

ADDENDUM DATED 13 APRIL 2022

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

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

This Addendum is circulated to shareholders of Nanofilm Technologies International Limited (the “**Company**”) together with the Company’s Annual Report (as defined in this Addendum). Its purpose is to provide Shareholders (as defined in this Addendum) with the relevant information relating to, and to seek Shareholders’ approval for, the proposed renewal of the Share Purchase Mandate (as defined in this Addendum) to be tabled at the Annual General Meeting that is to be held by way of electronic means on **Thursday, 28 April 2022 at 10.00 a.m. (Singapore time)**.

The Notice of Annual General Meeting and Proxy Form are enclosed with the Annual Report.

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



NANOFILM TECHNOLOGIES INTERNATIONAL LIMITED

(Company Registration No. 199902564C)
(Incorporated in the Republic of Singapore)

**ADDENDUM TO ANNUAL REPORT
IN RELATION TO THE**

PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

Credit Suisse (Singapore) Limited and Oversea-Chinese Banking Corporation Limited are the Joint Issue Managers for the initial public offering of shares in, and listing of, the Company on the Mainboard of the SGX-ST.

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DEFINITIONS

In this Addendum, the following definitions apply throughout except where the context otherwise requires:

“ACRA”	:	The Accounting and Corporate Regulatory Authority
“Addendum”	:	This addendum to Shareholders dated 13 April 2022 in relation to the proposed renewal of the Share Purchase Mandate
“AGM”	:	The annual general meeting of the Company
“Annual Report”	:	The annual report of the Company for FY2021
“Associate”	:	(a) In relation to any Director, chief executive officer, Substantial Shareholder or controlling shareholder (being an individual) means: <ul style="list-style-type: none">(i) his immediate family;(ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and(iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; (b) In relation to a Substantial Shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
“Average Closing Price”	:	Has the meaning ascribed to it in paragraph 2.3.4
“Board”	:	The Board of Directors of the Company
“CDP”	:	The Central Depository (Pte) Limited
“Company”	:	Nanofilm Technologies International Limited, a company incorporated in the Republic of Singapore
“Companies Act”	:	The Companies Act 1967 of Singapore, as amended, supplemented or modified from time to time
“Concert Party Group”	:	Has the meaning ascribed to it in paragraph 2.9.3
“Constitution”	:	The constitution of the Company, as amended, supplemented or modified from time to time
“controlling shareholder”	:	A person who: <ul style="list-style-type: none">(a) holds directly or indirectly 15% or more of the total number of issued Shares excluding treasury shares in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or(b) in fact exercises control over the Company
“date of the making of the offer”	:	Has the meaning ascribed to it in paragraph 2.3.4

DEFINITIONS

“Directors”	:	The Directors of the Company as at the date of this Addendum
“EGM”	:	The extraordinary general meeting of the Company held on 9 October 2020
“ESOS”	:	The Nanofilm Employee Share Option Scheme 2017 and the Nanofilm Employee Share Option Scheme 2020, as amended, supplemented or modified from time to time
“FY” or “Financial Year”	:	The financial year ended or ending on 31 December of the relevant year
“FY2020 AGM”	:	The last AGM of the Company held on 28 April 2021
“FY2021 AGM”	:	The AGM to be held by way of electronic means on Thursday, 28 April 2022, notice of which is set out in the Notice of AGM accompanying the Annual Report
“Group”	:	The Company and its subsidiaries
“Latest Practicable Date”	:	24 March 2022, being the latest practicable date prior to the finalisation of this Addendum
“Listing Manual”	:	The listing manual of the SGX-ST, as supplemented or modified from time to time
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Market Purchases”	:	Has the meaning ascribed to it in paragraph 2.3.3(a)
“Maximum Price”	:	Has the meaning ascribed to it in paragraph 2.3.4
“Notice of AGM”	:	The notice of the AGM enclosed with the Annual Report, for the purposes of considering and, if thought fit, passing with or without modifications, the resolutions as set out therein
“Off-Market Purchase”	:	Has the meaning ascribed to it in paragraph 2.3.3(b)
“Proposed Resolution”	:	Has the meaning ascribed to it in paragraph 1
“Purchase Price”	:	Has the meaning ascribed to it in paragraph 2.7(a)
“Restricted Share Plan”	:	The Nanofilm Restricted Share Plan, as amended, supplemented or modified from time to time
“SFA”	:	The Securities and Futures Act 2001 of Singapore, as amended, supplemented or modified from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	Registered holders of Shares, except that where the registered holder is the CDP, the term “Shareholders” shall, in relation to such Shares, and where the context admits, mean the Depositors whose securities accounts are maintained with CDP (but not including securities subaccounts maintained with a Depository Agent) and credited with Shares
“Shares”	:	Ordinary shares in the issued share capital of the Company

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“Share Purchase”	:	The purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate
“Share Purchase Mandate”	:	A general and unconditional mandate given by Shareholders (including the subsequent renewal thereof if approved by Shareholders) that authorises the Directors to purchase or acquire Shares in accordance with the terms set out in this Addendum as well as the rules and regulations set forth in the Companies Act and the Listing Manual
“subsidiary holdings”	:	Shares held by subsidiaries of the Company in accordance with the Companies Act
“Substantial Shareholder”	:	A person who has an interest in not less than 5% of the issued voting shares of the Company
“Take-over Code”	:	The Singapore Code on Take-overs and Mergers, as the same may be amended or modified from time to time
“Treasury Shares Limit”	:	Has the meaning ascribed to it in paragraph 2.4.2(a)
“S\$”, “\$” and “cents”	:	Singapore dollars and cents, respectively
“%”	:	Per centum or percentage

The terms **“Depositor”**, **“Depository Register”** and **“Depository Agent”** shall have the meanings ascribed to them respectively in Section 81SF of the SFA. The term **“treasury shares”** shall have the meaning ascribed to it in Section 4 of the Companies Act.

