

VOLUNTARY CONDITIONAL CASH OFFER

by



SAC CAPITAL PRIVATE LIMITED

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

for and on behalf of

FAIRFAX ASIA LIMITED

(Company Registration No.: 23105)
(Incorporated in Barbados)

to acquire all the issued and paid-up ordinary shares in the capital of

SINGAPORE REINSURANCE CORPORATION LIMITED

(Company Registration No.: 197300016C)
(Incorporated in the Republic of Singapore)

other than those already owned, controlled or agreed to be acquired by Fairfax Asia Limited, its related corporations and their respective nominees

OFFER ANNOUNCEMENT

1. INTRODUCTION

The Offer. SAC Capital Private Limited ("**Financial Adviser**") wishes to announce, for and on behalf of Fairfax Asia Limited ("**Offeror**"), that the Offeror intends to make a voluntary conditional cash offer ("**Offer**") for all the issued and paid-up ordinary shares ("**Shares**") in the capital of Singapore Reinsurance Corporation Limited ("**Company**") other than those already owned, controlled or agreed to be acquired by the Offeror, its related corporations and their respective nominees, in accordance with Rule 15 of the Singapore Code on Take-overs and Mergers ("**Code**").

2. THE OFFER

Subject to the terms and conditions of the Offer to be set out in the formal offer document to be issued by the Financial Adviser for and on behalf of the Offeror ("**Offer Document**"), the Offeror will make the Offer in accordance with Rule 15 of the Code on the following basis:

- (a) **Offer Shares.** The Offeror will make the Offer for all the Shares not already owned, controlled or agreed to be acquired by the Offeror, its related corporations and their respective nominees ("**Offer Shares**").

For the avoidance of doubt, the Offer will be extended, on the same terms and conditions, to all Shares owned, controlled or agreed to be acquired by parties acting or deemed to be acting in concert with the Offeror (other than the Offeror's related corporations and their respective nominees). For the purpose of the Offer, the expression "**Offer Shares**" shall include such Shares.

The Offer Shares represent approximately 71.82% of the total issued Shares of the Company.

- (b) **Offer Price.** The consideration for each Offer Share will be as follows:

For each Offer Share: S\$0.3535 in cash ("Offer Price")

- (c) **No Encumbrances.** The Offer Shares are to be acquired (i) fully paid, (ii) free from all claims, charges, equities, mortgages, liens, pledges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever, and (iii) together with all rights, benefits, entitlements and advantages attached thereto as at the date of this Announcement ("**Announcement Date**"), and hereafter attaching thereto, including but not limited to the right to receive and retain all dividends, rights and other distributions declared, paid or made by the Company in respect of the Offer Shares (collectively, "**Distributions**") (if any), on the Record Date which falls on or after the Announcement Date. For the purpose of this Announcement, "**Record Date**" means, in relation to any Distributions, the date on which shareholders of the Company ("**Shareholders**") must be registered with the Company or with The Central Depository (Pte) Limited ("**CDP**"), as the case may be, in order to participate in such Distributions.

Without prejudice to the generality of the foregoing, the Offer Price has been determined on the basis that the Offer Shares will be acquired with the right to receive any dividends that may be declared, paid or made by the Company on or after the Announcement Date (including the final one-tier tax exempt dividend of S\$0.0035 per Share for the financial year ended 31 December 2020 proposed by the directors of the Company ("**FY2020 Dividend**"). **In the event that any dividend is paid by the Company to a Shareholder on or after the Announcement Date and such Shareholder accepts the Offer or the Offer Shares it holds are compulsorily acquired by the Offeror, the Offer Price payable to such accepting Shareholder shall be reduced by an amount which is equal to the amount of such dividend paid by the Company to such accepting Shareholder.**

Accordingly, the following will apply if any dividend (including the FY2020 Dividend) is declared, paid or made by the Company on or after the Announcement Date:

- (i) if the settlement date in respect of the Offer Shares accepted or compulsorily acquired pursuant to the Offer falls on or before the Record Date, the Offeror will pay the relevant accepting Shareholders the Offer Price of S\$0.3535 in cash for each Offer Share, as the Offeror will receive the dividend in respect of those Offer Shares from the Company; and

- (ii) if the settlement date in respect of the Offer Shares accepted or compulsorily acquired pursuant to the Offer falls after the Record Date, the amount of the dividend in respect of such Offer Shares will be deducted from the Offer Price of S\$0.3535 in cash for each Offer Share payable for such Offer Shares, as the Offeror will not receive the dividend in respect of those Offer Shares from the Company.

