support and failure analysis.	S\$0.765	S\$66.5	31 March	HK\$3,425.8	HK\$82.2
AV Concept Holdings Limited	Hong Kong Stock Exchange	AV Concept Holdings Limited, through its subsidiaries, markets and distributes electronic components. The Company engages in the sale of semiconductor components and also the design and development of consumer electronic products.	HK\$0.540	HK\$490.7	31 March	HK\$1,042.4	HK\$231.0
Mobicon Group Limited	Hong Kong Stock Exchange	Mobicon Group Limited, through its subsidiaries, trades electronic parts and components, as well as computer products and accessories.	HK\$0.365	HK\$73.0	31 March	HK\$501.3	HK\$13.2

Source: Bloomberg L.P., annual reports and/or announcements of the respective companies

APPENDIX 2 – LETTER FROM THE OFFEROR TO SHAREHOLDERS

WT SEMICONDUCTOR HOLDINGS PTE. LTD.

(UEN No: 202206451G)
(Incorporated in Singapore)

18 July 2022

To: The Shareholders of Excelpoint Technology Ltd.

Dear Sir/Madam

PROPOSED ACQUISITION BY WT SEMICONDUCTOR HOLDINGS PTE. LTD. OF ALL THE ISSUED ORDINARY SHARES IN THE CAPITAL OF EXCELPOINT TECHNOLOGY LTD. BY WAY OF A SCHEME OF ARRANGEMENT UNDER SECTION 210 OF THE COMPANIES ACT 1967 OF SINGAPORE

1. INTRODUCTION

- 1.1 Acquisition.** On 13 April 2022 (the “**Joint Announcement Date**”), WT Semiconductor Holdings Pte. Ltd. (the “**Offeror**”), a special purpose vehicle incorporated in Singapore which is a wholly-owned subsidiary of WT Microelectronics Co., Ltd (“**WT**”), and Excelpoint Technology Ltd. (the “**Company**”, and together with its subsidiaries, the “**Excelpoint Group**”) made a joint announcement (the “**Joint Announcement**”) in relation to the proposed acquisition (the “**Acquisition**”) by the Offeror of all the issued ordinary shares in the capital of the Company (the “**Target Shares**”) by way of a scheme of arrangement (the “**Scheme**”) in accordance with Section 210 of the Companies Act 1967 of Singapore (the “**Companies Act**”) and the Singapore Code on Take-overs and Mergers (the “**Code**”).
- 1.2 The Offeror.** The Offeror is a special purpose vehicle incorporated in Singapore for the purposes of the Acquisition. As at the date of this Letter, the sole shareholder of the Offeror is WT. Further information relating to, *inter alia*, the Offeror and WT is set out in **paragraph 7** of this Letter.
- 1.3 Implementation Agreement.** In connection with the Acquisition, the Offeror and the Company have, on 13 April 2022, entered into an implementation agreement (the “**Implementation Agreement**”) setting out the terms and conditions on which the Offeror and the Company will implement the Scheme.
- 1.4 Scheme Document.** This Letter from the Offeror to shareholders of the Company (“**Shareholders**”) should be read and construed together with, and in the context of, the scheme document dated 18 July 2022 (“**Scheme Document**”) issued by the Company to the Shareholders containing details of the Scheme. Unless otherwise stated, terms used but not defined in this Letter shall have the same meanings as defined in the Scheme Document.

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

APPENDIX 2 – LETTER FROM THE OFFEROR TO SHAREHOLDERS

2. THE SCHEME

2.1 The Acquisition. Under the Scheme:

2.1.1 all the Target Shares held by the Shareholders as at a date and time to be announced by the Company on which the transfer books and the Register of Members will be closed in order to determine the entitlements of the Shareholders under the Scheme (the “**Record Date**”) will be transferred to the Offeror:

- (i) fully paid up;
- (ii) free from all charges, mortgages, liens, hypothecations, hire purchases, judgments, encumbrances, easements, security, title retention, preferential rights, trust arrangements or any other security interests or any other agreements, arrangements or obligations to create any of the foregoing (“**Encumbrances**”); and
- (iii) together with all rights, benefits and entitlements as at the Joint Announcement Date and thereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions (if any) announced, declared, made or paid by the Company on or after the Joint Announcement Date, other than the first and final dividend of S\$0.04 per Target Share and special dividend of S\$0.048 per Target Share announced by the Company on 16 February 2022 (the “**Final FY2021 Dividend**”).

If any dividends, rights or other distributions (other than the Final FY2021 Dividend) are announced, declared, paid or made by the Company to the Shareholders on or after the Joint Announcement Date and before the date on which the Scheme becomes effective in accordance with its terms (the “**Effective Date**”), the Offeror reserves the right to reduce the Scheme Consideration (as defined below) by the amount of such dividends, rights or other distributions. **For the avoidance of doubt, the Shareholders as at the Record Date will be entitled to receive and retain the Final FY2021 Dividend (if entitled) in addition to the Scheme Consideration;** and

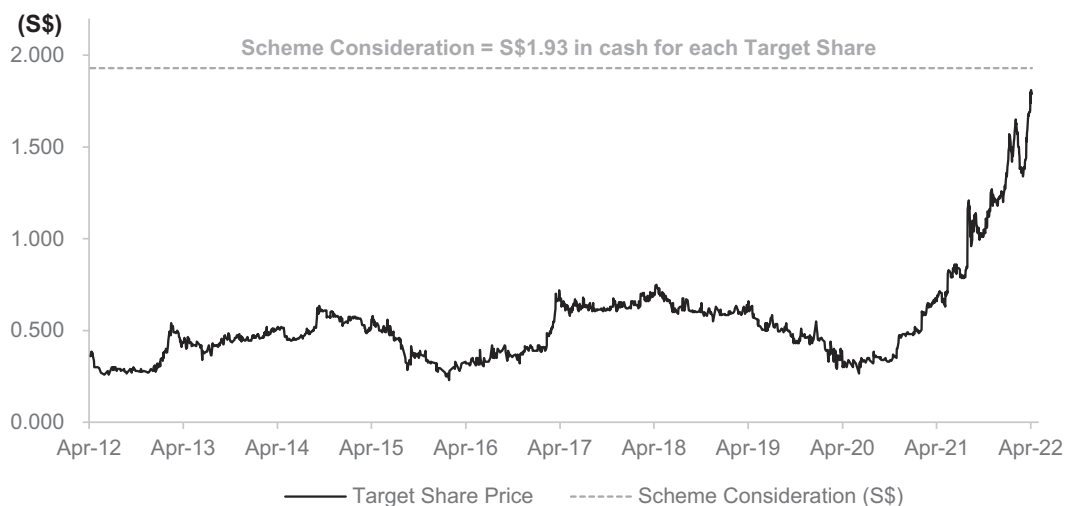
2.1.2 in consideration for such transfer, each of the Shareholders as at the Record Date will be entitled to receive for each Target Share S\$1.93 in cash (the “**Scheme Consideration**”).

APPENDIX 2 – LETTER FROM THE OFFEROR TO SHAREHOLDERS

2.2 Scheme Consideration. Under the Scheme, the following Scheme Consideration will be offered:

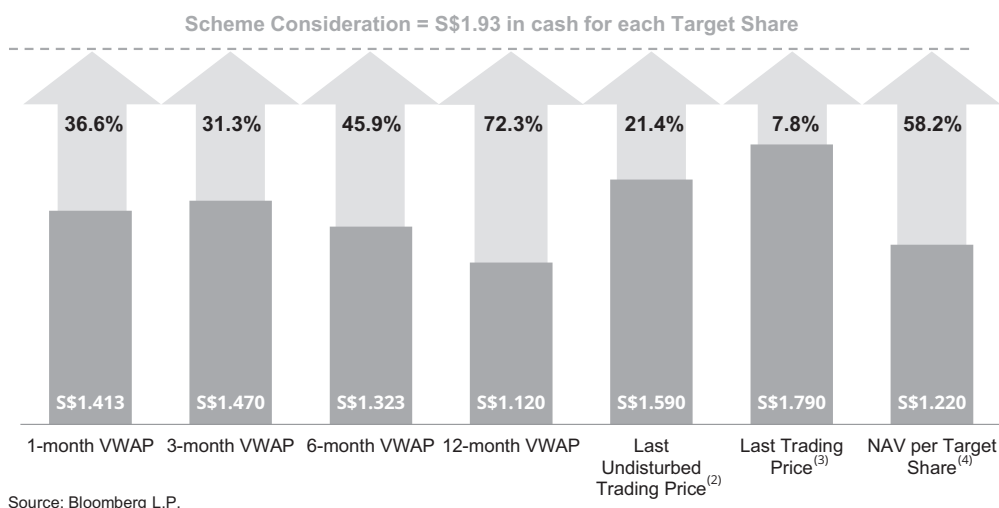
S\$1.93 in cash for each Target Share.

The Scheme Consideration exceeds the highest closing price of the Target Shares in the 10-year period prior to and including 12 April 2022 (the “**Last Trading Day**”). It represents a premium ranging between 6.6 per cent. and 739.1 per cent. over the closing prices of the Target Shares⁽¹⁾ during this period.



Note:

1. The Company undertook a share consolidation of every five existing ordinary shares in the capital of the Company into one consolidated ordinary share on 11 August 2015. The Company’s historical traded prices have been adjusted retrospectively to reflect the effect of the share consolidation.



Notes:

1. Based on data extracted from Bloomberg Finance L.P.. The volume-weighted average prices (“**VWAP**”) of Target Shares are calculated by using the total value over the total volume of Target Shares traded in the relevant period prior to and including the Last Undisturbed Trading Day.
2. As at 25 March 2022, being the date of the holding announcement issued by the Company (the “**Last Undisturbed Trading Day**”).

APPENDIX 2 – LETTER FROM THE OFFEROR TO SHAREHOLDERS

3. As at the Last Trading Day.
4. Based on as reported net asset value per Target Share as at 31 December 2021 disclosed in the Company's FY2021 Financial Statements. Based on a USD:SGD exchange rate of 1:1.3490.
5. The VWAPs, closing prices and Net Asset Value (“NAV”) per Target Share are rounded to the nearest three decimal places.
6. The percentage premium is rounded to the nearest one decimal place.

2.3 Scheme Conditions. The Scheme is conditional upon the satisfaction or waiver (as the case may be) of the Scheme Conditions by the Conditions Long-Stop Date. Additional information on the Scheme Conditions is set out in **paragraphs 8 and 9** of the Explanatory Statement. The Scheme Conditions are reproduced in **Appendix 7** to the Scheme Document.

2.4 Effect of Termination. In the event of termination of the Implementation Agreement by either the Company or the Offeror (as the case may be) pursuant to the terms of the Implementation Agreement, the Implementation Agreement shall terminate (save for certain surviving provisions) and there shall be no liability on the part of any of the Company or the Offeror.

Please refer to **paragraph 8.3** of the Explanatory Statement for additional details on the termination rights under the Implementation Agreement.

2.5 Effect of Scheme. If the Scheme becomes effective, it will be binding on all Shareholders, whether or not they were present in person or in proxy, or voted to approve the Scheme, at the Scheme Meeting.

2.6 Switch Option

2.6.1 Pursuant to the terms of the Implementation Agreement, in the event of a Competing Offer or in the event that an intention to make a Competing Offer is announced (whether or not such Competing Offer is pre-conditional), the Offeror shall have the right at its discretion to elect at any time, subject to prior consultation with the SIC, to proceed by way of a voluntary conditional cash offer made for or on behalf of the Offeror to acquire all the Target Shares on the terms and subject to the conditions which will be set out in the offer document issued for or on behalf of the Offeror (the “Offer”) in lieu of proceeding with the Acquisition by way of the Scheme (“Switch Option”).

“Competing Offer” means any expression of interest, offer or proposal by any person other than the Offeror involving (i) a sale, transfer or other disposal of any direct or indirect interest in some or all of the shares in any Relevant Excelpoint Group Entity or substantially all of the assets, business and/or undertakings of any Relevant Excelpoint Group Entity; (ii) a general offer for the shares in any Relevant Excelpoint Group Entity; (iii) a scheme of arrangement involving any Relevant Excelpoint Group Entity or the merger of any Relevant Excelpoint Group Entity with any other entity (whether by way of joint venture, reverse takeover bid, dual listed company structure or otherwise); or (iv) any other arrangement having an effect similar to any of (i) to (iii), including a merger or amalgamation proposal. For the purpose of this definition, a Competing Offer will be deemed to be for substantially all of the assets, business and/or undertakings of any Relevant Excelpoint Group Entity if the relevant assets, business and/or undertakings in question constitute a “material amount” as defined in Note 2 to Rule 5 of the Code.

APPENDIX 2 – LETTER FROM THE OFFEROR TO SHAREHOLDERS

2.6.2 If the Offeror exercises the Switch Option, the Offeror will make the Offer on the same or better terms as those which apply to the Scheme, including the same or a higher consideration than the Scheme Consideration for each Target Share, and an acceptance condition set at only more than 50 per cent. of the shares to which the Offer relates and not conditional on a higher level of acceptances.

2.6.3 In such event:

- (i) the Implementation Agreement shall terminate with effect from the date of announcement of the Offer; and
- (ii) each of the Undertaking Shareholders (as defined below) will undertake to accept or procure the acceptance of the Offer in respect of the Target Shares held by him or her, and his or her obligations under the relevant Irrevocable Undertaking shall apply *mutatis mutandis* to the Offer.

3. IRREVOCABLE UNDERTAKINGS

3.1 Deeds of Undertaking. Each of Mr. Albert Phuai Yong Hen (“**AP**”), Mdm. Han Jiak Siew, being the spouse of AP (“**HJS**”), and AP21 Holdings Pte Ltd, a company wholly owned by AP and HJS (“**AP21**”, and together with AP and HJS, the “**Undertaking Shareholders**”) has given an irrevocable undertaking to the Offeror (the “**Irrevocable Undertaking**”) to, *inter alia*:

- 3.1.1** vote, or procure the voting, in favour of the Scheme at the Scheme Meeting;
- 3.1.2** vote, or procure the voting, against and reject any and all resolutions or proposals to approve, implement, carry out or give effect to any Competing Offer by a third party; and
- 3.1.3** comply with certain non-solicitation and no-talk provisions, in their capacity as a Shareholder.

In addition, AP has undertaken in his Irrevocable Undertaking to effect the Reinvestment (as defined and further described in paragraph 4.2 below).

The Undertaking Shareholders have each given the Irrevocable Undertaking to the Offeror in respect of 50,513,372 Target Shares held legally and/or beneficially by the Undertaking Shareholders in the aggregate, representing approximately 41.96 per cent. of all the Target Shares as at the Latest Practicable Date. Further details of the Target Shares held by the Undertaking Shareholders as at the Latest Practicable Date are set out in **Schedule B** to this Letter.

3.2 Termination. The Irrevocable Undertakings will terminate on the earlier of the following dates:

- 3.2.1** if the Implementation Agreement is not terminated, the Effective Date; or
- 3.2.2** if the Implementation Agreement lapses or is terminated, the earlier of:
 - (i) if the Switch Option is not exercised by the Offeror, the date on which the Implementation Agreement is terminated or lapses;

APPENDIX 2 – LETTER FROM THE OFFEROR TO SHAREHOLDERS

- (ii) if the Switch Option is exercised by the Offeror, the date on which the Offer lapses or is withdrawn; or
- (iii) if the Switch Option is exercised by the Offeror, the date on which the Offer becomes unconditional.

3.3 No Other Undertakings. Save for the Irrevocable Undertakings, neither the Offeror nor any person acting or presumed to be acting in concert with the Offeror in relation to the Acquisition and the Scheme (the “**WT Concert Party Group**”) has received any irrevocable undertaking from any party to vote in favour of, or abstain from voting on, the Scheme as at the Latest Practicable Date.

4. RETENTION ARRANGEMENTS

4.1 Retention of AP. The Offeror intends to retain AP as the chief executive officer (the “**CEO**”) of the Company and to continue to contribute to the development of the Excelpoint Group, as AP is the founder and CEO of the Excelpoint Group and is intimately involved in the management and operations of the business of the Excelpoint Group.

4.2 Reinvestment

4.2.1 Pursuant to the Irrevocable Undertaking provided by AP, AP has undertaken to the Offeror to reinvest an agreed amount from the aggregate Scheme Consideration due to him pursuant to the Scheme, to subscribe for a certain number of new shares in the Offeror (the “**Offeror Shares**”), at an issue price per Offeror Share equivalent to the Scheme Consideration (converted into US dollars at the exchange rate on the Effective Date), in lieu of receiving the relevant amount of the Scheme Consideration due to him in cash (the “**Reinvestment**”).

4.2.2 Following completion of the Scheme and the Reinvestment, WT will hold 80 per cent. of the shares of the Offeror and AP will hold 20 per cent. of the shares of the Offeror.

4.3 Shareholder Arrangements. In addition to the Reinvestment, WT and AP have entered into a shareholders’ agreement (the “**Shareholders’ Agreement**”), which will take effect only if the Scheme becomes effective and upon the Reinvestment taking place. The Shareholders’ Agreement contains provisions governing the relationship between WT and AP, such as those relating to board appointment rights, reserved matters which will require the approval of AP, and a put and call option in respect of the Offeror Shares held by AP (such arrangements, together with the Reinvestment, the “**Retention Arrangements**”). AP will have to bear the risks associated with the business and financial performance of the Offeror and its subsidiaries going forward and will have to accept the restricted rights of a minority shareholder in a privately held company.

4.4 SIC Confirmation. Pursuant to an application made by WT to the SIC to seek certain rulings and confirmations in relation to the Acquisition and the Scheme (the “**SIC Application**”), the SIC has confirmed that the Retention Arrangements do not constitute special deals for the purposes of Rule 10 of the Code, do not amount to an agreement or arrangement between the Offeror and AP to co-operate to obtain or consolidate effective control of the Company, and AP will be permitted to attend and vote on the Scheme at the Scheme Meeting, subject to the IFA publicly stating that in its opinion the Retention Arrangements (including the put and call option in respect of the Offeror Shares held by AP) are fair and reasonable.

APPENDIX 2 – LETTER FROM THE OFFEROR TO SHAREHOLDERS

5. DELISTING

5.1 Upon the Scheme becoming effective and binding in accordance with its terms, the Company will become a wholly-owned subsidiary of the Offeror, and will, subject to the approval of the SGX-ST, be delisted from the Official List of the SGX-ST.

5.2 An application was made to seek approval from the SGX-ST to delist the Company from the Official List of the SGX-ST upon the Scheme becoming effective and binding in accordance with its terms. The SGX-ST has, on 5 July 2022, advised that it has no objection to the Company's application to delist from the Official List of the SGX-ST, subject to:

5.2.1 compliance with the SGX-ST's listing requirements;

5.2.2 approval of the Scheme by a majority in number of Shareholders present and voting, either in person or by proxy, at the Scheme Meeting, such majority holding not less than three-fourths in value of the shares voted at the Scheme Meeting;

5.2.3 the IFA opining that the financial terms of the Scheme are both fair and reasonable; and

5.2.4 the Court's approval being obtained for the Scheme.

The above decision of the SGX-ST is not to be taken as an indication of the merits of the Scheme, the proposed delisting and the removal of the Company from the Official List of the SGX-ST, the Company, its subsidiaries and/or their securities.

SHAREHOLDERS SHOULD NOTE THAT BY VOTING IN FAVOUR OF THE SCHEME, THE TARGET SHARES WILL BE DELISTED FROM THE OFFICIAL LIST OF THE SGX-ST IF THE SCHEME BECOMES EFFECTIVE AND BINDING IN ACCORDANCE WITH ITS TERMS.

6. RATIONALE FOR THE ACQUISITION AND FUTURE INTENTIONS FOR THE COMPANY

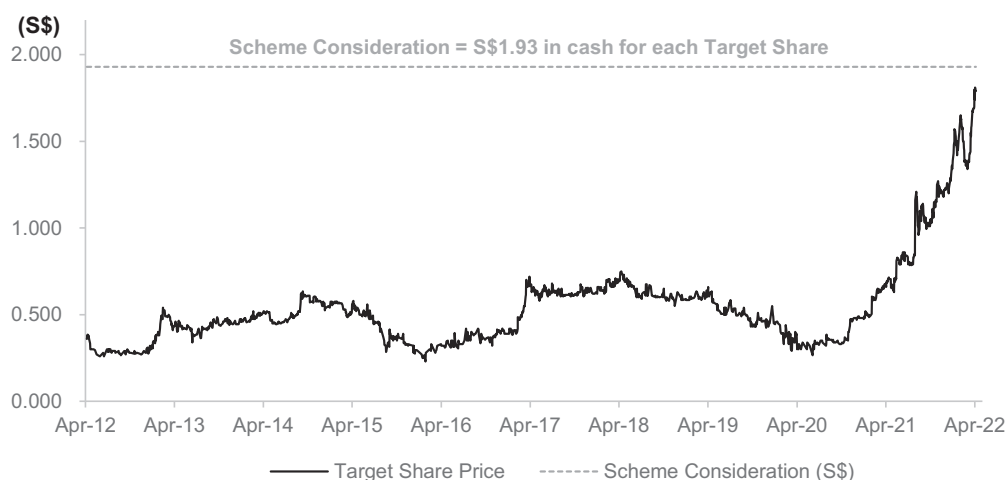
6.1 Rationale for the Acquisition

6.1.1 **Opportunity for the Shareholders of the Company to Exit at Attractive Premium to the Historical Traded Prices without incurring Brokerage Fees**

Shareholders will have the opportunity to realise their entire investment in the Company for cash at an attractive premium to the prevailing market prices, without incurring any brokerage and other trading costs. In particular, the Acquisition presents an opportunity for Shareholders to realise their investments in the Company for cash at a price of S\$1.93 per share, which is higher than all its traded market prices in the ten years prior to and including the Last Trading Day.

APPENDIX 2 – LETTER FROM THE OFFEROR TO SHAREHOLDERS

10-year Target Share Price Chart Preceding the Last Trading Day⁽¹⁾



Source: Bloomberg L.P.

Note:

1. The Company undertook a share consolidation of every five existing ordinary shares in the capital of the Company into one consolidated ordinary share on 11 August 2015. The Company's historical traded prices have been adjusted retrospectively to reflect the effect of the share consolidation.

The Scheme Consideration represents a premium over the relevant VWAP, closing prices and NAV of the Company as follows:

Description	Benchmark Price (S\$) ⁽²⁾	Premium over Benchmark Price (%) ⁽³⁾
VWAP of the Target Shares traded on the SGX-ST for the one-month period prior to and including the Last Undisturbed Trading Day ⁽¹⁾	1.413	36.6
VWAP of the Target Shares traded on the SGX-ST for the three-month period prior to and including the Last Undisturbed Trading Day ⁽¹⁾	1.470	31.3
VWAP of the Target Shares traded on the SGX-ST for the six-month period prior to and including the Last Undisturbed Trading Day ⁽¹⁾	1.323	45.9
VWAP of the Target Shares traded on the SGX-ST for the twelve-month period prior to and including the Last Undisturbed Trading Day ⁽¹⁾	1.120	72.3
Closing price on the Last Undisturbed Trading Day	1.590	21.4
Closing price on the Last Trading Day	1.790	7.8
NAV per Target Share as at 31 December 2021 ⁽⁴⁾	1.220	58.2

APPENDIX 2 – LETTER FROM THE OFFEROR TO SHAREHOLDERS

Notes:

1. Based on data extracted from Bloomberg Finance L.P.. The VWAPs of Target Shares are calculated by using the total value over the total volume of Target Shares traded in the relevant period prior to and including the Last Undisturbed Trading Day.
2. Rounded to the nearest three decimal place.
3. Rounded to the nearest one decimal place.
4. Based on as reported net asset value per Target Share as at 31 December 2021 disclosed in the Company's FY2021 Financial Statements. Based on a USD:SGD exchange rate of 1:1.3490.

6.1.2 Operational Flexibility

The Offeror believes that the Acquisition and subsequent privatisation of the Company would provide the Offeror with greater flexibility to manage and develop the existing businesses of the Company.

After the Company joins the WT group, it is expected that the enlarged group would be in a position to:

- (i) enhance its offering of product lines to customers as the products of the Company complement those of WT. The customers will benefit from extensive product solutions and technical support provided by the WT group; and
- (ii) enlarge its customer base as there is limited overlap of customers between the Company and WT. The established sales channels of the Company across major market segments, industrial application in particular, would significantly improve the distribution capability and customer portfolio of WT in the Asia Pacific region. Cross selling of various products to the customers of the Company and WT would not only realise potential synergies for the enlarged WT group but also bring more demand creation opportunities for the suppliers.

6.2 Future Intentions for the Company

- 6.2.1** The Offeror intends to retain AP, the Chairman and Group Chief Executive Officer of the Company, as the CEO of the Company and to continue to contribute to the development of the Excelpoint Group.
- 6.2.2** There is presently no intention by the Offeror to (i) introduce any major changes to the business of the Company, (ii) re-deploy the fixed assets of the Company, or (iii) discontinue the employment of the employees of the Excelpoint Group, save in the ordinary course of business or as a result of any internal reorganisation or restructuring within the Excelpoint Group which may be implemented after the Effective Date.
- 6.2.3** However, the Offeror retains and reserves the right and flexibility at any time to consider any options in relation to the Excelpoint Group which may present themselves and which it may regard to be in the interest of the Excelpoint Group.

APPENDIX 2 – LETTER FROM THE OFFEROR TO SHAREHOLDERS

7. INFORMATION RELATING TO THE OFFEROR AND WT

7.1 WT. Established in 1993 and listed on the Taiwan Stock Exchange, WT is one of the global leading distributors of semiconductor components. WT has focused on high quality and value-driven businesses to pursue profitable growth and drive competitive advantages. By providing superior supply chain management services to both vendors and customers, WT has successfully positioned itself as a pivotal liaison, bridging upstream and downstream partners. Aiming to co-define the product marketing strategy with upstream vendors as well as to reduce R&D pipeline for downstream customers, WT has persistently strengthened its capability to create value-added services throughout the supply chain. Headquartered in Taiwan, WT has an extensive marketing and sales channel with over 40 regional offices in China, Korea, Singapore, India, Thailand, Malaysia, and Vietnam. After years of higher-than-industry growth, it achieved a revenue close to US\$16 billion in 2021. WT currently partners with over 80 suppliers across every major technology segment to serve over 8,000 customers worldwide.

7.2 The Offeror. The Offeror is a special purpose vehicle incorporated in Singapore for the purposes of the Acquisition.

As at the date of this Letter:

- (i) the sole shareholder of the Offeror is WT;
- (ii) the Offeror has an issued and paid-up share capital of US\$7,200,000, comprising 7,200,000 shares; and
- (iii) the board of directors of the Offeror comprises the following:
 - (a) Mr. Cheng Wen-Tsung (the Chairman and Chief Executive Officer of WT); and
 - (b) Ms. Hsu Wen-Hung (the Senior Vice President and Director of WT).

7.3 Schedule A to this Letter sets out certain additional information relating to the Offeror and WT.

8. DISCLOSURE OF INTERESTS

8.1 Holdings of and Dealings in Target Shares. As at the Latest Practicable Date, save as disclosed in the Scheme Document (including this Letter, in particular, **Schedule C** to this Letter):

8.1.1 none of (i) the Offeror, (ii) the directors of the Offeror, (iii) the other members of the WT Concert Party Group or (iv) the Undertaking Shareholders owns, controls or has agreed (other than pursuant to the Implementation Agreement) to acquire any (a) Target Shares or securities which carry voting rights in the Company; and (b) convertible securities, warrants, options and derivatives in respect of (a) (collectively, the “**Target Securities**”); and

8.1.2 none of (i) the Offeror, (ii) the directors of the Offeror, (iii) the other members of the WT Concert Party Group or (iv) the Undertaking Shareholders has dealt for value in the Target Securities during the period commencing three (3) months prior to the Joint Announcement Date and ending on the Latest Practicable Date.

Upon the Scheme becoming effective in accordance with its terms, the Offeror will hold and control all the voting rights in the Company.

APPENDIX 2 – LETTER FROM THE OFFEROR TO SHAREHOLDERS

8.2 Other Arrangements. As at the Latest Practicable Date, save as disclosed in the Scheme Document (including this Letter):

8.2.1 save for the Irrevocable Undertakings, no person has given any irrevocable undertaking to any member of the WT Concert Party Group to vote in favour of the Scheme at the Scheme Meeting;

8.2.2 there are no Target Securities held by any persons with whom any member of the WT Concert Party Group has any arrangement of the kind referred to in Note 7 on Rule 12 of the Code, including indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to the Target Securities which may be an inducement to deal or refrain from dealing in the Target Securities; and

8.2.3 no member of the WT Concert Party Group has (i) granted a security interest over any Target Securities to another person, whether through a charge, pledge or otherwise; (ii) borrowed from another person any Target Securities (excluding borrowed securities which have been on-lent or sold); or (iii) lent to another person any Target Securities.

9. OVERSEAS SHAREHOLDERS

9.1 Overseas Shareholders. The applicability of the Scheme to Shareholders whose addresses are outside Singapore, as shown on the Register of Members or Depository Register (as the case may be) ("**Overseas Shareholders**") may be affected by the laws of the relevant overseas jurisdictions. Accordingly, all Overseas Shareholders should inform themselves about, and observe, any applicable requirements in their own jurisdictions.

9.2 Copies of Scheme Document. The Constitution provides that any Shareholder whose registered address is outside Singapore and who has not supplied an address within Singapore for the service of notices and documents shall not be entitled to receive any such notices or documents from the Company. Accordingly, the Scheme Document (including this Letter) has not been and will not be sent to any Overseas Shareholder.

Shareholders (including Overseas Shareholders) may obtain copies of the Scheme Document (including this Letter) and any related documents during normal business hours and up to the date of the Scheme Meeting from the Company at 15 Changi Business Park Central 1, #06-00, Singapore 486057. Alternatively, Shareholders (including Overseas Shareholders) may write in to the Company at the same address to request for the Scheme Document (including this Letter) and any related documents to be sent to an address in Singapore by ordinary post at his own risk, up to three (3) Market Days prior to the date of the Scheme Meeting.

For the avoidance of doubt, the Scheme is being proposed to all Shareholders (including the Overseas Shareholders), including those to whom the Scheme Document (including this Letter) have not been, or will not be, sent, provided that the Scheme Document (including this Letter) does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful and the Scheme is not being proposed in any jurisdiction in which the introduction or implementation of the Scheme would not be in compliance with the laws of such jurisdiction.

APPENDIX 2 – LETTER FROM THE OFFEROR TO SHAREHOLDERS

It is the responsibility of any Overseas Shareholder who wishes to request for the Scheme Document (including this Letter) and any related documents to satisfy himself as to the full observance of the laws of the relevant jurisdiction in that connection, including the obtaining of any governmental or other consent which may be required, and compliance with all necessary formalities or legal requirements. In requesting for the Scheme Document (including this Letter) and any related documents or participating in the Scheme, the Overseas Shareholder represents and warrants to the Offeror and the Company that he is in full observance of the laws of the relevant jurisdiction in that connection, and that he is in full compliance with all necessary formalities or legal requirements. If any Overseas Shareholder is in any doubt about his position, he should consult his professional adviser in the relevant jurisdiction.

- 9.3 Notice.** The Offeror and the Company each reserves the right to notify any matter, including the fact that the Scheme has been proposed, to any or all Shareholders (including Overseas Shareholders) by announcement to the SGX-ST or paid advertisement in a daily newspaper published and circulated in Singapore, in which case such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder (including any Overseas Shareholder) to receive or see such announcement or advertisement. For the avoidance of doubt, for as long as the Company remains listed on the SGX-ST, it will continue to notify all Shareholders (including Overseas Shareholders) of any matter relating to the Scheme by announcement via SGXNET.

Notwithstanding that any Overseas Shareholder may not receive the notice of the Scheme Meeting, they shall be bound by the Scheme if the Scheme becomes effective in accordance with its terms.

10. SETTLEMENT AND REGISTRATION PROCEDURES

- 10.1 Entitlements.** Entitlements to the Scheme Consideration will be determined on the basis of the Entitled Shareholders and their holdings of Target Shares appearing in the Register of Members or Securities Account (as the case may be) as at 5.00 p.m. on the Record Date.

Entitled Shareholders who have not already done so are requested to take the necessary action to ensure that the Target Shares owned by them are registered in their names with the Share Registrar or credited to their Securities Account (as the case may be) by 5.00 p.m. on the Record Date.

- 10.2 Implementation.** If the Court sanctions the Scheme, the Offeror and the Company will (subject to the satisfaction (or, where applicable, waiver) of all the Scheme Conditions in accordance with the Implementation Agreement on or before the Conditions Long-Stop Date) take the necessary steps to render the Scheme effective and binding, and the following will be implemented:

10.2.1 the Target Shares held by the Entitled Shareholders will be transferred to the Offeror for the Scheme Consideration to be paid by the Offeror to the Entitled Shareholders for each Target Share transferred as follows:

- (i) in the case of the Entitled Shareholders (not being Depositors), the Company shall authorise any person to execute or effect on behalf of all such Entitled Shareholders an instrument or instruction of transfer of all the Target Shares held by such Entitled Shareholders and every such instrument or instruction of transfer so executed shall be effective as if it had been executed by the relevant Entitled Shareholder; and

APPENDIX 2 – LETTER FROM THE OFFEROR TO SHAREHOLDERS

- (ii) in the case of the Entitled Shareholders (being Depositors), the Company shall instruct CDP, for and on behalf of such Entitled Shareholders, to debit, not later than three (3) Business Days after the Effective Date, all the Target Shares standing to the credit of the Securities Account of such Entitled Shareholders and credit all of such Target Shares to the Securities Account of the Offeror or such Securities Account(s) as directed by the Offeror,

10.2.2 from the Effective Date, all existing share certificates relating to the Target Shares held by the Entitled Shareholders (not being Depositors) will cease to be evidence of title of the Target Shares represented thereby;

10.2.3 the Entitled Shareholders (not being Depositors) are required to forward their existing share certificates relating to their Target Shares to the Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632 as soon as possible, but not later than seven (7) Business Days after the Effective Date for cancellation; and

10.2.4 not later than seven (7) Business Days after the Effective Date, and against the transfer of the Target Shares set out in this **paragraph 10.2** of this Letter, the Offeror shall pay cash to the Entitled Shareholders who are entitled to receive the Scheme Consideration for their Target Shares as follows:

(i) **Entitled Shareholders whose Target Shares are not deposited with CDP**

the Offeror shall pay each Entitled Shareholder (not being a Depositor) by sending a cheque for the Scheme Consideration payable to and made out in favour of such Entitled Shareholder by ordinary post to his address as appearing in the Register of Members at the close of business on the Record Date, at the sole risk of such Entitled Shareholder, or in the case of joint Entitled Shareholders, to the first-named Entitled Shareholder made out in favour of such Entitled Shareholder by ordinary post to his address as appearing in the Register of Members at the close of business on the Record Date, at the sole risk of such joint Entitled Shareholders; and

(ii) **Entitled Shareholders whose Target Shares are deposited with CDP**

the Offeror shall pay each Entitled Shareholder (being a Depositor) by making payment of the Scheme Consideration payable to such Entitled Shareholder to CDP. CDP shall:

- (a) in the case of an Entitled Shareholder (being a Depositor) who has registered for CDP's direct crediting service, credit the Scheme Consideration payable to such Entitled Shareholder, to the designated bank account of such Entitled Shareholder; and

APPENDIX 2 – LETTER FROM THE OFFEROR TO SHAREHOLDERS

- (b) in the case of an Entitled Shareholder (being a Depositor) who has not registered for CDP's direct crediting service, credit the Scheme Consideration to such Entitled Shareholder's Cash Ledger and such Scheme Consideration shall be subject to the same terms and conditions as applicable to "Cash Distributions" under CDP's "The Central Depository (Pte) Limited Operation of Securities Account with the Depository Terms and Conditions" as amended, modified or supplemented from time to time, copies of which are available from CDP.

Assuming that the Scheme becomes effective and binding in accordance with its terms on 6 September 2022, the crediting by CDP of the Scheme Consideration into the designated bank accounts of the Entitled Shareholders (in the case of Entitled Shareholders (being Depositors) who have registered with CDP for its direct crediting service), the posting of cheques for the Scheme Consideration as set out in **paragraph 10.2.4(i)** of this Letter or the crediting by CDP of the Scheme Consideration to the Cash Ledger of the Entitled Shareholders (in the case of Entitled Shareholders (being Depositors) who have not registered with CDP for its direct crediting service) (as the case may be), is expected to take place on or before 15 September 2022.

The despatch of payment by the Offeror to each Entitled Shareholder's address and/or CDP (as the case may be) in accordance with the above shall discharge the Offeror from any liability in respect of those payments.

- 10.3 Settlement.** The procedures for settlement are more particularly described in **paragraph 13** of the Explanatory Statement.

11. GENERAL INFORMATION

Schedule D to this Letter sets out certain additional general information relating to the Scheme.

12. FINANCIAL ADVISER AND CONFIRMATION OF FINANCIAL RESOURCES

- 12.1** DBS Bank Ltd. (the "Offeror Financial Adviser") is the financial adviser to the Offeror in respect of the Acquisition and the Scheme.

- 12.2** The Offeror Financial Adviser has confirmed that sufficient financial resources are available to the Offeror to satisfy in full the aggregate Scheme Consideration payable by the Offeror for all the Target Shares to be acquired by the Offeror pursuant to the Scheme (excluding the amount which AP will undertake to receive in the form of Offeror Shares pursuant to the Irrevocable Undertaking and the Reinvestment).

APPENDIX 2 – LETTER FROM THE OFFEROR TO SHAREHOLDERS

13. RESPONSIBILITY STATEMENT

The directors of the Offeror (including any who may have delegated detailed supervision of the preparation of this Letter) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Letter (excluding information obtained from the Company or any opinion expressed by the Company or the IFA) are fair and accurate and that there are no other material facts not contained in this Letter, the omission of which would make any statement in this Letter misleading. The directors of the Offeror jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from the Company, the sole responsibility of the directors of the Offeror has been to ensure that, through reasonable enquiries, such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this Letter. The directors of the Offeror do not accept any responsibility for any information relating to the Company or any opinion expressed by the Company.

Yours faithfully

For and on behalf of

WT SEMICONDUCTOR HOLDINGS PTE. LTD.

Cheng Wen-Tsung
Director

APPENDIX 2 – LETTER FROM THE OFFEROR TO SHAREHOLDERS

SCHEDULE A INFORMATION RELATING TO THE OFFEROR AND WT

(A) INFORMATION RELATING TO THE OFFEROR

1. DIRECTORS OF THE OFFEROR

The relevant information of the directors of the Offeror as at the Latest Practicable Date is set out below:

Name	Address	Designation
Cheng Wen-Tsung	3F., No. 16, Songzhi Rd., Xinyi Dist., Taipei City 110, Taiwan (R.O.C)	Director
Hsu Wen Hung	16 Leonie Hill Road, #31-01, New Futura, Singapore 239198	Director

As at the Latest Practicable Date, Mr. Cheng Wen-Tsung is the Chairman and Chief Executive Officer of WT, and Ms. Hsu Wen-Hung is the Senior Vice President and Director of WT.

2. PRINCIPAL ACTIVITIES OF THE OFFEROR

The Offeror is a special purpose vehicle incorporated in Singapore on 23 February 2022 for the purpose of the Acquisition. The registered office of the Offeror is 80 Robinson Road, #02-00 Singapore 068898.

The Offeror has not carried on any business since its incorporation.

3. FINANCIAL INFORMATION ON THE OFFEROR

As the Offeror was newly incorporated on 23 February 2022 for the purpose of the Acquisition, no audited or unaudited financial statements of the Offeror have been prepared as at the Latest Practicable Date for inclusion in this Letter.

Save in relation to and in connection with the Acquisition and the Scheme (including financing the Acquisition and the Scheme and the costs and expenses incurred or to be incurred in connection with the Acquisition and the Scheme), there has been no known material change in the financial position of the Offeror since its incorporation.