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

Any reference in this Addendum to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA or the Listing Manual or any statutory modification thereof and not otherwise defined in this Addendum shall have the same meaning assigned to it under the Companies Act, the SFA or the Listing Manual or such statutory modification thereof, as the case may be.

Any reference to a time of day in this Addendum is made by reference to Singapore time, unless otherwise stated.

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

Any reference to **“you”**, **“your”** and **“yours”** in this Addendum is, as the context so determines, a reference to Shareholders.

The headings in this Addendum are inserted for convenience only and shall not affect the construction of this Addendum.

LETTER TO SHAREHOLDERS

NANOFILM TECHNOLOGIES INTERNATIONAL LIMITED

(Company Registration No. 199902564C)
(Incorporated in the Republic of Singapore)

Board of Directors:

Dr Shi Xu (*Executive Chairman*)
Mr Gary Ho Hock Yong (*Executive Director and Chief Executive Officer*)
Mr Russell Tham Min Yew (*Non-Executive and Non-Independent Director*)
Ms Ong Siew Koon @ Ong Siew Khoon (*Non-Executive Lead Independent Director*)
Mr Kristian John Robinson (*Non-Executive Independent Director*)
Ms Lee Lee Khoon (*Non-Executive Independent Director*)
Mr Wan Kum Tho (*Non-Executive Independent Director*)

Registered Office

28 Ayer Rajah Crescent
#02-02/03
Singapore 139959

13 April 2022

To: The Shareholders of Nanofilm Technologies International Limited

Dear Sir/Madam

THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE

1. INTRODUCTION

At the FY2020 AGM, Shareholders had approved, *inter alia*, the renewal of the Share Purchase Mandate which was first approved by Shareholders at the EGM. The existing Share Purchase Mandate will expire on the date of the FY2021 AGM. Accordingly, the Directors are seeking the approval of Shareholders for the renewal of the Share Purchase Mandate at the FY2021 AGM.

This Addendum is circulated to Shareholders together with the Annual Report. The Notice of AGM dated 13 April 2022 convening the FY2021 AGM and the proxy form in respect thereof are enclosed with the Annual Report.

The purpose of this Addendum is to provide Shareholders with relevant information relating to the Share Purchase Mandate. The proposed Ordinary Resolution 15 in the Notice of AGM seeks to obtain Shareholders' approval for the proposed renewal of the Share Purchase Mandate ("**Proposed Resolution**").

The SGX-ST assumes no responsibility for the correctness of any of the statements made, opinions expressed or reports contained in this Addendum. If a Shareholder is in any doubt as to the action he should take, he should consult his stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

2. TERMS OF THE SHARE PURCHASE MANDATE

2.1 Purchase of Shares Under the Share Purchase Mandate

Any Share Purchase must be made in accordance with, and in the manner prescribed by the Companies Act, the Listing Manual, the Constitution and such other laws and regulations as may for the time being be applicable.

The Constitution provides that the Company may, subject to and in accordance with the Companies Act, purchase or otherwise acquire its issued Shares on such terms and in such manner as the Company may from time to time think fit. The Listing Manual provides that an issuer may purchase its own shares if it has obtained the prior specific approval of shareholders in general meeting. Accordingly, approval is being sought from Shareholders at the FY2021 AGM for the proposed renewal of the Share Purchase Mandate for the purchase or acquisition by the Company of its issued

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Shares. The resolution will be proposed as an ordinary resolution pursuant to which the proposed Share Purchase Mandate will be given to the Directors to exercise all powers on behalf of the Company to purchase or otherwise acquire its Shares in accordance with the terms of the proposed Share Purchase Mandate as well as the rules and regulations set forth in the Companies Act and the Listing Manual.

If approved by Shareholders at the FY2021 AGM, the authority conferred by the Share Purchase Mandate will, unless otherwise revoked or varied in any general meeting of the Company, continue in force until the date when the next AGM of the Company is held or required by law to be held, or the date on which Share Purchase are carried out to the full extent mandated, whichever is the earlier.

2.2 Rationale for the Share Purchase Mandate

The approval of the Share Purchase Mandate authorising the Company to purchase or acquire its Shares would give the Company the flexibility to undertake Share Purchases up to the 10% limit described in paragraph 2.3.1 (*Maximum number of Shares*) below at any time, during the period when the Share Purchase Mandate is in force.

The rationale for the Company to undertake the purchase or acquisition of its issued Shares is set out below.

In managing the business of the Group, the management of the Company will strive to increase Shareholders' value by improving, *inter alia*, the return on equity of the Company. In addition to growth and expansion of the business, Share Purchases at the appropriate price levels may be considered as one of the ways through which the return on equity of the Company may be enhanced.

Further, in line with international practice, the Share Purchase Mandate will provide the Company with greater flexibility in managing its capital and maximising returns to Shareholders.

The Share Purchase Mandate will provide the Company the flexibility to undertake Share Purchases at any time, subject to market conditions, during the period when the Share Purchase Mandate is in force. Share Purchases allow the Company greater flexibility over its capital structure.

Further, Shares which are purchased by the Company pursuant to the Share Purchase Mandate and held in treasury may be transferred for the purposes of the ESOS, the Restricted Share Plan and any other employee share schemes implemented by the Company. The use of treasury shares in lieu of issuing new Shares would mitigate the dilution impact on existing Shareholders.