In respect of the FY2020 Dividend, the Record Date has been announced by the Company to be 7 May 2021. The Record Date is subject to change, as may be announced from time to time by the Company.

- (d) **Minimum Acceptance Condition.** The Offer will be conditional upon the Offeror having received, by the close of the Offer, valid acceptances in respect of such number of Offer Shares which, when taken together with the Shares owned, controlled or agreed to be acquired by the Offeror and the parties acting or deemed to be acting in concert with it (either before or during the Offer and pursuant to the Offer or otherwise), will result in the Offeror and the parties acting or deemed to be acting in concert with it holding such number of Shares carrying more than 50% of the voting rights attributable to the issued Shares as at the close of the Offer ("**Minimum Acceptance Condition**").

Accordingly, the Offer will not become or be capable of being declared unconditional as to acceptances until the close of the Offer, unless at any time prior to the close of the Offer, the Offeror has received valid acceptances (which have not been withdrawn) in respect of such number of Offer Shares which, when taken together with the Shares owned, controlled, acquired or agreed to be acquired by the Offeror and parties acting or deemed to be acting in concert with it (either before or during the Offer and pursuant to the Offer or otherwise), will result in the Offeror and the parties acting or deemed to be acting in concert with it holding such number of Shares carrying more than 50% of the voting rights attributable to the issued Shares as at the close of the Offer.

Save for the Minimum Acceptance Condition, the Offer is unconditional in all other respects.

- (e) **Revision of Terms of the Offer.** The Offeror reserves the right to revise the terms of the Offer in accordance with the Code.
- (f) **Further Details.** Further details of the Offer will be set out in the Offer Document.
- (g) **No Options Proposal.** Based on the latest information available to the Offeror, there are no outstanding instruments convertible into, rights to subscribe for, nor options (whether pursuant to an employee share option scheme or otherwise) in respect of, securities which carry voting rights of the Company (collectively, "**Options**") as at the Announcement Date. In view of the foregoing, the Offeror will not make an offer to acquire any Options.

3. REGULATORY APPROVALS

- 3.1 **SIC Rulings.** An application was made to the Securities Industry Council ("**SIC**") to seek certain rulings in relation to the Offer. The SIC has given rulings that:

- (a) Mr. Ramaswamy Athappan, who is concurrently a director of the Offeror and the Non-Executive and Non-Independent Director/Chairman of the Company and faces a conflict of interest in relation to the Offer, is exempted from the requirement to make a recommendation to the Shareholders on the Offer. He must, nonetheless, still assume responsibility for the accuracy of the facts stated or opinions expressed in documents and advertisements issued by or on behalf of the Company in connection with the Offer;
- (b) it has no objections to limiting the disclosure of holdings in this Announcement, subject to the following:
 - (i) subsequent to the making of this Announcement, the Offeror promptly making enquiries of all other parties acting or deemed to be acting in concert with the Offeror in connection with the Offer on the number of Company Securities (as defined in paragraph 9.2 of this Announcement) which they own, control or have agreed to acquire; or
 - (ii) if the aggregate number of Company Securities owned, controlled or agreed to be acquired by such other parties acting or deemed to be acting in concert with the Offeror referred to in paragraph 3.1(b)(i) of this Announcement represents 0.5% or more of the total issued capital of the Company, the Offeror must promptly announce such holdings to the public;
- (c) only the directors of the Offeror would be required to provide responsibility statements in respect of any announcements and/or documents issued in connection with the Offer; and
- (d) only the Offeror would be required to disclose the information prescribed in Rule 23.4 of the Code.