APPENDIX 2 – LETTER FROM THE OFFEROR TO SHAREHOLDERS

(B) INFORMATION RELATING TO WT

1. DIRECTORS OF WT

The relevant information of the directors of WT as at the Latest Practicable Date is set out below:

Name	Address	Designation
Cheng Wen-Tsung	3F., No. 16, Songzhi Rd., Xinyi Dist., Taipei City 110, Taiwan (R.O.C)	Chairman and Chief Executive Officer
Hsu Wen Hung	16 Leonie Hill Road, #31-01, New Futura, Singapore 239198	Senior Vice President and Director
Sung Kao Hsin-Ming	4F., No. 351, Changchun Rd., Songshan Dist., Taipei City 105021	Director
Che-Wei Lin	12F., No. 22, Sec. 2, Xinyi Rd., Da'an Dist., Taipei City, Taiwan, 106001	Director
Cheng Tien-Chong	No. 10-1, Aly. 4, Ln. 217, Sec. 3, Zhongxiao E. Rd., Da'an Dist., Taipei City 106080	Independent Director
Ding Kung-Wha	12F.-1, No. 116, Sec. 3, Xinyi Rd., Da'an Dist., Taipei City 106022	Independent Director
Kung Ju-Chin	14F., No. 79, Sec. 1, Minquan E. Rd., Zhongshan Dist., Taipei City 104028	Independent Director

2. PRINCIPAL ACTIVITIES OF WT

Established in 1993 and listed on the Taiwan Stock Exchange, WT is one of the global leading distributors of semiconductor components. WT has focused on high quality and value-driven businesses to pursue profitable growth and drive competitive advantages. By providing superior supply chain management services to both vendors and customers, WT has successfully positioned itself as a pivotal liaison, bridging upstream and downstream partners. Aiming to co-define the product marketing strategy with upstream vendors as well as to reduce R&D pipeline for downstream customers, WT has persistently strengthened its capability to create value-added services throughout the supply chain. Headquartered in Taiwan, WT has an extensive marketing and sales channel with over 40 regional offices in China, Korea, Singapore, India, Thailand, Malaysia, and Vietnam. After years of higher-than-industry growth, it achieved a revenue close to US\$16 billion in 2021. WT currently partners with over 80 suppliers across every major technology segment to serve over 8,000 customers worldwide.

The registered office of WT is at 14F., No. 738, Zhongzheng Rd., Zhonghe Dist., New Taipei City 235, Taiwan (R.O.C.).

APPENDIX 2 – LETTER FROM THE OFFEROR TO SHAREHOLDERS

3. FINANCIAL SUMMARY OF WT

Set out below are certain financial information extracted from WT's annual reports for FY2019, FY2020 and FY2021 respectively and from the unaudited consolidated interim financial statements of WT for the 3 months ended 31 March 2022. The financial information for FY2019, FY2020 and FY2021 should be read in conjunction with the audited consolidated financial statements of WT for FY2019, FY2020 and FY2021. In addition, the financial information for the 3 months ended 31 March 2022 should be read in conjunction with the unaudited consolidated interim financial results of WT for the same period.

	3 months ended 31 March 2022	FY 2021	FY 2020	FY 2019
	NT\$ million	NT\$ million	NT\$ million	NT\$ million
Revenue	127,943	447,896	353,152	335,187
Profit before tax	2,800	10,180	4,799	3,309
Profit after tax	2,193	7,855	3,795	2,531
Profit attributable to owners of the parent	2,218	7,923	3,794	2,531
Profit attributable to minority interests	(26)	(68)	0	0
Basic earnings per ordinary share (NT\$)	2.77	9.96	5.22	4.32

Note: WT has profit attributable to minority interest of NT\$398K and NT\$307K in FY2020 and FY2019

Set out below is also a summary of the dividend per ordinary share declared in respect of each of FY2019, FY2020 and FY2021 by WT. This information was also extracted from WT's annual reports for FY2019, FY2020 and FY2021. No interim dividend on ordinary shares was declared in respect of the 3 months ended 31 March 2022.

	NT\$
In respect of FY2019	
Dividend per Ordinary Share	2.78
In respect of FY2020	
Dividend per Ordinary Share	3.20
Dividend per Preferred Share	0.43
In respect of FY2021	
Dividend per Ordinary Share	5.50
Dividend per Preferred Share	2.00

APPENDIX 2 – LETTER FROM THE OFFEROR TO SHAREHOLDERS

The balance sheets of WT as at 31 December 2021 and as at 31 March 2022 are summarised in the table set out in **Schedule E** to this Letter. The summary should be read in conjunction with the audited consolidated financial statements of WT for FY2021 and the unaudited consolidated interim financial results of WT for the 3 months ended 31 March 2022.

4. MATERIAL CHANGES IN FINANCIAL POSITION

Save as disclosed in the unaudited consolidated interim results of WT for the 3 months ended 31 March 2022 as announced on 9 May 2022 and any other information on WT which is publicly available (including without limitation, the announcements released by WT on the Taiwan Stock Exchange), there have been no material changes to the financial position of WT since 31 December 2021, being the date of the last audited accounts of WT laid before the shareholders of WT in general meeting.

5. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies of WT as disclosed in Note 4 of the audited consolidated financial statements of WT for FY2021 and extracted from WT's annual report for FY2021 are set out in **Schedule F** to this Letter.

6. CHANGES IN ACCOUNTING POLICIES

As at the Latest Practicable Date, there are no changes in the accounting policies of WT which will cause the figures disclosed in this section (B) not to be comparable to a material extent.

APPENDIX 2 – LETTER FROM THE OFFEROR TO SHAREHOLDERS

SCHEDULE B IRREVOCABLE UNDERTAKINGS

Name of Undertaking Shareholder	Description	Total Number of Target Shares Owned Legally and/or Beneficially that are Subject to the Irrevocable Undertakings as at the Latest Practicable Date	Number of Target Shares Owned Legally and/or Beneficially that are Subject to the Irrevocable Undertakings as at the Latest Practicable Date as a Percentage of the Total Number of Target Shares ⁽¹⁾
Mr. Albert Phuay Yong Hen	Chairman and Group Chief Executive Officer of Target	47,915,204	39.80 per cent.
Mdm. Han Jiak Siew	Shareholder of Target	2,432,168	2.02 per cent.
AP21 Holdings Pte Ltd	Shareholder of Target	166,000	0.14 per cent.
Total:		50,513,372	41.96 per cent.

Note:

- (1) Rounded to the nearest two decimal places and based on there being 120,398,640 Target Shares in issue, with no treasury shares, as at the Latest Practicable Date.

APPENDIX 2 – LETTER FROM THE OFFEROR TO SHAREHOLDERS

SCHEDULE C DISCLOSURES

1. HOLDINGS IN TARGET SECURITIES

Save as disclosed in the Scheme Document (including this Letter, in particular, this **paragraph 1** of this **Schedule C**), as at the Latest Practicable Date, none of (i) the Offeror, (ii) the directors of the Offeror, (iii) the other members of the WT Concert Party Group or (iv) the Undertaking Shareholders, owns, controls or has agreed to acquire any Target Securities.

Name	Direct Interest		Deemed Interest	
	No. of Target Shares	Per cent. ⁽¹⁾	No. of Target Shares	Per cent. ⁽¹⁾
Mr. Albert Phuay Yong Hen	47,915,204	39.80	2,598,168 ⁽²⁾	2.16
Mdm. Han Jiak Siew	2,432,168	2.02	–	–
AP21 Holdings Pte Ltd	166,000	0.14	–	–

Notes:

(1) Calculated based on there being 120,398,640 Target Shares in issue, with no treasure shares, as at the Latest Practicable Date, and rounded to two decimal places.

(2) Mr. Albert Phuay Yong Hen is deemed interested in the Target Shares held by his spouse, HJS, and AP21.

2. DEALINGS IN TARGET SECURITIES

As at the Latest Practicable Date, none of (i) the Offeror, (ii) the directors of the Offeror, (iii) the other members of the WT Concert Party Group or (iv) the Undertaking Shareholders, has dealt for value in the Target Securities during the period commencing three (3) months prior to the Joint Announcement Date and ending on the Latest Practicable Date.

APPENDIX 2 – LETTER FROM THE OFFEROR TO SHAREHOLDERS

SCHEDULE D GENERAL INFORMATION

1. SPECIAL ARRANGEMENTS

- 1.1 No Agreement having any Connection with or Dependence upon the Scheme.** As at the Latest Practicable Date, save as disclosed in the Scheme Document (including this Letter), there is no agreement, arrangement or understanding between (i) any member of the WT Concert Party Group and (ii) any of the current or recent directors of the Company or any of the current or recent Shareholders or any other person that has any connection with, or is dependent on or is conditional upon, the Scheme or its outcome.
- 1.2 Transfer of Target Shares.** As at the Latest Practicable Date, save as disclosed in the Scheme Document (including this Letter), there is no agreement, arrangement or understanding whereby any of the Target Shares acquired by the Offeror pursuant to the Scheme will be transferred to any other person. However, the Offeror reserves the right to direct or transfer any of the Target Shares to any of its related corporations.
- 1.3 No Payment or Benefit to Directors of the Company.** As at the Latest Practicable Date, save as disclosed in the Scheme Document (including this Letter), there is no agreement, arrangement or understanding between the Offeror and any director of the Company or of any of its related corporations (within the meaning of Section 6 of the Companies Act) for any payment or other benefit to be made or given to such director as compensation for loss of office or otherwise in connection with the Scheme.
- 1.4 No Agreement Conditional upon Outcome of the Scheme.** As at the Latest Practicable Date, save as disclosed in the Scheme Document (including this Letter and the Reinvestment and Retention Arrangements relating to AP), there is no agreement, arrangement or understanding between the Offeror, on the one hand, and any director of the Company or any other person, on the other hand, in connection with or conditional upon the outcome of the Scheme or otherwise connected with the Scheme.
- 1.5 Directors' and Managers' Service Contracts.** The emoluments of the respective directors of the Offeror will not be varied or affected by the implementation of the Scheme or any other associated relevant transaction.

2. DISCLOSURES IN RELATION TO THE COMPANY

- 2.1 Material Changes in the Financial Position of the Company.** Save as disclosed in the Scheme Document (including this Letter) and any other information on the Excelpoint Group which is publicly available (including without limitation, the announcements released by the Company on SGXNET), there have not been, to the knowledge of the Offeror, any material changes in the financial position of the Company since 31 December 2021, being the date of the last published audited consolidated financial statements of the Excelpoint Group.
- 2.2 Transfer Restrictions.** The Constitution does not contain any restrictions on the right to transfer the Target Shares in connection with the Acquisition or the Scheme.

APPENDIX 2 – LETTER FROM THE OFFEROR TO SHAREHOLDERS

3. MARKET QUOTATIONS

3.1 Closing Prices. The following table sets out the closing prices of the Target Shares on the SGX-ST (as reported by Bloomberg, L.P.) on a monthly basis commencing six months prior to the Joint Announcement Date and ending on the Latest Practicable Date, on the Last Undisturbed Trading Day, on the last Market Day on which the Target Shares were traded on the SGX-ST prior to the Joint Announcement Date and on the Latest Practicable Date, and the corresponding premium based on the Scheme Consideration of S\$1.93:

Date	Closing Price (S\$)	Premium based on the Scheme Consideration of S\$1.93
30 September 2021	1.01	91.1%
29 October 2021	1.16	66.4%
30 November 2021	1.18	63.6%
31 December 2021	1.31	47.3%
31 January 2022	1.52	27.0%
28 February 2022	1.38	39.9%
25 March 2022	1.59	21.4%
31 March 2022	1.67	15.6%
12 April 2022	1.79	7.8%
29 April 2022	1.88	2.7%
31 May 2022	1.90	1.6%
30 June 2022	1.90	1.6%
7 July 2022	1.90	1.6%

3.2 Highest and Lowest Prices. The highest and lowest closing prices of the Target Shares on the SGX-ST (as reported by Bloomberg, L.P.) during (i) the period commencing on the six months prior to the Joint Announcement Date and ending on the Latest Practicable Date (the “**Reference Period**”) and (ii) the six-month period up to and including the Last Undisturbed Trading Day (the “**Undisturbed Reference Period**”), and the corresponding premium based on the Scheme Consideration of S\$1.93 are as follows:

	Price (S\$)	Date	Premium based on the Scheme Consideration of S\$1.93
Highest Closing Price during the Reference Period	1.99	27 April 2022	-3.0%
Highest Closing Price during the Undisturbed Reference Period	1.65	8 February 2022	17.0%

APPENDIX 2 – LETTER FROM THE OFFEROR TO SHAREHOLDERS

	Price (S\$)	Date	Premium based on the Scheme Consideration of S\$1.93
Lowest Closing Price during the Reference Period	1.06	14 October 2021, 20 October 2021	82.1%
Lowest Closing Price during the Undisturbed Reference Period	1.01	29 September 2021, 30 September 2021, 1 October 2021, 5 October 2021	91.1%

4. CONSENT

The Offeror Financial Adviser has given and has not withdrawn its written consent to the issue of this Letter with the inclusion herein of its name and all references to its name in the form and context in which it appears in this Letter.

5. DOCUMENTS FOR INSPECTION

Copies of the following documents will be made available for inspection during normal business hours at the registered office of the Company at 80 Robinson Road, #02-00 Singapore 068898 for three (3) months from the date of the Scheme Document or up until the Effective Date, whichever is the later:

- 5.1 the Implementation Agreement;
- 5.2 the Irrevocable Undertakings; and
- 5.3 the letter of consent referred to in **paragraph 4** of this **Schedule D** to this Letter.

APPENDIX 2 – LETTER FROM THE OFFEROR TO SHAREHOLDERS

SCHEDULE E SUMMARY OF THE BALANCE SHEETS OF WT AS AT 31 DECEMBER 2021 AND AS AT 31 MARCH 2022

Consolidated Balance Sheets
As at 31 December 2021 and 31 March 2022
(Expressed in thousands of New Taiwan dollars)

	<u>31 December 2021</u>	<u>31 March 2022</u>
Current assets		
Cash and cash equivalents	4,679,576	5,164,911
Financial assets at fair value through profit or loss-current	22,004	17,768
Financial assets at fair value through other comprehensive income-current	–	–
Accounts receivable, net	75,462,083	77,041,866
Other receivables	1,531,897	1,985,915
Inventories	66,524,304	71,837,230
Prepayments	880,827	928,379
Other current assets	35,564	48,232
Total current assets	<u>149,136,255</u>	<u>157,024,301</u>
Non-current assets		
Financial assets at fair value through profit or loss – non-current	321,726	318,366
Financial assets at fair value through other comprehensive income – non-current	18,989,224	19,697,761
Investments accounted for using equity method	118,457	108,247
Property, plant and equipment	1,004,215	1,005,843
Right-of-use assets	699,563	670,080
Investment property-net	102,500	102,297
Intangible assets	1,972,777	1,994,178
Deferred income tax assets	801,911	752,188
Other non-current assets	202,659	229,749
Total non-current assets	<u>24,213,032</u>	<u>24,878,709</u>
Total Assets	<u>173,349,287</u>	<u>181,903,010</u>
Current liabilities		
Short-term borrowings	33,497,708	32,569,602
Short-term notes and bills payable	2,049,454	449,863
Financial liabilities at fair value through profit or loss – current	14,838	26,967

APPENDIX 2 – LETTER FROM THE OFFEROR TO SHAREHOLDERS

	31 December 2021	31 March 2022
Contract liabilities – current	373,803	555,582
Accounts payable	69,808,936	74,432,898
Other payables	2,184,132	2,108,682
Current income tax liabilities	1,674,704	1,985,271
Lease liabilities – current	181,312	171,157
Long-term liabilities, current portion	76,635	–
Refund liabilities – current	658,325	500,432
Other current liabilities	62,466	52,282
Total current liabilities	110,582,313	112,852,736
Non-current liabilities		
Bonds payable	–	–
Long-term loans	7,750,400	9,710,400
Deferred income tax liabilities	741,999	923,615
Lease liabilities – non-current	258,807	232,408
Other non-current liabilities	155,460	153,388
Total non-current liabilities	8,906,666	11,019,811
Total liabilities	119,488,979	123,872,547
Equity attributable to owners of parent		
Share capital		
Common stock	7,977,068	8,027,946
Preferred share	1,350,000	1,350,000
Certificates of entitlement to new shares from convertible bonds	51,498	28,876
Capital surplus		
Capital surplus	20,444,778	20,528,161
Retained earnings		
Legal reserve	2,677,275	2,677,275
Special reserve	–	–
Unappropriated retained earnings	14,531,008	16,749,060
Other equity interest		
Other equity interest	6,736,238	8,598,998
Equity attributable to owners of the parent	53,767,865	57,960,316
Non-controlling interest	92,443	70,147
Total equity	53,860,308	58,030,463
Commitments and contingent liabilities		
Significant subsequent events		
Total liabilities and equity	173,349,287	181,903,010

APPENDIX 2 – LETTER FROM THE OFFEROR TO SHAREHOLDERS

SCHEDULE F THE SIGNIFICANT ACCOUNTING POLICIES AS EXTRACTED FROM WT'S ANNUAL REPORT FOR FY2021

Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2020 and 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)
(continued)

3. Application of New Standards, Amendments and Interpretations (continued)

(3) IFRSs issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRSs endorsed by the FSC are as follows:

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9—comparative information'	January 1, 2023
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2023
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023

The above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on the Group's assessment.

4. Summary of Significant Accounting Policies

The principal significant accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed by the FSC (collectively referred herein as the "IFRSs").

(2) Basis of preparation

- A. Except for the following items, these consolidated financial statements have been prepared under the historical cost convention:
 - (a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.
 - (b) Financial assets at fair value through other comprehensive income.
 - (c) Defined benefit assets (liabilities) recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

APPENDIX 2 – LETTER FROM THE OFFEROR TO SHAREHOLDERS

Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2020 and 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)
(continued)

4. Summary of Significant Accounting Policies (continued)

(2) Basis of preparation (continued)

- B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

- A. Basis for preparation of consolidated financial statements:
- (a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.
 - (b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
 - (c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
 - (d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.
 - (e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be

APPENDIX 2 – LETTER FROM THE OFFEROR TO SHAREHOLDERS

Notes to the Consolidated Financial Statements

For the Years Ended December 31, 2020 and 2021

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)
(continued)

4. Summary of Significant Accounting Policies (continued)

(3) Basis of consolidation (continued)

required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

Name of Investor	Name of Subsidiary	Main Business Activities	Ownership (%)		Note
			December 31, 2020	December 31, 2021	
WT Microelectronics Co., Ltd.	Wintech Microelectronics Holding Limited	Investment Company	99.65	99.65	
WT Microelectronics Co., Ltd.	Morrihan International Corp.	Trading Company	100	100	
WT Microelectronics Co., Ltd.	BSI Semiconductor Pte. Ltd.	Trading Company	100	100	
WT Microelectronics Co., Ltd.	Nuvision Technology Inc.	Trading Company	99.91	99.91	
WT Microelectronics Co., Ltd.	Milestone Investment Co., Ltd.	Investment Company	100	100	
WT Microelectronics Co., Ltd.	SinYie Investment Co., Ltd.	Investment Company	100	100	
WT Microelectronics Co., Ltd.	Techmosa International Inc.	Trading Company	100	100	
WT Microelectronics Co., Ltd.	MSD Holdings Pte. Ltd.	Trading Company	100	100	
WT Microelectronics Co., Ltd.	Maxtek Technology Co., Ltd.	Trading Company	100	100	
WT Microelectronics Co., Ltd.	Analog World Co., Ltd.	Trading Company	100	100	(b)
Wintech Microelectronics Holding Limited	WT Microelectronics (Shanghai) Co., Ltd.	Trading Company	100	100	
Wintech Microelectronics Holding Limited	Promising Investment Limited	Investment Company	100	100	
Wintech Microelectronics Holding Limited	Wintech Microelectronics Ltd.	Trading Company	100	100	
Wintech Microelectronics Holding Limited	Wintech Microelectronics Limited	Investment Company	100	100	
Wintech Microelectronics Holding Limited	WT Technology Pte. Ltd.	Trading Company	100	100	
Wintech Microelectronics Holding Limited	Wintech Investment Co., Ltd.	Investment Company	100	100	

APPENDIX 2 – LETTER FROM THE OFFEROR TO SHAREHOLDERS

Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2020 and 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)
(continued)

4. Summary of Significant Accounting Policies (continued)

(3) Basis of consolidation (continued)

<u>Name of Investor</u>	<u>Name of Subsidiary</u>	<u>Main Business Activities</u>	<u>Ownership (%)</u>		<u>Note</u>
			<u>December 31, 2020</u>	<u>December 31, 2021</u>	
Wintech Microelectronics Holding Limited	Anius Enterprise Co., Ltd.	Trading Company	100	100	
Wintech Microelectronics Holding Limited	Mega Source Co., Ltd.	Trading Company	100	100	
Wintech Microelectronics Holding Limited	Brillnics Inc.	Investment Company	54.15	62.03	(a) (d)
BSI Semiconductor Pte. Ltd.	Wonchang Semiconductor Co., Ltd.	Trading Company	100	100	
BSI Semiconductor Pte. Ltd.	WT Technology Korea Co., Ltd.	Trading Company	4.53	4.53	
Morrihan International Corp.	Hotech Electronics Corp.	Trading Company	100	—	(c)
Morrihan International Corp.	Asia Latest Technology Limited	Investment Company	100	100	
Promising Investment Limited	WT Technology (H.K.) Limited	Trading Company	100	100	
Promising Investment Limited	WT Solomon QCE Ltd.	Trading Company	100	100	
Promising Investment Limited	WT Microelectronics (Hong Kong) Limited	Trading Company	100	100	
Promising Investment Limited	Nino Capital Co., Ltd.	Investment Company	100	100	
Promising Investment Limited	Rich Web Ltd.	Investment Company	100	100	
Wintech Investment Co., Ltd.	WT Microelectronics Singapore Pte. Ltd.	Trading Company	100	100	
Wintech Investment Co., Ltd.	WT Microelectronics (Malaysia) Sdn. Bhd.	Trading Company	100	100	
Wintech Investment Co., Ltd.	WT Technology Korea Co., Ltd.	Trading Company	95.47	95.47	
Nino Capital Co., Ltd.	Shanghai WT Microelectronics Co., Ltd.	Trading Company	100	100	
Rich Web Ltd.	WT Microelectronics (Shenzhen) Co., Ltd.	Trading Company	100	100	

APPENDIX 2 – LETTER FROM THE OFFEROR TO SHAREHOLDERS

Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2020 and 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)
(continued)

4. Summary of Significant Accounting Policies (continued)

(3) Basis of consolidation (continued)

<u>Name of Investor</u>	<u>Name of Subsidiary</u>	<u>Main Business Activities</u>	<u>Ownership (%)</u>		<u>Note</u>
			<u>December 31, 2020</u>	<u>December 31, 2021</u>	
WT Microelectronics Singapore Pte. Ltd.	WT Microelectronics (Thailand) Co., Limited.	Trading Company	100	100	
WT Microelectronics Singapore Pte. Ltd.	WT Microelectronics India Private Limited	Trading Company	100	100	
SinYie Investment Co., Ltd.	Wintech Microelectronics Holding Limited	Investment Company	0.35	0.35	
Asia Latest Technology Limited	Morrihan International Trading (Shanghai) Co., Ltd.	Trading Company	100	100	
Techmosa International Inc.	Techmosa International Holding Ltd.	Investment Company	100	—	(e)
Techmosa International Inc.	Morrihan Singapore Pte. Ltd.	Trading Company	100	100	
Maxtek Technology Co., Ltd.	HongTech Electronics Co., Ltd.	Trading Company	100	100	
Maxtek Technology Co., Ltd.	Lacewood International Corp.	Trading Company	100	100	
Maxtek Technology Co., Ltd.	Best Winner International Development Ltd.	Investment Company	100	100	
Best Winner International Development Ltd.	Maxtek International (HK) Limited.	Trading Company	100	100	
Brillnics Inc.	Brillnics (HK) Limited	Selling and Technology Servicing	100	100	(a)
Brillnics Inc.	Brillnics Singapore Pte. Ltd.	Trading Company	100	100	(a)
Brillnics (HK) Limited ...	Brillnics Japan Inc.	Research and Development Company	100	100	(a)
Brillnics (HK) Limited ...	Brillnics (Taiwan) Inc.	Research and Development Company	100	100	(a)

APPENDIX 2 – LETTER FROM THE OFFEROR TO SHAREHOLDERS

Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2020 and 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)
(continued)

4. Summary of Significant Accounting Policies (continued)

(3) Basis of consolidation (continued)

- (a) Wintech Microelectronics Holding Limited indirectly invested in Brillnics Inc. through Supreme Mega Ltd. In December 2020, Supreme Mega Ltd. implemented its dissolution and liquidation procedures and returned Brillnics Inc.'s shares to the original shareholders proportionately based on their owned shares of Supreme Mega Ltd. Further, Brillnics Inc. increased its capital by issuing preferred shares in December 2020 and accordingly, the shareholder ratio of Wintech Microelectronics Holding Limited in Brillnics Inc. increased to 54.15%, and capital surplus decreased by \$249,010.
 - (b) In October 2020, the Company acquired all the equity interest of Analog World Co., Ltd. by cash, which then became a wholly-owned subsidiary and was included in the consolidated financial statements from the acquisition date.
 - (c) In March 2021, Hotech Electronics Corp. has been dissolved and liquidated.
 - (d) The Group increased its investment in the newly issued preferred shares of Brillnics Inc. at US\$10,352 thousand on April 8, 2021 and accordingly, the shareholder ratio increased to 62.16%, capital surplus decreased by \$78,247 (US\$2,821) and non-controlling interest increased by \$122,199 (US\$4,405). Further, employees of Brillnics Inc. exercised employee stock options in April, July and October 2021 and accordingly, the shareholder ratio decreased to 62.03%.
 - (e) In November 2021, Techmosa International Holding Ltd. has been dissolved and liquidated.
- C. Subsidiaries not included in the consolidated financial statements: None.
 - D. Adjustments for subsidiaries with different balance sheet dates: None.
 - E. Significant restrictions: None.
 - F. Subsidiaries that have non-controlling interests that are material to the Group: None.

APPENDIX 2 – LETTER FROM THE OFFEROR TO SHAREHOLDERS

Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2020 and 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)
(continued)

4. Summary of Significant Accounting Policies (continued)

(4) Foreign currency translation

- A. The consolidated financial statements are presented in New Taiwan dollars, which is the Company's functional and the Group's presentation currency.
- B. Foreign currency transactions and balances
- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
 - (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
 - (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
 - (d) All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.
- C. Translation of foreign operations
- (a) The operating results and financial position of all the group entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;
 - ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
 - iii. All resulting exchange differences are recognised in other comprehensive income.

APPENDIX 2 – LETTER FROM THE OFFEROR TO SHAREHOLDERS

Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2020 and 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)
(continued)

4. Summary of Significant Accounting Policies (continued)

(4) Foreign currency translation (continued)

- (b) When the foreign operation partially disposed of or sold is an associate or joint arrangement, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, if the Group retains partial interest in the former foreign associate or joint arrangement after losing significant influence over the former foreign associate, or losing joint control of the former joint arrangement, such transactions should be accounted for as disposal of all interest in these foreign operations.
- (c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Group retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.
- (d) Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rates at the balance sheet date.

(5) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
 - (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
 - (b) Assets held mainly for trading purposes;
 - (c) Assets that are expected to be realised within twelve months from the balance sheet date;
 - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
 - (a) Liabilities that are expected to be settled within the normal operating cycle;
 - (b) Liabilities arising mainly from trading activities;
 - (c) Liabilities that are to be settled within twelve months from the balance sheet date;

APPENDIX 2 – LETTER FROM THE OFFEROR TO SHAREHOLDERS

Notes to the Consolidated Financial Statements For the Years Ended December 31, 2020 and 2021 (Expressed in thousands of New Taiwan dollars, except as otherwise indicated) (continued)

4. Summary of Significant Accounting Policies (continued)

(5) Classification of current and non-current items (continued)

- (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(7) Financial assets (liabilities) at fair value through profit or loss

- A. These are financial assets that are not measured at amortised cost or at fair value through other comprehensive income and are held for trading if acquired principally for the purpose of repurchasing in the short term. Derivatives are also categorised as financial assets and liabilities held for trading unless they are designated as hedging instruments in a valid hedge accounting relationship.
- B. On a regular way purchase or sale basis, financial assets and liabilities at fair value through profit or loss are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets and liabilities at fair value. All related transaction costs are recognised in profit or loss. The Group subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.
- D. The Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(8) Financial assets at fair value through other comprehensive income

- A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised using trade date accounting.
- C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value. The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not

APPENDIX 2 – LETTER FROM THE OFFEROR TO SHAREHOLDERS

Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2020 and 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)
(continued)

4. Summary of Significant Accounting Policies (continued)

(8) Financial assets at fair value through other comprehensive income (continued)

reclassified to profit or loss following the derecognition relating to the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(9) Accounts and notes receivable

- A. Accounts and notes receivable entitle the Group a legal right to receive consideration in exchange for transferred goods or rendered services.
- B. The short-term accounts and notes receivable without bearing interest are initially recognised and subsequently measured at initial invoice amount as the effect of discounting is immaterial.
- C. The Group's operating pattern of accounts receivable that are expected to be factored is for the purpose of receiving contract cash flow and selling, and the accounts receivable are subsequently measured at fair value, with any changes in fair value recognised in other comprehensive income.

(10) Impairment of financial assets

For financial assets at amortised cost at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that do not contain a significant financing component, the Group recognises the impairment provision for lifetime ECLs.

(11) Derecognition of financial assets

The Group derecognises a financial asset when one of the following conditions is met:

- A. The contractual rights to receive the cash flows from the financial asset expire.
- B. The contractual rights to receive cash flows of the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.
- C. The contractual rights to receive cash flows of the financial asset have been transferred, however, the Group has not retained control of the financial asset.

APPENDIX 2 – LETTER FROM THE OFFEROR TO SHAREHOLDERS

Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2020 and 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)
(continued)

4. Summary of Significant Accounting Policies (continued)

(12) Leasing arrangements (lessor)—operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(13) Inventories

- A. The cost of inventories includes the purchase price, import duties and other costs directly attributable to the acquisition of goods. The discount, allowance and others alike should be deducted from the cost.
- B. Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the applicable variable selling expenses.

(14) Investments accounted for using equity method/associates

- A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.
- B. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognises change in ownership interests in the associate in 'capital surplus' in proportion to its ownership.
- D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

APPENDIX 2 – LETTER FROM THE OFFEROR TO SHAREHOLDERS

Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2020 and 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)
(continued)

4. Summary of Significant Accounting Policies (continued)

(14) Investments accounted for using equity method/associates (continued)

- E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for using equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.
- F. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

(15) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost.
- B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

APPENDIX 2 – LETTER FROM THE OFFEROR TO SHAREHOLDERS

Notes to the Consolidated Financial Statements

For the Years Ended December 31, 2020 and 2021

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)
(continued)

4. Summary of Significant Accounting Policies (continued)

(15) Property, plant and equipment (continued)

- D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Buildings.....	26 ~ 55 years
Office equipment	2 ~ 9 years
Other assets	2 ~ 12 years

(16) Leasing arrangements (lessee)—right-of-use assets/lease liabilities

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the Group's incremental borrowing interest rate. Lease payments are comprised of the following:
- (a) Fixed payments, less any lease incentives receivable; and
 - (b) Variable lease payments that depend on an index or a rate.

The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

- C. At the commencement date, the right-of-use asset is stated at cost comprising the following:
- (a) The amount of the initial measurement of lease liability;
 - (b) Any lease payments made at or before the commencement date; and
 - (c) Any initial direct costs incurred by the lessee.

APPENDIX 2 – LETTER FROM THE OFFEROR TO SHAREHOLDERS

Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2020 and 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)
(continued)

4. Summary of Significant Accounting Policies (continued)

(16) Leasing arrangements (lessee)—right-of-use assets/lease liabilities (continued)

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

- D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognise the difference between remeasured lease liability in profit or loss.

(17) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 50 ~ 55 years.

(18) Intangible assets

- A. Goodwill arises in a business combination accounted for by applying the acquisition method.
- B. Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 3 ~ 5 years.
- C. Other intangible assets, mainly customer relationship, are recorded at cost and amortised on a straight-line basis over the estimated useful life of 5 ~ 8 years.

(19) Impairment of non-financial assets

- A. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. Except for goodwill, when the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.
- B. The recoverable amount of goodwill shall be evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.

APPENDIX 2 – LETTER FROM THE OFFEROR TO SHAREHOLDERS

Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2020 and 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)
(continued)

4. Summary of Significant Accounting Policies (continued)

(19) Impairment of non-financial assets (continued)

- C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(20) Notes and accounts payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
- B. The short-term notes and accounts payable without bearing interest are initially recognised and subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(21) Borrowings

- A. Borrowings comprise long-term and short-term bank borrowings. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.
- B. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs.

(22) Convertible bonds payable

Convertible corporate bonds issued by the Group contain conversion options (that is, the bondholders have the right to convert the bonds into the Company's common shares by exchanging a fixed amount of cash for a fixed number of common shares). The Group classifies the bonds payable and derivative features embedded in convertible corporate bonds on initial recognition as a financial liability or an equity instrument ('capital surplus—share options') in accordance with the substance of the contractual arrangement and the definitions of a financial asset, a financial liability and an equity instrument. Convertible corporate bonds are accounted for as follows:

- A. The host contracts of bonds are initially recognised at fair value. Any difference between the initial recognition and the redemption value is accounted for as the premium or discount on bonds payable and subsequently is amortised in profit or loss as an adjustment to 'finance costs' over the period of circulation using the effective interest method.

APPENDIX 2 – LETTER FROM THE OFFEROR TO SHAREHOLDERS

Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2020 and 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)
(continued)

4. Summary of Significant Accounting Policies (continued)

(22) Convertible bonds payable (continued)

- B. The embedded conversion options which meet the definition of an equity instrument are initially recognised in ‘capital surplus—share options’ at the residual amount of total issue price less the amount of bonds payable as stated above. Conversion options are not subsequently remeasured.
- C. Any transaction costs directly attributable to the issuance are allocated to each liability or equity component in proportion to the initial carrying amount of each abovementioned item.
- D. When bondholders exercise conversion options, the liability component of the bonds (including ‘bonds payable’) shall be remeasured on the conversion date. The book value of common shares issued due to the conversion shall be based on the adjusted book value of the abovementioned liability component plus the book value of capital surplus—share options.

(23) Employee benefits

A. *Short-term employee benefits*

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. *Pensions*

(a) *Defined contribution plans*

For defined contribution plans, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) *Defined benefit plans*

- i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

APPENDIX 2 – LETTER FROM THE OFFEROR TO SHAREHOLDERS

Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2020 and 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)
(continued)

4. Summary of Significant Accounting Policies (continued)

(23) Employee benefits (continued)

B. Pensions (continued)

(b) Defined benefit plans (continued)

- ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

C. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(24) Employee share-based payment

- A. For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.
- B. The grant date of cash capital increase reserved for employee preemption is the date at which the entity and the employee agree to a share-based payment arrangement, being when the entity and the counterparty have a shared understanding of the terms and conditions of the arrangement.
- C. Restricted stocks:
 - (a) Restricted stocks issued to employees are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period.

APPENDIX 2 – LETTER FROM THE OFFEROR TO SHAREHOLDERS

Notes to the Consolidated Financial Statements

For the Years Ended December 31, 2020 and 2021

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)
(continued)

4. Summary of Significant Accounting Policies (continued)

(24) Employee share-based payment (continued)

- (b) For restricted stocks where those stocks do not restrict distribution of dividends to employees and employees are not required to return the dividends received if they resign during the vesting period, the Group recognises the fair value of the dividends received by the employees who are expected to resign during the vesting period as compensation cost at the date of dividends declared.
- (c) For restricted stocks where employees do not need to pay to acquire those stocks, if the employees resign during the vesting period, the restricted stocks will be redeemed and retired by the Group without further consideration and recognised as deduction of share capital and additional paid-in capital, in accordance with the terms of restricted stocks.

(25) Income tax

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the shareholders resolve to retain the earnings.
- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

APPENDIX 2 – LETTER FROM THE OFFEROR TO SHAREHOLDERS

Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2020 and 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)
(continued)

4. Summary of Significant Accounting Policies (continued)

(25) Income tax (continued)

- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.
- E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.
- F. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from research and development expenditures to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

(26) Share capital

- A. Ordinary shares are classified as equity. The classification of preferred shares is determined according to the special rights attached to the preferred shares based on the substance of the contract and the definition of financial liabilities and equity instruments. Preferred shares are classified as liabilities when they have the contractual characteristics of financial liabilities; otherwise, they are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.
- B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(27) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are approved by the Company's shareholders or Board of Directors. Cash dividends are recorded as liabilities.

APPENDIX 2 – LETTER FROM THE OFFEROR TO SHAREHOLDERS

Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2020 and 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)
(continued)

4. Summary of Significant Accounting Policies (continued)

(28) Revenue recognition

A. Sales of goods

- (a) The Group sells electronic components. Sales are recognised when the control of the products has been transferred, being when the products are delivered to the customer, and there is no unfulfilled obligation that could affect the customer acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.
- (b) The goods are often sold with volume discounts based on aggregate sales. Revenue from these sales is recognised based on the price specified in the contract, net of the estimated sales discounts and allowances. Accumulated experience is used to estimate and provide for the sales discounts and allowances, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date. A refund liability is recognised for expected volume discounts payable to customers in relation to sales made until the end of the reporting period. As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Group does not adjust the transaction price to reflect the time value of money.
- (c) A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. The customer pays at the time specified in the payment schedule. If the payments exceed the merchandise provided, a contract liability is recognised.

B. Services

- (a) The Group provides semiconductor development services. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided at the end of the reporting period in a proportion to the total services to be provided. This is determined based on the contract costs incurred for services performed to the estimated total cost for the service contract. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

APPENDIX 2 – LETTER FROM THE OFFEROR TO SHAREHOLDERS

Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2020 and 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)
(continued)

4. Summary of Significant Accounting Policies (continued)

(28) Revenue recognition (continued)

B. Services (continued)

- (b) The Group's estimate about revenue, costs and progress towards complete satisfaction of a performance obligation is subject to a revision whenever there is a change in circumstances. Any increase or decrease in revenue or costs due to an estimate revision is reflected in profit or loss during the period when the management become aware of the changes in circumstances.

(29) Business combinations

- A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Group measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity's net assets in the event of liquidation at either fair value or the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets. Other non-controlling interests should be measured at the acquisition-date fair value.
- B. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred, non-controlling interest in the acquiree recognised and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognised directly in profit or loss on the acquisition date as a bargain purchase.

(30) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments.

APPENDIX 2 – LETTER FROM THE OFFEROR TO SHAREHOLDERS

Notes to the Consolidated Financial Statements
For the Years Ended December 31, 2020 and 2021
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)
(continued)

4. Summary of Significant Accounting Policies (continued)

(31) Convenience conversion into U.S. dollars

The financial statements are stated in NT dollars. Conversion of December 31, 2021 New Taiwan dollar amounts into U.S. dollar amounts using the noon buying rate of NT\$27.74 (in dollars) to U.S.\$1.00 (in dollars) effective on December 30, 2021, provided by the Federal Reserve Board database is included in the financial statements solely for the convenience of the readers. The convenience conversion is unaudited and should not be construed as a representation that the NT dollar amounts have been, or could in the future be, converted into U.S. dollars at this or any other exchange rate.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

(1) Critical judgements in applying the Group's accounting policies

Revenue recognition on a net/gross basis

The Group determines whether the nature of its performance obligation is to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for the other party to provide those goods or services (i.e. the Group is an agent) based on the transaction model and its economic substance. The Group is a principal if it controls a promised good or service before it transfers the good or service to a customer. The Group recognises revenue at gross amount of consideration to which it expects to be entitled in exchange for those goods or services transferred. The Group is an agent if its performance obligation is to arrange for the provision of goods or services by another party. The Group recognises revenue at the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the other party to provide its goods or services.

Indicators that the Group controls the goods or services before it is provided to a customer include the following:

- A. The Group is primarily responsible for the provision of goods or services;
- B. The Group assumes the inventory risk before transferring the specified goods or services to the customer or after transferring control of the goods or services to the customer.
- C. The Group has discretion in establishing prices for the goods or services.

APPENDIX 3 – GENERAL INFORMATION RELATING TO THE COMPANY

1. DIRECTORS

The names, addresses and designations of the Directors as at the Latest Practicable Date are as follows:

Name	Address	Designation
Mr. Albert Phuay Yong Hen	22B King Albert Park Singapore 598325	Chairman and Group Chief Executive Officer
Mr. Alan Kwan Wai Loen	239 Bedok South Avenue 3 ECO, Singapore 465473	Executive Director
Mr. Tonny Phuay Yong Choon	33G Lowland Road Singapore 547435	Executive Director
Mr. Kwah Thiam Hock	11 Wimborne Road Singapore 436640	Lead Independent Director
Mr. Sunny Wong Fook Choy	80 Robinson Road #17-02 Singapore 068898	Independent Director
Mr. Low Teck Seng	110D Arthur Road Singapore 439821	Independent Director

2. PRINCIPAL ACTIVITIES

The Company was incorporated in Singapore on 18 May 2001 and was listed on the Mainboard of the SGX-ST on 7 January 2004.