Share Purchases will only be undertaken when the Directors are of the view that it can benefit the Company and Shareholders. Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full 10% limit described below. No purchase or acquisition of Shares will be made in circumstances which would have or may have a material adverse effect on the liquidity and/or the orderly trading of the Shares and/or the financial position of the Group as a whole.

The Directors will use their best efforts to ensure that after a Share Purchase, the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect the orderly trading and listing status of the Shares on the SGX-ST.

2.3 Authority and Limits on the Share Purchase Mandate

Any purchase or acquisition of Shares by the Company would have to be made in accordance with and in the manner prescribed by the Companies Act and the Listing Manual and such other laws and regulations as may for the time being be applicable.

The Company is also required to obtain approval of Shareholders at a general meeting if it wishes to purchase or acquire its own Shares. As set out in paragraph 1 of this Addendum, at the FY2020 AGM, Shareholders' approval was obtained for the renewal of the Share Purchase Mandate first approved at the EGM.

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The authority and limitations placed on purchases or acquisitions of Shares by the Company under the Share Purchase Mandate are summarised below.

2.3.1 Maximum number of Shares

The Company may only purchase or acquire Shares which are issued and fully paid-up. The total number of Shares which may be purchased or acquired by the Company pursuant to the Share Purchase Mandate is limited to that number of Shares representing not more than 10% of the total number of issued Shares as at the date of the FY2021 AGM when the renewal of the Share Purchase Mandate is approved. If any Shares are held as treasury shares or held through subsidiary holdings, they will be disregarded for purposes of computing the 10% limit.

As at the Latest Practicable Date, the issued capital of the Company comprises 657,687,710 Shares, excluding treasury shares. As at the Latest Practicable Date, the Company had 5,755,400 treasury shares and no subsidiary holdings.

For illustrative purposes only, on the basis of 657,687,710 Shares in issue¹ as at the Latest Practicable Date and assuming no further Shares are issued on or prior to the date of the FY2021 AGM, not more than 65,768,771 Shares (representing not more than 10% of the total number of issued Shares as at that date)¹ may be purchased or acquired by the Company pursuant to the proposed Share Purchase Mandate.

2.3.2 Duration of Authority

Unless revoked or varied in any general meeting of the Company, purchases or acquisitions of Shares pursuant to the proposed Share Purchase Mandate may be made, at any time and from time to time, during the period commencing on and from the date of the passing of resolution to approve the Share Purchase Mandate and expiring on the earlier of:

- (a) the date on which the next AGM of the Company is held or required by law to be held; or
- (b) the date on which Share Purchases are carried out to the full extent mandated.

The authority conferred on the Directors by the Share Purchase Mandate to purchase or acquire Shares may be renewed at the next AGM.

2.3.3 Manner of Purchases or Acquisitions of Shares

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

- (a) on-market purchases ("**Market Purchases**"), transacted through the SGX-ST trading system and/or on any other securities exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed dealers appointed by the Company for the purpose; and/or
- (b) off-market purchase(s) ("**Off-Market Purchase**"), if effected otherwise than on the SGX-ST or a securities exchange in accordance with an equal access scheme(s) (as defined in Section 76C of the Companies Act) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act.

The Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Listing Manual, the Companies Act and the Constitution, as they consider fit in the interests of the Company in connection with, or in relation to any equal access scheme(s). An Off-Market Purchase must, however, satisfy all the following conditions:

¹ excluding treasury shares

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- (A) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (B) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made; and
- (C) the terms of all the offers shall be the same, except that there shall be disregarded (1) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements; (2) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid (if applicable); and (3) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

Pursuant to the Listing Manual, if the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, the Company must, as required by the Listing Manual, issue an offer document to all Shareholders containing, *amongst others*, the following information:

- (i) the terms and conditions of the offer;
- (ii) the period and procedures for acceptances;
- (iii) the reasons for the proposed purchase or acquisition of Shares;
- (iv) the consequences, if any, of the purchase or acquisition of Shares by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (v) whether the purchase or acquisition of Shares, if made, would have any effect on the listing of the Shares on the SGX-ST;
- (vi) details of any purchases or acquisitions of Shares made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases of Shares, where relevant, and the total consideration paid for the purchases; and
- (vii) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

2.3.4 Purchase Price

The purchase price to be paid for a Share as determined by the Directors or a committee of Directors that may be constituted for the purposes of effecting Share Purchases by the Company (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) must not exceed:

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

(the “**Maximum Price**”).

For the above purposes:

“**Average Closing Price**” means the average of the closing market prices of a Share over the last five (5) consecutive market days on which transactions in the Shares on the SGXST or, as the case may be, such other securities exchange on which the Shares may for the time being be listed or quoted, immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-

LETTER TO SHAREHOLDERS

Market Purchase, and deemed to be adjusted in accordance with the Listing Manual for any corporate action which occurs during the relevant five (5) market days period and the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase; and

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

2.4 Status of Purchased Shares

2.4.1 Cancellation

Shares which are purchased or acquired by the Company are deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to such Shares will expire on such cancellation) unless such Shares are held by the Company as treasury shares to the extent permitted under the Companies Act and the Constitution. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company, which are cancelled and are not held as treasury shares.

All Shares purchased or acquired by the Company (other than treasury shares held by the Company to the extent permitted under the Companies Act and the Company’s Constitution) will be automatically delisted by the SGX-ST, and certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase or acquisition.

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

2.4.2 Treasury Shares

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

(a) **Maximum Holdings**

The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares (the “**Treasury Shares Limit**”).