3.2 MAS Approval. The Company is licensed as a general reinsurer under the Insurance Act, Chapter 142 of Singapore ("**Insurance Act**"). Pursuant to Section 28(1) read with Section 28(7) of the Insurance Act, no person shall obtain effective control of a licensed insurer incorporated in Singapore without the prior written approval of the Monetary Authority of Singapore ("**MAS**"), and a person is to be regarded as obtaining "effective control" of a licensed insurer if, *inter alia*, the person holds 20% or more of the total number of issued shares in the insurer.

As the Offer, in the event that it becomes or is declared unconditional in all respects, will result in the Offeror directly holding 20% or more of the total number of issued Shares in the Company and thereby acquiring effective control of the Company, the Offeror has consulted with the MAS on whether prior written approval of the MAS will be required for the Offeror to undertake the Offer to obtain effective control of the Company. The MAS has informed the Offeror that based on the terms of a previous MAS approval dated 19 December 2017 (in respect of an application by Fairfax Holdings (as defined in paragraph 4.1 of this Announcement) for various named entities including the Offeror to obtain effective control of the Company), no further approval from the MAS is required.

4. INFORMATION ON THE OFFEROR AND THE CONCERT GROUP

- 4.1 **The Offeror.** The Offeror is a company incorporated in Barbados on 24 November 2003. The Offeror is a subsidiary of Fairfax Financial Holdings Limited ("**Fairfax Holdings**"). The Offeror and its subsidiaries comprise the Asian insurance holdings and operations of Fairfax Holdings, being property and casualty insurance conducted on a direct and reinsurance basis across nine countries in Asia.

As at the Announcement Date, the Offeror has an authorised and issued share capital of US\$679,067 comprising 679,067,439 shares. The Offeror is 100% held by Fairfax (Barbados) International Corp. and its ultimate beneficial owner is Fairfax Holdings. Fairfax Holdings is a Canadian publicly listed holding company headquartered in Toronto, Canada, which, through its subsidiaries, is engaged in property and casualty insurance and reinsurance and the associated investment management. Fairfax Holdings was founded in 1985 by the present Chairman and Chief Executive Officer, V. Prem Watsa. The common shares of Fairfax Holdings are listed on the Toronto Stock Exchange under the symbol FFH.

As at the Announcement Date, the directors of the Offeror ("**Directors**") are:

- (a) Mr. Ramaswamy Athappan;
- (b) Mr. Ronald Schokking;
- (c) Mr. William P.A. Douglas;
- (d) Mr. Lisl B. Lewis;
- (e) Mr. Gobinath Arvind Athappan; and
- (f) Mr. Alistair B. Dent.

- 4.2 **Concert Group.** As at the Announcement Date, the following individuals and companies are deemed to be acting in concert with the Offeror (collectively "**Concert Group**"):

- (a) the Directors of the Offeror;
- (b) Fairfax (Barbados) International Corp. (parent company of the Offeror);
- (c) FFHL Group Limited (parent company of Fairfax (Barbados) International Corp.);
- (d) Fairfax Holdings (ultimate beneficial owner of the Offeror and parent company of FFHL Group Limited);
- (e) Newline Corporate Name Limited (wholly owned indirect subsidiary of Fairfax Holdings);
- (f) Newline Holdings UK Limited (parent company of Newline Corporate Name Limited);
- (g) Odyssey Reinsurance Company (parent company of Newline Holdings UK Limited);
- (h) Odyssey Group Holdings, Inc. (parent company of Odyssey Reinsurance Company);

- (i) Odyssey US Holdings Inc. (parent company of Odyssey Group Holdings, Inc.); and
- (j) Fairfax (US) Inc. (parent company of Odyssey US Holdings Inc. and wholly owned by Fairfax Holdings and FFHL Group Limited collectively).

4.3 Aggregate Holding in the Company. As at the Announcement Date, based on the latest information available to the Offeror, the Offeror and the Concert Group collectively hold an aggregate of 168,035,957 Shares, representing approximately 28.18% of the total number of issued Shares, a breakdown of which is as follows:

- (i) the Offeror holds directly 115,370,835 Shares, representing approximately 19.35% of the Shares; and
- (ii) Newline Corporate Name Limited holds directly 52,665,122 Shares, representing approximately 8.83% of the Shares.