The Excelpoint Group is one of the leading regional business-to-business platforms providing quality electronic components, engineering design services and supply chain management to original equipment manufacturers, original design manufacturers and electronics manufacturing services in the Asia Pacific region.

3. SHARE CAPITAL

3.1. Shares

As at the Latest Practicable Date, there is only one class of shares in the capital of the Company, comprising ordinary shares.

As at the Latest Practicable Date, the Company has an issued and paid-up share capital of US\$39,592,000 comprising 120,398,640 Target Shares, with no treasury shares.

3.2. Rights of the Shareholders in respect of Capital, Dividends and Voting

Selected texts of the Constitution of the Company relating to the rights of the Shareholders in respect of capital, dividends and voting have been extracted and reproduced in **Appendix 4** to this Scheme Document.

APPENDIX 3 – GENERAL INFORMATION RELATING TO THE COMPANY

4. FINANCIAL INFORMATION

4.1. Financial Information of the Excelpoint Group

Set out below is certain financial information extracted from the annual reports of the Company for FY2019, FY2020 and FY2021.

The financial information for FY2019, FY2020 and FY2021 should be read in conjunction with the audited consolidated financial statements of the Excelpoint Group and the accompanying notes as set out in the annual reports of the Company for FY2019, FY2020 and FY2021 respectively.

	FY2021 (Audited) US\$'000	FY2020 (Audited) US\$'000	FY2019 (Audited) US\$'000
Revenue	1,598,467	1,108,638	976,976
Exceptional items	–	–	–
Net profit before tax	29,107	12,065	1,935
Net profit after tax	24,522	10,339	1,599
Non-controlling interests	–	–	–
Net earnings per share (US cents)	20.44	8.63	1.34

Set out below is also a summary of the dividend per Target Share declared in respect of each of FY2019, FY2020 and FY2021. This information was extracted from the annual reports of the Company for FY2019, FY2020 and FY2021:

	FY2021	FY2020	FY2019
Dividends per Target Share (Singapore cents)	8.8	4.5	–

The audited consolidated balance sheet of the Excelpoint Group as at 31 December 2021, being the latest published audited consolidated balance sheet of the Excelpoint Group prior to the Latest Practicable Date, should be read in conjunction with the audited consolidated financial statements of the Excelpoint Group and the accompanying notes as set out in the annual report of the Company for FY2021.

	FY2021 (Audited) US\$'000	FY2020 (Audited) US\$'000	FY2019 (Audited) US\$'000
Shareholders' equity	108,845	87,315	76,712
Property, plant and equipment	3,818	2,794	3,202
Intangible assets	752	752	752
Current assets	465,381	391,622	320,664
Current liabilities	358,539	309,790	253,185
Net current assets	106,842	81,832	67,479

APPENDIX 3 – GENERAL INFORMATION RELATING TO THE COMPANY

	FY2021 (Audited) US\$'000	FY2020 (Audited) US\$'000	FY2019 (Audited) US\$'000
Non-current liabilities	12,328	8,310	1,306
Interest-bearing loans and borrowings	80,318	82,222	104,643
Net assets value per Target Share (US cents)	90.46	72.82	64.06

Copies of the annual reports of the Company for FY2019, FY2020 and FY2021 are available for inspection at the Company's registered office at 15 Changi Business Park Central 1, #06-00, Singapore 486057 during normal business hours from the date of this Scheme Document up to the Effective Date.

4.2. Material Changes in Financial Position

Save as disclosed in this Scheme Document and any other information on the Excelpoint Group which is publicly available (including without limitation, the announcements released by the Company on the SGXNET), there have been no material changes in the financial position of the Company since 31 December 2021, being the date of the last published audited consolidated financial statements of the Excelpoint Group.

4.3. Significant Accounting Policies

The significant accounting policies for the Excelpoint Group are set out in the notes to the audited consolidated financial statements of the Excelpoint Group for FY2021, which are set out in **Appendix 5** to this Scheme Document.

4.4. Changes in Accounting Policies

The changes in the significant accounting policies for the Excelpoint Group are set out in the extract of the notes to the audited consolidated financial statements of the Excelpoint Group for FY2021 set out in **Appendix 5** to this Scheme Document. Save as aforesaid, as at the Latest Practicable Date, there are no changes in the accounting policy of the Excelpoint Group which will cause the figures disclosed in this paragraph 4 not to be comparable to a material extent.

5. DISCLOSURE OF INTERESTS

5.1. Holdings of Offeror Shares and Offeror Convertible Securities by the Company

As at the Latest Practicable Date, none of the Excelpoint Group Entities owns, controls or has agreed to acquire any Offeror Shares or any Offeror Convertible Securities.

5.2. Interests of Directors in Offeror Shares and Offeror Convertible Securities

As at the Latest Practicable Date, and save as disclosed in this Scheme Document (including the Reinvestment and Retention Arrangements relating to AP), none of the Directors has any direct or indirect interests in the Offeror Shares or the Offeror Convertible Securities.

APPENDIX 3 – GENERAL INFORMATION RELATING TO THE COMPANY

5.3. Interests of Directors in Target Shares

As at the Latest Practicable Date, save as disclosed in this paragraph 5.3 and this Scheme Document, as well as based on the Register of Directors maintained by the Company, none of the Directors has any direct or indirect interests in the Target Shares:

Directors	Direct Interest		Deemed Interest	
	No. of Target Shares	Per cent. ⁽¹⁾	No. of Target Shares	Per cent. ⁽¹⁾
Mr. Albert Phuay Yong Hen	47,915,204 ⁽²⁾	39.80	2,598,168 ⁽³⁾	2.16
Mr. Alan Kwan Wai Loen	6,258,244	5.20	–	–
Mr. Tonny Phuay Yong Choon	144,800	0.12	–	–
Mr. Kwah Thiam Hock	140,000 ⁽⁴⁾	0.12	–	–
Mr. Sunny Wong Fook Choy	160,000	0.13	–	–
Mr. Low Teck Seng	140,000 ⁽⁵⁾	0.12	–	–

Notes:

- (1) Rounded to the nearest two decimal places and based on 120,398,640 Target Shares in issue, with no treasury shares, as at the Latest Practicable Date.
- (2) Includes 400,000 Target Shares held by Maybank Securities Pte. Ltd as nominee on behalf of Mr. Albert Phuay Yong Hen.
- (3) Mr. Albert Phuay Yong Hen is deemed interested in the Target Shares held by his spouse, HJS, and AP21.
- (4) Includes 60,000 Target Shares held by CGS-CIMB Securities (Singapore) Pte. Ltd. as nominee on behalf of Mr. Kwah Thiam Hock.
- (5) The 140,000 Target Shares are held by DBS Nominees Pte. Ltd. as nominee on behalf of Mr. Low Teck Seng.

5.4. Interests of Substantial Shareholders in Target Shares

As at the Latest Practicable Date, based on the Register of Substantial Shareholders maintained by the Company and save as disclosed in this paragraph 5.4 and this Scheme Document, the interests of the substantial shareholders of the Company in the Target Shares are set out below:

Directors	Direct Interest		Deemed Interest	
	No. of Target Shares	Per cent. ⁽¹⁾	No. of Target Shares	Per cent. ⁽¹⁾
Mr. Albert Phuay Yong Hen	47,915,204 ⁽²⁾	39.80	2,598,168 ⁽³⁾	2.16
Alonim Investment Inc	15,000,000	12.46	–	–
Mr. Alan Kwan Wai Loen	6,258,244	5.20	–	–

Notes:

- (1) Rounded to the nearest two decimal places and based on 120,398,640 Target Shares in issue, with no treasury shares, as at the Latest Practicable Date.
- (2) Includes 400,000 shares held by Maybank Securities Pte. Ltd as nominee on behalf of Mr. Albert Phuay Yong Hen.
- (3) Mr. Albert Phuay Yong Hen is deemed interested in the Target Shares held by his spouse, HJS, and AP21.

APPENDIX 3 – GENERAL INFORMATION RELATING TO THE COMPANY

6. DEALINGS DISCLOSURE

6.1. Dealings in Offeror Shares and Offeror Convertible Securities by the Company

None of the Excelpoint Group Entities has dealt for value in the Offeror Shares or the Offeror Convertible Securities during the period commencing six months prior to the Joint Announcement Date and ending on the Latest Practicable Date.

6.2. Dealings in Offeror Shares and Offeror Convertible Securities by the Directors

None of the Directors has dealt for value in the Offeror Shares or the Offeror Convertible Securities during the period commencing six months prior to the Joint Announcement Date and ending on the Latest Practicable Date.

6.3. Dealings in Target Shares by the Directors

None of the Directors has dealt for value in any Target Shares during the period commencing six months prior to the Joint Announcement Date and ending on the Latest Practicable Date³.

6.4. Dealings in the Company Convertible Securities

None of the Directors has dealt for value in the Company Convertible Securities during the period commencing six months prior to the Joint Announcement Date and ending on the Latest Practicable Date.

7. DEALINGS DISCLOSURE

7.1. Interests of the IFA in Target Shares and Company Convertible Securities

As at the Latest Practicable Date, none of the IFA, its related corporations or funds whose investments are managed by the IFA or its related corporations on a discretionary basis, owns or controls any Target Shares or any Company Convertible Securities.

7.2. Dealings in Target Shares and Company Convertible Securities by the IFA

None of the IFA, its related corporations or funds whose investments are managed by the IFA or its related corporations on a discretionary basis has dealt for value in the Target Shares or the Company Convertible Securities during the period commencing six months prior to the Joint Announcement Date and ending on the Latest Practicable Date.

³ Note: An aggregate of 80,000 new ordinary shares were issued to the independent directors of the Company on 6 May 2022 in the following manner:

- (i) Mr Kwah Thiam Hock – 20,000 shares;
- (ii) Mr. Sunny Wong Fook Choy – 20,000 shares;
- (iii) Mr. Low Teck Seng – 20,000 shares; and
- (iv) Ms. Joanne Khoo Su Nee (whom has retired as director as of 8 April 2022) – 20,000 shares.

Following the issuance of such 80,000 new ordinary shares, the Company has an issued and paid-up share capital of US\$39,592,000 comprising 120,398,640 Target Shares, with no treasury shares.

APPENDIX 3 – GENERAL INFORMATION RELATING TO THE COMPANY

8. ARRANGEMENT AFFECTING DIRECTORS

8.1. No Payment or Benefit to Directors

As at the Latest Practicable Date, save as disclosed below, there is no agreement, arrangement or understanding for any payment or other benefit to be made or given to any Director or to any director of any other corporation which, by virtue of Section 6 of the Companies Act, is deemed to be related to the Company as compensation for loss of office or otherwise in connection with the Scheme.

Pursuant to the Irrevocable Undertaking provided by AP, AP has undertaken to, *inter alia*, reinvest an agreed amount from the aggregate Scheme Consideration due to him pursuant to the Scheme, and to subscribe for a certain number of Offeror Shares at an issue price per Offeror Share equivalent to the Scheme Consideration (converted into US dollars at the exchange rate on the Effective Date), in lieu of receiving the relevant amount of the Scheme Consideration due to him in cash (the “**Reinvestment**”).

In addition to the Reinvestment, WT and AP have entered into the Shareholders’ Agreement, which will take effect only if the Scheme becomes effective and upon the Reinvestment taking place. The Shareholders’ Agreement contains provisions governing the relationship between WT and AP, such as those relating to the Retention Arrangements. AP will have to bear the risks associated with the business and financial performance of the Offeror and its subsidiaries going forward and will have to accept the restricted rights of a minority shareholder in a privately held company.

8.2. No Agreement Conditional upon Outcome of the Scheme

As at the Latest Practicable Date, save as disclosed in this Scheme Document (including the Reinvestment and Retention Arrangements relating to AP), there is no agreement, arrangement or understanding made between any of the Directors and any other person in connection with or conditional upon the outcome of the Scheme.

8.3. No Material Interest in Material Contracts

As at the Latest Practicable Date, there are no material contracts entered into by the Offeror in which any Director has a material personal interest, whether direct or indirect.

9. MATERIAL LITIGATION

9.1. As at the Latest Practicable Date:

- 9.1.1. none of the Excelpoint Group Entities is engaged in any material litigation or arbitration proceedings, as plaintiff or defendant, which might materially and adversely affect the financial position of the Excelpoint Group taken as a whole; and
- 9.1.2. the Directors are not aware of any proceedings pending or threatened against any of the Excelpoint Group Entities or of any facts likely to rise to any proceedings which might materially or adversely affect the financial position of the Excelpoint Group taken as a whole.

APPENDIX 3 – GENERAL INFORMATION RELATING TO THE COMPANY

10. GENERAL DISCLOSURE

10.1. Financial Statements for FY2021

The audited consolidated financial statements of the Excelpoint Group for FY2021 are set out in **Appendix 5** to this Scheme Document.

10.2. Directors' Service Contracts

As at the Latest Practicable Date:

10.2.1. there are no service contracts between any of the Directors or proposed directors with any Excelpoint Group Entity which have more than 12 months to run and which are not terminable by the employing company within the next 12 months without paying any compensation; and

10.2.2. there are no such contracts entered into or amended during the period commencing six months prior to Joint Announcement Date and ending on the Latest Practicable Date.

10.3. Material Contracts with Interested Persons

As at the Latest Practicable Date, none of the Excelpoint Group Entities has entered into any material contracts with interested persons during the period beginning three years before the Joint Announcement Date and ending on the Latest Practicable Date.

10.4. Costs and Expenses

Each of the Company and the Offeror shall bear its own legal, professional and other costs in connection incurred by it in connection with the Acquisition and the Scheme, whether or not the Scheme becomes effective.

10.5. Directors' Intentions with respect to their Target Shares

In the absence of a Competing Offer, all of the Directors who own legally and/or beneficially Target Shares (amounting to 45.49% of the total number of Target Shares), as set out in paragraph 5.3 of this **Appendix 3** (including AP, who has entered into an Irrevocable Undertaking in relation to the Target Shares owned legally and/or beneficially by him) have informed the Company that they will VOTE IN FAVOUR of the Scheme.

11. CONSENTS

11.1. General

Shook Lin & Bok LLP and the Share Registrar have each given and have not withdrawn their respective written consents to the issue of this Scheme Document with the inclusion herein of their names and all the references to their names in the form and context in which they respectively appear in this Scheme Document.

APPENDIX 3 – GENERAL INFORMATION RELATING TO THE COMPANY

11.2. IFA

The IFA has given and has not withdrawn its written consent to the issue of this Scheme Document with the inclusion herein of its name, the IFA Letter set out in **Appendix 1** to this Scheme Document and all references to its name in the form and context in which it appears in this Scheme Document.

11.3. Ernst & Young LLP

Ernst & Young LLP has given and has not withdrawn its written consent to the issue of this Scheme Document with the inclusion herein of its name and the auditors' report relating to the Consolidated Financial Statements set out in **Appendix 5** to this Scheme Document and all references to its name in the form in which it appears in this Scheme Document.

12. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the Company's registered office at 15 Changi Business Park Central 1, #06-00, Singapore 486057 during normal business hours from the date of this Scheme Document up to the Effective Date:

- (i) the Constitution of the Company;
- (ii) the annual reports of the Company for FY2019, FY2020 and FY 2021;
- (iii) the Implementation Agreement;
- (iv) the Deeds of Undertaking; and
- (v) the letters of consent referred to in paragraph 11 of this **Appendix 3**.

APPENDIX 4 – EXTRACTS FROM THE COMPANY’S CONSTITUTION

The rights of Shareholders in respect of capital, dividends and voting as extracted and reproduced from the Constitution of the Company are set out below:

All capitalised terms used in the following extracts shall have the same meanings given to them in the Constitution of the Company, a copy of which is available for inspection at the registered office of the Company during normal business hours from the date of this Scheme Document up to the Effective Date.

1. The rights of Shareholders in respect of capital

ISSUE OF SHARES

3. (A) Subject to the Statutes and to these Regulations, no shares may be issued by the Directors without the prior approval of the Company in General Meeting pursuant to Section 161 of the Act or except as permitted under the listing rules of the Designated Stock Exchange, but subject thereto and the terms of such approval, and subject to Regulation 5, and to any special rights attached to any shares for the time being issued, the Directors may allot and issue shares or grant options over or otherwise dispose of the same to such persons on such terms and conditions and for such consideration (if any) and at such time and whether or not subject to the payment of any part of the amount (if any) thereof in cash or otherwise as the Directors may think fit. Preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors in accordance with the Act, Provided Always that no options shall be granted over unissued shares except in accordance with the Act and the Designated Stock Exchange’s listing rules.
- (B) Subject to the terms and conditions of any application for shares and any applicable rules of the Designated Stock Exchange, the Directors shall allot shares applied for within ten market days of the closing date (or such other period as may be approved by the Designated Stock Exchange) of any such application. The Directors may, at any time after the allotment of any share but before any person has been entered in the Register of Members as the holder, recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.
- (C) Except so far as otherwise provided by the conditions of issue or by these Regulations, all new shares shall be issued subject to the provisions of the Statutes and of these Regulations with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture or otherwise.
- (D) Except as herein provided, no person shall exercise any rights or privileges of a Member until he is registered in the Register of Members or (as the case may be) the Depository Register as a Member and shall have paid all calls and other moneys due for the time being on every share held by him.
- (E) No person shall be recognised by the Company as having title to a fractional part of a share otherwise than as the sole or a joint holder of the entirety of such share.
- (F) If by the conditions of allotment of any shares the whole or any part of the amount of the issue price thereof shall be payable by installments every such installment shall, when due, be paid to the Company by the person who for the time being shall be the registered holder of the share or his personal representatives, but this provision shall not affect the liability of any allottee who may have agreed to pay the same.

APPENDIX 4 – EXTRACTS FROM THE COMPANY’S CONSTITUTION

- (G) The rights attaching to shares of a class other than ordinary shares shall be expressed in this Constitution.
- (H) The Company may issue shares for which no consideration is payable to the Company.
4. The Company shall not exercise any right in respect of treasury shares other than as provided by the Act. Subject thereto, the Company may hold or deal with its treasury shares in the manner authorised by, or prescribed pursuant to, the Act.
5. (A) Subject to any direction to the contrary that may be given by the Company in General Meeting or except as permitted by the listing rules of the Designated Stock Exchange, all new shares shall, before issue, be offered to such persons who as at the date (as determined by the Directors) of the offer are entitled to receive notices from the Company of General Meetings in proportion, as far as the circumstances admit, to the number of the existing shares to which they are entitled. In offering such new shares in the first instance to all the then holders of any class of shares, the offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of the aforesaid time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares or by reason of any other difficulty in apportioning the same) cannot, in the opinion of the Directors, be conveniently offered under this Regulation.
- (B) Notwithstanding Regulation 5(A) above, the Company may by Ordinary Resolution in General Meeting give to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the Ordinary Resolution, to:–
- (a) (i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares; and
- (b) (notwithstanding the authority conferred by the Ordinary Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the Ordinary Resolution was in force,

Provided that:–

- (1) the aggregate number of shares to be issued pursuant to the Ordinary Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to the Ordinary Resolution) shall be subject to such limits and manner of calculation as may be prescribed by the Designated Stock Exchange;

APPENDIX 4 – EXTRACTS FROM THE COMPANY’S CONSTITUTION

- (2) in exercising the authority conferred by the Ordinary Resolution, the Company shall comply with the provisions of the listing rules of the Designated Stock Exchange for the time being in force (unless such compliance is waived by the Designated Stock Exchange) and these Regulations;
 - (3) (unless revoked or varied by the Company in General Meeting) the authority conferred by the Ordinary Resolution shall not continue in force beyond the conclusion of the Annual General Meeting of the Company next following the passing of the Ordinary Resolution, or the date by which such Annual General Meeting of the Company is required by law to be held, or the expiration of such other period as may be prescribed by the Act (whichever is the earliest); and
 - (4) any other issue of shares, the aggregate of which would exceed the limits of the authority conferred by the Ordinary Resolution as referred to in this Regulation, shall be subject to the approval of the Company in general meeting.
- (C) The Company may, notwithstanding Regulations 5(A) and 5(B) above, authorise the Directors not to offer new shares to Members to whom by reason of foreign securities laws, such offers may not be made without registration of the shares or a prospectus or other document, but to sell the entitlements to the new shares on behalf of such Members on such terms and conditions as the Company may direct.
- 6. The Company may pay commissions or brokerage on any issue of shares at such rate or amount and in such manner as the Directors may deem fit. Such commissions or brokerage may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other, provided that a payment made using the Company’s share capital will not be taken as reduction of its share capital.
- 7. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a long period, the Company may pay interest on so much of that share capital (except treasury shares) as is for the time being paid up for the period and charge the same to capital as part of the cost of the construction of the works or buildings or the provision of the plant, subject to the conditions and restrictions mentioned in the Act.
- 8. (A) Preference shares may be issued subject to such limitation thereof as may be prescribed by the Designated Stock Exchange. The total number of issued preference shares shall not exceed the total number of issued ordinary shares issued at any time. Preference shareholders shall have the same rights as ordinary shareholders with regards to the receiving of notices, reports and financial statements and attending General Meetings of the Company, and preference shareholders shall also have the right to vote at any General Meeting convened for the purpose of reducing capital or winding-up or sanctioning a sale of the undertaking of the Company or where the proposition to be submitted to the General Meeting directly affects their rights and privileges or when the Dividend on the preference shares is more than six months in arrears.
 - (B) The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares already issued or about to be issued.

APPENDIX 4 – EXTRACTS FROM THE COMPANY’S CONSTITUTION

VARIATION OF RIGHTS

9. (A) If at any time the share capital is divided into different classes, the special rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of the Statutes, whether or not the Company is being wound up, only be made, varied or abrogated with the sanction of a Special Resolution passed at a separate General Meeting of the holders of shares of the class and to every such Special Resolution the provisions of Section 184 of the Act shall, with such adaptations as are necessary, apply. To every such separate General Meeting the provisions of this Constitution relating to General Meetings shall apply mutatis mutandis; but so that the necessary quorum shall be two persons at least holding or representing by proxy or by attorney holding at least one-third of the total voting rights of the issued shares of the class and that any holder of shares of the class present in person or by proxy or by attorney may demand a poll whereupon any holder of such shares, present in person or by proxy, shall be entitled to one vote for each share of the class in respect of which he is a holder of such shares. If at any adjourned meeting of such holders such quorum as aforesaid is not present, any two holders of such shares of the class who are personally present shall be a quorum. Provided always that where the necessary majority for the aforesaid Special Resolution is not obtained at the Meeting, consent in writing if obtained from the holders of three-fourths of the total voting rights of the issued shares of the class concerned within two months of the Meeting shall be as valid and effectual as a Special Resolution carried at the Meeting. The directors shall comply with the provisions of Section 186 of the Act as to forwarding a copy of any such consent or resolution to the Accounting and Corporate Regulatory Authority. Where all the issued shares of the class are held by one person, the necessary quorum shall be one person.
- (B) The repayment of preference capital other than redeemable preference capital or any other alteration of preference shareholder rights, may only be made pursuant to a Special Resolution of the preference shareholders concerned. PROVIDED ALWAYS that where the necessary majority for such a Special Resolution is not obtained at the Meeting, consent in writing if obtained from the holders of three-fourths of the preference shares concerned within two months of the Meeting, shall be as valid and effectual as a Special Resolution carried at the Meeting.

ALTERATION OF SHARE CAPITAL

10. (A) The Company may by Ordinary Resolution (or as otherwise permitted by the applicable laws and regulations):–
- (a) consolidate and divide all or any of its share capital;
 - (b) cancel the number of shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the number of the shares so cancelled;
 - (c) sub-divide its shares, or any of them (subject nevertheless to the provisions of the Statutes and this Constitution), provided always that in such subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be same as it was in the case of the share from which the reduced share is derived; and/or

APPENDIX 4 – EXTRACTS FROM THE COMPANY’S CONSTITUTION

- (d) subject to the provisions of this Constitution and the Act, convert its share capital or any class of shares from one currency to another currency.
 - (B) The Company may by Special Resolution, subject to and in accordance with the Act and the listing rules of the Designated Stock Exchange, convert one class of shares into another class of shares.
11. (A) The Company may reduce its share capital or any other undistributable reserve in any manner permitted by, and subject to, any incident authorised, and consent or confirmation required, by law.
- (B) Subject to and in accordance with the provisions of the Statutes and any applicable rules of the Designated Stock Exchange (hereinafter, the “**Relevant Laws**”), the Company may purchase or otherwise acquire its issued shares, on such terms and in such manner as it may from time to time think fit, and subject to such conditions as the Company may in General Meeting prescribe in accordance with the Relevant Laws. Any shares purchased or acquired by the Company as aforesaid shall, unless held in treasury in accordance with the Act, be deemed to be cancelled immediately on purchase or acquisition by the Company. On the cancellation of any share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may hold or deal with any such share which is so purchased or acquired by it in such manner as may be permitted by, and in accordance with the Relevant Laws. Without prejudice to the generality of the foregoing, upon cancellation of any share purchased or otherwise acquired by the Company pursuant to these Regulations and the Statutes, the number of issued shares of the Company shall be diminished by the number of shares so cancelled, and, where any such cancelled share was purchased or acquired out of the capital of the Company, the amount of share capital of the Company shall be reduced accordingly.

SHARE CERTIFICATES

12. (A) Subject to the Statutes, every certificate shall be issued under the Seal (or by the signatures of authorised persons in the manner set out under the Act as an alternative to sealing), and shall bear the facsimile signatures or the autographic signatures at least of any two Directors or one of the Director and the Secretary or such other person as may be authorised by the Directors, and shall specify the number and class of shares to which it relates, whether the shares are fully or partly paid up, and such other information as required by law. The facsimile signatures may be reproduced by mechanical, electronic or other means provided the method or system of reproducing signatures has first been approved by the Directors of the Company. No certificate shall be issued representing shares of more than one class.
- (B) The provisions in this Regulation and in Regulations 13 to 16 (so far as they are applicable) shall not apply to transfer of book-entry securities.
13. (A) The Company shall not be bound to register more than three persons as joint holders of a share except in the case of executors, trustees or administrators of the estate of a deceased Member.
- (B) If two or more persons are registered as joint holders of any share any one of such person may give effectual receipts for any dividends, bonuses or other moneys payable in respect of such share and the joint holders of a share shall, subject to the provisions

APPENDIX 4 – EXTRACTS FROM THE COMPANY'S CONSTITUTION

of the Act, be severally as well as jointly liable for the payment of all instalments and calls and interest due in respect of such shares.

(C) In the case of a share held jointly by several persons, the Company shall not be bound to issue more than one certificate therefor and delivery of a certificate to any one of the joint holders shall be sufficient delivery to all. Only the person whose name stands first in the Register of Members as one of the joint holders of any share shall be entitled to delivery of the certificate relating to such share.

14. Every person whose name is entered as a Member in the Register of Members shall be entitled, within ten market days (or such period as the Directors may determine having regard to any limitation thereof as may be prescribed by the Designated Stock Exchange from time to time) after the closing date of any application for shares or the date of lodgement of a registrable transfer or on a transmission of shares (as the case may be), to receive one certificate for all his shares of any one class or to several certificates in reasonable denominations each for a part of the shares so allotted or transferred, and where a charge is made for the certificate, such charge shall not exceed of S\$2.00 per certificate (or such other fee as the Directors may determine having regard to any limitation thereof as may be prescribed by the Designated Stock Exchange from time to time). Where the member is a Depositor the delivery by the Company to CDP of provisional allotments or share certificates in respect of the aggregate entitlements of Depositors to new shares offered by way of rights issue or other preferential offering or bonus issue shall to the extent of the delivery discharge the Company from any further liability to each such Depositor in respect of his individual entitlement.
15. (A) Where a Member transfers part only of the shares comprised in a certificate or where a Member requires the Company to cancel any certificate or certificates and issue new certificates for the purpose of subdividing his holding in a different manner, the old certificate or certificates shall be cancelled and a new certificate or certificates for the balance of such shares (in the case of transfer) and the whole of such shares (in the case of sub-division) shall be issued in lieu thereof and the Member shall pay (in the case of sub-division) a maximum fee of S\$2.00 (or such other fee as the Directors may determine having regard to any limitation thereof as may be prescribed by the Statutes and the Designated Stock Exchange from time to time) for each new certificate. Where only some of the shares comprised in a share certificate are transferred, the new certificate for the balance of such shares shall be issued in lieu thereof without charge.
- (B) Any two or more certificates representing shares of any one class held by any Member may at his request be cancelled and a single new certificate for such shares issued in lieu thereof without charge.
16. (A) Subject to the provisions of the Statutes, if any share certificate shall be defaced, worn out, destroyed, lost or stolen, it may be renewed on such evidence being produced and a written indemnity (if required) being given by the shareholder, transferee, person entitled, purchaser, member firm or member company of the Designated Stock Exchange or on behalf of its or their client or clients as the Directors shall require, and in case of defacement or wearing out on delivery of the old certificate, and in any case on payment of such sum not exceeding S\$2.00 (or such other fee as the Directors may determine having regard to any limitation thereof as may be prescribed by the Designated Stock Exchange from time to time) as the Directors may from time to time require. In the case of destruction, loss or theft, a shareholder or person entitled to, and

APPENDIX 4 – EXTRACTS FROM THE COMPANY'S CONSTITUTION

to whom such renewed certificate is given shall also bear the loss and pay to the Company all expenses incidental to the investigations by the Company of the evidence of such destruction or loss.

- (B) When any shares under the powers in these Regulations herein contained are sold by the Directors and the certificate thereof has not been delivered up to the Company by the former holder of the said shares, the Directors may issue a new certificate for such shares distinguishing it in such manner as they may think fit from the certificate not so delivered up.

CALLS ON SHARES

17. The Directors may from time to time make calls upon the Members in respect of any monies unpaid on their shares but subject always to the terms of the issue of such shares and this Constitution. A call shall be deemed to have been made at the time when the resolution of the Directors authorising the call was passed and may be made payable by instalments.
18. Each Member shall (subject to receiving at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. A call may be revoked or postponed as the Directors may determine.
19. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding ten per cent. per annum) as the Directors may determine but the Directors shall be at liberty in any case or cases to waive payment of such interest in whole or in part.
20. Any sum which by the terms of issue of a share becomes payable upon allotment or at any fixed date shall for all the purposes of these Regulations be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable. In the case of non-payment, all the relevant provisions of these Regulations as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified. No Member shall be entitled to receive any dividend or to exercise any privileges as a Member until he shall have paid all calls for the time being due and payable on every share held by him, whether solely or jointly with any other person, together with interest and expenses (if any).
21. The Directors may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the times of payment.
22. The Directors may if they think fit receive from any Member willing to advance the same all or any part of the monies uncalled and unpaid upon the shares held by him and such payment in advance of calls shall extinguish, so far as the same shall extend, the liability upon the shares in respect of which it is made and upon the monies so received (until and to the extent that the same would but for such advance become payable) the Company may pay interest at such rate (not exceeding ten per cent. per annum, unless the Company in general meeting otherwise directs) as the Member paying such sum and the Directors may agree. Capital paid on shares in advance of calls shall not, whilst bearing interest, confer a right to participate in profits.

APPENDIX 4 – EXTRACTS FROM THE COMPANY'S CONSTITUTION

FORFEITURE AND LIEN

23. If a Member fails to pay in full any call or instalment of a call on or before the due date for payment thereof, the Directors may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued thereon and any expenses incurred by the Company by reason of such non-payment.
24. The notice shall name a further day (not earlier than the expiration of fourteen days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the shares on which the call has been made will be liable to be forfeited.
25. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be forfeited by a resolution of the Directors to that effect. Such forfeiture shall include all Dividends declared in respect of the forfeited share and not actually paid before forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder.
26. A share so forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Directors shall think fit, and at any time before a sale, re-allotment or disposal, the forfeiture or surrender may be cancelled on such terms as the Directors shall think fit. The Directors may, if necessary, authorise some person to transfer a share so forfeited or surrendered to any such other person as aforesaid.
27. A Member whose shares have been forfeited or surrendered shall cease to be a Member in respect of such shares but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all monies which at the date of forfeiture or surrender were presently payable by him to the Company in respect of such shares with interest thereon at ten per cent. per annum (or such lower rate as the Directors may determine) from the date of forfeiture or surrender until payment, and the Directors may at their absolute discretion enforce payment without any allowance for the value of such shares at that time of forfeiture or surrender or waive payment in whole or in part.
28. The Company shall have a first and paramount lien on every share (not being a fully paid share) and Dividends from time to time declared in respect of such shares. Such lien shall be restricted to unpaid calls and instalments upon the specific shares in respect of which such monies are due and unpaid, and to such amounts as the Company may be called upon by law to pay in respect of the shares of the Member or deceased Member. The Directors may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this Regulation 28.
29. (A) The Company may sell in such manner as the Directors think fit any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of fourteen days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of intention to sell in default shall have been given to the holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy.

APPENDIX 4 – EXTRACTS FROM THE COMPANY’S CONSTITUTION

- (B) In the event of a forfeiture of shares or a sale of shares to satisfy the Company’s lien thereon the Member or any other person who prior to such forfeiture or sale was entitled thereto shall be bound to deliver and shall forthwith deliver to the Company the certificate or certificates held by him for the shares so forfeited or sold.
30. The net proceeds of such forfeiture or sale after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debts or liabilities (including unpaid calls and accrued interest and expenses) and any residue shall be paid to the person entitled to the shares at the time of the sale or to his executors, administrators or assignees, as he may direct. For the purpose of giving effect to any such sale, the Directors may authorise some person to transfer the shares sold to the purchaser.
31. A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Such declaration and the receipt by the Company of the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together with the share certificate delivered to a purchaser (or where the purchaser is a Depositor, the Depository Register) or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute a good title to the share and the person to whom the share is sold, re-allotted or disposed of shall be registered as the holder of the share, or where such person is a Depositor, the Company shall procure that his name be entered in the Depository Register in respect of the share so sold, re-allotted or disposed of. Such person shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, surrender, sale, re-allotment or disposal of the share.

TRANSFER OF SHARES

32. (A) Subject to these Regulations, any Member may transfer all or any of his shares but all transfers of shares shall be effected by written instruments of transfer in the form for the time being approved by the Directors and the Designated Stock Exchange. Shares of different classes shall not be comprised in the same instrument of transfer. The Company shall accept for registration transfers in the form approved by the Designated Stock Exchange.
- (B) The instrument of transfer of any share shall be signed by or on behalf of both the transferor and the transferee and be witnessed, provided always that an instrument of transfer in respect of which the transferee is the CDP or its nominee (as the case may be) shall be effective although not signed or witnessed by or on behalf of the CDP or its nominee (as the case may be). The transferor shall be deemed to remain the holder of the shares concerned until the name of the transferee is entered in the Register of Members in respect thereof.
- (C) No share shall in any circumstances be transferred to any infant, bankrupt or person who is mentally disordered and incapable of managing himself or his affairs.

APPENDIX 4 – EXTRACTS FROM THE COMPANY'S CONSTITUTION

33. The Registers of Members and of Transfers may be closed, and the registration of transfers may be suspended, at such times and for such periods as the Directors may from time to time determine, Provided Always that such Registers shall not be closed for more than thirty days in any year, and that the Company shall give prior notice of each such closure, as may be required, to the Designated Stock Exchange, stating the period and purpose or purposes for which such closure is made.
34. (A) There shall be no restriction on the transfer of fully paid up shares (except where required by law or by the rules, by-laws or listing rules of the Designated Stock Exchange) but the Directors may in their discretion decline to register any transfer of shares upon which the Company has a lien, and in the case of shares not fully paid up, may refuse to register a transfer to a transferee of whom they do not approve (to the extent permitted by the listing rules of the Designated Stock Exchange), Provided Always that in the event of the Directors refusing to register a transfer of shares, the Company shall within ten market days (or such period as the Directors may determine having regard to any limitation thereof as may be prescribed by the Designated Stock Exchange from time to time) after the date on which the application for a transfer of shares was made, serve a notice in writing to the applicant, transferor and/or the transferee stating the facts which are considered to justify the refusal as required by the Statutes.
- (B) The Directors may decline to register any instrument of transfer unless:–
- (a) such fee not exceeding S\$2.00 (or such other fee as the Directors may determine having regard to any limitation thereof as may be prescribed by the Statutes and the Designated Stock Exchange from time to time) as the Directors may from time to time require is paid to the Company in respect thereof;
 - (b) the amount of proper duty (if any) with which each instrument of transfer is chargeable under any law for the time being in force relating to stamps is paid;
 - (c) the instrument of transfer is deposited at the Office or at such other place (if any) as the Directors may appoint accompanied by a certificate of payment of stamp duty (if stamp duty is payable on such instrument of transfer in accordance with any law for the time being in force relating to stamp duty), the certificates of the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of the person so to do; and
 - (d) the instrument of transfer is in respect of only one class of shares.
35. (A) All instruments of transfer which are registered may be retained by the Company, but any instrument of transfer which the Directors may decline to register shall be returned to the person depositing the same except in the case of fraud.
- (B) Subject to any legal requirements to the contrary, the Company shall be entitled to destroy all instruments of transfer which have been registered at any time after the expiration of six years from the date of registration thereof and all Dividend mandates and notifications of change of address at any time after the expiration of six years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of six years from the date of the cancellation thereof and it shall

APPENDIX 4 – EXTRACTS FROM THE COMPANY’S CONSTITUTION

conclusively be presumed in favour of the Company that every entry in the Register of Members purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made and every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company, Provided Always that:–

- (a) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
 - (b) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company in the absence of this Regulation; and
 - (c) references herein to the destruction of any document include references to the disposal thereof in any manner.
36. Neither the Company nor its Directors nor any of its officers shall incur any liability for registering or acting upon a transfer of shares apparently made by sufficient parties, although the same may, by reason of any fraud or other cause not known to the Company or its Directors or other officers, be legally inoperative or insufficient to pass the property in the shares proposed or professed to be transferred, and although the transfer may, as between the transferor and transferee, be liable to be set aside, and notwithstanding that the Company may have notice that such instrument of transfer was signed or executed and delivered by the transferor in blank as to the name of the transferee or the particulars of the shares transferred, or otherwise in defective manner. And in every such case, the person registered as transferee, his executors, administrators and assigns, alone shall be entitled to be recognised as the holder of such shares and the previous holder shall, so far as the Company is concerned, be deemed to have transferred his whole title thereto.

TRANSMISSION OF SHARES

37. (A) In case of the death of a Member whose name is registered in the Register of Members, the survivors or survivor, where the deceased was a joint holder, and the executors or administrators of the deceased, where he was a sole or only surviving holder, shall be the only person(s) recognised by the Company as having any title to his interest in the shares.
- (B) In the case of the death of a Member who is a Depositor, the survivors or survivor, where the deceased is a joint holder, and the executors or administrators of the deceased, where he was a sole or only surviving holder and where such executors or administrators are entered into the Depository Register in respect of any shares to the deceased Member, shall be the only person(s) recognised by the Company as having any title to his interest in the shares.
- (C) Nothing herein contained shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share held by him.

APPENDIX 4 – EXTRACTS FROM THE COMPANY'S CONSTITUTION

38. (A) Any person becoming entitled to a share in consequence of the death or bankruptcy of a Member whose name is entered in the Register of Members, and any guardian of an infant becoming entitled to the legal title in a share and whose name is entered in the Register of Members, and any person as properly has the management of the estate of a Member whose name is entered in the Register of Members and who is mentally disordered and incapable of managing himself or his affairs may (subject as hereinafter provided) upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share, elect either to be registered himself as holder of the share or to have another person nominated by him registered as the transferee thereof. The Directors shall, in any case, have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by a Member.
- (B) If the person so becoming entitled elects to be registered himself, he shall deliver or send to the Company a notice in writing (in a form as may be approved by the Directors from time to time) signed by him stating that he so elects. If he elects to have another person registered he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions and provisions of these Regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the event upon which transmission took place had not occurred and the notice or transfer were a transfer executed by such Member.
39. (A) Save as otherwise provided by or in accordance with these Regulations, a person becoming entitled to a share by transmission (and upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share) shall be entitled to the same Dividends and other advantages as those to which he would be entitled if he were the registered holder of the share except that he shall not be entitled in respect thereof (except with the authority of the Directors) to exercise any right conferred by membership in relation to General Meetings of the Company until he shall have been registered as a Member in respect of the share.
- (B) The Directors may at any time give notice requiring any person entitled to a share by transmission to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days the Directors may thereafter withhold payment of all dividends, or other moneys payable in respect of the share until the requirements of the notice have been complied with.
40. There shall be paid to the Company in respect of the registration of any probate or letters of administration or certificate of death or stop notice or power of attorney or other document relating to or affecting the title to any shares or otherwise for making any entry in the Register of Members affecting the title to any shares such fee not exceeding S\$2.00 (or such other fee as the Directors may determine having regard to any limitation thereof as may be prescribed by the Designated Stock Exchange from time to time) as the Directors may from time to time require.