(b) **Voting and Other Rights**

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

In addition, no dividend may be paid, and no other distribution of the Company’s assets may be made, to the Company in respect of treasury shares. However, the allotment of Shares as fully paid bonus shares in respect of treasury shares is allowed. A subdivision or consolidation of any treasury share(s) into treasury shares of a smaller amount is also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

LETTER TO SHAREHOLDERS

(c) Disposal and Cancellation

Where Shares are held as treasury shares, the Company may at any time but subject always to the Take-over Code:

- (1) sell the treasury shares for cash;
- (2) transfer the treasury shares for the purposes of or pursuant to any share scheme, whether for employees, directors or others;
- (3) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (4) cancel the treasury shares; or
- (5) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance of Singapore.

Where Shares purchased pursuant to the Share Purchase Mandate are held as treasury shares, the number of such Shares to be held as treasury shares, when aggregated with the existing treasury shares held, shall not, subject to the Companies Act, exceed the Treasury Shares Limit at any time.

2.5 Reporting Requirements

2.5.1 SGX-ST

Rule 886(1) of the Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m.:

- (a) in the case of a Market Purchase, on the market day following the day of purchase or acquisition of any of its shares; and
- (b) in the case of an Off-Market Purchase under an equal access scheme, on the second market day after the close of acceptances of the offer.

Such announcement must include, *inter alia*, details of the date of the purchase, the total number of shares purchased, the number of shares cancelled, the number of shares held as treasury shares, the purchase price per share or the highest and lowest prices paid for such shares (as applicable), the total consideration (including stamp duties and clearing charges) paid or payable for the shares, the number of shares purchased as of the date of announcement (on a cumulative basis), the number of issued shares excluding treasury shares and subsidiary holdings and the number of treasury shares held after the purchase and the number of subsidiary holdings after the purchase.

Under Rule 704(28) of the Listing Manual, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares. Such announcement must include details such as the date of the sale, transfer, cancellation and/or use of such treasury shares, the purpose of such sale, transfer, cancellation and/or use of such treasury shares, the number of treasury shares which have been sold, transferred, cancelled and/or used, the number of treasury shares before and after such sale, transfer, cancellation and/or use, the percentage of the number of treasury shares against the total number of issued shares (of the same class as the treasury shares) which are listed on the SGX-ST before and after such sale, transfer, cancellation and/or use, and the value of the treasury shares if they are used for a sale or transfer, or cancelled.

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2.5.2 ACRA

Within 30 days of the passing of a Shareholders' resolution to approve the Share Purchase Mandate, the Company shall lodge a copy of such resolution with ACRA.

Within 30 days of a purchase or acquisition of Shares on the SGX-ST or otherwise, the Company shall lodge with ACRA the notice of the purchase or acquisition in the prescribed form, such notification including, *amongst others*, the details of the purchase or acquisition, the total number of Shares purchased or acquired by the Company, the total number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued ordinary share capital before and after the Share Purchase, the amount of consideration paid by the Company for the purchase, and whether the Shares were purchased out of the profits or the capital of the Company.

Within 30 days of the cancellation or disposal of treasury shares in accordance with the provisions of the Companies Act, the Company shall lodge with ACRA the notice of cancellation or disposal of treasury shares in the prescribed form as required by ACRA.

2.6 Source of Funds

The Company may only apply funds for the purchase or acquisition of the Shares as provided in the Constitution and in accordance with the applicable laws in Singapore. The Companies Act provides that any purchase or acquisition of shares by a company may be made out of the company's capital or profits, so long as the company is solvent. As such, the Company may purchase or acquire its own Shares out of capital, as well as from its distributable profits so long as the Company is solvent. The Company may not purchase its Shares for a consideration other than in cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the trading rules of the SGX-ST.

The Company intends to use internal sources of funds, external borrowings or a combination of both to finance purchases or acquisitions of its Shares pursuant to the Share Purchase Mandate. The amount of funding required for the Company to purchase or acquire its Shares and the financial impact on the Company and the Group arising from such Share Purchases will depend on, *amongst others*, the aggregate number of Shares purchased or acquired, the consideration paid at the relevant time and the amount (if any) borrowed by the Company to fund the purchases or acquisitions. The Directors do not propose to exercise the Share Purchase Mandate in a manner and to such an extent that the working capital position and/or gearing of the Group would be materially adversely affected.

2.7 Financial Effects

The financial effects on the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Purchase Mandate will depend on, *inter alia*, the number of Shares purchased or acquired, the price paid for such Shares and other factors set out below.

(a) Purchase or Acquisition out of Capital or Profits

- (i) If Shares are purchased or acquired entirely out of the capital of the Company, the Company shall reduce the amount of its share capital by the total amount of the purchase price paid by the Company for the Shares (excluding brokerage, stamp duties, applicable goods and services tax, clearance fees and other related expenses) (the "**Purchase Price**") and the amount available for the distribution of cash dividends by the Company will not be reduced.
- (ii) If Shares are purchased or acquired entirely out of profits of the Company, the Company shall reduce the amount of its profits by the total amount of the Purchase Price and correspondingly reduce the amount available for the distribution of cash dividends by the Company.
- (iii) Where Shares are purchased or acquired out of both the capital and the profits of the Company, the Company shall reduce the amount of its share capital and profits proportionately by the total amount of the Purchase Price.

LETTER TO SHAREHOLDERS

(b) **Maximum Number of Shares That May Be Acquired or Purchased**

Based on 657,687,710 Shares in issue as at the Latest Practicable Date² and assuming that there is no change in the number of Shares on or prior to the date of the FY2021 AGM, not more than 65,768,771 Shares (representing not more than 10% of the total number of issued Shares as at that date)² may be purchased or acquired by the Company pursuant to the Share Purchase Mandate.