Newline Corporate Name Limited is a related corporation of the Offeror. As Shares already owned, controlled or agreed to be acquired by the Offeror, its related corporations and their respective nominees are excluded from the Offer, Shares which are owned, controlled or agreed to be acquired by the Offeror and Newline Corporate Name Limited are excluded from the Offer.

5. INFORMATION ON THE COMPANY

5.1 The Company. The Company is a company incorporated in the Republic of Singapore on 3 January 1973, and was listed on the Main Board of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") in 1987.

The Company and its subsidiaries (collectively, "**Offeree Group**") are principally engaged in the business of underwriting general reinsurance, and the Company is engaged in investment activities of its non-reinsurance funds and the operations of its subsidiaries.

As at the Announcement Date, based on various announcements by the Company on SGXNET as at 24 February 2021, (i) the Company has 596,316,185 issued Shares and does not hold any treasury shares, and (ii) the Company does not have any outstanding instruments convertible into, rights to subscribe for, nor options (whether pursuant to an employee share option scheme or otherwise) in respect of, securities which carry voting rights of the Company.

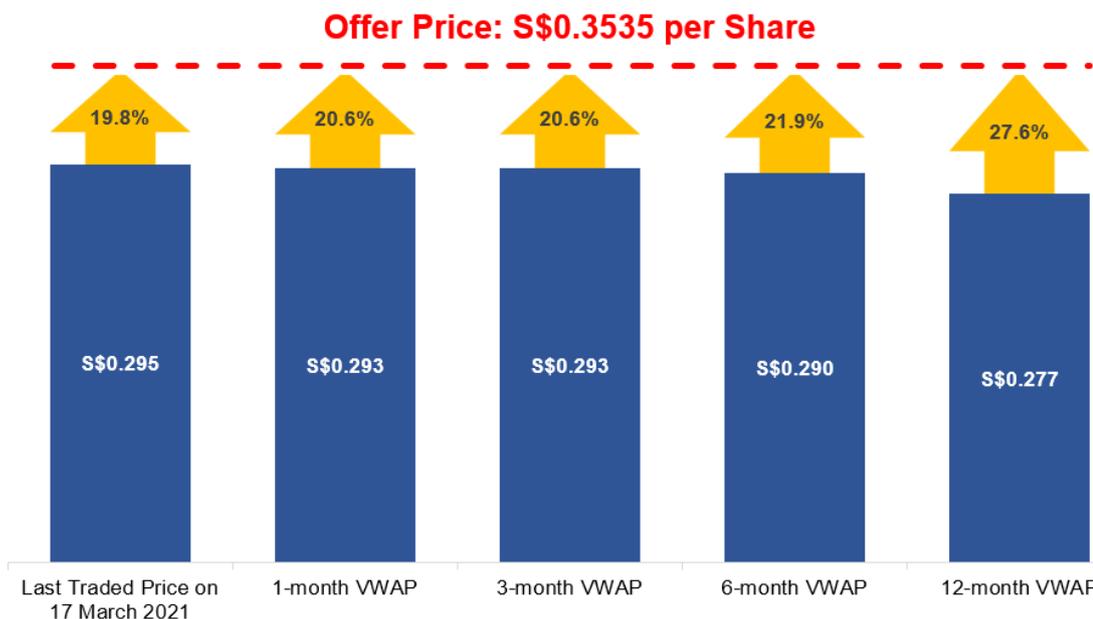
Based on publicly available information, as at the Announcement Date, the directors of the Company are:

- (a) Mr. Ramaswamy Athappan (Non-Executive and Non-Independent Director/Chairman);
- (b) Mr. David Chan Mun Wai (Non-Executive and Non-Independent Director/Deputy Chairman);
- (c) Mr. Dileep Nair B Eng (Non-Executive and Independent Director);
- (d) Mr. Peter Sim Swee Yam (Non-Executive and Independent Director); and
- (e) Mr. Ong Eng Yaw (Non-Executive and Independent Director).

6. RATIONALE FOR THE OFFER

6.1 Opportunity for Shareholders to realise their investment in the Shares at a premium

(a) The Offer Price is at a premium to the historical and prevailing share prices



Source: Bloomberg L.P.