APPENDIX 4 – EXTRACTS FROM THE COMPANY'S CONSTITUTION

CENTRAL DEPOSITORY SYSTEM

41. A reference to a Member shall be a reference to a registered holder of shares in the Company, or where such registered holder is CDP, the Depositors on behalf of whom CDP holds the shares, Provided that:–
- (A) except as required by the Statutes or law, a Depositor shall only be entitled to attend any General Meeting and to speak and vote thereat if his name appears on the Depository Register maintained by CDP 72 hours before the General Meeting as a Depositor on whose behalf CDP holds shares in the Company, the Company being entitled to deem each such Depositor, or each proxy or proxies of a Depositor who is to represent the entire balance standing to the Securities Account of the Depositor, to represent such number of shares as is actually credited to the Securities Account of the Depositor as at such time, according to the records of CDP as supplied by CDP to the Company, and where a Depositor has apportioned the balance standing to his Securities Account between such number of proxies, to apportion the said number of shares between the proxies in the same proportion as previously specified by the Depositor in appointing the proxies; and accordingly no instrument appointing a proxy of a Depositor shall be rendered invalid merely by reason of any discrepancy between the proportion of Depositor's shareholding specified in the instrument of proxy, or where the balance standing to a Depositor's Securities Account has been apportioned between such number of proxies the aggregate of the proportions of the Depositor's shareholding they are specified to represent, and the true balance standing to the Securities Account of a Depositor as at the time of the General Meeting, if the instrument is dealt with in such manner as is provided above;
 - (B) the payment by the Company to CDP of any Dividend payable to a Depositor shall to the extent of the payment discharge the Company from any further liability in respect of the payment;
 - (C) the delivery by the Company to CDP of provisional allotments or share certificates in respect of the aggregate entitlements of Depositors to new shares offered by way of rights issue or other preferential offering or bonus issue shall to the extent of the delivery discharge the Company from any further liability to each such Depositor in respect of his individual entitlement; and
 - (D) the provisions in these Regulations relating to the transfers, transmissions or certification of shares shall not apply to the transfer of book-entry securities (as defined in the Statutes).

EXCLUSION OF EQUITIES

42. Except as required by the Statutes or law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these Regulations or by the Statutes or law otherwise provided) any other right in respect of any share, except an absolute right to the entirety thereof in the person (other than CDP or its nominee (as the case may be)) entered in the Register of Members as the registered holder thereof or (as the case may be) the person whose name is entered in the Depository Register in respect of that share and nothing in these Regulations contained relating to CDP or to Depository Agents or to Depositors or in any depository agreement made by the Company with any common depository for shares, or in any notification of

APPENDIX 4 – EXTRACTS FROM THE COMPANY’S CONSTITUTION

substantial shareholding to the Company or in response to a notice or any note made by the Company of any particulars in such notification or response shall in any circumstances be deemed to limit, restrict or qualify the above. Any proxy or instructions on any matter whatsoever given by CDP or Depository Agents or Depositors to the Company and/or the Directors shall not constitute any notification of trust and the acceptance of such proxies and the acceptance of or compliance with such instructions by the Company or the Directors shall not constitute the taking of any notice of trust.

STOCK

43. The Company may from time to time by Ordinary Resolution convert any paid-up shares into stock and may from time to time by like resolution reconvert any stock into paid-up shares of any denomination.
44. The holders of stock may transfer the same or any part thereof in the same manner and subject to the same Regulations as and subject to which the shares from which the stock arose might previously to conversion have been transferred (or as near thereto as circumstances admit) but no stock shall be transferable except in such units as the Directors may from time to time determine.
45. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards Dividend, return of capital, voting and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except as regards participation in the profits or assets of the Company) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such privilege or advantage, and no such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted.

BONUS ISSUES AND CAPITALISATION OF PROFITS AND RESERVES

135. (A) The Directors may, with the sanction of an Ordinary Resolution of the Company (including any Ordinary Resolution passed pursuant to Regulation 5(B)):-
 - (a) issue bonus shares for which no consideration is payable to the Company to the persons registered as holders of shares in the Register of Members or (as the case may be) the Depository Register at the close of business on:-
 - (i) the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or
 - (ii) (in the case of an Ordinary Resolution passed pursuant to Regulation 5(B)) such other date as may be determined by the Directors,in proportion to their then holdings of shares; and/or
 - (b) capitalise any sum standing to the credit of any of the Company’s reserve accounts or other undistributable reserve or any sum standing to the credit of profit and loss account by appropriating such sum to the persons registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register at the close of business on:-
 - (i) the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or

APPENDIX 4 – EXTRACTS FROM THE COMPANY’S CONSTITUTION

- (ii) (in the case of an Ordinary Resolution passed pursuant to Regulation 5(B)) such other date as may be determined by the Directors,

in proportion to their then holdings of shares and applying such sum on their behalf in paying up in full unissued shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, unissued shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up to and amongst them as bonus shares in the proportion aforesaid.

- (B) The Directors may do all acts and things considered necessary or expedient to give effect to any such bonus issue or capitalisation under this Regulation 135, with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the Members concerned). The Directors may authorise any person to enter on behalf of all the Members interested into an agreement with the Company providing for any such bonus issue or capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.
- (C) In addition and without prejudice to the powers provided for by this Regulation 135, the Directors shall have power to issue shares for which no consideration is payable and to capitalise any undivided profits or other monies of the Company not required for the payment or provision of any Dividend on any shares entitled to cumulative or non-cumulative preferential Dividends (including profits or other monies carried and standing to any reserve or reserves) and to apply such profits or other monies in paying up in full, in each case on terms that such shares shall, upon issue, be held by or for the benefit of participants of any share incentive or option scheme or plan implemented by the Company and approved by Members in General Meeting and on such terms as the Directors shall think fit.
- (D) The Directors may do all such acts and things considered necessary or expedient to give effect to any of the foregoing.

NOTICES

141. (A) Any notice or document (including a share certificate) may be served on or delivered to any Member by the Company either personally or by sending it through the post in a prepaid cover addressed to such Member at his Singapore registered address appearing in the Register of Members or (as the case may be) the Depository Register, or (if he has no registered address within Singapore) to the address, if any, within Singapore supplied by him to the Company, or (as the case may be) CDP as his address for the service of notices, or by delivering it to such address as aforesaid. Where any notice or other document is served or delivered by post (whether by airmail or not), service or delivery shall be deemed to have been served at the time the envelope or cover containing the same is posted, and in proving such service or delivery, it shall be sufficient to prove that such envelope or cover was properly addressed, stamped and posted.

APPENDIX 4 – EXTRACTS FROM THE COMPANY’S CONSTITUTION

- (B) Without prejudice to the provisions of Regulation 141(A), but subject otherwise to any applicable laws relating to electronic communications and the listing rules of the Designated Stock Exchange, any notice or document (including, without limitation, any accounts, balance sheet, financial statements or report) which is required or permitted to be given, sent or served under applicable laws or under this Constitution by the Company, or by the Directors, to a Member may be given, sent or served using electronic communications:–
- (a) to the current address of that person;
 - (b) by making it available on a website prescribed by the Company from time to time; or
 - (c) in such manner as such Member expressly consents to by giving notice in writing to the Company,
- in accordance with the provisions of this Constitution and any applicable laws and the listing rules of the Designated Stock Exchange.
- (C) For the purposes of Regulation 141(B) above, a Member shall be implied to have agreed to receive such notice or document by way of such electronic communications and shall not have a right to elect to receive a physical copy of such notice or document, unless otherwise provided under applicable laws.
- (D) Notwithstanding Regulation 141(C) above, the Directors may, at their discretion, at any time give a Member an opportunity to elect within a specified period of time whether to receive such notice or document by way of electronic communications or as a physical copy, and such Member shall be deemed to have consented to receive such notice or document by way of electronic communications if he was given such an opportunity and he failed to make an election within the specified time, and he shall not in such an event have a right to receive a physical copy of such notice or document, unless otherwise provided under applicable laws.
- (E) Where a notice or document is given, sent or served by electronic communications:–
- (a) to the current address of a person pursuant to Regulation 141(B)(a), it shall be deemed to have been duly given, sent or served at the time of transmission of the electronic communication by the email server or facility operated by the Company or its service provider to the current address of such person (notwithstanding any delayed receipt, non-delivery or “returned mail” reply message or any other error message indicating that the electronic communication was delayed or not successfully sent), unless otherwise provided under applicable laws; or
 - (b) by making it available on a website pursuant to Regulation 141(B)(b), it shall be deemed to have been duly given, sent or served on the date on which the notice or document is first made available on the website, or unless otherwise provided under applicable laws.
- (F) Where a notice or document is given, sent or served to a Member by making it available on a website pursuant to Regulation 141(B)(b), the Company shall give separate notice to the Member of the publication of the notice or document on that website, and if the document is not available on the website on the date of notification, the date on which

APPENDIX 4 – EXTRACTS FROM THE COMPANY'S CONSTITUTION

it will be available, the address of the website, the place on the website where the document may be accessed, and the manner in which the notice or document may be accessed by any one or more of the following means:–

- (a) by sending such separate notice to the member personally or through the post pursuant to Regulation 141(A);
 - (b) by sending such separate notice to the Member using electronic communications to his current address pursuant to Regulation 141(B)(a);
 - (c) by way of advertisement in the daily press;
 - (d) by way of announcement on the Designated Stock Exchange.
- (G) When a given number of days' notice or notice extending over any other period is required to be given the day of service shall, unless it is otherwise provided or required by these Regulations or by the Act, be not counted in such number of days or period.
- (H) Where a notice or document is given, sent or served to a Member using electronic communications, the Company shall inform the Member as soon as practicable of how to request a physical copy of that document from the Company. The Company shall provide a physical copy of that document upon such request.
142. Any notice given to that one of the joint holders of a share whose name stands first in the Register of Members or (as the case may be) the Depository Register in respect of the share shall be sufficient notice to all the joint holders in their capacity as such. For such purpose, a joint holder having no registered address in Singapore and not having supplied an address within Singapore for the service of notices shall be disregarded.
143. A person entitled to a share in consequence of the death or bankruptcy of a Member upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share, and upon supplying also to the Company or (as the case may be) CDP an address within Singapore for the service of notices, shall be entitled to have served upon or delivered to him at such address any notice or document to which the Member but for his death or bankruptcy would have been entitled, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share. Save as aforesaid, any notice or document delivered or sent by post to or left at the registered address or given, sent or served by electronic communication to the current address (as the case may be) of any Member in pursuance of these Regulations shall, notwithstanding that such Member be then dead or bankrupt or in liquidation or otherwise not entitled to such share, and whether or not the Company or (as the case may be) CDP have notice of the same, be deemed to have been duly served or delivered in respect of any share registered in the name of such Member in the Register of Members or, where such Member is a Depositor, entered against his name in the Depository Register as sole or first-named joint holder.
144. A Member who (having no registered address within Singapore) has not supplied to the Company or (as the case may be) CDP an address within Singapore for the service of notices shall not be entitled to receive notices or documents from the Company.

APPENDIX 4 – EXTRACTS FROM THE COMPANY’S CONSTITUTION

MEMBERS WHOSE WHEREABOUTS ARE UNKNOWN

145. If the Company is unable, for not less than ten years and despite the exercise of reasonable diligence, to discover the whereabouts of a Member, it may exercise its power under the Statutes to transfer the shares of the Member to the Official Receiver of Singapore for sale by the Official Receiver and credit of the proceeds thereof into the Singapore Companies Liquidation Account, and thereafter any person claiming the shares otherwise than through the Official Receiver shall only be entitled to claim against the said Account or the Singapore Consolidated Fund as the case may be, in accordance with the provisions of the Statutes.

2. The rights of Shareholders in respect of dividends

RESERVES

122. The Directors may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Directors, shall be applicable for any purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Directors may divide the reserve into such special funds as they think fit and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided. The Directors may also, without placing the same to reserve, carry forward any profits. In carrying sums to reserve and in applying the same, the Directors shall comply with the provisions of the Statutes.

DIVIDENDS

123. Subject to the Statutes, the Company may by Ordinary Resolution declare Dividends but no such Dividend shall exceed the amount recommended by the Directors.

124. If and so far as in the opinion of the Directors, the profits of the Company justify such payments, the Directors may declare and pay the fixed Dividends on any class of shares carrying a fixed Dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof and may also from time to time declare and pay interim Dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit.

125. Subject to any rights or restrictions attached to any shares or class of shares and except as otherwise permitted under the Act:–

- (a) all Dividends in respect of shares must be paid in proportion to the number of shares held by a Member, but where shares are partly paid, all Dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares; and
- (b) all Dividends must be apportioned and paid proportionately to the amounts so paid or credited as paid during any portion or portions of the period in respect of which the Dividend is paid.

For the purposes of this Regulation, an amount paid or credited as paid on a share in advance of a call is to be ignored.

APPENDIX 4 – EXTRACTS FROM THE COMPANY'S CONSTITUTION

126. (A) No Dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes. The payment by the Directors of any unclaimed dividends or other monies payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All Dividends remaining unclaimed after one year from having been first payable may be invested or otherwise made use of by the Directors for the benefit of the Company, and any Dividend or any such monies unclaimed after six years from having been first payable may be forfeited and if so shall revert to the Company provided always that the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the Dividend so forfeited to the person entitled thereto prior to the forfeiture. If CDP returns any such Dividend or monies to the Company, the relevant Depositor shall not have any right or claim in respect of such Dividend or monies against the Company if a period of six years has elapsed from the date of the declaration of such Dividend or the date on which such other monies are first payable.
- (B) A payment by the Company to CDP of any Dividend or other monies payable to a Depositor shall, to the extent of the payment made, discharge the Company from any liability to the Depositor in respect of that payment.
127. No Dividend or other monies payable on or in respect of a share shall bear interest as against the Company.
128. (A) The Directors may retain any Dividend or other monies payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.
- (B) The Directors may retain the Dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a Member, or which any person is under those provisions entitled to transfer, until such person shall become a Member in respect of such shares or shall transfer the same.
- (C) A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.
- (D) The Directors may deduct from any dividend or other moneys payable to any Member on or in respect of a share all sums of money (if any) presently payable by him to the Company on account of calls or in connection therewith.
129. The waiver in whole or in part of any Dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the Member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.
130. Subject to the provisions of the Statutes, the Company may upon the recommendation of the Directors by Ordinary Resolution direct payment of a Dividend in whole or in part by the distribution of specific assets (and in particular of wholly or partly paid-up shares or debentures of any other company or in any one or more of such ways) and the Directors shall give effect to such resolution. Where any difficulty arises with regard to such distribution, the Directors may settle the same as they think expedient and in particular, may issue fractional certificates, may fix the value for distribution of such specific assets or any part thereof, may determine that cash payments shall be made to any Member upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors.

APPENDIX 4 – EXTRACTS FROM THE COMPANY’S CONSTITUTION

131. Any Dividend or other monies payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address appearing in the Register of Members or (as the case may be) the Depository Register of the Member or person entitled thereto (or, if two or more persons are registered in the Register of Members or (as the case may be) entered in the Depository Register as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons) or to such person and such address as such Member or person or persons may by writing direct. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.
132. If two or more persons are registered in the Register of Members or (as the case may be) the Depository Register as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, any one of them may give effectual receipts for any Dividend, return of capital or other monies payable or property distributable on or in respect of the share.
133. Any resolution declaring a Dividend on shares of any class, whether a resolution of the Company in General Meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as the holders of such shares in the Register of Members or (as the case may be) the Depository Register at the close of business on a particular date and thereupon the Dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights inter se in respect of such Dividend of transferors and transferees of any such shares.
134. (A) Whenever the Directors or the Company in General Meeting have resolved or proposed that a dividend (including an interim, final, special or other dividend) be paid or declared on the ordinary shares of the Company, the Directors may further resolve that Members entitled to such dividend be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of the dividend as the Directors may think fit.

In such case, the following provisions shall apply:–

- (a) the basis of any such allotment shall be determined by the Directors;
- (b) the Directors shall determine the manner in which Members shall be entitled to elect to receive an allotment of ordinary shares credited as fully paid in lieu of cash in respect of the whole or such part of any dividend in respect of which the Directors shall have passed such a resolution as aforesaid, and the Directors may make such arrangements as to the giving of notice to Members, providing for forms of election for completion by Members (whether in respect of a particular dividend or dividends or generally), determining the procedure for making such elections or revoking the same and the place at which and the latest date and time by which any forms of election or other documents by which elections are made or revoked must be lodged, and otherwise make all such arrangements and do all such things, as the Directors consider necessary or expedient in connection with the provisions of this Regulation;

APPENDIX 4 – EXTRACTS FROM THE COMPANY’S CONSTITUTION

- (c) the right of election may be exercised in respect of the whole of that portion of the dividend in respect of which the right of election has been accorded provided that the Directors may determine, either generally or in any specific case, that such right shall be exercisable in respect of the whole or any part of that portion; and
 - (d) the dividend (or that part of the dividend in respect of which a right of election has been accorded) shall not be payable in cash on ordinary shares in respect whereof the share election has been duly exercised (the “**elected ordinary shares**”) and in lieu and in satisfaction thereof ordinary shares shall be allotted and credited as fully paid to the holders of the elected ordinary shares on the basis of allotment determined as aforesaid and for such purpose and (notwithstanding any provision of the Regulations to the contrary), the Directors shall be empowered to do all things necessary and convenient for the purpose of implementing the aforesaid including, without limitation, the making of each necessary allotment of shares and of each necessary appropriation, capitalisation, application, payment and distribution of funds which may be lawfully appropriated, capitalised, applied, paid or distributed for the purpose of the allotment and without prejudice to the generality of the foregoing the Directors may (i) capitalise and apply the amount standing to the credit of any of the Company’s reserve accounts or any sum standing to the credit of the profit and loss account or otherwise for distribution as the Directors may determine, such sum as may be required to pay up in full the appropriate number of ordinary shares for allotment and distribution to and among the holders of the elected ordinary shares on such basis, or (ii) apply the sum which would otherwise have been payable in cash to the holders of the elected ordinary shares towards payment of the appropriate number of ordinary shares for allotment and distribution to and among the holders of the elected ordinary shares on such basis.
- (B) (a) The ordinary shares allotted pursuant to the provisions of paragraph (A) of this Regulation shall rank *pari passu* in all respects with the ordinary shares then in issue save only as regards participation in the dividend which is the subject of the election referred to above (including the right to make the election referred to above) or any other distributions, bonuses or rights paid, made, declared or announced prior to or contemporaneous with the payment or declaration of the dividend which is the subject of the election referred to above, unless the Directors shall otherwise specify.
- (b) The Directors may do all acts and things considered necessary or expedient to give effect to any appropriation, capitalisation, application, payment and distribution of funds pursuant to the provisions of paragraph (A) of this Regulation, with full power to make such provisions as they think fit in the case of fractional entitlements to shares (including, notwithstanding any provision to the contrary in these Regulations, provisions whereby, in whole or in part, fractional entitlements are disregarded or rounded up or down), or whereby the benefit of fractional entitlements accrues to the Company rather than the Members and to authorise any person to enter on behalf of all the Members interested into an agreement with the Company providing for any such appropriation, capitalisation, application, payment and distribution of funds and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

APPENDIX 4 – EXTRACTS FROM THE COMPANY'S CONSTITUTION

- (C) The Directors may, on any occasion when they resolve as provided in paragraph (A) of this Regulation 134, determine that the rights of election under that paragraph shall not be made available to the persons who are registered as holders of ordinary shares in the Register of Members or (as the case may be) in the Depository Register, or in respect of ordinary shares the transfer of which is registered, after such date as the Directors may fix subject to such exceptions as the Directors think fit, and in such event the provisions of this Regulation 134 shall be read and construed subject to such determination.
- (D) The Directors may, on any occasion when they resolve as provided in paragraph (A) of this Regulation 134, further determine that no allotment of ordinary shares or rights of election for ordinary shares under that paragraph shall be made available or made to Members whose registered addresses entered the Register of Members or (as the case may be) the Depository Register is outside Singapore or to such other Members or class of Members as the Directors may in their sole discretion decide and in such event the only entitlements of the Members aforesaid shall be to receive in cash the relevant dividend resolved or proposed to be paid or declared.
- (E) Notwithstanding the foregoing provisions of this Regulation 134, if at any time after the Directors' resolution to apply the provisions of paragraph (A) of this Regulation 134 in relation to any dividend but prior to the allotment of ordinary shares pursuant thereto, the Directors shall consider that by reason of any event or circumstance (whether arising before or after such resolution) or by reason of any matter whatsoever it is no longer expedient or appropriate to implement that proposal, the Directors may at their absolute discretion and as they deem fit in the interest of the Company, cancel the proposed application of paragraph (A) of this Regulation 134.

3. The rights of Shareholders in respect of voting

GENERAL MEETINGS

46. (A) Save as otherwise permitted under the Act, the listing rules of the Designated Stock Exchange and any legislation applicable to the Company from time to time, the Company shall in each year hold a General Meeting in addition to any other meetings in that year to be called the Annual General Meeting, and not more than four months shall be allowed to elapse between the end of each financial year and such Annual General Meeting except in accordance with the Act and/or the listing rules of the Designated Stock Exchange unless the Registrar and/or the Designated Stock Exchange authorises an extension of time to hold such Annual General Meeting or as otherwise permitted by the Act. The Annual General Meeting shall be held in Singapore or such other jurisdiction as permitted and/or required by the Act, at such time and place as may be determined by the Directors (subject to the listing rules of the Designated Stock Exchange).
- (B) All other General Meetings shall be called Extraordinary General Meetings.
47. The Directors may whenever they think fit, and shall on requisition in accordance with the Statutes, proceed with proper expedition to convene an Extraordinary General Meeting. Subject to the provisions of the Act, the listing rules of the Designated Stock Exchange, and any other applicable laws and regulations, Extraordinary General Meetings shall be held in Singapore or such other jurisdiction as permitted and/or required by the Act, at such time and place as may be determined by the Directors.

APPENDIX 4 – EXTRACTS FROM THE COMPANY’S CONSTITUTION

NOTICE OF GENERAL MEETINGS

48. Any Annual General Meeting and any Extraordinary General Meeting at which it is proposed to pass a Special Resolution or (save as provided by the Statutes) a resolution of which special notice has been given to the Company, shall be called by twenty-one clear days’ notice in writing at the least and an Annual General Meeting or any other Extraordinary General Meeting, by fourteen clear days’ notice in writing at the least. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day on which the General Meeting is to be held and shall be given in manner hereinafter mentioned to all Members other than those who are not under the provisions of these Regulations and the Statutes entitled to receive such notices from the Company, Provided always that a General Meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:–
- (a) in the case of an Annual General Meeting by all the Members entitled to attend and vote thereat; and
 - (b) in the case of an Extraordinary General Meeting by a majority in number of the Members having a right to attend and vote thereat, being a majority together holding not less than 95 per cent. of the total voting rights of all the Members having a right to vote at thereat,

Provided also that the accidental omission to give notice to or the non-receipt of notice by any person entitled thereto shall not invalidate the proceedings or any resolution passed at any General Meeting. At least fourteen clear days’ notice of any General Meeting shall be given by advertisement in the daily press and in writing to the Designated Stock Exchange, Provided Always that in the case of any Extraordinary General Meeting at which it is proposed to pass a Special Resolution, at least twenty-one clear days’ notice in writing of such Extraordinary General Meeting shall be given by advertisement in the daily press and in writing to the Designated Stock Exchange.

49. (A) Every notice calling a General Meeting shall specify the place in Singapore, day and hour of the meeting, and there shall appear with reasonable prominence in every such notice a statement that a Member entitled to attend and vote is entitled to appoint a proxy or proxies to attend and vote instead of him and that a proxy need not be a Member of the Company.
- (B) In the case of an Annual General Meeting, the notice shall also specify the meeting as such.
- (C) In the case of any General Meeting at which business other than routine business (“**special business**”) is to be transacted, the notice shall specify the general nature of such business, and if any resolution is to be proposed as a Special Resolution, the notice shall contain a statement to that effect.
50. Routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say:–
- (a) declaring Dividends;
 - (b) receiving and adopting the financial statements, the Directors’ statement, the Auditors’ reports and other documents required to be attached or annexed to the financial statements;

APPENDIX 4 – EXTRACTS FROM THE COMPANY'S CONSTITUTION

- (c) appointing or re-appointing Directors to fill vacancies arising at the meeting on retirement whether by rotation or otherwise;
 - (d) re-appointing Auditors or re-appointing the retiring Auditors (unless they were last appointed otherwise than by the Company in General Meeting);
 - (e) fixing the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed; and
 - (f) fixing the Directors' fees.
51. Any notice of a General Meeting to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution on the Company in respect of such special business.

PROCEEDINGS AT GENERAL MEETINGS

52. The Chairman of the Board of Directors, failing whom the Deputy Chairman, shall preside as Chairman at a General Meeting. If there be no such Chairman or Deputy Chairman, or if at any General Meeting neither be present within five minutes after the time appointed for holding the meeting nor willing to act, the Directors present shall choose one of their number (or, if no Director be present or if all the Directors present decline to take the chair, the Members present shall choose one of their number) to be Chairman of the General Meeting. If required by the listing rules of the Designated Stock Exchange, all general meetings shall be held in Singapore, unless prohibited by relevant laws and regulations of the jurisdiction of the Company's incorporation, or unless such requirement is waived by the Designated Stock Exchange.
53. No business other than the appointment of a Chairman shall be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business. Save as herein otherwise provided, the quorum at any General Meeting shall be two Members present in person or by proxy, provided that (i) a proxy representing more than one Member shall only count as one Member for the purpose of determining if the quorum aforesaid is present; and (ii) where a Member is represented by more than one proxy, such proxies of such Member shall only count as one Member for purposes of determining if the quorum aforesaid is present. In addition, for the purposes of a quorum, joint holders of any share shall be treated as one Member.
54. If within thirty (30) minutes from the time appointed for a General Meeting (or such longer interval as the Chairman of the meeting may think fit to allow) a quorum is not present, the meeting, if convened on the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week (or if that day is a public holiday then to the next business day following that public holiday) at the same time and place or such other day, time or place as the Directors may determine, and if at such adjourned meeting a quorum is not present within thirty (30) minutes from the time appointed for holding the meeting, the meeting shall be dissolved.
55. The Chairman of any General Meeting at which a quorum is present may with the consent of the meeting (and shall if so directed by the meeting) adjourn the meeting from time to time (or *sine die*) and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. Where a General Meeting is adjourned *sine die*, the time

APPENDIX 4 – EXTRACTS FROM THE COMPANY’S CONSTITUTION

and place for the adjourned meeting shall be fixed by the Directors. When a General Meeting is adjourned for thirty days or more or *sine die*, not less than seven days’ notice of the adjourned meeting shall be given in like manner as in the case of the original meeting.

56. Save as hereinbefore expressly provided, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned General Meeting.
57. If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the Chairman of the General Meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a Special Resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.
58. (A) If required by the listing rules of the Designated Stock Exchange, a resolution put to the vote at any General Meeting shall be decided by a poll (unless such requirement is waived by the Designated Stock Exchange).
- (B) Subject to Regulation 58(A), at any General Meeting, a resolution put to the vote of the meeting shall be decided on a show of hands by the Members present in person and entitled to vote, unless a poll is (before or on the declaration of the result of the show of hands) demanded by:–
- (a) the Chairman of the meeting;
 - (b) not less than two Members present in person or by proxy and entitled to vote;
 - (c) any Member or Members present in person or by proxy, or where such a Member has appointed two or more proxies any one of such proxies, or any number or combination of such Members or proxies, holding or representing as the case may be not less than 5% of the total voting rights of all the Members having the right to vote at the General Meeting; or
 - (d) any Member present in person or by proxy, or where such a Member has appointed two proxies any one of such proxies, or any number or combination of such Members or proxies, holding shares conferring a right to vote at the General Meeting, being shares on which an aggregate sum has been paid up equal to not less than 5% of the total sum paid up on all the shares conferring that right,
- Provided Always that no poll shall be demanded on the choice of the Chairman of the meeting or on a question of adjournment. A demand for a poll may be withdrawn only with the approval of the meeting.
- (C) If any votes are counted which ought not to have been counted or might have been rejected, the error shall not vitiate the result of the voting unless it is pointed out at the same General Meeting or at any adjournment thereof and not in any case unless it shall in the opinion of the Chairman be of sufficient magnitude.
59. Unless a poll is required, a declaration by the Chairman of the General Meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution. If a poll is required, it shall be taken in such manner (including the use of ballot or voting papers or

APPENDIX 4 – EXTRACTS FROM THE COMPANY’S CONSTITUTION

tickets or electronic means) as the Chairman of the General Meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was taken. The Chairman of the General Meeting may (and, if required by the listing rules of the Designated Stock Exchange or if so directed by the meeting shall) appoint scrutineers (if and where required by the listing rules of the Designated Stock Exchange, (i) at least one scrutineer shall be appointed for each General Meeting and the appointed scrutineer(s) shall be independent of the persons undertaking the polling process; and (ii) the appointed scrutineer(s) shall (a) ensure that satisfactory procedures of the voting process are in place before the General Meeting; and (b) direct and supervise the count of the votes cast through proxy and in person) and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.

60. In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the General Meeting at which the show of hands takes place or at which the poll is required shall be entitled to a casting vote.
61. A poll required on any question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the Meeting) and place as the Chairman of the General Meeting may direct. No notice need be given of a poll not taken immediately. The demand for a poll shall not prevent the continuance of the General Meeting for the transaction of any business other than the question on which the poll has been demanded.

VOTES OF MEMBERS

62. (A) If any votes are counted which ought not to have been counted or might have been rejected, the error shall not vitiate the result of the voting unless it is pointed out at the same General Meeting or at any adjournment thereof and not in any case unless it shall in the opinion of the Chairman be of sufficient magnitude.
- (B) Subject to any special rights, privileges or restrictions as to voting attached by or in accordance with these Regulations to any class of shares, and to Regulation 4, each Member entitled to vote may vote in person or by proxy.
- (C) On a show of hands every Member who is present in person or by proxy or attorney shall have one vote, provided that:–
- (a) in the case of a Member who is not a relevant intermediary and who is represented by two proxies, only one of the two proxies as determined by that Member or, failing such determination, by the Chairman of the General Meeting (or by a person authorised by him) in his sole discretion shall be entitled to vote on a show of hands; and
- (b) in the case of a Member who is a relevant intermediary and who is represented by two or more proxies, each proxy shall be entitled to vote on a show of hands.
- (D) On a poll every Member who is present in person or by proxy shall have one vote for every share of which he holds or represents.
- (E) For the purposes of determining the number of votes which a Member, being a Depositor, or his proxy or proxies may cast at any General Meeting on a poll, the references to shares held or represented shall, in relation to shares of that Depositor, be the number of shares entered against his name in the Depository Register

APPENDIX 4 – EXTRACTS FROM THE COMPANY'S CONSTITUTION

as at 72 hours before the time of the relevant General Meeting. A Member who is bankrupt shall not, while his bankruptcy continues, be entitled to exercise his rights as a Member, or attend, vote or act at any General Meeting.

63. In the case of joint holders of a share, any one of such persons may vote and be reckoned in a quorum at any General Meeting either personally or by proxy as if he were solely entitled thereto, but if more than one of such persons is present at a meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the name which stands first in the Register of Members or, as the case may be, the name which appears first in the Depository Register in respect of the joint holding. Several executors or administrators of a deceased Member in whose name any share stands shall for the purpose of this Regulation be deemed joint holders thereof.
64. Where in Singapore or elsewhere a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any Member on the ground (however formulated) of mental disorder, the Directors may in their absolute discretion, upon or subject to such evidence of the appointment as the Directors may require being deposited at the Office not less than 72 hours before the time appointed for holding the General Meeting, permit such receiver or other person on behalf of such Member, to vote in person or by proxy at any General Meeting, or to exercise any other right conferred by membership in relation to meetings of the Company.
65. No Member shall be entitled in respect of shares held by him to vote at a General Meeting either personally or by proxy or to exercise any other right conferred by membership in relation to General Meetings if any call or other sum payable by him to the Company in respect of such shares remains unpaid.
66. No objection shall be raised as to the admissibility of any vote except at the General Meeting or adjourned General Meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the Chairman of the General Meeting whose decision shall be final and conclusive.
67. On a poll, votes may be given either personally or by proxy and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.
68. (A) Save as otherwise provided in the Act:–
- (a) a Member who is not a relevant intermediary may appoint not more than two proxies to attend, speak and vote at the same General Meeting. Where such Member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy; and
 - (b) a Member who is a relevant intermediary may appoint more than two proxies to attend, speak and vote at the same General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such Member. Where such Member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy.

APPENDIX 4 – EXTRACTS FROM THE COMPANY’S CONSTITUTION

- (B) (a) In any case where a Member is a Depositor, the Company shall be entitled and bound:–
- (i) to reject any instrument of proxy lodged by that Depositor if he is not shown to have any shares entered against his name in the Depository Register as at 72 hours before the time of the relevant General Meeting; and
 - (ii) to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by the Depositor is or are able to cast on a poll a number which is the number of shares entered into against the name of that Depositor in the Depository Register as at 72 hours before the time of the relevant General Meeting, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor; and
- (b) the Company shall be entitled and bound, in determining rights to vote and other matters in respect of a completed instrument of proxy submitted to it, to have regard to the instructions (if any) given by and the notes (if any) set out in the instrument of proxy.
- (C) Where a Member appoints more than one proxy, the Member shall specify the proportion of his shares to be represented by each such proxy, failing which the nomination shall be deemed to be alternative.
- (D) A proxy need not be a Member of the Company.
- (E) A member who has deposited an instrument appointing any number of proxies to vote on his behalf at a General Meeting shall not be precluded from attending and voting in person at that General Meeting. Any such appointment of all the proxies concerned shall be deemed to be revoked upon the attendance of the Member appointing the proxy/proxies at the relevant General Meeting.
69. (A) An instrument appointing a proxy for any Member shall be in writing in any usual or common form or in any other form which the Directors may approve and:–
- (a) in the case of an individual Member:–
 - (i) signed by the appointor or his attorney if the instrument of proxy is delivered personally or sent by post; or
 - (ii) authorised by that individual through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication; and
 - (b) in the case of a Member which is a corporation:–
 - (i) either given under its common seal (or by the signatures of authorised persons in the manner set out under the Act as an alternative to sealing) or signed on its behalf by an attorney or a duly authorised officer of the corporation if the instrument of proxy is delivered personally or sent by post; or

APPENDIX 4 – EXTRACTS FROM THE COMPANY’S CONSTITUTION

- (ii) authorised by that corporation through such method and in such manner as may be approved by the Directors, if the instrument is submitted by electronic communication.

The Directors may, for the purposes of this Regulation, designate procedures for authenticating any such instrument, and any such instrument not so authenticated by use of such procedures shall be deemed not to have been received by the Company.

- (B) The signatures on an instrument of proxy need not be witnessed. Where an instrument appointing a proxy is signed on behalf of a Member (which shall, for purposes of this paragraph include a Depositor) by an attorney, the letter or power of attorney or a duly certified copy thereof shall (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to the next following Regulation, failing which the instrument of proxy may be treated as invalid.

- (C) The Directors may, in their absolute discretion:–

- (a) approve the method and manner for an instrument appointing a proxy to be authorised; and
- (b) designate the procedure for authenticating an instrument appointing a proxy,

as contemplated in Regulation 69(A)(a)(ii) and 69(A)(b)(ii) for application to such Members or class of Members as they may determine. Where the Directors do not so approve and designate in relation to a Member (whether of a class or otherwise), Regulation 69(A)(a)(i) and/or (as the case may be) Regulation 69(A)(b)(i) shall apply.

70. (A) An instrument appointing a proxy or the power of attorney or other authority, if any:–
- (a) if sent personally or by post, must be left at the Office or such other place (if any) as is specified for the purpose in the notice convening the General Meeting; or
 - (b) if submitted by electronic communication, must be received through such means as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the General Meeting,

and in either case not less than seventy-two hours before the time appointed for the holding of the General Meeting or adjourned General Meeting (or in the case of a poll before the time appointed for the taking of the poll) to which it is to be used and in default shall not be treated as valid.

- (B) The Directors may, in their absolute discretion, and in relation to such Members or class of Members as they may determine, specify the means through which instruments appointing a proxy may be submitted by electronic communications, as contemplated in Regulation 70(A)(b). Where the Directors do not so specify in relation to a Member (whether of a class or otherwise), Regulation 70(A)(a) shall apply.

- (C) An instrument appointing a proxy shall, unless the contrary is stated thereon, be valid as well for any adjournment of the General Meeting as for the meeting to which it relates, Provided that an instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not require again to be delivered for the purposes of any subsequent meeting to which it relates.

APPENDIX 4 – EXTRACTS FROM THE COMPANY’S CONSTITUTION

71. An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll, to move any resolution or amendment thereto and to speak at the General Meeting.
72. A vote cast by proxy in accordance with the terms of an instrument of proxy (which for the purposes of this Constitution shall also include a power of attorney) shall not be invalidated by the previous death or mental disorder of the principal or by the revocation of the appointment of the proxy or of the authority under which the appointment was made or the transfer of the share in respect of which the proxy is given, provided that no notice in writing of such death, mental disorder, revocation or transfer shall have been received by the Company at the Office (or such other place as may be specified for the deposit of instruments appointing proxies) before the commencement of the General Meeting or adjourned General Meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.
73. Subject to these Regulations and the Statutes, the Directors may, at their sole discretion, approve and implement, subject to such security measures as may be deemed necessary or expedient, such voting methods to allow Members who are unable to vote in person at any General Meeting the option to vote in absentia, including but not limited to voting by mail, electronic mail or facsimile.

CORPORATIONS ACTING BY REPRESENTATIVES

74. Any corporation which is a Member of the Company may by resolution of its Directors or other governing body authorise such person as it thinks fit to act as its representative at any General Meeting or of any class of Members. The person so authorised shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual Member of the Company and such corporation shall for the purposes of these Regulations (but subject to the Statutes) be deemed to be present in person at any such meeting if a person so authorised is present thereat.

**APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF
THE EXCELPOINT GROUP FOR FY2021**

Excelpoint Technology Ltd.

Consolidated Income Statement
For the financial year ended 31 December 2021

	Note	Group	
		2021	2020
		US\$'000	US\$'000
Revenue	4	1,598,467	1,108,638
Cost of sales		(1,496,649)	(1,048,356)
Gross profit		101,818	60,282
Other income	5	980	2,701
Sales and distribution costs		(46,634)	(31,584)
General and administrative expenses		(24,615)	(16,403)
Finance costs	6	(2,383)	(2,924)
Impairment losses on financial assets	7	(59)	(7)
Profit before tax	7	29,107	12,065
Income tax expense	8	(4,585)	(1,726)
Profit for the year attributable to equity holders of the Company		24,522	10,339
Basic and diluted earnings per share attributable to equity holders of the Company (cents per share)	9	20.44	8.63

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

**APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF
THE EXCELPOINT GROUP FOR FY2021**

Excelpoint Technology Ltd.

**Consolidated Statement of Comprehensive Income
For the financial year ended 31 December 2021**

	Group	
	2021	2020
	US\$'000	US\$'000
Profit for the year	24,522	10,339
<u>Other comprehensive income:–</u>		
<i>Items that will not be reclassified subsequently to profit or loss:-</i>		
Net fair value gain on equity securities at FVOCI	687	19
<i>Items that may be reclassified subsequently to profit or loss:-</i>		
Foreign currency translation	7	195
Other comprehensive income for the year, net of tax	694	214
Total comprehensive income for the year attributable to equity holders of the Company	25,216	10,553

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

**APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF
THE EXCELPOINT GROUP FOR FY2021**

Excelpoint Technology Ltd.