(c) **Maximum Price That May Be Paid for Shares Acquired or Purchased**

- (i) In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 65,768,771 Shares at the Maximum Price of S\$2.707 for each Share, which is 5% above the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded immediately preceding the Latest Practicable Date, the maximum amount of funds required for the purchase or acquisition of up to 65,768,771 Shares (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) under and during the duration of the Share Purchase Mandate, is approximately S\$178,029,486.
- (ii) In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 65,768,771 Shares at the Maximum Price of S\$3.094 for each Share, which is 20% above the Average Closing Price, the maximum amount of funds required for the purchase or acquisition of up to 65,768,771 Shares (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) under and during the duration of the Share Purchase Mandate, is approximately S\$203,462,270.

The Directors do not propose to exercise the Share Purchase Mandate to such an extent that it would have a material adverse effect on the working capital position and/or gearing of the Group. The purchase of the Shares will only be effected after considering relevant factors such as the working capital requirement, availability of financial resources, the expansion and investment plans of the Group, and the prevailing market conditions.

Illustrative Financial Effects

For illustrative purposes only, and based on the assumptions that:

- (i) the purchase or acquisition of Shares is financed 50% by internal sources of funds and 50% by external borrowings;
- (ii) the Share Purchase Mandate had been effective on 1 January 2022; and
- (iii) the Company had on the Latest Practicable Date, purchased or acquired 65,768,771 Shares (representing 10% of the total number of issued Shares at the Latest Practicable Date) at the Maximum Price,

the financial effects of Share Purchases of 65,768,771 Shares on the consolidated audited financial statements of the Group for FY2021, after adjusting for share repurchases of 2,000,000 Shares carried out by the Company in January 2022 at a total consideration of S\$6,901,072, are set out below:

² excluding treasury shares

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Scenario A: Purchases made entirely out of capital and held as treasury shares

	Group			Company		
	Before Share Purchase	After Market Purchase	After Off-Market Purchase	Before Share Purchase	After Market Purchase	After Off-Market Purchase
As at 31 December 2021	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Share capital	266,927	266,927	266,927	266,927	266,927	266,927
Treasury shares	(22,142)	(200,171)	(225,604)	(22,142)	(200,171)	(225,604)
Reserves	195,426	195,426	195,426	60,193	60,193	60,193
Equity attributable to equity holders of the Company	440,211	262,182	236,749	304,978	126,949	101,516
Non-controlling interests	27,865	27,865	27,865	-	-	-
Total equity	468,076	290,047	264,614	304,978	126,949	101,516
Net tangible assets ("NTA") ⁽¹⁾	430,351	252,322	226,889	299,760	121,731	96,298
Current assets	321,791	232,776	220,060	121,157	32,142	19,426
Current liabilities	74,073	163,088	175,804	12,305	101,320	114,036
Working capital	247,718	69,689	44,256	108,852	(69,177)	(94,610)
Total borrowings ⁽²⁾⁽³⁾	46,112	135,127	147,843	38,576	127,591	140,307
Cash and bank balances ⁽³⁾	169,709	80,694	67,978	87,458	(1,557)	(14,273)
Profit for the year attributable to equity holders of the Company	62,202	62,202	62,202	28,656	28,656	28,656
Number of Shares excluding Treasury Shares ('000)	657,688	591,919	591,919	657,688	591,919	591,919
Number of Treasury Shares ('000)	5,755	71,524	71,524	5,755	71,524	71,524
Financial ratios						
NTA per Share (cents) ⁽⁴⁾	65.43	42.63	38.33	45.58	20.57	16.27
Basic EPS (cents) ⁽⁵⁾	9.46	10.51	10.51	4.36	4.84	4.84
Gearing ratio (times) ⁽⁶⁾	n.m.	0.37	0.42	n.m.	0.51	0.61
Current ratio (times) ⁽⁷⁾	4.34	1.43	1.25	9.85	0.32	0.17

Notes:

- (1) NTA equals equity attributable to the equity holders of the Company less intangible assets.
- (2) Total borrowings include bank loans and lease liabilities.
- (3) Assuming the Share Purchase will be funded 50% by internal sources of funds and 50% by external borrowings.

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- (4) NTA per Share equals NTA divided by number of Shares as at the Latest Practicable Date excluding any treasury shares before Share Purchase or the number of Shares (excluding treasury shares) after Share Purchase, as the case may be.
- (5) For illustration purposes, basic EPS equals profit for the year attributable to equity holders of the Company divided by number of Shares as at the Latest Practicable Date excluding any treasury shares.
- (6) Gearing ratio equals net debt divided by the total capital. Net debt is calculated as total liabilities less provision for taxation, deferred taxation, provisions, contract liabilities and cash and bank balances. Total capital is calculated as total equity plus net debt.
- (7) Current ratio equals current assets divided by current liabilities.

Scenario B: Purchases made entirely out of capital and cancelled

	Group			Company		
	Before Share Purchase	After Market Purchase	After Off-Market Purchase	Before Share Purchase	After Market Purchase	After Off-Market Purchase
As at 31 December 2021	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Share capital	266,927	88,898	63,465	266,927	88,898	63,465
Treasury shares	(22,142)	(22,142)	(22,142)	(22,142)	(22,142)	(22,142)
Reserves	195,426	195,426	195,426	60,193	60,193	60,193
Equity attributable to equity holders of the Company	440,211	262,182	236,749	304,978	126,949	101,516
Non-controlling interests	27,865	27,865	27,865	-	-	-
Total equity	468,076	290,047	264,614	304,978	126,949	101,516
Net tangible assets ("NTA") ⁽¹⁾	430,351	252,322	226,889	299,760	121,731	96,298
Current assets	321,791	232,776	220,060	121,157	32,142	19,426
Current liabilities	74,073	163,088	175,804	12,305	101,320	114,036
Working capital	247,718	69,689	44,256	108,852	(69,177)	(94,610)
Total borrowings ⁽²⁾⁽³⁾	46,112	135,127	147,843	38,576	127,591	140,307
Cash and bank balances ⁽³⁾	169,709	80,694	67,978	87,458	(1,557)	(14,273)
Profit for the year attributable to equity holders of the Company	62,202	62,202	62,202	28,656	28,656	28,656
Number of Shares excluding Treasury Shares ('000)	657,688	591,919	591,919	657,688	591,919	591,919
Number of Treasury Shares ('000)	5,755	5,755	5,755	5,755	5,755	5,755