As set out in paragraph 8 below, the Offer Price of S\$0.3535 per Offer Share represents a premium of approximately 20.6%, 20.6%, 21.9% and 27.6% over the volume-weighted average price ("VWAP") per Share for the 1-month, 3-month, 6-month and 12-month periods respectively up to and including 18 March 2021, being the last full trading day of the Shares prior to the date of this Announcement ("**Last Trading Day**"). The Offer Price also represents a premium of 19.8% over the last transacted price per Share on 17 March 2021 (being the last full market day on which there were trades in the Shares immediately preceding the Last Trading Day as no Shares were traded on the Last Trading Day).

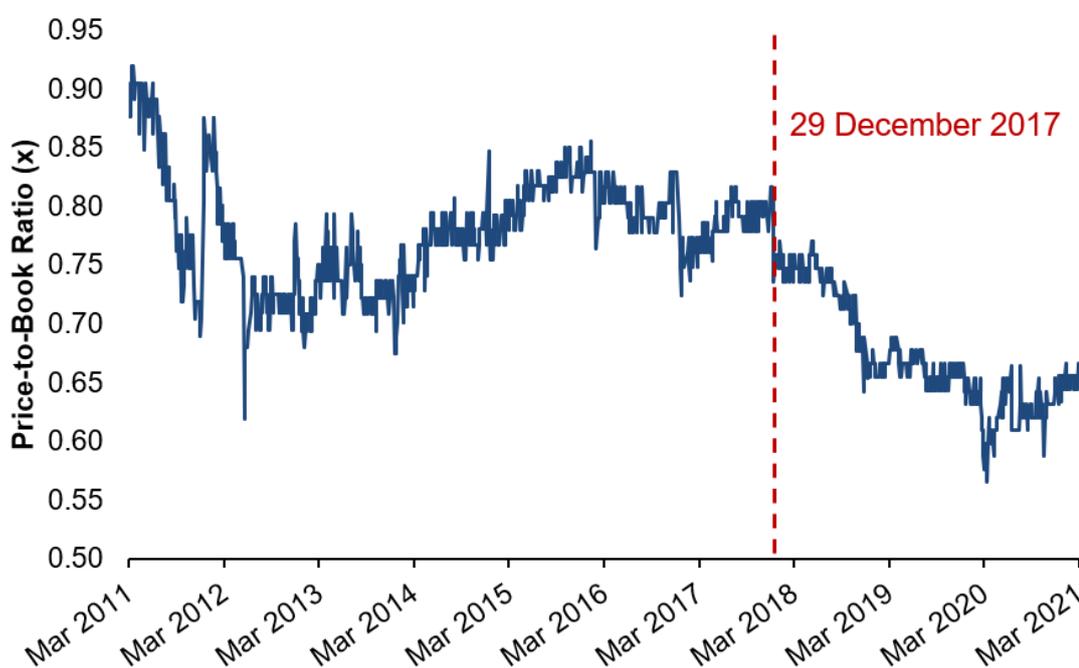


Source: Bloomberg L.P.

As illustrated in the price chart above, the Shares have traded below the Offer Price for the preceding 10-year period up to and including the Last Trading Day. In addition, the Offer Price represents a premium of 17.8%, 7.1%, 7.1% and 6.2%, over the highest daily closing price per Share of S\$0.3000, S\$0.3300, S\$0.3300 and S\$0.3328 for the 1-year, 3-year, 5-year and 10-year periods up to and including the Last Trading Day respectively¹.

Against the backdrop of a challenging macroeconomic environment which may pose concerns to the underwriting and investment activities of the Offeree Group, the Offer Price under the Offer presents Shareholders with a clean cash exit opportunity to realise their entire investment in Shares at a premium over the prevailing trading prices of the Shares without incurring brokerage and other trading costs.

(b) The Company's price-to-book ratio as implied by the Offer Price exceeds its historical averages



Source: Bloomberg L.P.