Balance Sheets

As at 31 December 2021

	Note	Group		Company	
		2021	2020	2021	2020
		US\$'000	US\$'000	US\$'000	US\$'000
ASSETS					
Non-current assets					
Property, plant and equipment	10	3,818	2,794	–	–
Right-of-use assets	11	5,851	6,921	–	–
Intangible assets	12	752	752	–	–
Investments in subsidiaries	13	–	–	27,878	27,878
Other investments	14	3,812	3,239	907	762
Deferred tax assets	21	98	87	–	–
		14,331	13,793	28,785	28,640
Current assets					
Trade and other debtors	15	219,348	172,226	9,959	8,642
Prepayments		491	315	2	2
Stocks	16	211,396	179,907	–	–
Cash and short-term deposits	18	34,146	39,174	8,224	6,157
		465,381	391,622	18,185	14,801
Total assets		479,712	405,415	46,970	43,441
EQUITY AND LIABILITIES					
Current liabilities					
Trade and other creditors	19	268,387	217,392	6,535	2,148
Contract liabilities	4	11,654	9,094	–	–
Interest-bearing loans and borrowings	20	72,034	79,023	–	–
Lease liabilities	11	2,425	2,338	–	–
Income tax payable		4,039	1,943	62	40
		358,539	309,790	6,597	2,188
Net current assets		106,842	81,832	11,588	12,613
Non-current liabilities					
Interest-bearing loans and borrowings	20	8,284	3,199	–	–
Lease liabilities	11	4,044	5,111	–	–
		12,328	8,310	–	–
Total liabilities		370,867	318,100	6,597	2,188
Net assets		108,845	87,315	40,373	41,253
Equity attributable to equity holders of the Company					
Share capital	22	39,483	39,106	39,483	39,106
Revenue reserves		67,914	47,455	142	1,544
Other reserves	23	1,448	754	748	603
Total equity		108,845	87,315	40,373	41,253
Total equity and liabilities		479,712	405,415	46,970	43,441

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

**APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF
THE EXCELPOINT GROUP FOR FY2021**

Excelpoint Technology Ltd.

**Statements of Changes in Equity
For the financial year ended 31 December 2021**

Group	Note	Attributable to equity holders of the Company								
		Equity, total US\$'000	Share capital US\$'000	Treasury shares US\$'000	Revenue reserve US\$'000	Other reserves, total US\$'000	Fair value reserve US\$'000	Statutory reserve US\$'000	Foreign currency translation reserve US\$'000	Other capital reserve US\$'000
Opening balance at 1 January 2021		87,315	39,106	-	47,455	754	265	25	237	227
Profit for the year		24,522	-	-	24,522	-	-	-	-	-
Other comprehensive income:—										
Foreign currency translation		7	-	-	-	7	-	-	7	-
Net fair value gain on equity securities at FVOCI		687	-	-	-	687	687	-	-	-
Other comprehensive income for the year, net of tax		694	-	-	-	694	687	-	7	-
Total comprehensive income for the year		25,216	-	-	24,522	694	687	-	7	-
Contributions by and distributions to owners:—										
Dividends on ordinary shares	30	(4,063)	-	-	(4,063)	-	-	-	-	-
Grant of equity-settled share awards under EPSS	22(a)	377	377	-	-	-	-	-	-	-
Total contributions by and distributions to owners		(3,686)	377	-	(4,063)	-	-	-	-	-
Closing balance at 31 December 2021		108,845	39,483	-	67,914	1448	952	25	244	227

**APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF
THE EXCELPOINT GROUP FOR FY2021**

Excelpoint Technology Ltd.

**Statements of Changes in Equity
For the financial year ended 31 December 2021**

Group	Note	Attributable to equity holders of the Company								
		Equity, total US\$'000	Share capital US\$'000	Treasury shares US\$'000	Revenue reserve US\$'000	Other reserves, total US\$'000	Fair value reserve US\$'000	Statutory reserve US\$'000	Foreign currency translation reserve US\$'000	Other capital reserve US\$'000
Opening balance at 1 January 2020		76,712	39,056	-	37,116	540	246	25	42	227
Profit for the year		10,339	-	-	10,339	-	-	-	-	-
Other comprehensive income:—										
Foreign currency translation		195	-	-	-	195	-	-	195	-
Net fair value gain on equity securities at FVOCI		19	-	-	-	19	19	-	-	-
Other comprehensive income for the year, net of tax		214	-	-	-	214	19	-	195	-
Total comprehensive income for the year		10,553	-	-	10,339	214	19	-	195	-
Contributions by and distributions to owners:—										
Purchase of treasury shares	22(b)	(5)	-	(5)	-	-	-	-	-	-
Grant of equity-settled share awards under EPSS	22(a)	55	50	5	-	-	-	-	-	-
Total contributions by and distributions to owners		50	50	-	-	-	-	-	-	-
Closing balance at 31 December 2020		87,315	39,106	-	47,455	754	265	25	237	227

**APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF
THE EXCELPOINT GROUP FOR FY2021**

Excelpoint Technology Ltd.

**Statements of Changes in Equity
For the financial year ended 31 December 2021**

Company	Note	Attributable to equity holders of the Company						
		Equity, total US\$'000	Share capital US\$'000	Treasury shares US\$'000	Revenue reserve US\$'000	Other reserves, total US\$'000	Fair value reserve US\$'000	Other capital reserve US\$'000
Opening balance at 1 January 2021		41,253	39,106	–	1,544	603	376	227
Profit for the year		2,661	–	–	2,661	–	–	–
Other comprehensive income for the year, net of tax:–		145	–	–	–	145	145	–
Net fair value gain on equity securities at FVOCI		–	–	–	–	–	–	–
Total comprehensive income for the year		2,806	–	–	2,661	145	145	–
Contributions by and distributions to owners:–								
Dividends on ordinary shares	30	(4,063)	–	–	(4,063)	–	–	–
Grant of equity-settled share awards under EPSS	22(a)	377	377	–	–	–	–	–
Total contributions by and distributions to owners		(3,686)	377	–	(4,063)	–	–	–
Closing balance at 31 December 2021		40,373	39,483	–	142	748	521	227
Opening balance at 1 January 2020		40,911	39,056	–	1,382	473	246	227
Profit for the year		162	–	–	162	–	–	–
Other comprehensive income for the year, net of tax:–		130	–	–	–	130	130	–
Net fair value gain on equity securities at FVOCI		–	–	–	–	–	–	–
Total comprehensive income for the year		292	–	–	162	130	130	–
Contributions by and distributions to owners:–								
Purchase of treasury shares	22(b)	(5)	–	(5)	–	–	–	–
Grant of equity-settled share awards under EPSS	22(a)	55	50	5	–	–	–	–
Total contributions by and distributions to owners		50	50	–	–	–	–	–
Closing balance at 31 December 2020		41,253	39,106	–	1,544	603	376	227

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

**APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF
THE EXCELPOINT GROUP FOR FY2021**

Excelpoint Technology Ltd.

**Consolidated Cash Flow Statement
For the financial year ended 31 December 2021**

	Note	Group 2021 US\$'000	2020 US\$'000
Operating activities			
Profit before tax		29,107	12,065
Adjustments for:–			
Interest income	5	(320)	(205)
Interest expense	6	2,383	2,924
Depreciation of property, plant and equipment	10	994	1,287
Depreciation of right-of-use assets	11	2,345	2,429
Dividend income from equity security	5	(51)	(43)
Net (gain)/loss on disposal of property, plant and equipment	7	(49)	5
Property, plant and equipment written off	7	–	6
Net gain on disposal of right-of-use asset	7	(1)	–
Net fair value loss on financial assets at fair value through profit or loss	7	219	14
Net impairment losses on trade debtors	15	59	7
Net stock written down	16	2,052	1,286
Net fair value loss on derivatives	7	–	3
Unrealised foreign exchange gain		(107)	–
Share-based payments under EPSS	7	377	55
Operating cash flows before changes in working capital		37,008	19,833
Changes in working capital:–			
Increase in stocks		(33,541)	(33,818)
Increase in trade and other debtors and prepayments		(47,357)	(13,745)
Increase in trade and other creditors and contract liabilities		53,575	82,124
Cash flows generated from operations		9,685	54,394
Interest received		314	205
Interest paid		(2,403)	(2,924)
Income tax paid		(2,500)	(1,534)
Net cash flows generated from operating activities		5,096	50,141
Investing activities			
Purchase of property, plant and equipment	10	(2,233)	(936)
Proceeds from disposal of property, plant and equipment		254	44
Purchase of other investments	27(d)	(150)	(250)
Dividend income from equity security		51	43
Net cash flows used in investing activities		(2,078)	(1,099)
Financing activities			
Payment of principal portion of lease liabilities	20	(2,269)	(2,003)
Proceeds from bank loans		7,489	3,782
Repayment of bank loans		(568)	(3,000)
Net repayment of bills payable		(8,658)	(23,203)
Purchase of treasury shares	22(b)	–	(5)
Dividend paid on ordinary shares	30	(4,063)	–
Net cash flows used in financing activities		(8,069)	(24,429)
Net (decrease)/increase in cash and cash equivalents		(5,051)	24,613
Effects of exchange rate changes on cash and cash equivalents		23	78
Cash and cash equivalents at 1 January		39,174	14,483
Cash and cash equivalents at 31 December		34,146	39,174

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE EXCELPOINT GROUP FOR FY2021

Excelpoint Technology Ltd.

Notes to Financial Statements

For the financial year ended 31 December 2021

1. Corporate information

Excelpoint Technology Ltd. (the “Company”) is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange.

The registered office and principal place of business of the Company is located at 15 Changi Business Park Central 1, #06-00, Singapore 486057.

The principal activities of the Company are that of an investment holding company and the provision of support services to its subsidiaries. The principal activities of the subsidiaries are disclosed in Note 13.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I”).

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in United States Dollar (“USD” or “US\$”) and all values in the tables are rounded to the nearest thousand (“US\$’000”) except when otherwise indicated.

2.2 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2021. The adoption of these standards did not have any material effect on the financial performance or position of the Group and the Company.

The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE EXCELPOINT GROUP FOR FY2021

Excelpoint Technology Ltd.

Notes to Financial Statements
For the financial year ended 31 December 2021

2. Summary of significant accounting policies (cont'd)

2.3 *Standards issued but not yet effective*

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:–

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
Amendments to SFRS(I) 3 <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to SFRS(I) 1-16 <i>Property, Plant and Equipment – Proceeds before Intended Use</i>	1 January 2022
Amendments to SFRS(I) 1-37 <i>Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
Annual Improvements to SFRS(I)s 2018-2020	1 January 2022
Amendments to SFRS(I) 1-1 <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to SFRS(I) 1-1 and FRS Practice Statement 2 – <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to SFRS(I) 1-8 – <i>Definition of Accounting Estimates</i>	1 January 2023
Amendments to SFRS(I) 1-12 – <i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to SFRS(I) 10 and SFRS(I) 1-28 – <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE EXCELPOINT GROUP FOR FY2021

Excelpoint Technology Ltd.

Notes to Financial Statements

For the financial year ended 31 December 2021

2. Summary of significant accounting policies (cont'd)

2.4 *Basis of consolidation and business combinations*

(a) *Basis of consolidation*

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

(b) *Business combinations*

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, which is measured at acquisition date fair value, and the amount of any non-controlling interests in the acquiree. Acquisition-related costs are expensed as incurred and included in administrative expenses.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs. The acquired process is considered substantive if it is critical to the ability to continue producing outputs, and the inputs acquired include an organised workforce with the necessary skills, knowledge, or experience to perform that process or it significantly contributes to the ability to continue producing outputs and is considered unique or scarce or cannot be replaced without significant cost, effort, or delay in the ability to continue producing outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE EXCELPOINT GROUP FOR FY2021

Excelpoint Technology Ltd.

Notes to Financial Statements

For the financial year ended 31 December 2021

2. Summary of significant accounting policies (cont'd)

2.4 *Basis of consolidation and business combinations (cont'd)*

(b) *Business combinations (cont'd)*

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of SFRS(I) 9 *Financial Instruments*, is measured at fair value with the changes in fair value recognised in profit or loss in accordance with SFRS(I) 9. Other contingent consideration that is not within the scope of SFRS(I) 9 is measured at fair value at each reporting date with changes in fair value recognised in profit or loss.

If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

2.5 *Foreign currency*

The financial statements are presented in USD, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

(a) *Transactions and balances*

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE EXCELPOINT GROUP FOR FY2021

Excelpoint Technology Ltd.

Notes to Financial Statements

For the financial year ended 31 December 2021

2. Summary of significant accounting policies (cont'd)

2.5 *Foreign currency (cont'd)*

(b) *Consolidated financial statements*

For consolidation purpose, the assets and liabilities of foreign operations are translated into USD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

2.6 *Property, plant and equipment*

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:–

Furniture and fittings	–	3 – 5 years
Office equipment	–	3 – 5 years
Motor vehicles	–	4 – 10 years
Computers and IT equipment	–	1 – 3 years
Renovations	–	the shorter of remaining lease term and 5 years

The residual value, useful life and depreciation method are reviewed at each financial year-end and adjusted prospectively, if appropriate.

Computers and IT equipment which are under development are included in property, plant and equipment. These items are not depreciated.

APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE EXCELPOINT GROUP FOR FY2021

Excelpoint Technology Ltd.

Notes to Financial Statements

For the financial year ended 31 December 2021

2. Summary of significant accounting policies (cont'd)

2.7 *Intangible assets*

Intangible assets acquired separately are measured initially at cost. Following initial acquisition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

Intangible assets with indefinite useful lives are tested for impairment annually, or more frequently if the events and circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Club memberships

Club memberships were acquired separately. The useful lives of the memberships are estimated to be indefinite because these are lifetime memberships with no dates of expiry.

2.8 *Impairment of non-financial assets*

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.9 *Subsidiaries*

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's balance sheet, investments in subsidiaries are accounted for at cost less impairment losses.

APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE EXCELPOINT GROUP FOR FY2021

Excelpoint Technology Ltd.

Notes to Financial Statements

For the financial year ended 31 December 2021

2. Summary of significant accounting policies (cont'd)

2.10 *Financial instruments*

(a) *Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only when the Group becomes a party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade debtors are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade debtors do not contain a significant financing component at initial recognition.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The measurement categories for classification of debt instruments are:–

(i) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

(ii) Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or fair value through other comprehensive income ("FVOCI") are measured at fair value through profit or loss ("FVPL"). A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE EXCELPOINT GROUP FOR FY2021

Excelpoint Technology Ltd.

Notes to Financial Statements

For the financial year ended 31 December 2021

2. Summary of significant accounting policies (cont'd)

2.10 *Financial instruments (cont'd)*

(a) *Financial assets (cont'd)*

Subsequent measurement (cont'd)

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income (“OCI”). Dividends from such investments are to be recognised in profit or loss when the Group’s right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in profit or loss.

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in profit or loss.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(b) *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE EXCELPOINT GROUP FOR FY2021

Excelpoint Technology Ltd.

Notes to Financial Statements

For the financial year ended 31 December 2021

2. Summary of significant accounting policies (cont'd)

2.10 *Financial instruments (cont'd)*

(b) *Financial liabilities (cont'd)*

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.11 *Impairment of financial assets*

The Group recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a “12-month ECL”). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a “lifetime ECL”).

For trade debtors, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payment is 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE EXCELPOINT GROUP FOR FY2021

Excelpoint Technology Ltd.

Notes to Financial Statements

For the financial year ended 31 December 2021

2. Summary of significant accounting policies (cont'd)

2.12 *Cash and cash equivalents*

Cash and cash equivalents comprise cash at banks and on hand and short-term deposits.

2.13 *Stocks*

Stocks are stated at the lower of cost and net realisable value. Costs incurred in bringing the stocks to their present location and condition are accounted for at purchase costs on a first-in first-out basis for trading stocks.

Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of stocks to the lower of cost and net realisable value.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

2.14 *Provisions*

General

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.15 *Government grants*

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE EXCELPOINT GROUP FOR FY2021

Excelpoint Technology Ltd.

Notes to Financial Statements

For the financial year ended 31 December 2021

2. Summary of significant accounting policies (cont'd)

2.16 *Financial guarantee*

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are measured at the higher of the amount of expected credit loss determined in accordance with the policy set out in Note 2.11 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised over the period of the guarantee.

2.17 *Employee benefits*

(a) *Defined contribution plans*

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore and Hong Kong companies in the Group make contributions to the Central Provident Fund scheme in Singapore and the Mandatory Provident Fund scheme in Hong Kong, respectively which are defined contribution pension schemes. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) *Employee leave entitlement*

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the reporting period is recognised for services rendered by employees up to the end of the reporting period.

(c) *Equity-settled share-based payment transactions*

Employees of the Group receive remuneration in the forms of share options and performance shares as consideration for services rendered.

In the case of share options granted, the cost of these equity-settled share-based payment transactions with employees is measured by reference to the fair value of the options at the date on which the options are granted which takes into account market conditions and non-vesting conditions. This cost is recognised in profit or loss, with a corresponding increase in the employee share option reserve, over the vesting period. The cumulative expense recognised at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best

APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE EXCELPOINT GROUP FOR FY2021

Excelpoint Technology Ltd.

Notes to Financial Statements

For the financial year ended 31 December 2021

2. Summary of significant accounting policies (cont'd)

2.17 *Employee benefits (cont'd)*

(c) *Equity-settled share-based payment transactions (cont'd)*

estimate of the number of options that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense. The employee share option reserve is transferred to retained earnings upon expiry of the share option.

In the case of performance shares awarded, the cost of these equity-settled share-based payment transactions with employees is measured by reference to the fair value of the performance shares at the date on which the performance shares are awarded. This cost is recognised in profit or loss on the award date as the performance shares awarded vest immediately.

2.18 *Borrowing costs*

All borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.19 *Leases*

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE EXCELPOINT GROUP FOR FY2021

Excelpoint Technology Ltd.

Notes to Financial Statements

For the financial year ended 31 December 2021

2. Summary of significant accounting policies (cont'd)

2.19 Leases (cont'd)

As a lessee (cont'd)

(i) **Right-of-use assets**

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:–

Buildings	–	2 – 8 years
Office equipment	–	2 – 5 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 2.8.

(ii) **Lease liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE EXCELPOINT GROUP FOR FY2021

Excelpoint Technology Ltd.

Notes to Financial Statements

For the financial year ended 31 December 2021

2. Summary of significant accounting policies (cont'd)

2.19 Leases (cont'd)

As a lessee (cont'd)

(iii) *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases of assets (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of assets that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

2.20 Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) *Sale of electronics equipment, electrical components and accessories*

The Group supplies electronics equipment, electrical components and accessories for manufacturers and distributions channels.

Revenue is recognised when the control of goods is transferred to the customer, generally on delivery of goods to the customer. Certain goods are sold with retrospective volume discounts based on the aggregate sales over a period of time.

The amount of revenue recognised is based on the estimated transaction price, which comprises the contractual price and net of the estimated volume discounts and adjusted for expected returns. Based on the Group's experience with similar types of contracts, variable consideration is typically constrained and is included in the transaction only to the extent that it is a highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE EXCELPOINT GROUP FOR FY2021

Excelpoint Technology Ltd.

Notes to Financial Statements

For the financial year ended 31 December 2021

2. Summary of significant accounting policies (cont'd)

2.20 Revenue (cont'd)

(a) Sale of electronics equipment, electrical components and accessories (cont'd)

The Group recognises the expected volume discounts payable to customer where consideration have been received from customers and refunds due to expected returns from customers as refund liabilities.

Separately, the Group recognises a related asset for the right to recover the returned goods, based on the former carrying amount of the good less expected costs to recover the goods, and adjusts them against cost of sales correspondingly.

At the end of each reporting date, the Group updates its assessment of the estimated transaction price, including its assessment of whether an estimate of variable consideration is constrained. The corresponding amounts are adjusted against revenue in the period in which the transaction price changes. The Group also updates its measurement of the asset for the right to recover returned goods for changes in its expectations about returned goods.

The Group has elected to apply the practical expedient not to adjust the transaction price for the existence of significant financing component when the period between the transfer of control of good or service to a customer and the payment date is one year or less.

Consignment arrangements

In consignment arrangements, although the good has been delivered to the customer, the Group retains control of the good and satisfies its performance obligation only upon the utilisation of the good by the customer.

(b) Commission income

The Group acts as an agent to provide a service of arranging for another party to transfer goods or services to a customer. The Group recognises a commission fee, being the net amount of consideration that the Group retains after paying the other party the consideration received in exchange for the goods or services to be provided by that entity.

2.21 Taxes

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation

APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE EXCELPOINT GROUP FOR FY2021

Excelpoint Technology Ltd.

Notes to Financial Statements

For the financial year ended 31 December 2021

2. Summary of significant accounting policies (cont'd)

2.21 Taxes (cont'd)

(a) Current income tax (cont'd)

authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:–

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:–

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE EXCELPOINT GROUP FOR FY2021

Excelpoint Technology Ltd.

Notes to Financial Statements

For the financial year ended 31 December 2021

2. Summary of significant accounting policies (cont'd)

2.21 Taxes (cont'd)

(b) *Deferred tax (cont'd)*

- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

(c) *Sales tax*

Revenues, expenses and assets are recognised net of the amount of sales tax except:–

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

2.22 *Share capital and share issuance expenses*

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE EXCELPOINT GROUP FOR FY2021

Excelpoint Technology Ltd.

Notes to Financial Statements

For the financial year ended 31 December 2021

2. Summary of significant accounting policies (cont'd)

2.23 *Treasury shares*

The Group's own equity instruments, which are reacquired ("treasury shares") are recognised at cost and deducted from equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments. Any difference between the carrying amount of treasury shares and the consideration received, if reissued, is recognised directly in equity. Voting rights related to treasury shares are nullified for the Group and no dividends are allocated to them respectively.

2.24 *Contingencies*

A contingent liability is:–

- (a) A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) A present obligation that arises from past events but is not recognised because:–
 - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the balance sheet of the Group.

3. Significant accounting judgements and estimates

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 *Judgements made in applying accounting policies*

Management is of the opinion that there is no significant judgement made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE EXCELPOINT GROUP FOR FY2021

Excelpoint Technology Ltd.

Notes to Financial Statements

For the financial year ended 31 December 2021

3. Significant accounting judgements and estimates (cont'd)

3.2 *Key sources of estimation uncertainty*

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) *Provision for expected credit losses of trade debtors*

The Group uses a provision matrix to calculate ECLs for trade debtors. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade debtors is disclosed in Note 26(a).

The carrying amount of trade debtors at the end of the reporting period is disclosed in Note 15.

(b) *Allowance for slow-moving and obsolete stocks*

The Group carries out stocks review on a product-by-product basis to determine the allowance for slow-moving and obsolete stocks and whether stocks are stated at the lower of cost and net realisable value. For the purpose of determining whether stocks are stated at the lower of cost and net realisable value, management's estimates of the net realisable value of the stocks at the end of the reporting period are based primarily on the latest selling prices and the market conditions. The carrying amount of the Group's stocks stated at net realisable value at the end of the reporting period is disclosed in Note 16.

**APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF
THE EXCELPOINT GROUP FOR FY2021**

Excelpoint Technology Ltd.

Notes to Financial Statements
For the financial year ended 31 December 2021

4. Revenue

(a) *Disaggregation of revenue*

	Hong Kong Business Unit		Singapore Business Unit		Total revenue	
	2021 US\$'000	2020 US\$'000	2021 US\$'000	2020 US\$'000	2021 US\$'000	2020 US\$'000
Primary geographical markets:–						
Hong Kong/The People's Republic of China	904,297	615,947	304,371	238,530	1,208,668	854,477
Southeast Asia	–	–	228,872	167,806	228,872	167,806
India	–	–	111,126	35,479	111,126	35,479
Others	–	–	49,801	50,876	49,801	50,876
	<u>904,297</u>	<u>615,947</u>	<u>694,170</u>	<u>492,691</u>	<u>1,598,467</u>	<u>1,108,638</u>
Major product or service lines:–						
Electronics equipment, electrical components and accessories for manufacturers and distribution channels	904,296	615,943	694,170	492,686	1,598,466	1,108,629
Commission income	1	4	–	5	1	9
	<u>904,297</u>	<u>615,947</u>	<u>694,170</u>	<u>492,691</u>	<u>1,598,467</u>	<u>1,108,638</u>
Timing of transfer of goods or services:–						
At a point in time	<u>904,297</u>	<u>615,947</u>	<u>694,170</u>	<u>492,691</u>	<u>1,598,467</u>	<u>1,108,638</u>

(b) *Judgement and methods used in estimating revenue*

Estimating variable consideration of sale of electronics equipment, electrical components and accessories

In estimating the variable consideration, the Group uses the most likely amount method to predict the volume discounts by the different product types.

Management has exercised judgement in applying the constraint on the estimated variable consideration that can be included in the transaction price.

**APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF
THE EXCELPOINT GROUP FOR FY2021**

Excelpoint Technology Ltd.

Notes to Financial Statements
For the financial year ended 31 December 2021

4. Revenue (cont'd)

(c) ***Contract balances***

Information about receivables and contract liabilities from contracts with customers is disclosed as follows:–

	Note	Group	
		2021	2020
		US\$'000	US\$'000
Receivables from contracts with customers	15	203,706	162,751
Contract liabilities		11,654	9,094

The Group has recognised net impairment losses on receivables arising from contracts with customers amounting to US\$59,000 (2020: US\$7,000) for the financial year ended 31 December 2021.

Contract liabilities primarily relate to the Group's obligation to transfer goods to customers for which the Group has received advances from customers. Contract liabilities are recognised as revenue as the Group performs under the contract.

Significant changes in contract liabilities are explained as follows:–

	Group	
	2021	2020
	US\$'000	US\$'000
Revenue recognised that was included in the contract liability balance at the beginning of the year	7,364	2,932

**APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF
THE EXCELPOINT GROUP FOR FY2021**

Excelpoint Technology Ltd.

Notes to Financial Statements
For the financial year ended 31 December 2021

5. Other income

The following items have been included in arriving at other income:–

	Group	
	2021	2020
	US\$'000	US\$'000
Government grants	528	2,206
Interest income from debt instruments at amortised cost	314	205
Interest income from debt security at FVPL	6	–
Dividend income from equity security at FVOCI	51	43
	<u>528</u>	<u>2,454</u>

Government grants mainly relate to cash grants received from the governments in Singapore and Hong Kong to help businesses deal with the impact from COVID-19.

6. Finance costs

	Group	
	2021	2020
	US\$'000	US\$'000
Interest expense on bank loans and borrowings, carried at amortised cost	(2,142)	(2,748)
Interest expense on lease liabilities, carried at amortised cost	(241)	(176)
	<u>(2,383)</u>	<u>(2,924)</u>

**APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF
THE EXCELPOINT GROUP FOR FY2021**

Excelpoint Technology Ltd.

Notes to Financial Statements

For the financial year ended 31 December 2021

7. Profit before tax and impairment losses on financial assets

The following items have been included in arriving at profit before tax:–

	Note	Group	
		2021	2020
		US\$'000	US\$'000
Stocks recognised as an expense in cost of sales	16	(1,494,673)	(1,047,009)
Net gain/(loss) on disposal of property, plant and equipment		49	(5)
Net gain on disposal of right-of-use asset		1	–
Property, plant and equipment written off		–	(6)
Depreciation of property, plant and equipment	10	(994)	(1,287)
Depreciation of right-of-use assets	11	(2,345)	(2,429)
Net fair value loss on financial assets at FVPL	27(d)	(219)	(14)
Net foreign exchange gain		806	1,138
Net fair value loss on derivatives		–	(3)
Impairment losses on financial assets – trade debtors	15	(59)	(7)
Employee benefits expenses (including directors):–			
– Salaries and bonuses		(48,078)	(30,108)
– Contributions to defined contribution plans		(4,841)	(2,841)
– Other short-term benefits		(1,366)	(1,540)
– Share-based payments under EPSS		(377)	(55)
Audit fees:–			
– Auditor of the Company		(120)	(100)
– Member firms of EY Global		(112)	(106)
– Other auditors		(2)	(4)
Non-audit fees:–			
– Auditor of the Company		(56)	(55)
– Member firms of EY Global		(1)	–
– Other auditors		(83)	(7)
Expense relating to short-term leases	11	(176)	(177)
Expense relating to low-value assets	11	(35)	(155)

**APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF
THE EXCELPOINT GROUP FOR FY2021**

Excelpoint Technology Ltd.

**Notes to Financial Statements
For the financial year ended 31 December 2021**

8. Income tax expense

(a) ***Major components of income tax expense***

The major components of income tax expense for the financial years ended 31 December 2021 and 2020 are:–

	Note	Group	
		2021 US\$'000	2020 US\$'000
Consolidated income statement:–			
<u>Current income tax</u>			
Current year		(4,808)	(2,079)
Over provision in respect of previous years		212	353
		(4,596)	(1,726)
<u>Deferred income tax</u>			
Origination and reversal of temporary differences	21	11	–
		(4,585)	(1,726)
		(4,585)	(1,726)

(b) ***Relationship between income tax expense and accounting profit***

The reconciliation between income tax expense and the product of accounting profit multiplied by the applicable tax rate for the financial years ended 31 December 2021 and 2020 is as follows:–

	Group	
	2021 US\$'000	2020 US\$'000
Profit before tax	29,107	12,065
Tax at the tax rate of 17% (2020: 17%)	(4,948)	(2,051)
<u>Adjustments:–</u>		
Non-deductible expenses	(674)	(447)
Income not subject to taxation	102	347
Effect of partial tax exemption, tax relief, tax rebates and tax incentives	541	13

**APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF
THE EXCELPOINT GROUP FOR FY2021**

Excelpoint Technology Ltd.

Notes to Financial Statements
For the financial year ended 31 December 2021

8. Income tax expense (cont'd)

(b) *Relationship between income tax expense and accounting profit (cont'd)*

	Group	
	2021	2020
	US\$'000	US\$'000
Difference in tax rates of subsidiaries*	(81)	(175)
Over provision in respect of previous years	212	353
Benefits from previously unrecognised deferred tax assets	432	667
Deferred tax assets not recognised	(205)	(434)
Others	36	1
	<hr/>	<hr/>
Income tax expense recognised in profit or loss	<u>(4,585)</u>	<u>(1,726)</u>

* The Group is subjected to income taxes in Singapore and numerous jurisdictions, including Hong Kong (16.5%) and China (25%).

A subsidiary has been granted a tax incentive under the Singapore Global Trader Programme (“GTP”) for a period of five years from 1 January 2019 to 31 December 2023. The qualifying income derived by the subsidiary from qualifying transactions is taxed at concessionary tax rate of 10%.

9. Earnings per share

Basic earnings per share are calculated by dividing profit, net of tax, attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

As there were no share options and warrants granted, the basic and diluted earnings per share are the same.

The following table reflects the profit and share data used in the computation of basic and diluted earnings per share for the years ended 31 December 2021 and 2020:–

	Group	
	2021	2020
Profit for the year attributable to equity holders of the Company used in the computation of basic and diluted earnings per share (US\$'000)	24,522	10,339
	<hr/>	<hr/>

**APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF
THE EXCELPOINT GROUP FOR FY2021**

Excelpoint Technology Ltd.

Notes to Financial Statements
For the financial year ended 31 December 2021

9. Earnings per share (cont'd)

	Group	
	2021	2020
Weighted average number of ordinary shares for basic and diluted earnings per share computation* ('000)	<u>119,952</u>	<u>119,762</u>

* The weighted average number of shares takes into account the weighted average effect of changes in treasury shares and other share issuance transactions.

There have been no transactions involving ordinary shares or potential ordinary shares since the reporting date and before the completion of these financial statements.

10. Property, plant and equipment

	Furniture and fittings	Office equipment	Motor vehicles	Computers and IT equipment⁽¹⁾	Renovations	Total
Group	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Cost:-						
At 1 January 2020	755	3,033	2,010	4,285	2,854	12,937
Additions	3	96	–	387	450	936
Write-offs	(3)	(17)	(16)	(88)	(39)	(163)
Disposals	(65)	(183)	(64)	(8)	(197)	(517)
Exchange differences	–	(1)	–	(2)	(4)	(7)
<hr/>						
At 31 December 2020 and 1 January 2021	690	2,928	1,930	4,574	3,064	13,186
Additions	23	68	1,600	453	89	2,233
Write-offs	–	(5)	–	(286)	(8)	(299)
Disposals	–	–	(1,139)	(2)	–	(1,141)
Exchange differences	–	(2)	–	(1)	(13)	(16)
<hr/>						
At 31 December 2021	713	2,989	2,391	4,738	3,132	13,963

**APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF
THE EXCELPOINT GROUP FOR FY2021**

Excelpoint Technology Ltd.

Notes to Financial Statements
For the financial year ended 31 December 2021

10. Property, plant and equipment (cont'd)

Group	Furniture and fittings US\$'000	Office equipment US\$'000	Motor vehicles US\$'000	Computers and IT equipment ⁽¹⁾ US\$'000	Renovations US\$'000	Total US\$'000
Accumulated depreciation:–						
At 1 January 2020	577	2,695	956	3,193	2,314	9,735
Depreciation charge for the year	66	149	202	632	238	1,287
Write-offs	(3)	(16)	(12)	(88)	(38)	(157)
Disposals	(62)	(178)	(23)	(8)	(197)	(468)
Exchange differences	–	–	–	(1)	(4)	(5)
At 31 December 2020 and 1 January 2021	578	2,650	1,123	3,728	2,313	10,392
Depreciation charge for the year	50	162	212	281	289	994
Write-offs	–	(5)	–	(286)	(8)	(299)
Disposals	–	–	(935)	(1)	–	(936)
Exchange differences	–	(1)	–	(1)	(4)	(6)
At 31 December 2021	628	2,806	400	3,721	2,590	10,145
Net carrying amount:–						
At 31 December 2020	112	278	807	846	751	2,794
At 31 December 2021	85	183	1,991	1,017	542	3,818

⁽¹⁾ At the end of the reporting period, US\$442,000 (2020: US\$313,000) included in computers and IT equipment are not depreciated as these assets are under development.

**APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF
THE EXCELPOINT GROUP FOR FY2021**

Excelpoint Technology Ltd.

Notes to Financial Statements
For the financial year ended 31 December 2021

11. Leases

As a lessee

The Group has lease contracts for various items of buildings and office equipment used in its operations. Leases of building and office equipment generally have lease terms between one month and 8 years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets. There are lease contracts that include extension options, which are further discussed below.

The Group also has certain leases of buildings and office equipment with lease terms of 12 months or less and with low value. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the financial year:–

Group	Buildings US\$'000	Office equipment US\$'000	Total US\$'000
At 1 January 2020	3,617	27	3,644
Additions	5,668	49	5,717
Depreciation expense	(2,415)	(14)	(2,429)
Exchange differences	(11)	–	(11)
At 31 December 2020 and 1 January 2021	6,859	62	6,921
Additions	1,298	–	1,298
Disposals	(8)	–	(8)
Depreciation expense	(2,332)	(13)	(2,345)
Exchange differences	(15)	–	(15)
At 31 December 2021	5,802	49	5,851

**APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF
THE EXCELPOINT GROUP FOR FY2021**

Excelpoint Technology Ltd.

Notes to Financial Statements
For the financial year ended 31 December 2021

11. Leases (cont'd)

As a lessee (cont'd)

Set out below are the carrying amounts of lease liabilities and the movements during the financial year:–

	Note	Group	
		2021 US\$'000	2020 US\$'000
At 1 January		7,449	3,735
Additions		1,298	5,717
Accretion of interest	6	241	176
Payments		(2,510)	(2,179)
Disposal		(9)	–
At 31 December		6,469	7,449

	Maturity	Group	
		2021 US\$'000	2020 US\$'000
Current	2022	2,425	2,338
Non-current	2023 – 2031	4,044	5,111
Total lease liabilities		6,469	7,449

The maturity analysis of lease liabilities is disclosed in Note 26(b).

Lease liabilities denominated in foreign currencies as at 31 December are as follows:–

	Group	
	2021 US\$'000	2020 US\$'000
Singapore Dollar	1,523	2,308
Hong Kong Dollar	653	326
Chinese Renminbi	3,577	4,469
Indian Rupee	620	236

**APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF
THE EXCELPOINT GROUP FOR FY2021**

Excelpoint Technology Ltd.

**Notes to Financial Statements
For the financial year ended 31 December 2021**

11. Leases (cont'd)

As a lessee (cont'd)

The following are the amounts recognised in profit or loss:–

	Note	Group	
		2021	2020
		US\$'000	US\$'000
Depreciation of right-of-use assets		2,345	2,429
Interest expense on lease liabilities	6	241	176
Expense relating to short-term leases (included in sales and distribution costs and general and administrative expenses)	7	176	177
Expense relating to leases of low-value assets (included in sales and distribution costs and general and administrative expenses)	7	35	155
Total amount recognised in profit or loss		2,797	2,937

The Group had total cash outflows for leases of US\$2,721,000 (2020: US\$2,511,000) in 2021. The Group also had non-cash additions to right-of-use assets and lease liabilities of US\$1,298,000 (2020: US\$5,717,000) in 2021.

The Group has lease contracts that include extension options. These options provide flexibility in managing the leased-asset portfolio and align with the Group's business needs.

Set out below are the undiscounted potential future rental payments relating to periods following the exercise date of extension options that are not included in the lease term:–

	Group	
	2021	2020
	US\$'000	US\$'000
Within five years		
Extension options expected not to be exercised	2,338	2,389
	2,338	2,389

**APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF
THE EXCELPOINT GROUP FOR FY2021**

Excelpoint Technology Ltd.

**Notes to Financial Statements
For the financial year ended 31 December 2021**

12. Intangible assets

Group	Club memberships US\$'000
Cost:–	
At 1 January 2020, 31 December 2020, 1 January 2021 and 31 December 2021	<u>752</u>

During the financial years ended 31 December 2021 and 2020, there has been no impairment loss recognised to write-down the carrying amount of club memberships.

13. Investments in subsidiaries

	Company	
	2021 US\$'000	2020 US\$'000
Unquoted equity shares, at cost	<u>27,878</u>	<u>27,878</u>

There was no change in investments in subsidiaries held by the Company in 2021 and 2020.

The Group has the following investments in subsidiaries.

Name	Principal place of business	Principal activities	Proportion of ownership interest	
			2021 %	2020 %
<i>Held by the Company</i>				
Excelpoint Systems (Pte) Ltd ⁽¹⁾	Singapore	Trading of electronic components	100	100
Excelpoint Systems (H.K.) Limited ⁽²⁾	Hong Kong	Trading of electronic components	100	100
PlanetSpark Pte. Ltd. ⁽¹⁾	Singapore	Electronics-related industrial design services and investment holding company	100	100

**APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF
THE EXCELPOINT GROUP FOR FY2021**

Excelpoint Technology Ltd.

**Notes to Financial Statements
For the financial year ended 31 December 2021**

13. Investments in subsidiaries (cont'd)

Name	Principal place of business	Principal activities	Proportion of ownership interest	
			2021 %	2020 %
<i>Held by Excelpoint Systems (Pte) Ltd</i>				
Excelpoint Systems Sdn. Bhd. ⁽³⁾	Malaysia	Trading of electronic components	100	100
Excelpoint Systems (India) Private Limited ⁽²⁾	India	Provision of marketing support services and technical support services	100	100
Excelpoint Systems (USA) Inc. ⁽⁵⁾	United States of America	Provision of marketing support services and technical support services	100	100
<i>Held by Excelpoint Systems (H.K.) Limited</i>				
Excelpoint International Trading (Shanghai) Co., Ltd. ⁽²⁾	The People's Republic of China	Trading of electronic components	100	100
Synergy Electronics (Shenzhen) Co., Ltd. ⁽⁴⁾	The People's Republic of China	Trading of electronic components	100	100
Synergy Electronics (H.K.) Limited ⁽²⁾	Hong Kong	Trading of electronic components	100	100

(1) Audited by Ernst & Young LLP, Singapore.

(2) Audited by member firms of EY Global in the respective countries.

(3) Audited by Yong & Leonard Chartered Accountants, Malaysia.

(4) Audited by Shenzhen Yida Certified Public Accountants Co., Ltd, The People's Republic of China.

(5) Not required to be audited by the laws of country of incorporation.

**APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF
THE EXCELPOINT GROUP FOR FY2021**

Excelpoint Technology Ltd.

Notes to Financial Statements
For the financial year ended 31 December 2021

14. Other investments

	Group		Company	
	2021 US\$'000	2020 US\$'000	2021 US\$'000	2020 US\$'000
At fair value through profit or loss:–				
– Debt securities (unquoted)	–	477	–	–
At fair value through other comprehensive income:–				
– Equity security (quoted)	907	762	907	762
– Equity security (unquoted)	2,905	2,000	–	–
Total financial assets at FVOCI	3,812	2,762	907	762
Total other investments	3,812	3,239	907	762

Investments in equity instruments designated at fair value through other comprehensive income

The Group has elected to measure its equity securities at FVOCI due to the Group's intention to hold the equity instruments for long-term appreciation.

During the financial year, the Group converted US\$250,000 (2020: US\$Nil) of unquoted debt securities and invested additional US\$156,000 (2020: US\$Nil) in unquoted equity security. There was no disposal of investment in equity instruments in 2021 and 2020.

The Group recognised a dividend income of US\$51,000 (2020: US\$43,000) (Note 5) from quoted equity security during the financial year.

**APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF
THE EXCELPOINT GROUP FOR FY2021**

Excelpoint Technology Ltd.

Notes to Financial Statements
For the financial year ended 31 December 2021

15. Trade and other debtors

	Note	Group	Company		
		2021 US\$'000	2020 US\$'000	2021 US\$'000	2020 US\$'000
Trade debtors		203,706	162,751	–	–
Bills receivable		10,674	4,952	–	–
Deposits		3,534	668	–	–
Staff loans		6	9	–	–
Loans to subsidiaries		–	–	7,900	7,000
Amounts due from subsidiaries		–	–	2,059	1,642
Other debtors		1,428	3,846	–	–
Total trade and other debtors		219,348	172,226	9,959	8,642
<i>Add: Cash and short-term deposits</i>	18	34,146	39,174	8,224	6,157
<i>Less: Non-refundable deposits</i>		(5)	(15)	–	–
<i>Less: Other taxes receivable</i>		(1,126)	(1,149)	–	–
Total financial assets carried at amortised cost		252,363	210,236	18,183	14,799

Trade debtors

Trade debtors are non-interest bearing and are generally on 30 to 90 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

At the end of the reporting period, trade debtors arising from export sales amounting to US\$10,859,000 (2020: US\$1,051,000) are arranged to be settled via letters of credit issued by reputable banks in countries where the customers are based.

**APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF
THE EXCELPOINT GROUP FOR FY2021**

Excelpoint Technology Ltd.

Notes to Financial Statements

For the financial year ended 31 December 2021

15. Trade and other debtors (cont'd)

Bills receivable

Bills receivable have an average maturity of one to six months (2020: One to six months) from the end of the reporting period.

Related party balances and staff loans

- Loans to subsidiaries are unsecured, bear interest ranging from 1.14% to 1.99% (2020: 1.34% to 1.99%) per annum, repayable on demand and are to be settled in cash. Loans to subsidiaries are denominated in USD.
- Amounts due from subsidiaries are non-trade related, repayable on demand, unsecured, non-interest bearing and are to be settled in cash. Amounts due from subsidiaries are denominated in USD.
- Staff loans are unsecured, non-interest bearing and have fixed repayment schedule.

Trade and other debtors denominated in foreign currencies as at 31 December are as follows:–

	Group		Company	
	2021	2020	2021	2020
	US\$'000	US\$'000	US\$'000	US\$'000
Singapore Dollar	718	1,188	–	–
Hong Kong Dollar	126	127	–	–
Chinese Renminbi	37,575	26,018	–	–
Indian Rupee	129	202	–	–
Others	70	89	–	–

**APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF
THE EXCELPOINT GROUP FOR FY2021**

Excelpoint Technology Ltd.

Notes to Financial Statements
For the financial year ended 31 December 2021

15. Trade and other debtors (cont'd)

Expected credit losses (“ECL”)

The movement in allowance for expected credit losses of trade debtors computed based on lifetime ECL are as follows:–

	Group	
	2021	2020
	US\$'000	US\$'000
<u>Movement in allowance accounts:–</u>		
At 1 January	(863)	(916)
Charge for the financial year	(75)	(406)
Reversals	16	399
Write-offs	421	60
At 31 December	(501)	(863)

16. Stocks

	Note	Group	
		2021	2020
		US\$'000	US\$'000
Balance sheet:–			
Trading stocks		211,396	179,907
Consolidated income statement:–			
Stocks recognised as an expense in cost of sales	7	(1,494,673)	(1,047,009)
Inclusive of the following credit/(charge):–			
– Stocks written down		(6,334)	(3,252)
– Reversal of stocks written down		4,282	1,966

The reversal of stocks written down were made when the related stocks were sold above their carrying amounts in 2021 and 2020.

**APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF
THE EXCELPOINT GROUP FOR FY2021**

Excelpoint Technology Ltd.

Notes to Financial Statements
For the financial year ended 31 December 2021

17. Derivatives

	Note	2021	Group 2020		
		Contract/ Notional amount US\$'000	Assets US\$'000	Contract/ Notional amount US\$'000	Assets US\$'000
Interest rate cap contracts		–	–	20,000	–
<i>Add:</i> Debt securities at FVPL	14		–		477
Total financial assets at FVPL			–		477

Interest rate cap contracts are used to hedge interest rate risk arising from the Group's interest-bearing loans and borrowings. The interest rate cap contracts receive interest monthly when the interest rate exceeds the agreed strike price and mature in May 2021.

18. Cash and short-term deposits

	Group		Company	
	2021 US\$'000	2020 US\$'000	2021 US\$'000	2020 US\$'000
Cash at bank and on hand	32,734	37,258	8,224	6,157
Short-term deposits	1,412	1,916	–	–
Cash and short-term deposits, representing cash and cash equivalents per consolidated cash flow statement	34,146	39,174	8,224	6,157

Cash at banks earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods depending on the immediate cash requirements of the Group and earn interests at the respective short-term deposit rates. The weighted average effective interest rates as at 31 December 2021 for the Group were 1.1% (2020: 1.1%) per annum.

Cash and cash equivalents of US\$10,096,000 (2020: US\$9,312,000) held in the People's Republic of China are subject to local exchange control regulations. These regulations place restriction on the amount of currency being exported.

**APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF
THE EXCELPOINT GROUP FOR FY2021**

Excelpoint Technology Ltd.

Notes to Financial Statements

For the financial year ended 31 December 2021

18. Cash and short-term deposits (cont'd)

Cash and short-term deposits denominated in foreign currencies as at 31 December are as follows:–

	Group		Company	
	2021	2020	2021	2020
	US\$'000	US\$'000	US\$'000	US\$'000
Singapore Dollar	188	737	40	194
Hong Kong Dollar	415	836	–	–
Chinese Renminbi	10,106	9,334	–	–
Others	854	468	3	3

19. Trade and other creditors

	Note	Group		Company	
		2021	2020	2021	2020
		US\$'000	US\$'000	US\$'000	US\$'000
Trade creditors		233,414	198,351	–	–
Other creditors		7,648	4,183	67	54
Accrued operating expenses		27,325	14,858	6,468	2,094
Total trade and other creditors		268,387	217,392	6,535	2,148
<i>Add: Interest-bearing loans and borrowings</i>	20	80,318	82,222	–	–
<i>Add: Lease liabilities</i>	11	6,469	7,449	–	–
<i>Less: Other taxes payable</i>		(4,148)	(3,164)	(44)	(44)
Total financial liabilities carried at amortised cost		351,026	303,899	6,491	2,104

**APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF
THE EXCELPOINT GROUP FOR FY2021**

Excelpoint Technology Ltd.

Notes to Financial Statements
For the financial year ended 31 December 2021

19. Trade and other creditors (cont'd)

Trade creditors/other creditors

Trade creditors/other creditors are non-interest bearing and are normally settled on 30 to 90 days' terms.

Trade and other creditors denominated in foreign currencies as at 31 December are as follows:–

	Group		Company	
	2021 US\$'000	2020 US\$'000	2021 US\$'000	2020 US\$'000
Singapore Dollar	10,521	4,696	6,535	2,148
Hong Kong Dollar	9,154	2,524	–	–
Chinese Renminbi	8,017	7,525	–	–
Indian Rupee	4,360	3,249	–	–
Others	127	168	–	–

20. Interest-bearing loans and borrowings

	Maturity	Group	
		2021 US\$'000	2020 US\$'000
Current:–			
Bills payable, unsecured	2022	69,782	78,440
Temporary bridging loan, unsecured	2022	2,252	583
		72,034	79,023
Non-current:–			
Temporary bridging loan, unsecured	2026	8,284	3,199
Total interest-bearing loans and borrowings		80,318	82,222

Bills payable, unsecured

Bills payables are unsecured, denominated in USD and bear interest ranging from 0.75% to 1.9% (2020: 0.75% to 2.0%) above the banks' cost of funds or interbank offer rates per annum.

**APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF
THE EXCELPOINT GROUP FOR FY2021**

Excelpoint Technology Ltd.

Notes to Financial Statements

For the financial year ended 31 December 2021

20. Interest-bearing loans and borrowings (cont'd)

Temporary bridging loan

Temporary bridging loan is unsecured, bears interest of 2.00% (2020: 2.00%) per annum and is fully repayable in 2026. This loan is denominated in Singapore Dollar.

A reconciliation of liabilities arising from the Group's financing activities is as follows:–

Group	Note	Non-cash changes					Others	31.12.2021
		1.1.2021	Cash flows	New leases	Disposal	Exchange differences		
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Interest-bearing loans and borrowings (excluding lease liabilities)								
– Current		79,023	(9,226)	–	–	(122)	2,359	72,034
– Non-current		3,199	7,489	–	–	(45)	(2,359)	8,284
Lease liabilities								
– Current	11	2,338	(2,269)	411	(9)	–	1,954	2,425
– Non-current	11	5,111	–	887	–	–	(1,954)	4,044
Total liabilities from financing activities		89,671	(4,006)	1,298	(9)	(167)	–	86,787

Group	Note	Non-cash changes					Others	31.12.2020
		1.1.2020	Cash flows	New leases	Exchange differences			
		US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	
Interest-bearing loans and borrowings (excluding lease liabilities)								
– Current		104,643	(26,203)	–	–	583	79,023	
– Non-current		–	3,782	–	–	(583)	3,199	
Lease liabilities								
– Current	11	2,429	(2,003)	70	–	1,842	2,338	
– Non-current	11	1,306	–	5,647	–	(1,842)	5,111	
Total liabilities from financing activities		108,378	(24,424)	5,717	–	–	89,671	

The “Others” column includes the effect of reclassification of non-current portion of lease liabilities to current due to the passage of time. The Group classifies interest paid as cash flows from operating activities.

**APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF
THE EXCELPOINT GROUP FOR FY2021**

Excelpoint Technology Ltd.

Notes to Financial Statements
For the financial year ended 31 December 2021

21. Deferred tax assets

Deferred tax as at 31 December relates to the following:–

	Balance sheet		Group Consolidated income statement	
	2021	2020	2021	2020
	US\$'000	US\$'000	US\$'000	US\$'000
Deferred tax liabilities:–				
Differences in depreciation for tax purposes	44	–	44	66
Deferred tax assets:–				
Differences in depreciation for tax purposes	16	76	(60)	76
Provisions	(33)	–	(33)	(27)
Others	71	11	60	(115)
Net deferred tax assets	98	87		
Deferred tax expense			11	–

Unrecognised tax losses

At the end of the reporting period, the Group has tax losses of approximately US\$3,698,000 (2020: US\$4,951,000) that are available for offset against future taxable profits of the companies in which the losses arose, for which no deferred tax asset is recognised due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate. The tax losses have no expiry date except for amount of US\$566,000 (2020: US\$1,806,000) which will expire between 2024 and 2025.

Tax consequences of proposed dividends

There are no income tax consequences (2020: Nil) attached to the dividends to the shareholders proposed by the Company but not recognised as a liability in the financial statements (Note 30).

**APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF
THE EXCELPOINT GROUP FOR FY2021**

Excelpoint Technology Ltd.

Notes to Financial Statements
For the financial year ended 31 December 2021

22. Share capital and treasury shares

(a) *Share capital*

	Group and Company			
	2021		2020	
	No. of shares '000	US\$'000	No. of shares '000	US\$'000
Issued and fully paid ordinary shares:–				
At 1 January	119,903	39,106	119,757	39,056
Grant of share awards under EPSS	416	377	146	50
At 31 December	120,319	39,483	119,903	39,106

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

Excelpoint Performance Share Scheme (“EPSS”)

In November 2021, the Company issued and allotted 415,500 ordinary shares in the share capital of the Company at the market price of US\$0.907 (S\$1.220) under the EPSS.

In November 2020, the Company issued and allotted 146,000 ordinary shares in the share capital of the Company at the market price of US\$0.337 (S\$0.460) under the EPSS.

(b) *Treasury shares*

	Group and Company			
	2021		2020	
	No. of shares '000	US\$'000	No. of shares '000	US\$'000
At 1 January	–	–	–	–
Acquired during the year	–	–	19	5
Reissued pursuant to EPSS	–	–	(19)	(5)
At 31 December	–	–	–	–

APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE EXCELPOINT GROUP FOR FY2021

Excelpoint Technology Ltd.

Notes to Financial Statements
For the financial year ended 31 December 2021

22. Share capital and treasury shares (cont'd)

(b) *Treasury shares (cont'd)*

Treasury shares relate to ordinary shares of the Company that is held by the Company.

In 2020, the Company acquired 19,400 shares in the Company in the open market. The total amount paid to acquire the shares was US\$5,000 and this was presented as a component within shareholder's equity.

The Company re-issued 19,400 treasury shares pursuant to its EPSS in 2020.

The Company did not hold any treasury shares as at 31 December 2021 and 2020.

23. Other reserves

(a) *Fair value reserve*

Fair value reserve represents the cumulative fair value changes, net of tax, of equity securities at FVOCI.

(b) *Statutory reserve fund*

In accordance with the Foreign Enterprise Law applicable to the subsidiaries in the People's Republic of China ("PRC"), a subsidiary is required to make appropriation to a Statutory Reserve Fund ("SRF"). At least 10% of the statutory after-tax profits as determined in accordance with the applicable PRC accounting standards and regulations must be allocated to the SRF until the cumulative total of the SRF reaches 50% of the subsidiary's registered capital. Subject to approval from the relevant PRC authorities, the SRF may be used to offset any accumulated losses or increase the registered capital of the subsidiary. The SRF is not available for dividend distribution to shareholders.

(c) *Foreign currency translation reserve*

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency.

(d) *Other capital reserve – Gain or loss on reissuance of treasury shares*

This represents the gain or loss arising from purchase, sale, issue or cancellation of treasury shares. No dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distribution of assets to members on a winding up) may be made in respect of this reserve.

**APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF
THE EXCELPOINT GROUP FOR FY2021**

Excelpoint Technology Ltd.

Notes to Financial Statements

For the financial year ended 31 December 2021

24. Related party transactions

(a) *Sale and purchase of goods and services*

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:–

	Group	
	2021	2020
	US\$'000	US\$'000
Rental expense paid/payable to a director	74	74
	74	74

(b) *Compensation of key management personnel*

	Group	
	2021	2020
	US\$'000	US\$'000
Short-term employee benefits	7,071	3,766
Contributions to defined contribution plans	107	70
Share-based payments under EPSS	171	29
	7,349	3,865
Comprise amounts paid/payable to:–		
– Directors of the Company	5,350	2,470
– Other key management personnel	1,999	1,395
	7,349	3,865

25. Contingencies

At the end of the reporting period, the Company has provided corporate guarantees to banks and institutions in connection with credit facilities provided to its subsidiaries, of which US\$92,550,000 (2020: US\$84,223,000) of the credit facilities have been utilised.

APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE EXCELPOINT GROUP FOR FY2021

Excelpoint Technology Ltd.

Notes to Financial Statements

For the financial year ended 31 December 2021

26. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk. It is, and has been throughout the current and previous financial years, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Group's and the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group's and the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

(a) *Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other debtors. For other financial assets (including cash and short-term deposits, other investments and derivatives), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, debtor balances are monitored on an ongoing basis and appropriate measures to mitigate credit risk exposures are undertaken to ensure that the Group's exposure to bad debts is not significant.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when the counterparty fails to make contractual payments, within 90 days when they fall due, which are derived based on the Group's historical information.

APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE EXCELPOINT GROUP FOR FY2021

Excelpoint Technology Ltd.

Notes to Financial Statements

For the financial year ended 31 December 2021

26. Financial risk management objectives and policies (cont'd)

(a) *Credit risk (cont'd)*

To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition. The Group considers available reasonable and supportive forwarding-looking information which includes the following indicators:–

- External credit rating;
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the borrower's ability to meet its obligations;
- Actual or expected significant changes in the operating results of the borrower;
- Significant increases in credit risk on other financial instruments of the same borrower;
- Significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements; and
- Significant changes in the expected performance and behaviour of the borrower, including changes in the payment status of borrowers in the group and changes in the operating results of the borrower.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 90 days past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:–

- There is significant difficulty of the issuer or the borrower;
- A breach of contract, such as a default or past due event;
- It is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- There is a disappearance of an active market for that financial asset because of financial difficulty.

APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE EXCELPOINT GROUP FOR FY2021

Excelpoint Technology Ltd.

Notes to Financial Statements
For the financial year ended 31 December 2021

26. Financial risk management objectives and policies (cont'd)

(a) Credit risk (cont'd)

The Group categorises a loan or receivable for potential write-off when a debtor fails to make contractual payments more than 180 days past due. Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where loans and receivables have been written off, the Group continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

The following are credit risk management practices and quantitative and qualitative information about amounts arising from expected credit losses for each class of financial assets.

Trade debtors

The Group provides for lifetime expected credit losses for all trade debtors using a provision matrix. The provision rates are determined based on the Group's historical observed default rates analysed in accordance to days past due by grouping of customers based on business operating unit. The loss allowance provision at 31 December 2021 and 2020 is determined as follows, the expected credit losses below also incorporate forward looking information such as forecast of economic conditions, where the gross domestic product will deteriorate over the next year, leading to an increased number of defaults.

Summarised below is the information about the credit risk exposure on the Group's trade debtors using provision matrix, grouped by business operating unit:–

Group	Hong Kong Business Unit				Singapore Business Unit			
	2021		2020		2021		2020	
	Gross carrying amount US\$'000	Loss allowance provision US\$'000	Gross carrying amount US\$'000	Loss allowance provision US\$'000	Gross carrying amount US\$'000	Loss allowance provision US\$'000	Gross carrying amount US\$'000	Loss allowance provision US\$'000
Current	82,595	–	78,547	–	84,392	–	55,551	–
Past due:								
– 1 to 30 days	19,877	–	14,037	–	8,718	–	9,055	–
– 31 to 60 days	4,315	–	1,825	–	1,530	(8)	2,943	(13)
– 61 to 90 days	855	–	440	–	860	(44)	88	–
– More than 90 days	835	(248)	544	(374)	230	(201)	584	(476)
	108,477	(248)	95,393	(374)	95,730	(253)	68,221	(489)

Information regarding loss allowance movement of trade debtors is disclosed in Note 15.

**APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF
THE EXCELPOINT GROUP FOR FY2021**

Excelpoint Technology Ltd.

Notes to Financial Statements

For the financial year ended 31 December 2021

26. Financial risk management objectives and policies (cont'd)

(a) ***Credit risk (cont'd)***

Trade debtors (cont'd)

During the financial year, the Group wrote-off US\$421,000 (2020: US\$60,000) (Note 15) of trade debtors which are more than 180 days past due as the Group does not expect to receive future cash flows from and there are no recoveries from collection of cash flows previously written off.

Exposure to credit risk

At the end of the reporting period, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the balance sheets and a nominal amount of US\$92,550,000 (2020: US\$84,223,000) relating to the corporate guarantees provided by the Company to banks and institutions for credit facilities provided to its subsidiaries.

Credit risk concentration profile

The credit risk concentration profile of the Group's trade debtors at the end of the reporting period is as follows:–

	Group			
	2021		2020	
	US\$'000	% of total	US\$'000	% of total
Hong Kong/The People's Republic of China	124,446	61.1	121,243	74.5
India	28,247	13.9	6,818	4.2
Singapore	22,462	11.0	12,753	7.8
Malaysia	17,876	8.8	12,023	7.4
Thailand	3,477	1.7	2,011	1.3
Vietnam	1,976	1.0	1,182	0.7
United States of America	935	0.5	1,296	0.8
Indonesia	603	0.3	282	0.2
Other countries	3,684	1.7	5,143	3.1
	203,706	100.0	162,751	100.0

APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE EXCELPOINT GROUP FOR FY2021

Excelpoint Technology Ltd.

Notes to Financial Statements

For the financial year ended 31 December 2021

26. Financial risk management objectives and policies (cont'd)

(a) *Credit risk (cont'd)*

Credit risk concentration profile (cont'd)

At the end of the reporting period, approximately 15% (2020: 17%) of the Group's trade debtors were due from two (2020: two) major customers located in Hong Kong/The People's Republic of China and India (2020: Hong Kong/The People's Republic of China).

(b) *Liquidity risk*

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group monitors its liquidity risk and maintains adequate liquid financial assets and stand-by credit facilities with different banks to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

Analysis of financial instruments by the remaining contractual maturities

All the Group's and the Company's financial assets used for managing liquidity risk and financial liabilities at the end of the reporting period based on the contractual repayment obligations have maturity profile of One year or less (2020: One year or less), except for non-current interest-bearing loans and borrowings and non-current lease liabilities that have maturity profile of more than one year.

All the Company's financial guarantee contracts have contractual expiry by maturity of one year or less (2020: One year or less). The financial guarantee contracts are allocated to the earliest period in which the guarantee could be called.

(c) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's and the Company's exposure to interest rate risk arises primarily from their interest-bearing loans and borrowings with floating interest rates.

The Group's policy is to obtain the most favourable interest rates available without increasing its foreign currency exposure. Surplus funds are placed with reputable banks.

**APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF
THE EXCELPOINT GROUP FOR FY2021**

Excelpoint Technology Ltd.

Notes to Financial Statements

For the financial year ended 31 December 2021

26. Financial risk management objectives and policies (cont'd)

(c) **Interest rate risk (cont'd)**

Sensitivity analysis for interest rate risk

At the end of the reporting period, if USD interest rates had been 100 (2020: 100) basis points lower/higher with all other variables held constant, the Group's profit before tax would have been US\$124,000 (2020: US\$137,000) higher/lower, arising mainly as a result of lower/higher interest expense on floating rate loans and borrowings.

(d) **Foreign currency risk**

The Group has transactional currency exposures arising from sales or purchases that are denominated in a currency other than the respective functional currencies of the Group entities, primarily USD. The foreign currencies in which these transactions are denominated are mainly in Singapore Dollar ("SGD"), Hong Kong Dollar ("HKD"), Chinese Renminbi ("RMB") and Indian Rupee ("INR").

The Group and the Company also hold cash and short-term deposits denominated in foreign currencies for working capital purposes. At the end of the reporting period, such foreign currency balances are disclosed in Note 18.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit before tax to a reasonably possible change in the SGD, HKD, RMB and INR exchange rates against the respective functional currencies of the Group entities, with all other variables held constant:–

		Group	
		2021	2020
		Increase/(decrease) in profit before tax	
		US\$'000	US\$'000
SGD/USD	– Strengthened 2% (2020: 2%)	(433)	(172)
	– Weakened 2% (2020: 2%)	433	172
HKD/USD	– Strengthened 1% (2020: 1%)	(56)	(9)
	– Weakened 1% (2020: 1%)	56	9
RMB/USD	– Strengthened 2% (2020: 6%)	722	1,401
	– Weakened 2% (2020: 6%)	(722)	(1,401)
INR/USD	– Strengthened 2% (2020: 2%)	(91)	(62)
	– Weakened 2% (2020: 2%)	91	62

APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE EXCELPOINT GROUP FOR FY2021

Excelpoint Technology Ltd.

Notes to Financial Statements
For the financial year ended 31 December 2021

26. Financial risk management objectives and policies (cont'd)

(e) *Market price risk*

Market price risk is the risk that the fair value of future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). The Group is exposed to equity price risk arising from its investment in quoted security. This security is quoted on the Taiwan Stock Exchange and is classified as financial asset at FVOCI. The Group does not have exposure to commodity price risk.

Sensitivity analysis for equity price risk

At the end of the reporting period, if the price of the shares held had been 16% (2020: 8%) higher/lower with all other variables held constant, the Group's other comprehensive income would have been US\$145,000 (2020: US\$61,000) higher/lower, arising as a result of an increase/decrease in the fair value of equity security classified as financial asset at FVOCI.

27. Fair value of assets and liabilities

(a) *Fair value hierarchy*

The Group categorises fair value measurement using a fair value hierarchy that is dependent on the valuation inputs used as follows:–

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can assess at the measurement date;
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

There has been no transfer between Level 1 and Level 2 and no transfers into or out of Level 3 during the financial years ended 2021 and 2020.

**APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF
THE EXCELPOINT GROUP FOR FY2021**

Excelpoint Technology Ltd.

Notes to Financial Statements
For the financial year ended 31 December 2021

27. Fair value of assets and liabilities (cont'd)

(b) *Assets measured at fair value*

The following table shows an analysis of each class of assets measured at fair value at the end of the reporting period:–

Group	Note	Fair value measurements at the end of the reporting period using			Total US\$'000
		Quoted prices in active markets for identical instruments (Level 1) US\$'000	Significant observable inputs other than quoted prices (Level 2) US\$'000	Significant unobservable inputs (Level 3) US\$'000	
Financial assets measured at fair value:–					
<u>Equity securities at FVOCI</u>	14				
Quoted equity security		907	–	–	907
Unquoted equity security		–	–	2,905	2,905
<u>Debt securities at fair value through profit or loss</u>	14				
Unquoted debt securities		–	–	–	–
Financial assets as at 31 December 2021		907	–	2,905	3,812
Financial assets measured at fair value:–					
<u>Equity securities at FVOCI</u>	14				
Quoted equity security		762	–	–	762
Unquoted equity security		–	–	2,000	2,000
<u>Debt securities at fair value through profit or loss</u>	14				
Unquoted debt securities		–	–	477	477
Financial assets as at 31 December 2020		762	–	2,477	3,239

**APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF
THE EXCELPOINT GROUP FOR FY2021**

Excelpoint Technology Ltd.

Notes to Financial Statements
For the financial year ended 31 December 2021

27. Fair value of assets and liabilities (cont'd)

(b) *Assets measured at fair value (cont'd)*

Company	Note	Fair value measurements at the end of the reporting period using			Total US\$'000
		Quoted prices in active markets for identical instruments (Level 1) US\$'000	Significant observable inputs other than quoted prices (Level 2) US\$'000	Significant unobservable inputs (Level 3) US\$'000	
Financial assets measured at fair value as at 31 December 2021:–					
<u>Equity security at FVOCI</u>	14				
Quoted equity security		907	–	–	907
Financial assets measured at fair value as at 31 December 2020:–					
<u>Equity security at FVOCI</u>	14				
Quoted equity security		762	–	–	762

(c) *Level 2 fair value measurements*

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets that are categorised within Level 2 of the fair value hierarchy:–

Derivatives

Interest rate cap contracts are valued using a valuation technique with market observable inputs. The Group uses a variety of models and make assumptions that are based on market conditions existing at each reporting date. The models incorporate various inputs including the credit quality of counterparties and observable yield curves. The valuation techniques apply present value calculations.

**APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF
THE EXCELPOINT GROUP FOR FY2021**

Excelpoint Technology Ltd.

Notes to Financial Statements
For the financial year ended 31 December 2021

27. Fair value of assets and liabilities (cont'd)

(d) **Level 3 fair value measurements**

Information about significant unobservable inputs used in Level 3 fair value measurements

The Group invests in private companies that are not quoted in an active market. The fair value of unquoted equity security and debt securities as disclosed in Note 14, are based on performance of individual investments taking into consideration of financial results and or recently executed transaction prices in the securities of the issuer. The Group does not intend to dispose of these investments in the foreseeable future.

Movements in Level 3 assets measured at fair value

The following table presents the reconciliation for assets measured at air value based on significant unobservable inputs (Level 3):-

Group	Fair value measurements using significant unobservable inputs (Level 3)		
	Unquoted equity security US\$'000	Unquoted debt securities US\$'000	Total US\$'000
At 1 January 2021	2,000	477	2,477
Purchases	156 ⁽¹⁾	–	156
Conversion of debt security	250	(250)	–
Net fair value gain recognised in OCI	542	–	542
Net fair value loss recognised in profit or loss	–	(219)	(219)
Exchange differences	(43)	(8)	(51)
At 31 December 2021	2,905	–	2,905
At 1 January 2020	2,000	220	2,220
Purchases	–	250	250
Net fair value loss recognised in OCI	(111)	–	(111)
Net fair value loss recognised in profit or loss	–	(14)	(14)
Exchange differences	111	21	132
At 31 December 2020	2,000	477	2,477

⁽¹⁾ Part of the purchase of US\$6,000 related to interest income from debt security at FVPL.

APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE EXCELPOINT GROUP FOR FY2021

Excelpoint Technology Ltd.

Notes to Financial Statements

For the financial year ended 31 December 2021

27. Fair value of assets and liabilities (cont'd)

(e) ***Fair value of financial assets and liabilities not measured at fair value and whose carrying amounts are reasonable approximation of fair value***

The carrying amounts of cash and short-term deposits, trade and other debtors, trade and other creditors, contract liabilities and loans and borrowings approximate their respective fair values due to the relatively short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

28. Capital management

Capital includes debt and equity items as disclosed in the table below.

The primary objective of the Group's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2021 and 2020.

As disclosed in Note 23(b), subsidiaries in the PRC are required by the Foreign Enterprise Law of the PRC to contribute to and maintain a non-distributable statutory reserve fund whose utilisation is subject to approval by the relevant PRC authorities. This externally imposed capital requirement has been complied with by the above-mentioned subsidiaries for the financial years ended 31 December 2021 and 2020.

The Group monitors capital using a gearing ratio, which is net debt over total capital plus net debt. The Group's policy is to maintain a healthy gearing ratio. The Group includes within net debt, interest-bearing loans and borrowings and lease liabilities, less cash and short-term deposits. Capital includes equity attributable to the equity holders of the Company less the above-mentioned restricted statutory reserve fund.

		Group	
	Note	2021 US\$'000	2020 US\$'000
Interest-bearing loans and borrowings	20	80,318	82,222
Lease liabilities	11	6,469	7,449
Less: Cash and short-term deposits	18	(34,146)	(39,174)
Net debt		52,641	50,497

**APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF
THE EXCELPOINT GROUP FOR FY2021**

Excelpoint Technology Ltd.

**Notes to Financial Statements
For the financial year ended 31 December 2021**

28. Capital management (cont'd)

	Note	Group	
		2021 US\$'000	2020 US\$'000
Equity attributable to equity holders of the Company		108,845	87,315
<i>Less:</i> Statutory reserve fund	23(b)	(25)	(25)
Total capital		108,820	87,290
Capital and net debt		161,461	137,787
Gearing ratio		33%	37%

29. Segment information

For management purposes, the Group is organised into business units based on geographical area, and has three reportable operating segments as follows:-

(i) ***Hong Kong Business Unit***

The Hong Kong Business Unit segment covers the business entities located in The People's Republic of China and Hong Kong.

(ii) ***Singapore Business Unit***

The Singapore Business Unit segment covers the business entities located in South East Asia and India.

(iii) ***Corporate Unit***

The Corporate Unit segment comprises the corporate services, treasury functions, investment securities, innovation centre and other dormant companies.

Except as indicated above, no operating segments have been aggregated to form the above operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE EXCELPOINT GROUP FOR FY2021

Excelpoint Technology Ltd.

Notes to Financial Statements For the financial year ended 31 December 2021

29. Segment information (cont'd)

	Hong Kong Business Unit		Singapore Business Unit		Corporate Unit		Adjustment and eliminations		Per consolidated financial statements	
	2021 US\$'000	2020 US\$'000	2021 US\$'000	2020 US\$'000	2021 US\$'000	2020 US\$'000	2021 US\$'000	2020 US\$'000	2021 US\$'000	2020 US\$'000
Revenue:–										
External customers	904,297	615,947	694,170	492,691	–	–	–	–	1,598,467	1,108,638
Inter-segment	10,198	820	5,876	1,524	5	–	(16,079)	(2,344)	–	–
Total revenue	914,495	616,767	700,046	494,215	5	–	(16,079)	(2,344)	1,598,467	1,108,638
Income/(expense):–										
Interest income	114	85	200	111	6	9	–	–	320	205
Interest expense	(1,330)	(1,560)	(997)	(1,361)	(56)	(3)	–	–	(2,383)	(2,924)
Net gain/(loss) on disposal of property, plant and equipment and ROU	13	(8)	37	3	–	–	–	–	50	(5)
Property, plant and equipment written off	–	–	–	(6)	–	–	–	–	–	(6)
Depreciation expenses	(1,728)	(2,438)	(1,263)	(1,205)	(348)	(73)	–	–	(3,339)	(3,716)
Other non-cash expenses:–										
– Stocks written down	(2,515)	(2,477)	(3,819)	(775)	–	–	–	–	(6,334)	(3,252)
– Reversal of stocks written down	1,685	1,225	2,597	741	–	–	–	–	4,282	1,966
– (Impairment losses)/ reversal of impairment losses on financial assets	(3)	(147)	(56)	140	–	–	–	–	(59)	(7)
– Net fair value loss on financial assets at FVPL	–	–	–	–	(219)	(14)	–	–	(219)	(14)
Segment profit/(loss) before tax	23,458	11,810	7,168	308	(1,520)	(54)	1	1	29,107	12,065
Income tax (expenses)/ credit	(3,759)	(1,717)	(764)	25	(62)	(34)	–	–	(4,585)	(1,726)
Assets:–										
Additions to non-current assets	1,032	3,475	2,475	2,091	24	1,087	–	–	3,531	6,653
Segment assets	276,240	263,727	190,459	130,660	13,013	11,027	–	1	479,712	405,415
Liabilities:–										
Segment liabilities	(207,248)	(208,161)	(152,363)	(106,503)	(11,256)	(3,436)	–	–	(370,867)	(318,100)

**APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF
THE EXCELPOINT GROUP FOR FY2021**

Excelpoint Technology Ltd.

**Notes to Financial Statements
For the financial year ended 31 December 2021**

29. Segment information (cont'd)

Geographical information

The Group's revenue by geographical areas is disclosed under Note 4(a).

Non-current assets information based on the geographical location of customers and assets respectively are as follows:–

	Group	
	Non-current assets	
	2021	2020
	US\$ '000	US\$ '000
The People's Republic of China/Hong Kong	4,645	5,374
Southeast Asia	5,079	4,781
India	671	286
Others	26	26
	10,421	10,467
	10,421	10,467

Non-current assets information presented above consist of property, plant and equipment, right-of-use assets and intangible assets as presented in the consolidated balance sheet.

Information about major customer

There was no major customer who contributed more than 10% of the Group's total revenue for the years ended 31 December 2021 and 2020.

30. Dividends

	Group and Company	
	2021	2020
	US\$'000	US\$'000
Declared and paid during the financial year:–		
<i>Dividends on ordinary shares:–</i>		
– Final exempt (one-tier) dividend for 2020: S\$0.030 (2019: S\$Nil) per share	2,709	–
– Final exempt (one-tier) special dividend for 2020: S\$0.015 (2019: S\$Nil) per share	1,354	–
	4,063	–
	4,063	–

**APPENDIX 5 – AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF
THE EXCELPOINT GROUP FOR FY2021**

Excelpoint Technology Ltd.

Notes to Financial Statements

For the financial year ended 31 December 2021

30. Dividends (cont'd)

	Group and Company	
	2021	2020
	US\$'000	US\$'000
Proposed but not recognised as a liability as at 31 December:–		
<i>Dividends on ordinary shares subject to shareholders' approval at the AGM:–</i>		
– Final exempt (one-tier) dividend for 2021: S\$0.040 (2020: S\$0.030) per share	3,562	2,721
– Final exempt (one-tier) special dividend for 2021: S\$0.048 (2020: S\$0.015) per share	4,275	1,360
	7,837	4,081
	7,837	4,081

31. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 December 2021 were authorised for issue in accordance with a resolution of the directors on 28 February 2022.

APPENDIX 6 – MANNER OF CONVENING SCHEME MEETING

The manner of convening the Scheme Meeting as ordered by the Court is set out below:

Convening, holding and/or conducting the Scheme Meeting

1. The Company shall be at liberty to convene the Scheme Meeting at a date, time and/or location to be determined by the Company.
2. The Scheme Meeting may be convened, held or conducted, whether wholly or partly, by electronic means.
3. The minutes of the Scheme Meeting shall be published on SGXNET and the website of the Company within one month after the date of the Scheme Meeting.

Attendance at the Scheme Meeting

4. The Company may provide that each Shareholder may only attend the Scheme Meeting by observing and listening to the proceedings of the Scheme Meeting by electronic means, if access to both an audio broadcast and audio-visual broadcast is provided to the Shareholders.

Right or entitlement to be heard or to require representations to be read out at the Scheme Meeting

5. The Company may provide that each Shareholder may only be heard at the Scheme Meeting by electronic means in the manner provided in paragraph 6. A representation may be read out at the Scheme Meeting by electronic means.

Right or entitlement to speak on a resolution at the Scheme Meeting

6. The Company may require that a Shareholder shall, before the Scheme Meeting, send to the Chairperson of the Scheme Meeting, by post or electronic mail or (in addition to, but not in place of, post and electronic mail) such other electronic means as the Company considers appropriate, including electronic submission via the Company's pre-registration website at which the Shareholder registers to observe and/or listen to the Scheme Meeting proceedings, the matters which the Shareholder wishes to raise at the Scheme Meeting, and each such matter, if substantial and relevant and sent within a reasonable time before the Scheme Meeting, is to be responded to at or before the Scheme Meeting by electronic means.
7. Notwithstanding what is provided for in paragraph 6, the Company shall provide a facility for any matter to be raised by a Shareholder or person at the Scheme Meeting and for the matter to be responded to at the Scheme Meeting through real-time electronic communication such as video-conferencing, tele-conferencing or live chat.

Quorum

8. A quorum may be formed by two Shareholders personally or electronically present.
 - 8.1. A Shareholder is electronically present at the Scheme Meeting if the Shareholder:
 - 8.1.1. attends the Scheme Meeting in the manner provided in paragraph 4;

APPENDIX 6 – MANNER OF CONVENING SCHEME MEETING

- 8.1.2. is verified by the Share Registrar of the Company, Boardroom Corporate & Advisory Services Pte. Ltd., as attending the Scheme Meeting in the manner provided in paragraph 4; and
 - 8.1.3. is acknowledged by electronic means by the Chairperson of the Scheme Meeting as present at the Scheme Meeting.
- 8.2. A Shareholder is deemed to be present at the Scheme Meeting if the Shareholder has appointed the Chairperson of the Scheme Meeting as the Shareholder's proxy to attend, speak and vote at the Scheme Meeting in accordance with paragraphs 9 and 10.