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	Group			Company		
	Before Share Purchase	After Market Purchase	After Off-Market Purchase	Before Share Purchase	After Market Purchase	After Off-Market Purchase
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
As at 31 December 2021						
Financial ratios						
NTA per Share (cents) ⁽⁴⁾	65.43	42.63	38.33	45.58	20.57	16.27
Basic EPS (cents) ⁽⁵⁾	9.46	10.51	10.51	4.36	4.84	4.84
Gearing ratio (times) ⁽⁶⁾	n.m.	0.37	0.42	n.m.	0.51	0.61
Current ratio (times) ⁽⁷⁾	4.34	1.43	1.25	9.85	0.32	0.17

Notes:

- (1) NTA equals equity attributable to the equity holders of the Company less intangible assets.
- (2) Total borrowings include bank loans and lease liabilities.
- (3) Assuming the Share Purchase will be funded 50% by internal sources of funds and 50% by external borrowings.
- (4) NTA per Share equals NTA divided by number of Shares as at the Latest Practicable Date excluding any treasury shares before Share Purchase or the number of Shares (excluding treasury shares) after Share Purchase, as the case may be.
- (5) For illustration purposes, basic EPS equals profit for the year attributable to equity holders of the Company divided by number of Shares as at the Latest Practicable Date excluding any treasury shares.
- (6) Gearing ratio equals net debt divided by the total capital. Net debt is calculated as total liabilities less provision for taxation, deferred taxation, provisions, contract liabilities and cash and bank balances. Total capital is calculated as total equity plus net debt.
- (7) Current ratio equals current assets divided by current liabilities.

Shareholders should note that the financial effects set out above are for illustrative purposes only. In particular, it is important to note that the above analysis is based on historical audited financial statements for the financial year ended 31 December 2021 and is not necessarily representative of future financial performance.

Although the Share Purchase Mandate would authorise the Company to purchase or acquire up to 10% of the issued Shares (excluding any treasury shares), the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of the issued Shares (excluding any treasury shares). In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased as treasury shares.

The Company will take into account both financial and non-financial factors (for example, share market conditions, performance of the Shares and considerations under the Take-over Code) in assessing the relative impact of a Share Purchase before execution.

2.8 Tax Implications

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

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2.9 Take-over Implications

Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

2.9.1 Obligation to Make a Take-over Offer

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

2.9.2 Persons acting in concert

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

Unless the contrary is established, the following persons, *amongst others*, will be presumed to be acting in concert, namely:

- (a) a company, its parent, subsidiaries and fellow subsidiaries, and their associated companies and companies of which such companies are associated companies, all with each other, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights. For this purpose, a company is an associated company of another company if the second company owns or controls at least 20% but not more than 50% of the voting rights of the first-mentioned company;
- (b) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trusts; and
- (c) an individual, his close relatives, his related trusts, any person who is accustomed to act according to his instructions, companies controlled by any of the foregoing persons and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons and/or entities for the purchase of voting rights.

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

2.9.3 Effect of Rule 14 and Appendix 2 of the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, the Directors and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 if, as a result of the Company purchasing or acquiring the Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or if the voting rights of such Directors and their concert parties fall between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1% in any period of

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six months. In calculating the percentages of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

Under Appendix 2, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring the Shares, the voting rights of such Shareholder in the Company would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six months.

Under the Take-over Code, the Company, Dr Shi Xu (Executive Chairman of the Company), Mdm Jin Xiao Qun, Pearl Yard Holdings Inc. and Harrymore International Limited (the "**Concert Party Group**") are presumed to be acting in concert with each other. Based on their shareholding as at the Latest Practicable Date, the Concert Party Group would become obliged to make a take-over offer for the Company under Rule 14 of the Singapore Take-over Code as a result of the purchase by the Company of the maximum limit of 10% of its total issued Shares as at the Latest Practicable Date. Save for the foregoing, none of the Substantial Shareholders would become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code as a result of the purchase by the Company of the maximum limit of 10% of its total issued Shares as at the Latest Practicable Date.

Save as disclosed above, based on the shareholdings of the Directors as at the Latest Practicable Date, none of the Directors will become obligated to make a mandatory offer by reason only of Share Purchases of the maximum limit of 10% of its total issued Shares as at the Latest Practicable Date. Save as disclosed above, the Directors are not aware of any Shareholder or group of Shareholders acting in concert who may become obligated to make a mandatory offer in the event that the Directors exercise the power to carry out Share Purchases.

Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Take-over Code as a result of any Share Purchase by the Company are advised to consult their professional advisers and/or the Securities Industry Council and/or other relevant authorities at the earliest opportunity.

3. LISTING RULES

3.1 No Share Purchases during Trade and Price-Sensitive Developments

While the Listing Manual does not expressly prohibit the purchase of shares by a listed company during any particular time or times, the listed company would be considered an "insider" in relation to any proposed purchase or acquisition of its issued shares. In this regard, the Company will not undertake any Share Purchase at any time after a trade or price-sensitive development has occurred or has been the subject of a consideration and/or a decision of the Board until the trade or price-sensitive information has been publicly announced.

In particular, the Company will not purchase or acquire any Shares through Market Purchases and/or Off-Market Purchases during the following periods and at all times in compliance with Rule 1207(19) of the Listing Manual:

- (a) one (1) month immediately preceding the announcement of the Company's half year and full year financial results (if the Company does not announce its quarterly financial statements); and
- (b) two (2) weeks immediately preceding the announcement of the Company's results for each of the first three (3) quarters of its financial year and one month before the announcement of the Company's full year financial results (if the Company announces its quarterly financial statements, whether required by the SGX-ST or otherwise).

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3.2 Listing Status of the Shares

The Company is required under Rule 723 of the Listing Manual to ensure that at least 10% of its Shares are in the hands of the public. The “**public**”, as defined under the Listing Manual, are persons other than the directors, chief executive officer, substantial shareholders or controlling shareholders of the Company or its subsidiaries, as well as the associates of such persons.

Based on the register of Directors’ shareholdings and register of Substantial Shareholders shareholdings maintained by the Company as at the Latest Practicable Date, and other information known to the Company, to the best of the Company’s knowledge, approximately 248,836,697 Shares, representing 37.8% of the total number of issued Shares as at the Latest Practicable Date, are in the hands of the public. Assuming that the Company purchases its Shares through Market Purchases up to the full 10% limit pursuant to the Share Purchase Mandate, the number of Shares in the hands of the public would be reduced to 183,067,926 Shares, representing 30.9% of the reduced total number of issued Shares of the Company as at the Latest Practicable Date. Accordingly, the Company is of the view that there is a sufficient number of issued Shares held in the hands of the public which would permit the Company to undertake purchases or acquisitions of its Shares to the full 10% limit pursuant to the proposed Share Purchase Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity. As at the Latest Practicable Date, the Company holds 5,755,400 treasury shares.

The Directors will use their best efforts to ensure that the Company does not effect purchases or acquisitions of Shares if the purchase or acquisition of Shares would result in the number of Shares remaining in the hands of the public falling to such a level as to cause market illiquidity, adversely affect the orderly trading of our Shares or adversely affect our listing status.

4. PREVIOUS SHARE PURCHASES

In the last twelve (12) months preceding the Latest Practicable Date, the Company had purchased 7,218,400 Shares by way of Market Purchases pursuant to the Share Purchase Mandate granted at the AGM held on 28 April 2021. The highest and lowest price paid was S\$4.52 and S\$3.36 per Share respectively. The total consideration paid for all the purchases, including commission and charges, was approximately S\$28,082,678.

5. DIRECTORS’ AND SUBSTANTIAL SHAREHOLDERS’ INTERESTS

5.1 Interests of Directors

Assuming (a) the Company purchases the maximum limit of 10% of the issued Shares of the Company as at the Latest Practicable Date; and (b) there is no change in the number of Shares held or deemed to be held by the Directors as recorded in the Register of Directors’ Shareholdings maintained pursuant to the Companies Act as at the Latest Practicable Date, the shareholdings of the Directors before and after the Share Purchase is as follows:

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Before Share Purchase	Direct		Deemed	
	Number of Shares	%	Number of Shares	%
Dr Shi Xu ⁽¹⁾	44,457,573	6.76	292,092,853	44.41
Mr Gary Ho Hock Yong ⁽²⁾	–	–	1,300,000	0.20
Mr James Rowan	–	–	–	–
Ms Ong Siew Koon @ Ong Siew Khoon	–	–	–	–
Mr Kristian John Robinson	120,000	0.02	–	–
Ms Lee Lee Khoon	–	–	–	–
Mr Wan Kum Tho ⁽³⁾	–	–	10,000	n.m. ⁽⁴⁾

After Share Purchase	Direct		Deemed	
	Number of Shares	% ⁽⁵⁾	Number of Shares	% ⁽⁵⁾
Dr Shi Xu ⁽¹⁾	44,457,573	7.51	292,092,853	49.35
Mr Gary Ho Hock Yong ⁽²⁾	–	–	1,300,000	0.22
Mr James Rowan	–	–	–	–
Ms Ong Siew Koon @ Ong Siew Khoon	–	–	–	–
Mr Kristian John Robinson	120,000	0.02	–	–
Ms Lee Lee Khoon	–	–	–	–
Mr Wan Kum Tho ⁽³⁾	–	–	10,000	n.m. ⁽⁴⁾

Notes:

- (1) Dr Shi Xu is the sole shareholder of Pearl Yard Holdings Inc. Accordingly, for the purposes of Section 4 of the SFA, Dr Shi Xu is treated as having an interest in the 253,709,960 Shares held by Pearl Yard Holdings Inc (see paragraph 5.2 below). In addition, for the purposes of Section 133(4) of the SFA, Dr Shi Xu is deemed to have an interest in 38,382,893 Shares in which his spouse, Mdm Jin Xiao Qun, has an interest, comprising (i) direct interests in 10,190,375 Shares and (ii) deemed interests in 28,192,518 Shares held by Harrymore International Limited (see paragraph 5.2 below).
- (2) Mr Gary Ho Hock Yong is deemed to be interested in the 1,300,000 Shares held through his nominee, Citibank Nominees Singapore Pte Ltd.
- (3) Mr Wan Kum Tho is deemed to be interested in the 10,000 Shares held through his nominee, Citibank Nominees Singapore Pte Ltd.
- (4) Not meaningful.
- (5) The percentage shareholdings after the Share Purchase are computed based on the number of Shares of each Director as recorded in Register of Directors' Shareholdings divided by 591,918,939 Shares (being the total issued Shares of 657,687,710, excluding treasury shares as at the Latest Practicable Date less the Maximum Limit of 65,768,771 Shares under the Share Purchase Mandate).