Voting at the Scheme Meeting

9. The Company may provide for each Shareholder to exercise his/her/its voting rights at the Scheme Meeting in the following manner:
- 9.1. voting live by himself/herself/itself via electronic means, who must first pre-register themselves at the pre-registration website which will be provided to Shareholders in due course; or
 - 9.2. appointing the Chairperson of the Scheme Meeting as the Shareholder's proxy to vote at the Scheme Meeting by depositing with the Share Registrar of the Company the Proxy Form (as defined below) by post, or by electronic mail to an electronic mail address stated in the Notice of the Scheme Meeting, or (in addition to, but not in place of, post and electronic mail) by such other electronic means as the Company considers appropriate, including allowing certain Shareholders to submit the Proxy Form electronically via the Company's preregistration website at which the Shareholder registers to observe and/or listen to the Scheme Meeting proceedings, in each case, not less than 72 hours before the time fixed for the Scheme Meeting.
10. In relation to voting:
- 10.1. for the purposes of determining whether the condition under section 210(3AB)(b) of the Companies Act is satisfied:
 - 10.1.1. a Shareholder who is not a Relevant Intermediary may only cast all the votes it uses at the Scheme Meeting in one way, and may only:
 - (i) cast all its votes "**for**" the Scheme;
 - (ii) cast all its votes "**against**" the Scheme; or
 - (iii) abstain from voting; and
 - 10.1.2. a Shareholder who is a Relevant Intermediary need not cast all the votes it uses in the same way provided that each vote is exercised in relation to a different Target Share. A Relevant Intermediary may:
 - (i) vote "**for**" the Scheme;
 - (ii) vote "**against**" the Scheme; and/or
 - (iii) **abstain** from voting; and

APPENDIX 6 – MANNER OF CONVENING SCHEME MEETING

- 10.2. for the purposes of determining whether the condition under section 210(3AB)(a) of the Companies Act is satisfied:
- 10.2.1. each Shareholder that appoints the Chairperson of the Scheme Meeting as its proxy to vote at the Scheme Meeting shall be deemed to be present at the Scheme Meeting and shall be included in the count of Shareholders present and voting at the Scheme Meeting. Where the Chairperson has been appointed as the proxy of more than one Shareholder to vote at the Scheme Meeting, the votes of the Chairperson shall be counted as the votes of the number of appointing Shareholders; and
- 10.2.2. the Company shall treat a Relevant Intermediary that casts votes both for and against the Scheme as follows:
- (i) the Company shall treat the Relevant Intermediary as casting one vote in favour of the Scheme if the Relevant Intermediary casts more votes for the Scheme than against the Scheme;
 - (ii) the Company shall treat the Relevant Intermediary as casting one vote against the Scheme if the Relevant Intermediary casts more votes against the Scheme than for the Scheme; and
 - (iii) the Company shall treat the Relevant Intermediary as casting one vote for and one vote against the Scheme if the Relevant Intermediary casts equal votes for and against the Scheme.

Laying and production of documents at the Scheme Meeting

11. The Scheme Document and any other document to be laid or produced before the Scheme Meeting may be so laid or produced by being:
- 11.1. sent or published in the manner provided in paragraph 12 with the Notice (as defined below); or
- 11.2. published at an online location, the address of which is sent with the Notice, or published on the website of the Company.

Giving of Notice of the Scheme Meeting

12. The Scheme Meeting (including any adjourned or postponed meeting) may be called by notice in writing of not less than 21 clear days, published on SGXNET and the website of the Company.
13. The notice of the Scheme Meeting ("**Notice**"):
- 13.1. shall provide instructions on how the Shareholders can locate the Scheme Document (as defined below) electronically;
- 13.2. shall describe the means by which the Scheme Meeting can be electronically accessed (including the online location, if the meeting is held at an online location);
- 13.3. shall set out how a Shareholder may register to vote live at the Scheme Meeting;

APPENDIX 6 – MANNER OF CONVENING SCHEME MEETING

- 13.4. shall set out how the Chairperson of the Scheme Meeting may be appointed by a Shareholder entitled to vote at the Scheme Meeting as the Shareholder's proxy to vote at the Scheme Meeting;
- 13.5. shall state how a Shareholder may send to the Chairperson of the Scheme Meeting the substantial and relevant matters which the Shareholder wishes to raise; and
- 13.6. may be accompanied by any other documents relevant to the Scheme Meeting.

Other matters

14. Sunny Wong Fook Choy, or failing him, Kwah Thiam Hock, shall be appointed Chairperson of the Scheme Meeting and to report the results of the Scheme Meeting to the Court.
15. Not less than 21 clear days before the day appointed for the Scheme Meeting, the Scheme Document consisting of, *inter alia*, the following:
 - 15.1. a Letter to Shareholders from the Company to the Shareholders containing details of, *inter alia*, the purpose of the Scheme Document and information relating to the Scheme;
 - 15.2. an Explanatory Statement which contains, *inter alia*, the information required to be disclosed under Section 211 of the Companies Act;
 - 15.3. a letter from SAC Capital Private Limited as the independent financial adviser to the directors of the Company who are considered independent for the purposes of making a recommendation to the Shareholders in respect of the Scheme;
 - 15.4. a letter from WT Semiconductor Holdings Pte. Ltd. to the Shareholders;
 - 15.5. the Notice; and
 - 15.6. a proxy form for use at the Scheme Meeting ("**Proxy Form**"),

shall be published on SGXNET and the website of the Company.
16. Not less than 21 clear days before the day appointed for the Scheme Meeting, the Notice shall be advertised in one issue of "The Straits Times" newspaper.

Any accidental omission to give any Shareholder notice of the Scheme Meeting or the non-receipt of such notice by any Shareholder shall not invalidate the proceedings at the Scheme Meeting, unless ordered by the Court.

APPENDIX 7 – SCHEME CONDITIONS

All capitalised terms used in this Appendix and not defined in this Scheme Document shall have the same meanings given to them in the Implementation Agreement, a copy of which is available for inspection at the registered office of the Company during normal business hours from the date of this Scheme Document up to the Effective Date.

The completion of the Acquisition is conditional upon the following:

1. **Shareholder Approval:** the approval of the Scheme by the Shareholders at the Scheme Meeting in compliance with Section 210(3AB) of the Companies Act;
2. **Court Order:** the grant of the Court Order by the Court and such Court Order having become final;
3. **Lodgement of the Court Order:** the lodgement of the Court Order with ACRA pursuant to Section 210(5) of the Companies Act;
4. **Regulatory Approvals:** the following regulatory approvals being obtained prior to the Relevant Date, and such approvals not being revoked or withdrawn on or before the Relevant Date:
 - (i) confirmations from the SIC that:
 - (a) Rules 14, 15, 16, 17, 20.1, 21, 22, 28, 29, 33.2 and Note 1(b) on Rule 19 of the Code do not apply to the Scheme, subject to any conditions that the SIC may deem fit to impose;
 - (b) it has no objections to the conditions set out in this **Appendix 7** to this Scheme Document; and
 - (c) the (A) the reinvestment arrangement as agreed between AP and the Offeror pursuant to an irrevocable undertaking given by AP to the Offeror for the reinvestment by AP of an agreed amount from the Scheme Consideration due to him pursuant to the Scheme, to subscribe for a certain number of new shares in the Offeror, and (B) certain rights and obligations of AP as a shareholder of the Offeror following completion of the reinvestment, as agreed between AP and WT, will not constitute a special deal under the Code;
 - (ii) the approval-in-principle from the SGX-ST of the Scheme, the Scheme Document and for the proposed delisting of the Company from the SGX-ST after the Scheme becomes effective and binding in accordance with its terms;
 - (iii) the State Administration for Market Regulation issuing a formal notice confirming that it will not conduct further review of the Acquisition and the Scheme or allowing the Acquisition and the Scheme to proceed with or without conditions, pursuant to a filing made and accepted by the State Administration for Market Regulation under the Anti-Monopoly Law of the People's Republic of China 2007; and
 - (iv) the approval from the Taiwan Investment Commission, Ministry of Economic Affairs for the Acquisition and WT's investment in the Excelpoint Group Entities and the foreign exchange clearance with the Central Bank of the Republic of China (Taiwan);

APPENDIX 7 – SCHEME CONDITIONS

5. **Authorisations:** in addition to the approvals aforementioned in paragraph 4 in this **Appendix 7** to this Scheme Document, the receipt of all authorisations, consents, clearances, permissions and approvals as are necessary or required by either the Offeror or the Company or both under any and all applicable laws, from all Governmental Agencies, for or in respect of the Acquisition or the implementation of the Scheme;
6. **No Legal or Regulatory Restraint:** between the date of the Implementation Agreement and up to the Relevant Date, there being no issuance of any order, injunction, judgment, decree or ruling by any Governmental Agencies or by any court of competent jurisdiction preventing the consummation of the Acquisition or the implementation of the Scheme, being in effect as at the Relevant Date;
7. **Third Parties:** the receipt of all authorisations, consents, clearances, permissions and approvals as are necessary or required by the Company from (i) certain financial institutions and Governmental Agencies which have extended banking or credit facilities or grants to any Excelpoint Group Entity or otherwise have financial arrangements with any Excelpoint Group Entity, (ii) certain counterparties to certain supplier contracts entered into by the Excelpoint Group Entities and (iii) the landlord of certain Excelpoint Group Entities, for or in respect of the implementation of the Scheme and/or the Acquisition;
8. **No Prescribed Occurrence:** between the date of the Implementation Agreement and up to the Relevant Date, no Prescribed Occurrence (as set out in **Appendix 8** to this Scheme Document) in relation to the Offeror or the Relevant Excelpoint Group Entities (as the case may be), and no Prescribed Occurrence (as set out in **Appendix 8** to this Scheme Document) which is material in the context of the Scheme occurs in relation to any Excelpoint Group Entity other than the Relevant Excelpoint Group Entities, in each case other than as required or contemplated by the Implementation Agreement, the Scheme or the Acquisition;
9. **No Material Adverse Effect:** between the date of the Implementation Agreement and up to the Relevant Date, there being no occurrence of any Material Adverse Effect in relation to the Excelpoint Group;
10. **Excelpoint Representations and Warranties:** there being no breach of the representations and warranties in respect of any Excelpoint Group Entity set out in the Implementation Agreement which are material in the context of the Scheme as at the date of the Implementation Agreement and as at the Relevant Date (as though made on and as at that date, except to the extent any such representation or warranty expressly relates to an earlier date (in which case as of such earlier date)); and
11. **Offeror Representations and Warranties:** there being no breach of the representations and warranties of the Offeror set out in the Implementation Agreement which are material in the context of the Scheme as at the date of the Implementation Agreement and as at the Relevant Date (as though made on and as at that date, except to the extent any such representation or warranty expressly relates to an earlier date (in which case as of such earlier date)).

APPENDIX 8 – PRESCRIBED OCCURRENCES

All capitalised terms used in this Appendix and not defined in this Scheme Document shall have the same meanings given to them in the Implementation Agreement, a copy of which is available for inspection at the registered office of the Company during normal business hours from the date of this Scheme Document up to the Effective Date.

For the purpose of this Scheme Document, a “**Prescribed Occurrence**”, in relation to the Offeror, any Relevant Excelpoint Group Entity and/or any other Excelpoint Group Entity, as the case may be, means any of the following:

1. **Conversion of Shares:** the Company converting all or any of its shares into a larger or smaller number of shares;
2. **Share Buy-back:** the Company entering into a share buy-back agreement or resolving to approve the terms of a share buy-back agreement under the Companies Act or the equivalent companies or securities legislation;
3. **Alteration of Share Capital:** the Company resolving to reduce or otherwise alter its share capital in any way;
4. **Allotment of Shares:** the Company making an allotment of, or granting an option to subscribe for, any shares or securities convertible into shares or agreeing to make such an allotment or to grant such an option or convertible security (including granting any Awards), or any other Excelpoint Group Entity doing any of the foregoing with respect to its own securities;
5. **Issuance of Debt Securities:** the Company issuing, or agreeing to issue, convertible notes or other debt securities;
6. **Distributions:** the Company declaring, making or paying any dividends or any other form of distribution to its shareholders (other than the Final FY2021 Dividend);
7. **Injunctions:** an injunction or other order issued by any court of competent jurisdiction or other legal restraint or prohibition preventing the consummation of the Scheme or the Acquisition or any part thereof by either the Offeror or the Company;
8. **Resolution for Winding Up:** the Company (or any other Excelpoint Group Entity) or the Offeror or resolving that it be wound up;
9. **Appointment of Liquidator and Judicial Manager:** the appointment of a liquidator, provisional liquidator, judicial manager, provisional judicial manager and/or other similar officer of the Company (or of any other Excelpoint Group Entity) or the Offeror;
10. **Order of Court for Winding Up:** the making of an order by a court of competent jurisdiction for the winding up of the Company (or of any other Excelpoint Group Entity) or the Offeror;
11. **Composition:** the Company (or any other Excelpoint Group Entity) or the Offeror entering into any arrangement or general assignment or composition for the benefit of its creditors generally;
12. **Appointment of Receiver:** the appointment of a receiver or a receiver and manager, in relation to the property or assets of the Company (or of any other Excelpoint Group Entity) or the Offeror;

APPENDIX 8 – PRESCRIBED OCCURRENCES

13. **Insolvency:** the Company (or any other Excelpoint Group Entity) or the Offeror becoming or being deemed by law or a court to be insolvent or stops or suspends or threatens to stop or suspend payment of its debts;
14. **Cessation of Business:** any Relevant Excelpoint Group Entity or the Offeror ceases or threatens to cease for any reason to carry on business in the usual course;
15. **Investigations and Proceedings:** if the Company (or any other Excelpoint Group Entity) or the Offeror or any of their respective directors is or will be the subject of any governmental, quasi-governmental, criminal, regulatory or stock exchange investigation and/or proceeding;
or
16. **Analogous Event:** any event occurs which, under the laws of any applicable jurisdiction, has an analogous or equivalent effect to any of the foregoing events.

APPENDIX 9 – OFFEROR’S WARRANTIES

All capitalised terms used in this Appendix and not defined in this Scheme Document shall have the same meanings given to them in the Implementation Agreement, a copy of which is available for inspection at the registered office of the Company during normal business hours from the date of this Scheme Document up to the Effective Date.

The Offeror represents and warrants to the Company that:

1. Incorporation

The Offeror is a company duly incorporated in Singapore and validly existing under the laws of Singapore.

2. Shareholders

As at the date of the Implementation Agreement, the sole shareholder of the Offeror is WT.

3. Power

The Offeror has the corporate power to enter into and perform its obligations under the Implementation Agreement and to carry out the transactions contemplated by the Implementation Agreement.

4. Authority

The Offeror has taken all necessary corporate action to authorise its entry into the Implementation Agreement and has taken or will take all necessary corporate action to authorise its performance of the Implementation Agreement and to carry out the transactions contemplated by the Implementation Agreement.

5. Consents

The Offeror shall obtain all actions, conditions and things required to be taken, fulfilled and done (including the obtaining of any necessary consents from third parties) in order to:

- (i) enable the Offeror lawfully to enter into, exercise its rights and perform and comply with its obligations under the Implementation Agreement; and
- (ii) ensure that those obligations are valid, legally binding and enforceable.

6. Binding Obligation

The Offeror’s obligations under the Implementation Agreement are valid, legally binding and enforceable in accordance with its terms.

7. No Breach

Neither the execution nor performance by the Offeror of the Implementation Agreement nor any transaction contemplated under the Implementation Agreement will violate the obligations of it under any provision of its constitutive documents, any order, writ, injunction or decree of any Governmental Agency applicable to the Offeror or its assets, or any agreement or instrument to which the Offeror is a party or by which the Offeror or its assets are bound.

APPENDIX 9 – OFFEROR’S WARRANTIES

8. Financial Resources

The Offeror has sufficient financial resources to satisfy in full the Scheme Consideration (excluding the amount of the Scheme Consideration which shall be reinvested by AP to subscribe for shares in the Offeror).

APPENDIX 10 – COMPANY’S WARRANTIES

All capitalised terms used in this Appendix and not defined in this Scheme Document shall have the same meanings given to them in the Implementation Agreement, a copy of which is available for inspection at the registered office of the Company during normal business hours from the date of this Scheme Document up to the Effective Date.

The Company represents and warrants to the Offeror that:

1. GENERAL

1.1 Excelpoint Group Entities

Each of the Excelpoint Group Entities is a company duly incorporated and validly existing under its law of incorporation. The Company is the legal and beneficial owner of 100 per cent. of the equity interests or (as the case may be) registered capital of all the other Excelpoint Group Entities (other than as disclosed in the Excelpoint FY2021 Financial Statements) and there are no Encumbrances on the shares or (as the case may be) registered capital of any Excelpoint Group Entity (other than the Company).

1.2 Target Shares

All the Target Shares have been duly authorised and validly allotted and issued, are fully paid-up and rank *pari passu* in all respects with each other. The Company does not have any outstanding warrants, convertible securities or options, or unvested awards and/or incentives, in issue and is not subject to any actual or contingent obligation to issue and/or grant any warrants, convertible securities, awards or incentives, or convert securities as required or contemplated by the Implementation Agreement, and it will not announce, declare, pay or make any dividend or any distribution (in cash or in kind) to the Shareholders (other than the Final FY2021 Dividend).

As at the date of the Implementation Agreement:

- (i) there are 120,318,640 Target Shares in the capital of the Company in issue (with no shares which are held as treasury shares);
- (ii) there are no unexercised options and no obligation to grant any options to any employees of the Excelpoint Group; and
- (iii) there are no unvested awards and/or incentives and no obligation to grant or vest any awards and/or incentives to any employees of the Excelpoint Group.

1.3 Accuracy of Information

- (i) Save for the information identified in paragraph 1.3(ii) below, all information contained in the Implementation Agreement and the Excelpoint Disclosure Letter, all documents and information which has been specified in the Data Room Index and all other information which has been given in writing by or on behalf of any Excelpoint Group Entity to the Offeror or any of its agents, directors, officers, representatives and advisers in the course of the due diligence or other investigation carried out by or on behalf of the Offeror prior to entering into the Implementation Agreement was when given, to the best knowledge of the Company, true and accurate in all material respects and not misleading, and complete in all material respects, and as at the date of the Implementation Agreement, so far as the Company is aware, there is no fact or matter

APPENDIX 10 – COMPANY’S WARRANTIES

or circumstance which renders or will render any such information untrue or inaccurate in any material respect. All material information relating to the Excelpoint Group has been announced on the SGXNET in compliance with its continuing disclosure requirements;

- (ii) The Due Diligence Information relating to the Excelpoint Group Entities made available to the Offeror have been prepared in good faith by the Company and its advisers, after reasonable enquiry, and the Company is not aware of any fact or matter that would make such information inaccurate or misleading in any material respect.

2. ACCOUNTS

2.1 Latest Audited Accounts

- (i) the Excelpoint FY2021 Financial Statements have been properly drawn up (i) in accordance with the provisions of the Companies Act (or equivalent legislation) and the accounting principles, standards and practices generally accepted in the country of incorporation of each Excelpoint Group Entity, and (ii) on a basis consistent with that adopted in preparing the audited accounts for the past two financial years ended 31 December 2019 and 31 December 2020.
- (ii) the Excelpoint FY2021 Financial Statements give a true and fair view of the statement of financial position of each of the companies in Excelpoint Group and of Excelpoint Group as a whole as at the Excelpoint FY2021 Financial Statements Date, and of the statements of comprehensive income of each of the entities in Excelpoint Group and of Excelpoint Group as a whole for the period concerned and as at that date, adequate provisions were made for all (a) known liabilities, (b) bad and doubtful debts and (c) contingent liabilities, where applicable.

2.2 Changes since the Excelpoint FY2021 Financial Statements Date

There have been no changes in the financial position of the Excelpoint Group which have a Material Adverse Effect and, in particular:

- (i) its business has been carried on solely in the ordinary and usual course, without any material interruption or alteration in its nature, scope or manner, and so as to maintain the same as a going concern, save and except for events that may occur as a result of an act of God;
- (ii) it has not entered into any transaction or assumed or incurred any liabilities (including contingent liabilities) or made any payment or given any guarantee, indemnity or suretyship not provided for in the Excelpoint FY2021 Financial Statements and which has a Material Adverse Effect, otherwise than in the ordinary and usual course of carrying on its business;
- (iii) its cash and bank balances have not been affected to an extent leading to a Material Adverse Effect, by transactions of an abnormal or unusual nature or entered into otherwise than on normal commercial terms and in the ordinary and usual course of carrying on business;

APPENDIX 10 – COMPANY’S WARRANTIES

- (iv) its profits have not been affected to an extent leading to a Material Adverse Effect, by changes or inconsistencies in accounting treatment, by any non-recurring items of income or expenditure, or by transactions of an abnormal or unusual nature or entered into otherwise than on normal commercial terms;
- (v) it has not entered into any unusual, long term and onerous commitments and contracts that would have a Material Adverse Effect; and
- (vi) none of the Excelpoint Group Entities has entered into or proposed to enter into any capital commitments other than in the ordinary and usual course of business.

2.3 Absence of Undisclosed Liabilities

There are no material liabilities (including material contingent liabilities) of any of the Excelpoint Group Entities which are outstanding on the part of each Excelpoint Group Entity, other than (i) liabilities publicly disclosed and to the extent provided for in the Excelpoint FY2021 Financial Statements or otherwise publicly announced by the Excelpoint on the SGXNET thereafter; (ii) liabilities disclosed elsewhere in the Implementation Agreement; or (iii) liabilities incurred in the ordinary and usual course of business since the Excelpoint FY2021 Financial Statements Date.

2.4 Trade and Other Receivables

As far as the Company is aware, the trade and other receivables, including accrued revenue in the Excelpoint FY2021 Financial Statements are stated at figures not exceeding the amounts which could, in the circumstances existing at the date of the Excelpoint FY2021 Financial Statements, reasonably be expected to be realised in the ordinary and usual course of carrying on the business of the Excelpoint Group. No new adverse events have occurred that would give doubt as to the ability to realise all current trade and other receivables in the ordinary and usual course of business after taking into account any provision for bad and doubtful debts made in the Excelpoint FY2021 Financial Statements.

3. LEGAL MATTERS

3.1 Compliance with laws

- (i) Each of the Excelpoint Group Entities has carried on and is carrying on its business and operations so that there have been no breaches in any material respect of applicable laws, regulations and bye-laws in each country in which they are carried on which are material in the context of the assets or business of the Excelpoint Group, except that where any breach arises by reason only of any law, regulation and/or bye-law having been enacted between the date of the Implementation Agreement and the Relevant Date which has retrospective effect, such Excelpoint Group Entity shall not be regarded as having been in breach of this paragraph 3.1(i) if such Excelpoint Group Entity takes all reasonable steps to comply with such law, regulation and/or bye-law immediately thereafter.
- (ii) There have not been and there are no material breaches by any Excelpoint Group Entity of its constitutional documents.

APPENDIX 10 – COMPANY’S WARRANTIES

- (iii) As far as the Company is aware, none of the Excelpoint Group Entities or their respective directors, officers, agents, employees, or other persons that act for or on behalf of, the foregoing (each, a “**Company Representative**”) has offered, paid, promised to pay, or authorised the payment of any money, or offered, given, promised to give, or authorised the giving of anything of value, to any customer, supplier, competitor, or employee of any of the foregoing (individually and collectively, a “**Business Counterpart**”), or to any officer, employee or any other person acting in an official capacity for any Governmental Entity, to any political party or official thereof, or to any candidate for political office (individually and collectively, a “**Government Official**”) or to any person under circumstances where the Excelpoint Group Entities or any Company Representative knew or had reason to know or believe that either:
- (a) all or a portion of such money or thing of value would be offered, given or promised, directly or indirectly, for the purpose of (A) influencing any Government Official in his official capacity; (B) inducing such Business Counterpart or Government Official to perform his functions or activities improperly or to reward him for so doing; (C) securing any improper advantage; or (D) inducing such Business Counterpart or Government Official to influence or affect any act or decision of any Governmental Entity, in each case, in order to assist the Excelpoint Group Entities or any Company Representative in obtaining or retaining business or a business advantage for or with, or in directing business to, the Excelpoint Group Entities, or to reward him for so doing; or
 - (b) the acceptance of such money or thing of value would itself constitute improper performance of a person’s function or activity.

“**Governmental Entity**” means any foreign, domestic, multinational, federal, territorial, state or local governmental authority, quasi-governmental authority, government-owned or government-controlled (in whole or in part) enterprise, public international organisation (such as the Red Cross), regulatory body, court, tribunal, commission, board, bureau, agency, instrumentality, or any regulatory, administrative or other department, agency or any political or other subdivision, department or branch of any of the foregoing.

- (iv) None of the Excelpoint Group Entities has, in any of the past five years, derived any revenue from transactions with or relating to Cuba, Iran, North Korea, Sudan, or Syria. In addition, none of the Excelpoint Group Entities has, in any of the past five years, derived a material amount of its operating income from transactions in the aggregate with or relating to Belarus, Burma (Myanmar), Cote d’Ivoire (Ivory Coast), Democratic Republic of the Congo, Iraq, the Western Balkans, or Zimbabwe, or any persons or entities on the Specially Designated Nationals List and the Foreign Sanctions Evaders List (the “**SDN List**”) administered and enforced by the Office of Foreign Assets Control of the U.S. Department of Treasury (“**OFAC**”), available at <http://www.treasury.gov/resource-center/sanctions/SDN-List/Pages/default.aspx>.
- (v) Neither the Excelpoint Group Entities nor any director, officer, or employee or any agent or affiliate acting on behalf of the Excelpoint Group Entities, is, or for the previous five years has been, a person that is, or is owned or controlled by a person that is the subject of any applicable economic sanctions, or is or has been included on the SDN List administered or enforced by OFAC.

APPENDIX 10 – COMPANY’S WARRANTIES

3.2 Licences and Consents

- (i) All statutory, municipal and other licences, consents, authorisations, orders, warrants, confirmations, permissions, certificates, approvals and authorities (“**Excelpoint Licences**”) necessary for the carrying on of the businesses and operations of each of the Excelpoint Group Entities have been obtained, are in full force and effect and all conditions applicable to any such Excelpoint Licence have been and are being complied with in all material respects, unless the failure to obtain any such Excelpoint Licences does not have a Material Adverse Effect.
- (ii) So far as the Company is aware, there is no investigation, enquiry or proceeding outstanding which is likely to result in the suspension, cancellation, modification or revocation of any of Excelpoint Licences. So far as the Company is aware, none of the Excelpoint Licences is likely to be suspended, cancelled, refused, modified or revoked (whether as a result of entering into the Implementation Agreement, consummating the Acquisition, implementing the Scheme or otherwise), where such suspension, cancellation, modification or revocation may have a Material Adverse Effect.

3.3 Litigation, Arbitration or Investigations

- (i) As of the date of the Implementation Agreement, no litigation, arbitration or administrative proceeding is current or pending or, so far as the Excelpoint is aware, threatened, to restrain the entry into, exercise of the Company’s rights under and/or performance or enforcement of or compliance with its obligations under the Implementation Agreement.
- (ii) As at the date of the Implementation Agreement, no litigation, arbitration or administrative proceeding is current or pending or, so far as the Company is aware, threatened, against any Excelpoint Group Entity which has or could have a Material Adverse Effect.
- (iii) As of the date of the Implementation Agreement, the Company is not aware of any investigation or enquiry by, any court, tribunal, arbitrator, Governmental Agency or regulatory body outstanding or anticipated against any Excelpoint Group Entity which has or could have a Material Adverse Effect.

3.4 Insolvency

- (i) No order has been made, petition presented, resolution passed or meeting convened for the winding up of any Excelpoint Group Entity, nor, so far as the Company is aware, are there any grounds on which any person would be entitled to have any Excelpoint Group Entity wound-up, nor, so far as the Company is aware, has any person threatened to present such a petition or convened or threatened to convene a meeting of any Excelpoint Group Entity to consider a resolution to wind up such Excelpoint Group Entity.
- (ii) No petition has been presented or other proceedings have been commenced for an administration or judicial management order to be made in relation to any Excelpoint Group Entity, nor has any such order been made. So far as the Company is aware, there are no grounds on which any person would be entitled to have any Excelpoint Group Entity placed in administration or judicial management, nor, so far as the Company is aware, has any person threatened to present such a petition.

APPENDIX 10 – COMPANY’S WARRANTIES

- (iii) No receiver (including an administrative receiver), liquidator, judicial manager, trustee, administrator, custodian or similar official has been appointed, nor any resolution passed by any Excelpoint Group Entity for such appointment, in any jurisdiction in respect of the whole or any part of the business or assets of any Excelpoint Group Entity.

3.5 Authority

The Company has all the necessary corporate power and authority to enter into and perform its obligations under the Implementation Agreement and to carry out the transactions contemplated by the Implementation Agreement.

3.6 Binding Obligations

The Company’s obligations under the Implementation Agreement are valid, legally binding and enforceable in accordance with its terms.

4. CONTRACTUAL ARRANGEMENTS

4.1 Interested Person Transactions

Save as publicly disclosed in the Excelpoint FY2021 Financial Statements or otherwise publicly announced by the Company on the SGXNET thereafter, there is no interested person transaction (as defined in the Listing Manual) between any Excelpoint Group Entity and an interested person (as defined in the Listing Manual) of the Company.

4.2 Effect of the Acquisition

The execution and delivery of, and the performance by the Company of its obligations under the Implementation Agreement and the transactions contemplated hereunder:

- (i) do not and will not result in a breach of any provision of the Constitution or the constitutional documents of any Excelpoint Group Entity; or
- (ii) do not and will not conflict with or result in the breach of or constitute a default under any agreement or instrument to which any Excelpoint Group Entity is a party, or any loan to or mortgage created by any Excelpoint Group Entity, or relieve any other party to a contract with any Excelpoint Group Entity of its obligations under such contract, or entitle such party to terminate or modify such contract, whether summarily or by notice, or result in the creation of any Encumbrance under any agreement, licence or other instrument, or result in a breach of any order, judgment or decree of any court, Governmental Agency or regulatory body to which any Excelpoint Group Entity is a party or by which any Excelpoint Group Entity or any of their respective assets is bound, unless the effect of such conflict, breach or default does not have a Material Adverse Effect.

4.3 Contracts

- (i) No Excelpoint Group Entity is, or has been, a party to any contract or transaction with a third party which:
 - (a) is outside the ordinary and usual course of business;

APPENDIX 10 – COMPANY’S WARRANTIES

- (b) is not wholly on an arm’s length basis; or
 - (c) is of a loss-making nature that would have a Material Adverse Effect.
- (ii) Except in the ordinary and usual course of business, none of the Excelpoint Group Entities:
- (a) is, or has agreed to become a party to any agency, distributorship, marketing, purchasing, manufacturing or licensing agreement or arrangement or any agreement or arrangement which restricts its freedom to carry on its business in any part of the world in such manner as it thinks fit;
 - (b) is, or has agreed to become, a member of any joint venture, consortium, partnership or other unincorporated association; or
 - (c) is, or has agreed to become, a party to any agreement or arrangement for participating with others in any business, sharing commissions or other income.

4.4 Compliance with Agreements

All the contracts and all leases, tenancies, licences, concessions and agreements (breach of which will have a Material Adverse Effect) to which any of the Excelpoint Group Entities is a party are valid, binding and enforceable obligations of such Excelpoint Group Entity, and the terms thereof have been complied with in all material respects by such Excelpoint Group Entity. So far as the Company is aware, there are no circumstances likely to give rise to any breach of such contracts, leases, tenancies, licences, concessions or agreements which will have a Material Adverse Effect and no notice of termination or of intention to terminate has been received in respect of any thereof.

4.5 Customers

The loss of any single customer of any Excelpoint Group Entity would not have a Material Adverse Effect.

5. TAXATION MATTERS

5.1 Returns, information and clearances

- (i) All returns, accounts, computations, notices and information which are or have been required to be made, given or delivered by any Excelpoint Group Entity for any Taxation purpose (i) have been made, given or delivered within the requisite periods or within permitted extensions of such periods; (ii) are up-to-date, complete and accurate in all material respects and made on a proper basis; and (iii) none of them is the subject of any dispute with the Taxation authority.
- (ii) All Taxes assessed or imposed by any Taxation authority which have been assessed upon the Excelpoint Group Entities which are due and payable on or before the Effective Date have been paid and were paid on or before the relevant due date for payment or will be paid before the relevant due date for payment. There are no Tax liens on any of the assets of the Excelpoint Group Entities.

APPENDIX 10 – COMPANY’S WARRANTIES

5.2 Tax Incentives

- (i) All the tax incentives and preferential tax treatment enjoyed by the Excelpoint Group Entities as at the date of the Implementation Agreement will not, as far as the Company is aware, be affected, varied, withdrawn or revoked as a result of the Acquisition or the implementation of the Scheme. As far as the Company is aware, each Excelpoint Group Entity has complied with all the conditions subject to which tax incentives have been granted to such Excelpoint Group Entity.
- (ii) As far as the Company is aware, no relief (whether by way of deduction, reduction, set-off, exemption, postponement, roll-over, repayment or allowance or otherwise) from, against or in respect of any Taxation has been claimed and/or given to any Excelpoint Group Entity which could be effectively withdrawn, postponed, restricted, clawed back or otherwise lost as a result of any act or omission by such Excelpoint Group Entity.

5.3 Tax Claims

No single Claim for Taxation exceeding US\$500,000 has been made:

- (i) in respect of or arising from any transaction effected or deemed to have been effected on or before the Effective Date; or
- (ii) by reference to any income, profits or gains earned, accrued or received on or before the Effective Date,

except:

- (a) to the extent that Taxation was paid, provided for or accrued in respect thereof in the Excelpoint FY2021 Financial Statements or to the extent that Taxation was paid, provided for or accrued in respect thereof in any of the audited accounts or unaudited accounts or management accounts of an Excelpoint Group Entity or the Company on a consolidated basis up to the Effective Date; and
- (b) to the extent that such Claim arises as a result only of any provision or reserve in respect thereof being insufficient by reason of any increase in rates of Taxation made after the date hereof with retrospective effect.

“**Claim**” means any notice, demand, assessment, letter or other document issued or action taken by the Taxation authority or other statutory or governmental authority, body or official whosoever whereby an Excelpoint Group Entity is placed under a liability to make a payment on any Taxation or deprived of any relief, allowance, credit or repayment otherwise available for Taxation purposes.

5.4 Tax Audits

There is no investigation by any Taxation authority in process or, as far as the Company is aware, pending with respect to any Tax returns of any Excelpoint Group Entity, other than queries raised by a Taxation authority in its usual review of such Tax returns by an Excelpoint Group Entity.

APPENDIX 10 – COMPANY’S WARRANTIES

6. ASSETS (INCLUDING PROPERTIES)

6.1 Title to Assets

- (i) All assets (including real properties) which are included in the Excelpoint FY2021 Financial Statements are the absolute property of such Excelpoint Group Entity and (save for those subsequently disposed of or realised in the ordinary and usual course of business) all such assets and properties and all debts which have subsequently been acquired or arisen are the absolute property of such Excelpoint Group Entity.
- (ii) Each Excelpoint Group Entity has good title to all assets (including real properties) free from Encumbrances, save for Encumbrances in the ordinary and usual course of carrying on its business.
- (iii) All such assets (including real properties) are, where capable of possession, in the possession of or under the control of such relevant Excelpoint Group Entity, or such relevant Excelpoint Group Entity is entitled to take possession or control of such assets.
- (iv) Any of the real properties which is held under lease by an Excelpoint Group Entity, is held under a valid, subsisting and enforceable lease/tenancy agreement with such exceptions as do not materially interfere with the use or proposed use of such property and buildings.

6.2 Insurance

- (i) All the material assets of each of the Excelpoint Group Entities which are capable of being insured have at all material times been adequately insured against fire, business interruption and other risks normally insured against by companies carrying on similar businesses or owning assets of a similar nature.
- (ii) Each of the current insurance and indemnity policies in respect of which any of the Excelpoint Group Entities has an interest (including any active historic policies which provide cover on a losses occurring basis but excluding insurances relating to the payment of hospital and other medical expenses) (the “**Policies**”) is valid and enforceable and (as far as the Company is aware) is not void or voidable.
- (iii) In respect of all Policies, all premiums have been duly paid to date.
- (iv) No claims have been made or are outstanding in respect of, and as far as the Company is aware, no fact or circumstance exists which might give rise to a claim under, any of the Policies.

7. EMPLOYMENT

- (i) Each Excelpoint Group Entity has in relation to each of its employees (and so far as relevant to each of its former employees) complied in all material respects with:
 - (a) all obligations imposed on it by all statutes, regulations and codes of conduct and practice relevant to the relations between it and its employees or any trade union, including, making deductions and payments in respect of contributions (including employer’s contributions) to any relevant competent authority;

APPENDIX 10 – COMPANY’S WARRANTIES

- (b) all collective agreements and customs and practices for the time being dealing with such relations or the conditions of service of its employees; and
 - (c) all relevant orders and awards made under any relevant statute, regulation or code of conduct and practice affecting the conditions of service of its employees.
- (ii) Since the Excelpoint FY2021 Financial Statements Date, there has been no strike, work to rule, work stoppage, work interference activity or industrial action (official or unofficial) by any employee of any Excelpoint Group Entity, threatened or on-going.
 - (iii) There are not in existence nor has any proposal been announced to establish any retirement, death or disability benefit schemes for directors or employees nor are there any obligations to or in respect of present or former directors or employees with regard to retirement, death or disability pursuant to which any Excelpoint Group Entity is or may become liable to make payments of a material nature and no pension or retirement or sickness gratuity of a material nature is currently being paid or has been promised by any Excelpoint Group Entity to or in respect of any former director or former employee.
 - (iv) There are no terms of employment, consultancy, appointment or contract for any employees of any of the Excelpoint Group Entity which provide that a change in control of any Excelpoint Group Entity (howsoever defined therein) shall entitle any employee to treat the change in control as amounting to a breach of the contract or entitling him to any payment or benefit or enhanced notice period whatsoever or entitling him to treat himself as redundant or dismissed or released from any obligation.

8. INTELLECTUAL PROPERTY RIGHTS

- (i) None of the Excelpoint Group Entities owns any Intellectual Property Rights. For the purpose of this **Appendix 10, “Intellectual Property Rights”** means any trademark, pending trademark application, patent, pending patent application, know-how, registered and unregistered design, copyright, trade secret, licence relating to any of the above or other similar industrial or commercial right.
- (ii) As far as the Company is aware, none of the activities of the Excelpoint Group Entities (excluding the use of components, parts, products or equipment supplied by third parties for the purpose of the work to be done by the Excelpoint Group Entities) infringes any patent or other intellectual property of any kind whatsoever of any other person or gives rise to an obligation to pay any sum in the nature of a royalty.

9. ENVIRONMENT

As far as the Company is aware, no toxic industrial waste or toxic substance (as defined in any environmental legislation) or any other toxic or hazardous gaseous, liquid or solid material or waste that may or could pose a hazard to the environment or human health or safety, is or has been present at, on or under, or has been spilt, leaked, released, deposited, discharged or disposed in the soil or water in, under, around or upon any real properties owned, leased or occupied by any Excelpoint Group Entity (or at any other property by any Excelpoint Group Entity or any of its predecessors), except where such discharge or disposal is made by the Excelpoint Group Entities in compliance with all applicable laws and regulations where it carries on business, or where such spill, leakage, release, deposit, discharge or disposal would not result in any material liability under any applicable laws or regulations which would have a Material Adverse Effect.

APPENDIX 11 – THE SCHEME

IN THE GENERAL DIVISION OF THE HIGH COURT OF THE REPUBLIC OF SINGAPORE

Originating Application)
Case No.: HC/OA 225/2022)

**IN THE MATTER OF SECTION 210
OF THE COMPANIES ACT 1967**

And

**IN THE MATTER OF
EXCELPOINT TECHNOLOGY LTD.
(Company Registration No. 200103280C)**

... Applicant

SCHEME OF ARRANGEMENT

under Section 210 of the Companies Act 1967

Between

Excelpoint Technology Ltd.

And

Shareholders (as defined herein)

And

WT Semiconductor Holdings Pte. Ltd.