Save as disclosed above, none of the Directors have any interest, direct or indirect, in the proposed renewal of the Share Purchase Mandate.

5.2 Interests of Substantial Shareholders (other than Directors)

Assuming (a) the Company purchases the maximum limit of 10% of the issued Shares of the Company as at the Latest Practicable Date; and (b) there is no change in the number of Shares held or deemed to be held by the Substantial Shareholders as recorded in the Register of Substantial Shareholders of the Company maintained pursuant to the Companies Act as at the Latest Practicable

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Date, the shareholdings of the Substantial Shareholders (other than Directors), before and after the purchase of Shares is as follows:

	Direct		Deemed	
	Number of Shares	%	Number of Shares	%
Before Share Purchase				
Pearl Yard Holdings Inc	253,709,960	38.58	–	–
Harrymore International Limited (“ Harrymore ”)	28,192,518	4.29	–	–
Mdm Jin Xiao Qun ⁽¹⁾	10,190,375	1.55	28,192,518	4.29
Venezio Investments Pte. Ltd. (“ Venezio ”)	47,579,947	7.23	–	–
Napier Investment Pte. Ltd. (“ Napier ”) ⁽²⁾	–	–	47,579,947	7.23
Tembusu Capital Pte. Ltd. (“ Tembusu ”) ⁽³⁾	–	–	47,729,947	7.26
Temasek Holdings (Private) Limited (“ Temasek ”) ⁽⁴⁾	–	–	47,729,947	7.26

	Direct		Deemed	
	Number of Shares	% ⁽⁵⁾	Number of Shares	% ⁽⁵⁾
After Share Purchase				
Pearl Yard Holdings Inc	253,709,960	42.86	–	–
Harrymore International Limited (“ Harrymore ”)	28,192,518	4.76	–	–
Mdm Jin Xiao Qun ⁽¹⁾	10,190,375	1.72	28,192,518	4.76
Venezio Investments Pte. Ltd. (“ Venezio ”)	47,579,947	8.04	–	–
Napier Investment Pte. Ltd. (“ Napier ”) ⁽²⁾	–	–	47,579,947	8.04
Tembusu Capital Pte. Ltd. (“ Tembusu ”) ⁽³⁾	–	–	47,729,947	8.06
Temasek Holdings (Private) Limited (“ Temasek ”) ⁽⁴⁾	–	–	47,729,947	8.06

Notes:

- (1) Mdm Jin Xiao Qun holds more than 20% of the shares of Harrymore. Accordingly, for the purposes of Section 4 of the SFA, Mdm Jin Xiao Qun is treated as having an interest in the 28,192,518 Shares held by Harrymore.
- (2) Napier’s deemed interest in Shares arises from the direct interest held by Venezio. Napier is the holding company of Venezio.
- (3) Tembusu’s deemed interest in Shares arises from the aggregation of the interests of Venezio and SeaTown Holdings Pte. Ltd. (“**SeaTown**”).
- (4) Temasek’s deemed interest arises from the interests in Shares held by Venezio and SeaTown.
- (5) The percentage shareholdings after the Share Purchase are computed based on the number of Shares of each Substantial Shareholders as recorded in Register Substantial Shareholders divided by 591,918,939 Shares (being the total issued Shares of 657,687,710, excluding treasury shares as at the Latest Practicable Date less the Maximum Limit of 65,768,771 Shares under the Share Purchase Mandate).

Save as disclosed above, none of the Substantial Shareholders have any interest, direct or indirect, in the proposed renewal of the Share Purchase Mandate.

5.3 Limits on shareholdings

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

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6. DIRECTORS' RECOMMENDATIONS

The Directors, having fully considered the rationale for the Share Purchase Mandate, are of the opinion that the proposed renewal of the Share Purchase Mandate is in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the ordinary resolution relating to the proposed renewal of the Share Purchase Mandate to be proposed at the FY2021 AGM.

7. ANNUAL GENERAL MEETING

The FY2021 AGM, notice of which is enclosed with the Annual Report will be held on Thursday, 28 April 2022 at 10.00 a.m. by way of electronic means for the purpose of considering and, if thought fit, passing the resolutions set out in the Notice of the AGM.

8. APPROVALS AND RESOLUTIONS

Shareholders' approval for the proposed renewal of the Share Purchase Mandate is sought at the FY2021 AGM. The resolutions relating to the proposed renewal of the Share Purchase Mandate is contained in the Notice of AGM as Ordinary Resolution 15.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Addendum and confirm, after making all reasonable enquiries that, to the best of their knowledge and belief, this Addendum constitutes full and true disclosure of all material facts about the proposed renewal of the Share Purchase Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Addendum misleading.

Where information in this Addendum has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Addendum in its proper form and context.

10. DOCUMENTS FOR INSPECTION

Subject to the prevailing laws and guidelines relating to safe distancing measures, copies of the following documents are available for inspection at the registered office of the Company at 28 Ayer Rajah Road #02-02/03 Singapore 139959 during normal business hours on any weekday (public holidays excepted) up to and including the date of the AGM to be held on 28 April 2022:

- (a) the Constitution of the Company; and
- (b) the Annual Report of the Company for FY2021.

This Addendum and the Annual Report for FY2021 are also available on the home page of the Company's corporate website (<https://www.nti-nanofilm.com/>) and SGXNET.

Yours faithfully
For and on behalf of the Board of Directors
NANOFILM TECHNOLOGIES INTERNATIONAL LIMITED

Dr Shi Xu
Chairman of the Board