APPENDIX 11 – THE SCHEME

PRELIMINARY

In this Scheme of Arrangement, except to the extent that the context requires otherwise, the following expressions shall bear the following respective meanings:

“Acquisition”	:	Has the meaning ascribed to it in Recital (B) of this Scheme
“ACRA”	:	The Accounting and Corporate Regulatory Authority of Singapore
“Business Day”	:	A day other than a Saturday, Sunday and gazetted public holiday on which commercial banks are open for business in Singapore and Taiwan
“CDP”	:	The Central Depository (Pte) Limited
“Code”	:	The Singapore Code on Take-overs and Mergers
“Companies Act”	:	Companies Act 1967 of Singapore
“Company” or “Excelpoint”	:	Excelpoint Technology Ltd.
“Conditions Long-Stop Date”	:	11.59 p.m. on 13 April 2023, being the date falling 12 months from the date of the Implementation Agreement (or such other date as the Company and the Offeror may agree in writing)
“Court”	:	The High Court of the Republic of Singapore, or where applicable on appeal, the Court of Appeal of the Republic of Singapore
“Directors”	:	The directors of the Company as at the Latest Practicable Date
“Effective Date”	:	The date on which the Scheme, if approved, becomes effective in accordance with its terms
“Encumbrances”	:	All charges, mortgages, liens, hypothecations, hire purchases, judgments, encumbrances, easements, securities, title retention, preferential rights, trust arrangements or any other security interests or any other agreements, arrangements or obligations to create any of the foregoing, and each, an “Encumbrance”
“Entitled Shareholders”	:	Shareholders as at 5.00 p.m. on the Record Date

APPENDIX 11 – THE SCHEME

“Final FY2021 Dividend”	:	The first and final ordinary dividend of S\$0.04 per Target Share and special dividend of S\$0.048 per Target Share announced by the Company on 16 February 2022
“Implementation Agreement”	:	The implementation agreement dated 13 April 2022 entered into between the Offeror and the Company
“Joint Announcement”	:	The joint announcement by the Company and the Offeror dated 13 April 2022 in relation to, <i>inter alia</i> , the Acquisition and the Scheme
“Joint Announcement Date”	:	13 April 2022, being the date of the Joint Announcement
“Latest Practicable Date”	:	7 July 2022, being the latest practicable date prior to the printing of this Scheme Document
“Listing Manual”	:	The listing manual of the SGX-ST, as amended, modified or supplemented from time to time
“Offeror”	:	WT Semiconductor Holdings Pte. Ltd.
“Record Date”	:	The record date to be announced by the Company on which the transfer books and the Register of Members will be closed in order to determine the entitlements of the Shareholders in respect of the Scheme
“Register of Members”	:	The register of members of the Company
“Scheme”	:	This scheme of arrangement under Section 210 of the Companies Act dated 18 July 2022
“Scheme Consideration”	:	The consideration for each Target Share to be paid by the Offeror to each Entitled Shareholder in accordance with the terms of this Scheme, being S\$1.93 in cash
“Scheme Document”	:	The document dated 18 July 2022 and any other document(s) which may be issued by or on behalf of the Company to amend, revise, supplement or update the document(s) from time to time
“Securities Account”	:	The relevant securities account maintained by a Depositor with CDP but does not include a securities sub-account
“SFA”	:	The Securities and Futures Act 2001 of Singapore
“SGX-ST”	:	Singapore Exchange Securities Trading Limited

APPENDIX 11 – THE SCHEME

- “Shareholders”** : Persons who are registered as holders of Target Shares in the Register of Members and Depositors who have Target Shares entered against their names in the Depository Register
- “Target Shares”** : Issued and paid-up ordinary shares in the capital of the Company

Depositors and Depository Register. The expressions **“Depositor”** and **“Depository Register”** shall have the same meanings ascribed to them respectively in Section 81SF of the SFA.

Expressions. Words importing the singular shall, where applicable, include the plural and vice versa and words indicating a specific gender shall, where applicable, include the other genders (male, female or neuter). References to persons shall, where applicable, include corporations.

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

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

Shareholders. References to **“you”**, **“your”** and **“yours”** in this Scheme are, as the context so determines, to Shareholders (including persons whose Target Shares are deposited with CDP or who have purchased the Target Shares on the SGX-ST).

Statutes. Any reference in this Scheme to any enactment or statutory provision is a reference to that enactment or statutory provision as for the time being amended modified, supplemented or re-enacted. Any word defined under the Companies Act, the Code, the Listing Manual or any modification thereof and not otherwise defined in this Scheme shall, where applicable, have the meaning ascribed to that word under the Companies Act, the Code, the Listing Manual or that modification, as the case may be, unless the context otherwise requires.

Subsidiary and Related Corporations. The expressions **“subsidiary”** and **“related corporations”** shall have the same meanings ascribed to them respectively in Sections 5 and 6 of the Companies Act.

Time and Date. Any reference to a time of day and date in this Scheme shall be a reference to Singapore time and date respectively, unless otherwise specified.

RECITALS

- (A) The Company was incorporated in Singapore on 18 May 2001 and was listed on the Mainboard of the SGX-ST on 7 January 2004. As at the Latest Practicable Date, the Company has an issued and paid-up share capital of US\$39,592,000 comprising 120,398,640 Target Shares, with no treasury shares.
- (B) The primary purpose of this Scheme is the acquisition by the Offeror of all the Target Shares (**“Acquisition”**).

APPENDIX 11 – THE SCHEME

- (C) The Company and the Offeror have entered into the Implementation Agreement to set out their respective rights and obligations with respect to this Scheme.
- (D) The Offeror has agreed to appear by legal counsel at the hearing of the Originating Application to sanction this Scheme, and to consent thereto, and to undertake to the Court to be bound thereby and to execute and do and procure to be executed and done all such documents, acts and things as may be necessary or desirable to be executed or done by it for the purpose of giving effect to this Scheme.

PART I

CONDITIONS PRECEDENT

- 1. This Scheme is conditional upon each condition precedent set out in clause 3.1 of the Implementation Agreement (as reproduced in **Appendix 7** to the Scheme Document) being satisfied or, subject to the terms of the Implementation Agreement, being waived on or before the Conditions Long-Stop Date.

PART II

TRANSFER OF TARGET SHARES

- 2. With effect from the Effective Date, all Target Shares held by the Entitled Shareholders as at the Record Date will be transferred to the Offeror fully paid up, free from all Encumbrances and together with all rights, benefits and entitlements as at the Joint Announcement Date and thereafter attaching thereto, including the right to receive and retain all dividends, rights and other distributions (if any) announced, declared, made or paid by the Company on or after the Joint Announcement Date, other than the Final FY2021 Dividend.
- 3. For the purposes of giving effect to the transfer of the Target Shares provided for in Clause 2 of this Scheme:
 - (a) in the case of the Entitled Shareholders (not being Depositors), the Company shall authorise any person to execute or effect on behalf of all such Entitled Shareholders an instrument or instruction of transfer of all the Target Shares held by such Entitled Shareholders and every such instrument or instruction of transfer so executed shall be effective as if it had been executed by the relevant Entitled Shareholder; and
 - (b) in the case of the Entitled Shareholders (being Depositors), the Company shall instruct CDP, for and on behalf of such Entitled Shareholders, to debit, not later than three Business Days after the Effective Date, all the Target Shares standing to the credit of the Securities Account of such Entitled Shareholders and credit all of such Target Shares to the Securities Account of the Offeror or such Securities Account(s) as directed by the Offeror.

APPENDIX 11 – THE SCHEME

PART III

PAYMENT OF SCHEME CONSIDERATION

4. In consideration for the transfer of the Target Shares to the Offeror under Clause 2 of this Scheme and subject to Clause 1 of this Scheme, the Offeror shall pay or procure that there shall be paid to each Entitled Shareholder the Scheme Consideration of S\$1.93 for each Target Share.
5. Not later than seven Business Days after the Effective Date, and against the transfer of Target Shares set out in Clause 2 of this Scheme, the Offeror shall pay cash to the Entitled Shareholders who are entitled to receive the Scheme Consideration for their Target Shares as follows:

- (i) Entitled Shareholders whose Target Shares are not deposited with CDP

the Offeror shall pay each Entitled Shareholder (not being a Depositor) by sending a cheque for the Scheme Consideration payable to and made out in favour of such Entitled Shareholder by ordinary post to his address as appearing in the Register of Members at the close of business on the Record Date, at the sole risk of such Entitled Shareholder, or in the case of joint Entitled Shareholders, to the first-named Entitled Shareholder made out in favour of such Entitled Shareholder by ordinary post to his address as appearing in the Register of Members at the close of business on the Record Date, at the sole risk of such joint Entitled Shareholders; and

- (ii) Entitled Shareholders whose Target Shares are deposited with CDP

the Offeror shall pay each Entitled Shareholder (being a Depositor) by making payment of the Scheme Consideration payable to such Entitled Shareholder to CDP. CDP shall:

- (a) in the case of an Entitled Shareholder (being a Depositor) who has registered for CDP's direct crediting service, credit the Scheme Consideration payable to such Entitled Shareholder, to the designated bank account of such Entitled Shareholder; and
 - (b) in the case of an Entitled Shareholder (being a Depositor) who has not registered for CDP's direct crediting service, credit the Scheme Consideration to such Entitled Shareholder's Cash Ledger and such Scheme Consideration shall be subject to the same terms and conditions as applicable to "*Cash Distributions*" under CDP's "*The Central Depository (Pte) Limited Operation of Securities Account with the Depository Terms and Conditions*" as amended, modified or supplemented from time to time, copies of which are available from CDP.

Assuming that the Scheme becomes effective and binding in accordance with its terms on 6 September 2022, the crediting by CDP of the Scheme Consideration into the designated bank accounts of the Entitled Shareholders (in the case of Entitled Shareholders (being Depositors) who have registered with CDP for its direct crediting service), the posting of cheques for the Scheme Consideration as set out in Clause 5(i) of this Scheme or the crediting by CDP of the Scheme Consideration to the Cash Ledger of the Entitled Shareholders (in the case of Entitled Shareholders (being Depositors) who have not registered with CDP for its direct crediting service) (as the case may be), is expected to take place on or before 15 September 2022.

APPENDIX 11 – THE SCHEME

The despatch of payment by the Offeror to each Entitled Shareholder's address and/or CDP (as the case may be) in accordance with the above shall discharge the Offeror from any liability in respect of those payments.

6. (i) On and after the day being six calendar months after the posting of such cheques relating to the Scheme Consideration, the Offeror shall have the right to cancel or countermand payment of any such cheque which has not been cashed (or has been returned uncashed) and shall place all such moneys in a bank account in the Company's name with a licensed bank in Singapore selected by the Company.
 - (ii) The Company or its successor entity shall hold such moneys until the expiration of six years from the Effective Date and shall prior to such date make payments therefrom of the sums payable pursuant to Clause 5 of this Scheme to persons who satisfy the Company or its successor entity that they are respectively entitled thereto and that the cheques referred to in Clause 5 of this Scheme for which they are payees have not been cashed. Any such determination shall be conclusive and binding upon all persons claiming an interest in the relevant moneys, and any payments made by the Company hereunder shall not include any interest accrued on the sums to which the respective persons are entitled pursuant to Clause 4 of this Scheme.
 - (iii) On the expiry of six years from the Effective Date, the Company and the Offeror shall be released from any further obligation to make any payments of the Scheme Consideration under this Scheme and the Company or its successor entity shall transfer to the Offeror the balance (if any) of the sums then standing to the credit of the bank account referred to in Clause 6(i) of this Scheme including accrued interest, subject, if applicable, to the deduction of interest, tax or any withholding tax or any other deduction required by law and subject to the deduction of any expenses.
 - (iv) Clause 6(iii) of this Scheme shall take effect subject to any prohibition or condition imposed by law.
7. From the Effective Date, all existing share certificates relating to the Target Shares held by the Entitled Shareholders (not being Depositors) will cease to be evidence of title of the Target Shares represented thereby. The Entitled Shareholders (not being Depositors) shall be required to forward their existing share certificates relating to their Target Shares to the Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632 as soon as possible, but not later than seven Business Days after the Effective Date for cancellation.

PART IV

EFFECTIVE DATE

8. Subject to the satisfaction of the conditions precedent set out in Clause 1 of this Scheme, this Scheme shall become effective and binding upon a copy of the order of the Court sanctioning this Scheme under Section 210 of the Companies Act being duly lodged with the Accounting and Corporate Regulatory Authority of Singapore for registration.
9. Unless this Scheme shall have become effective and binding as aforesaid on or before the Conditions Long-Stop Date (or such other date as the Court on the application of the Company or the Offeror may allow), this Scheme shall lapse.

APPENDIX 11 – THE SCHEME

10. The Company and the Offeror may jointly consent, for and on behalf of all concerned, to any modification of, or amendment to, this Scheme or to any condition which the Court may think fit to approve or impose.
11. Each of the Company and the Offeror shall bear its own legal, professional and other costs in connection incurred by it in connection with the Acquisition and the Scheme, whether or not the Scheme becomes effective.
12. This Scheme shall be governed by, and construed in accordance with, the laws of Singapore, and the Company, the Offeror and the Shareholders submit to the non-exclusive jurisdiction of the courts of Singapore. A person who is not a party to this Scheme has no rights under the Contracts (Rights of Third Parties) Act 2001 of Singapore, to enforce any term or provision of this Scheme.

Dated 18 July 2022

APPENDIX 12 – NOTICE OF SCHEME MEETING

IN THE GENERAL DIVISION OF THE HIGH COURT OF THE REPUBLIC OF SINGAPORE

Originating Application)
Case No.: HC/OA 225/2022)

IN THE MATTER OF SECTION 210
OF THE COMPANIES ACT 1967

And

IN THE MATTER OF
EXCELPOINT TECHNOLOGY LTD.
(Company Registration No. 200103280C)

... Applicant

SCHEME OF ARRANGEMENT

under Section 210 of the Companies Act 1967

Between

Excelpoint Technology Ltd.

And

Shareholders (as defined herein)

And

WT Semiconductor Holdings Pte. Ltd.

NOTICE OF SCHEME MEETING

NOTICE IS HEREBY GIVEN that by an Order of Court dated 7 July 2022 made in the above matter, the High Court of the Republic of Singapore (the “**Court**”) has directed a meeting (the “**Scheme Meeting**”) of the Shareholders (as defined in the Schedule hereto) of Excelpoint Technology Ltd. (the “**Company**”) to be convened and such Scheme Meeting shall be held by way of electronic means on 10 August 2022 at 3.00 p.m., for the purpose of considering and, if thought fit, passing (with or without modification) the following resolution.

All capitalised terms used in this Notice of Scheme Meeting which are not defined herein shall have the meanings ascribed to them in the Scheme Document (as defined in the Schedule hereto).

APPENDIX 12 – NOTICE OF SCHEME MEETING

THE SCHEME RESOLUTION: TO APPROVE THE SCHEME OF ARRANGEMENT

“That the Scheme of Arrangement dated 18 July 2022 (the “**Scheme**”) proposed to be made pursuant to Section 210 of the Companies Act 1967 of Singapore, between (i) the Company, (ii) Shareholders, and (iii) WT Semiconductor Holdings Pte. Ltd., which is set out in the Scheme Document, be and is hereby approved.”

Importance Notice from the Company

A copy of the Scheme and a copy of the Explanatory Statement required to be furnished pursuant to Section 211 of the Companies Act, are incorporated in the Scheme Document of which this Notice of Scheme Meeting forms part.

Electronic copies of the Scheme Document (enclosing this Notice of Scheme Meeting and the Proxy Form) are available on the website of the SGX-ST at <https://www.sgx.com/securities/company-announcements> and on the website of the Company at https://excelpoint.listedcompany.com/general_meeting.html. A Shareholder will need an internet browser and PDF reader to view these documents on the websites of the SGX-ST and the Company.

Shareholders (including Overseas Shareholders (as defined in the Schedule hereto)) may obtain copies of the Scheme Document and any related documents during normal business hours and up to the date of the Scheme Meeting from the Company at 15 Changi Business Park Central 1, #06-00, Singapore 486057. Alternatively, Shareholders (including Overseas Shareholders) may write to the Company at the same address to request for the Scheme Document and any related documents to be sent to an address in Singapore by ordinary post at his own risk, up to three Market Days (as defined in the Schedule hereto) prior to the date of the Scheme Meeting.

A Shareholder (whether individual or corporate) may vote live via electronic means or appoint the Chairperson of the Scheme Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Scheme Meeting if such Shareholder wishes to exercise his/her/its voting rights at the Scheme Meeting.

It is requested that the Proxy Form be lodged with the Share Registrar in the manner set out below not less than 72 hours before the time fixed for holding the Scheme Meeting.

Each Shareholder (other than a Relevant Intermediary (as defined in the Schedule hereto)) may only cast all the votes it uses at the Scheme Meeting in one way. Shareholders who are Relevant Intermediaries need not cast all the votes it uses in the same way provided that each vote is exercised in relation to a different Target Share.

In the case of joint holders of a Target Share (as defined in the Schedule hereto), any one of such persons may vote, but if more than one of such persons be present at the Scheme Meeting or votes by proxy, only the vote of the person whose name stands first in the Register of Members (as defined in the Schedule hereto) or (as the case may be) the Depository Register (as defined in the Schedule hereto) shall be counted.

By the said Order of Court, the Court has appointed Sunny Wong Fook Choy, or failing him, Kwah Thiam Hock, to act as chairperson of the Scheme Meeting and has directed the chairperson to report the results thereof to the Court.

The Scheme will be subject to, *inter alia*, the subsequent sanction of the Court.

APPENDIX 12 – NOTICE OF SCHEME MEETING

THE SCHEDULE

Expression	Meaning
“Companies Act”	The Companies Act 1967 of Singapore
“Depositor”	Has the meaning ascribed to it in Section 81SF of the SFA
“Depository Register”	Has the meaning ascribed to it in Section 81SF of the SFA
“Market Day”	A day on which the Singapore Exchange Securities Trading Limited is open for the trading of securities
“Overseas Shareholders”	Shareholders whose registered mailing addresses are outside Singapore, as shown on the Register of Members or, as the case may be, in the Depository Register
“Register of Members”	The register of members of the Company
“Relevant Intermediary”	A “relevant intermediary” as defined in Section 181 of the Companies Act or a “depository agent” as defined in Section 81SF of the SFA
“Scheme Document”	The document dated 18 July 2022 containing the Scheme and any other document(s) which may be issued by or on behalf of the Company to amend, revise, supplement or update the document(s) from time to time
“Securities Account”	The relevant securities account maintained by a Depositor with The Central Depository (Pte) Limited but does not include a securities sub-account
“SFA”	The Securities and Futures Act 2001 of Singapore
“Shareholders”	<ul style="list-style-type: none">(i) Persons who are registered as holders of Target Shares in the Register of Members (other than The Central Depository (Pte) Limited); and(ii) where The Central Depository (Pte) Limited is registered in the Register of Members as the holder of Target Shares, Depositors registered in the Depository Register as having Target Shares credited to their Securities Account
“Target Shares”	Issued ordinary shares in the capital of the Company

APPENDIX 12 – NOTICE OF SCHEME MEETING

Notes:

1. This Notice of Scheme Meeting will be sent to Shareholders by electronic means via publication on the Company's website at the URL https://excelpoint.listedcompany.com/general_meeting.html, and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. In addition, printed copies of this Notice of Scheme Meeting together with an extract of the Explanatory Statement and the Proxy Form, will be sent by post to Shareholders.
2. **Shareholders will not be able to attend the Scheme Meeting in person.** Alternative arrangements relating to attendance at the Scheme Meeting via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairperson of the Scheme Meeting in advance of and/or live at the Scheme Meeting, addressing of substantial and relevant questions prior to, and/or at, the Scheme Meeting and voting live by themselves via electronic means or by appointing the Chairperson of the Scheme Meeting as proxy at the Scheme Meeting, are set out below. Any reference to a time of day is made by reference to Singapore time.
3. Shareholders, CPFIS Investors and SRS Investors will be able to observe and/or listen to the Scheme Meeting proceedings through a live audio-visual webcast or live audio-only stream via their mobile phones, tablets or computers. In order to do so, Shareholders, CPFIS Investors and SRS Investors must pre-register at the Company's pre-registration website at the URL <https://conveneagm.sg/excelpointegm> from now till 3.00 p.m. on 7 August 2022 to enable the Company to verify their status as Shareholders, CPFIS Investors or SRS Investors. For persons who hold Target Shares through Relevant Intermediaries, other than CPFIS Investors and SRS Investors, please refer to Note 12.

Following the verification, authenticated Shareholders, CPFIS Investors and SRS Investors will receive an email confirming successful registration, which will contain instructions on how to access the live audio-visual webcast or live audio-only stream of the Scheme Meeting proceedings and how to ask questions through the "Ask a Question" function at the Scheme Meeting. Shareholders, CPFIS Investors and SRS Investors who do not receive such email by 3.00 p.m. on 9 August 2022 but have registered by the deadline on 7 August 2022 should contact the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. for assistance at (65) 6536-5355 (during office hours) or via email at srs.teamd@boardroomlimited.com before 3.00 p.m. on 10 August 2022.

4. Shareholders, CPFIS Investors and SRS Investors may submit questions related to the Scheme Resolution to be tabled for approval at the Scheme Meeting to the Chairperson of the Scheme Meeting in advance of the Scheme Meeting. In order to do so, their questions must be submitted in the following manner by 3.00 p.m. on 7 August 2022:
 - (a) if submitted electronically:
 - (i) be submitted via the Company's pre-registration website at the URL <https://conveneagm.sg/excelpointegm>; or
 - (ii) be submitted via email to the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd. at srs.teamd@boardroomlimited.com; or
 - (b) if submitted by post, be lodged at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632.

When submitting questions for the Scheme Meeting, Shareholders, CPFIS Investors and SRS Investors are requested to indicate that their questions relate to the Scheme Meeting.

Shareholders, CPFIS Investors and SRS Investors who submit questions via email or by post to the Company's Share Registrar must provide the following information:

- (i) their full name(s);
- (ii) their address(es); and
- (iii) the manner in which they hold the Target Shares (e.g. via CDP, scrip, CPFIS or SRS).

Shareholders, CPFIS Investors and SRS Investors may also ask the Chairperson of the Scheme Meeting any questions related to the Scheme Resolution to be tabled for approval at the Scheme Meeting through the "Ask a Question" function at the Scheme Meeting. Shareholders, CPFIS Investors and SRS Investors who wish to ask questions live at the Scheme Meeting must pre-register at the Company's pre-registration website at the URL <https://conveneagm.sg/excelpointegm>, so that an email containing instructions on how to, *inter alia*, ask questions through the "Ask a Question" function at the Scheme Meeting can be sent to them following verification. For persons who hold Target Shares through Relevant Intermediaries, other than CPFIS Investors and SRS Investors, please refer to Note 12.

APPENDIX 12 – NOTICE OF SCHEME MEETING

The Company will endeavour to address all substantial and relevant questions received in advance of the Scheme Meeting by publishing the Company's responses to such questions on its website at URL <https://excelpoint.listedcompany.com/newsroom.html> and on SGXNET, prior to the Scheme Meeting. The Company will also address any substantial and relevant questions which have not already been addressed prior to the Scheme Meeting, as well as any received during the Scheme Meeting itself, during the Scheme Meeting through the live audio-visual webcast and live audio-only stream of the Scheme Meeting proceedings. Where substantially similar questions are received, the Company will consolidate such questions and consequently, not all questions may be individually addressed.

The Company will publish the minutes of the Scheme Meeting on its website and on SGXNET, and the minutes will include the responses to the substantial and relevant questions which are addressed during the Scheme Meeting.

5. A Shareholder (whether individual or corporate) may exercise his/her/its voting rights at the Scheme Meeting live by themselves via electronic means or by appointing the Chairperson of the Scheme Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Scheme Meeting.

Shareholders who wish to vote live via electronic means at the Scheme Meeting must first pre-register themselves at the pre-registration website which is accessible from the URL <https://conveneagm.sg/excelpointegm> from now till 3.00 p.m. on 7 August 2022. Shareholders may access the Scheme Meeting proceedings via the live audio-visual webcast or live audio-only stream to vote live at the Scheme Meeting.

A Shareholder may appoint the Chairperson of the Scheme Meeting as his/her/its proxy via the pre-registration website at the URL <https://conveneagm.sg/excelpointegm>. Alternatively, a Shareholder may access the Proxy Form at the Company's website at the URL https://excelpoint.listedcompany.com/general_meeting.html. The Proxy Form will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. In addition, printed copies of the Notice of Scheme Meeting, together with an extract of the Explanatory Statement and the Proxy Form, will be sent by post to Shareholders.

In appointing the Chairperson of the Scheme Meeting as his/her/its proxy, a Shareholder must give specific instructions as to voting or abstention from voting, in respect of the resolution in instrument of proxy, failing which the appointment of the Chairperson of the Scheme Meeting as proxy for that resolution will be treated as invalid.

6. The Chairperson of the Scheme Meeting, as proxy, need not be a Shareholder.
7. The instrument appointing the Chairperson of the Scheme Meeting as proxy must be submitted to the Company in the following manner:
- (a) if submitted electronically:
- (i) (for Shareholders who are individuals⁴ only) be submitted via the pre-registration website at the URL <https://conveneagm.sg/excelpointegm>; or
- (ii) (for all Shareholders whether individuals or corporates) be submitted via email to the Company's Share Registrar at srs.teamd@boardroomlimited.com; or
- (b) (for all Shareholders whether individuals or corporates) if submitted by post, be lodged at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632,

in each case, by 3.00 p.m. on 7 August 2022, being 72 hours before the time appointed for the Scheme Meeting.

8. A Shareholder who is an individual and who wishes to submit an instrument of proxy electronically via the pre-registration website may do so by authorising such appointment using the online proxy appointment process (where available) through the website at the URL provided above. Alternatively, a Shareholder who wishes to submit a Proxy Form must complete and sign the Proxy Form, before submitting it by post to the address provided above or sending it by email (e.g. attaching a completed and signed PDF copy of the form) to the email address provided above.

Shareholders are strongly encouraged to submit completed instruments of proxy electronically via the pre-registration website (where available) or via email as described in Note 7(a).

⁴ Instruments of proxy executed under a power of attorney on behalf of an individual or by executors on behalf of a deceased individual's estate may only be submitted by email or post with the relevant supporting document where applicable

APPENDIX 12 – NOTICE OF SCHEME MEETING

9. A Shareholder voting by appointing the Chairperson of the Scheme Meeting as his/her/its proxy shall be included in the count of Shareholders present and voting at the Scheme Meeting as if the Shareholder was voting in person. The votes of the Chairperson of the Scheme Meeting shall be counted as the votes of the number of appointing Shareholders.
10. Completion and submission of the instrument of proxy does not preclude a Shareholder from attending, speaking and voting at the Scheme Meeting. If the Shareholder attends the Scheme Meeting without withdrawing the proxy form, the proxy will continue to have voting rights. However, the Shareholder may revoke the appointment of a proxy at any time before voting commences when the Shareholder accesses the live audio-visual webcast or live audio-only stream of the Scheme Meeting proceedings.
11. CPFIS Investors and SRS Investors who wish to vote may approach their respective CPF Agent Banks or SRS Agent Banks to submit their votes by 3.00 p.m. on 28 July 2022, being seven working days before the Scheme Meeting in order to allow sufficient time for their respective CPF Agent Banks or SRS Agent Banks to in turn submit a proxy form to appoint the Chairperson of the Scheme Meeting to vote on their behalf by the cut-off date.
12. Persons who hold Target Shares through Relevant Intermediaries, other than CPFIS Investors and SRS Investors, and who wish to participate in the Scheme Meeting can do so by: (a) observing and/or listening to the Scheme Meeting proceedings via live audio-visual webcast or live audio-only stream (b) submitting questions to the Chairperson of the Scheme Meeting in advance of and/or live at the Scheme Meeting and/or (c) voting live through their Relevant Intermediary(s) via electronic means or by such Relevant Intermediary(s) in turn appointing the Chairperson of the Scheme Meeting as proxy to attend, speak and vote on their behalf at the Scheme Meeting. Such persons should contact the Relevant Intermediary(s) through which they hold Target Shares as soon as possible in order for the necessary arrangements to be made for their participation in the Scheme Meeting.

Due to the constantly evolving COVID-19 situation in Singapore, the Company may be required to change the arrangements for the Scheme Meeting at short notice. Shareholders, CPFIS Investors and SRS Investors should check the Company's website at the URL https://excelpoint.listedcompany.com/general_meeting.html for the latest updates on the status of the Scheme Meeting.

Personal data privacy:

By: (a) submitting an instrument appointing the Chairperson of the Scheme Meeting as proxy to attend, speak and vote at the Scheme Meeting and/or any adjournment thereof; (b) pre-registering for the Scheme Meeting at the Company's pre-registration website in accordance with this Notice; and/or (c) submitting any question to the Chairperson of the Scheme Meeting in advance of the Scheme Meeting in accordance with this Notice, a Shareholder, CPFIS Investor or SRS Investor consents to the collection, use and disclosure of the Shareholder's, CPFIS Investor's or SRS Investor's personal data by the Company (or its agents or service providers) for the following purposes:

- (i) the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairperson of the Scheme Meeting as proxy for the Scheme Meeting (including any adjournment thereof);*
- (ii) where the Shareholder, CPFIS Investor or SRS Investor pre-registers for the Scheme Meeting, the processing of the pre-registration for purposes of verifying their status as a Shareholder, CPFIS Investor or SRS Investor, and providing them with any technical assistance where necessary;*
- (iii) where the Shareholder, CPFIS Investor or SRS Investor submits any question in advance of the Scheme Meeting, the addressing of such substantial and relevant questions received from Shareholders, CPFIS Investors and SRS Investors prior to the Scheme Meeting and, if necessary, the following up with the relevant Shareholder, CPFIS Investor or SRS Investor in relation to such substantial and relevant questions;*

APPENDIX 12 – NOTICE OF SCHEME MEETING

- (iv) the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the Scheme Meeting (including any adjournment thereof); and*
- (v) in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines.*

Dated 18 July 2022

Shook Lin & Bok LLP
1 Robinson Road
#18-00 AIA Tower
Singapore 048542

Solicitors for
Excelpoint Technology Ltd.

PROXY FORM

IN THE GENERAL DIVISION OF THE HIGH COURT OF THE REPUBLIC OF SINGAPORE

Originating Application)
Case No.: HC/OA 225/2022)

**IN THE MATTER OF SECTION 210
OF THE COMPANIES ACT 1967**

And

**IN THE MATTER OF
EXCELPOINT TECHNOLOGY LTD.
(Company Registration No. 200103280C)**

... Applicant

SCHEME OF ARRANGEMENT

under Section 210 of the Companies Act 1967

Between

Excelpoint Technology Ltd.

And

Shareholders (as defined herein)

And

WT Semiconductor Holdings Pte. Ltd.

PROXY FORM

EXCELPOINT TECHNOLOGY LTD.

Company Registration No. 200103280C
(Incorporated in the Republic of Singapore)

PROXY FORM

IMPORTANT

- All capitalised terms used in this Proxy Form which are not otherwise defined herein shall bear the same meanings ascribed to them in the scheme document to shareholders of the Company dated 18 July 2022 (the "Scheme Document").
- The Scheme Meeting is being convened, and will be held, by way of electronic means. The Scheme Meeting is to be held on 10 August 2022 and will start at 3.00 p.m.. This Proxy Form will be sent to Shareholders by electronic means via publication on the Company's website at the URL https://excelpoint.listedcompany.com/general_meeting.html, and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. In addition, printed copies of the Notice of Scheme Meeting together with an extract of the Explanatory Statement and this Proxy Form, will be sent by post to Shareholders.
- Alternative arrangements relating to attendance at the Scheme Meeting via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairperson of the Scheme Meeting in advance of and/or live at the Scheme Meeting, addressing of substantial and relevant questions prior to, and/or at, the Scheme Meeting and voting live via electronic means or by appointing the Chairperson of the Scheme Meeting as proxy at the Scheme Meeting, are set out in the Notice of Scheme Meeting.
- Shareholders will not be able to attend the Scheme Meeting in person. A Shareholder (whether individual or corporate) may either vote live by themselves or appoint the Chairperson of the Scheme Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Scheme Meeting if such Shareholder wishes to exercise his/her/its voting rights at the Scheme Meeting.**
- This Proxy Form is not valid for use by persons who hold Target Shares through Relevant Intermediaries and shall be ineffective for all intents and purposes if used or purported to be used by them. CPFIS Investors and SRS Investors who wish to vote may approach their respective CPF Agent Banks or SRS Agent Banks to submit their votes by 3.00 p.m. on 28 July 2022, being seven working days before the Scheme Meeting in order to allow sufficient time for their respective CPF Agent Banks or SRS Agent Banks to in turn submit a proxy form to appoint the Chairperson of the Scheme Meeting to vote on their behalf by the cut-off date.
- By submitting an instrument of proxy appointing the Chairperson of the Scheme Meeting as proxy, the Shareholder accepts and agrees to the personal data privacy terms set out in the Notice of Scheme Meeting.
- Please read the notes overleaf which contain instructions on, *inter alia*, the appointment of the Chairperson of the Scheme Meeting as a Shareholder's proxy to attend, speak and vote on his/her/its behalf at the Scheme Meeting.**

I/We, _____ (Name) _____ (NRIC/Passport/Co. Regn. No.)
of _____ (Address)
and _____ (Telephone Number) being a member/members of Excelpoint Technology Ltd. (the "**Company**"), hereby appoint the Chairperson of the Scheme Meeting as my/our proxy to attend, speak and vote for me/us on my/our behalf at the Scheme Meeting to be convened and held by way of electronic means on 10 August 2022 at 3.00 p.m. (Singapore time) and at any adjournment thereof.

I/We direct the Chairperson of the Scheme Meeting as my/our proxy to vote for or against, or to abstain from voting on, the Resolution to be proposed at the Scheme Meeting as indicated hereunder:

	For	Against	Abstain
RESOLUTION: TO APPROVE THE SCHEME OF ARRANGEMENT			

Voting will be conducted by poll.

A Shareholder who is not a Relevant Intermediary

If you are a Shareholder (other than a Relevant Intermediary), you may only cast all the votes you use at the Scheme Meeting in one way:

- if you wish to appoint the Chairperson of the Scheme Meeting as your proxy to cast all your votes "**For**" or "**Against**" the resolution, please indicate with a tick "✓" in the "**For**" or "**Against**" box provided in respect of the resolution; or
- if you wish to appoint the Chairperson of the Scheme Meeting to abstain from voting on the resolution, please indicate with a tick "✓" in the "**Abstain**" box provided in respect of the resolution.

DO NOT TICK MORE THAN ONE BOX.

A Shareholder who is a Relevant Intermediary

If you are a Relevant Intermediary, please indicate (i) the number of votes "**For**" or "**Against**" the Chairperson of the Scheme Meeting as your proxy is directed to cast in the "**For**" or "**Against**" box provided in respect of the resolution and (ii) the number of Target Shares the Chairperson of the Scheme Meeting as your proxy is directed to abstain from voting in the "**Abstain**" box provided in respect of the resolution.

In the absence of specific directions in respect of the resolution, the appointment of the Chairperson of the Scheme Meeting as your proxy for the resolution will be treated as invalid.

Total Number of Target Shares Held

Signature or Common Seal of Member(s)

Date

IMPORTANT: PLEASE READ NOTES OVERLEAF

PROXY FORM

Notes:

1. **Shareholders will not be able to attend the Scheme Meeting in person.** A Shareholder (whether individual or corporate) may either vote live via electronic means or appoint the Chairperson of the Scheme Meeting as his/her/its proxy to attend, speak and vote on his/her/its behalf at the Scheme Meeting if such Shareholder wishes to exercise his/her/its voting rights at the Scheme Meeting. This Proxy Form may be accessed at the Company's website at the URL https://excelpoint.listedcompany.com/general_meeting.html, and will also be made available on the SGX website at the URL <https://www.sgx.com/securities/company-announcements>. Where a Shareholder appoints the Chairperson of the Scheme Meeting as his/her/its proxy, he/she/it must give specific instructions as to voting or abstention from voting, in respect of the resolution in the form of proxy, failing which the appointment of the Chairperson of the Scheme Meeting as proxy for that resolution will be treated as invalid.
2. This Proxy Form is not valid for use by persons who hold Target Shares through Relevant Intermediaries and shall be ineffective for all intents and purposes if used or purported to be used by them. CPFIS Investors and SRS Investors who wish to vote may approach their respective CPF Agent Banks or SRS Agent Banks to submit their votes by 3.00 p.m. on 28 July 2022, being seven working days before the Scheme Meeting in order to allow sufficient time for their respective CPF Agent Banks or SRS Agent Banks to in turn submit a proxy form to appoint the Chairperson of the Scheme Meeting to vote on their behalf by the cut-off date. Persons who hold Target Shares through Relevant Intermediaries, other than CPFIS Investors and SRS Investors, who wish to vote can do so through their Relevant Intermediary(s) via electronic means or by such Relevant Intermediary(s) in turn appointing the Chairperson of the Scheme Meeting as proxy to attend, speak and vote on their behalf at the Scheme Meeting. Such persons should contact the Relevant Intermediary(s) through which they hold Target Shares as soon as possible in order for the necessary arrangements to be made for their participation in the Scheme Meeting.
3. The Chairperson of the Scheme Meeting, as proxy, need not be a member.
4. If a Shareholder has Target Shares entered against his/her/its name in the Depository Register, he/she/it should insert that number of Target Shares. If the Shareholder has Target Shares registered in his/her/its name in the Register of Members (maintained by or on behalf of the Company), he/she/it should insert that number of Target Shares. If the Shareholder has Target Shares entered against his/her/its name in the Depository Register and Target Shares registered in his/her/its name in the Register of Members, he/she/it should insert the aggregate number of Target Shares. If no number is inserted, this Proxy Form appointing the Chairperson of the Scheme Meeting as proxy will be deemed to relate to all the Target Shares held by the Shareholder.
5. The instrument appointing the Chairperson of the Scheme Meeting as proxy must be submitted to the Company in the following manner:
 - (a) if submitted electronically:
 - (i) (for Shareholders who are individuals¹ only) be submitted via the Company's pre-registration website at the URL <https://conveneagm.sg/excelpointegm>; or
 - (ii) (for all Shareholders whether individuals or corporates) be submitted via email to the Company's Share Registrar at srs.teamd@boardroomlimited.com; or
 - (b) (for all Shareholders whether individuals or corporates) if submitted by post, be lodged at the office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632,in each case, by 3.00 p.m. on 7 August 2022, being 72 hours before the time appointed for holding the Scheme Meeting.
6. A Shareholder who is an individual and who wishes to submit an instrument of proxy electronically via the pre-registration website may do so by authorising such appointment using the online proxy appointment process (where available) through the website at the URL provided above. Alternatively, a Shareholder who wishes to submit a Proxy Form must complete and sign the Proxy Form, before submitting it by post to the address provided above, or sending it by email (e.g. attaching a completed and signed PDF copy of the form) to the email address provided above.
7. Completion and submission of the instrument of proxy does not preclude a Shareholder from attending, speaking and voting at the Scheme Meeting. If the Shareholder attends the Scheme Meeting without withdrawing the proxy form, the proxy will continue to have voting rights. However, the Shareholder may revoke the appointment of a proxy at any time before voting commences when the Shareholder accesses the live audio-visual webcast or live audio-only stream of the Scheme Meeting proceedings.
8. Where the instrument appointing the Chairperson of the Scheme Meeting as proxy is submitted by post or electronically via email, it must be under the hand of the appointor or of his attorney duly authorised in writing or, if submitted electronically via the pre-registration website at the URL <https://conveneagm.sg/excelpointegm>, be authorised by the appointor via the online proxy appointment process through the website. Where the instrument appointing the Chairperson of the Scheme Meeting as proxy is executed by a corporation, it must, if submitted by post or electronically via email, be executed either under its seal or under the hand of an officer or attorney duly authorised.
9. Where an instrument appointing the Chairperson of the Scheme Meeting as proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company), if the instrument appointing the Chairperson of the Scheme Meeting as proxy is submitted by post, be lodged with the instrument appointing a proxy or, if the instrument appointing the Chairperson of the Scheme Meeting as proxy is submitted electronically via email, be emailed with the instrument appointing a proxy, failing which the instrument may be treated as invalid.
10. Any reference to a time of day is made by reference to Singapore time.
11. The Company shall be entitled to reject the instrument appointing the Chairperson of the Scheme Meeting as proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairperson of the Scheme Meeting as proxy (including any related attachment). In addition, in the case of Shareholders whose Target Shares are entered against their names in the Depository Register, the Company may reject any instrument appointing the Chairperson of the Scheme Meeting as proxy lodged or submitted if such Shareholders are not shown to have Target Shares entered against their names in the Depository Register 72 hours before the time appointed for holding the Scheme Meeting as certified by The Central Depository (Pte) Limited to the Company.
12. A Shareholder who is a Relevant Intermediary need not cast all the votes it uses in the same way provided that each vote is exercised in relation to a different Target Share. For the purposes of satisfying the condition under section 210(3AB)(a) of the Companies Act, the Company shall treat a Relevant Intermediary that casts votes both for and against the Scheme as follows:
 - (a) the Company shall treat the Relevant Intermediary as casting one vote in favour of the Scheme if the Relevant Intermediary casts more votes for the Scheme than against the Scheme;
 - (b) the Company shall treat the Relevant Intermediary as casting one vote against the Scheme if the Relevant Intermediary casts more votes against the Scheme than for the Scheme; and
 - (c) the Company shall treat the Relevant Intermediary as casting one vote for and one vote against the Scheme if the Relevant Intermediary casts equal votes for and against the Scheme.

¹ Instruments of proxy executed under a power of attorney on behalf of an individual or by executors on behalf of a deceased individual's estate may only be submitted by email or post with the relevant supporting document where applicable (please refer to Note 9).

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