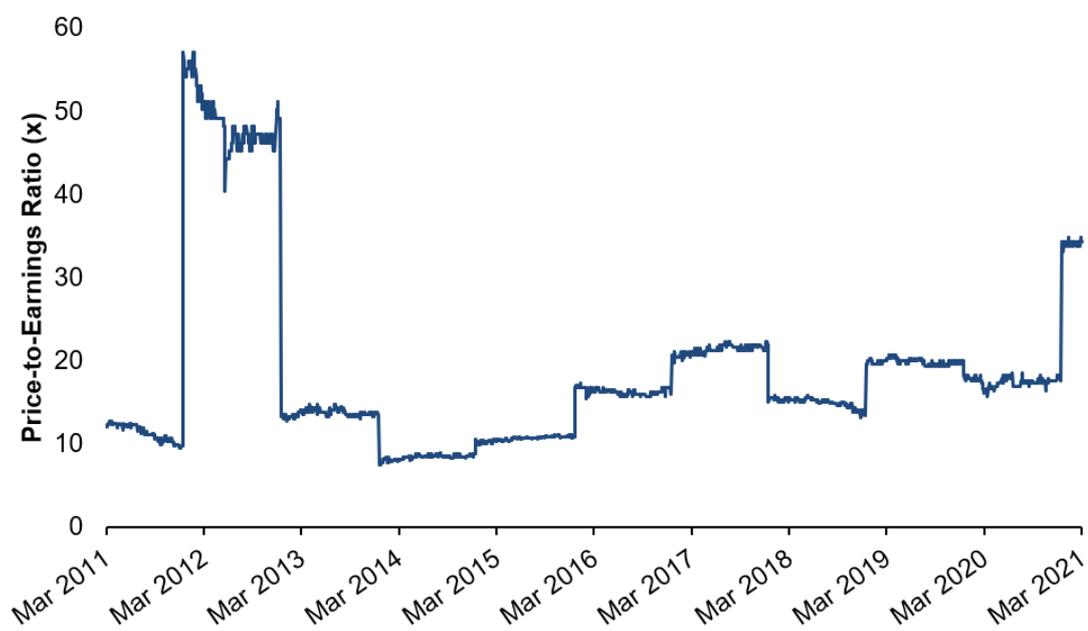
The price-to-book ratio (“**P/B Ratio**”) as implied by the Offer Price is 0.79x. This represents a premium of 25.4%, 17.9%, 11.3% and 5.3%, over the average P/B Ratio of 0.63x, 0.67x, 0.71x and 0.75x for the 1-year, 3-year, 5-year and 10-year periods up to and including the Last Trading Day respectively².

Based on the chart above, the Shares of the Company have been trading at a P/B Ratio below 0.79x since 29 December 2017. In addition, the P/B Ratio as implied by the Offer Price of 0.79x is at a premium of 17.9% over the average P/B Ratio of 0.67x for the period from 29 December 2017 up to and including the Last Trading Day².

¹ The highest historical daily closing prices of the Shares (rounded to the nearest four decimal places) and the corresponding premia are computed based on data extracted from Bloomberg L.P..

² The historical P/B Ratios and the average P/B Ratios for the respective periods are computed based on data extracted from Bloomberg L.P..

- (c) The Company's price-to-earnings ratio implied by the Offer Price exceeds its historical averages



Source: Bloomberg L.P.

The above chart represents the historical price-to-earnings ratio ("**P/E Ratio**") based on the daily closing price of the Shares for the past ten years, up to and including the Last Trading Day.

The P/E Ratio as implied by the Offer Price is 41.3x, which represents a premium of 97.6%, 119.7%, 120.9% and 119.7%, over the average P/E Ratio of 20.9x, 18.8x, 18.7x and 18.8x for the 1-year, 3-year, 5-year and 10-year periods up to and including the Last Trading Day respectively³.

6.2 Opportunity for Shareholders who may find it difficult to exit their investment in the Company due to low trading liquidity

Historically, the trading volume of the Shares has been low, with an average daily trading volume⁴ of approximately 49,095 Shares, 38,805 Shares, 36,211 Shares and 51,707 Shares during the 1-month, 3-month, 6-month and 12-month periods respectively up to and including the Last Trading Day. Each of these trading volumes represents less than 0.01% of the total number of issued Shares as at the end of the aforementioned relevant periods.

The Offer therefore provides Shareholders who might otherwise find it difficult to exit its investment in the Company as a result of the low trading volume in the Shares with an opportunity to realise their entire investment in the Shares at a premium over the prevailing market prices.

³ The historical P/E Ratios and the average P/E Ratios are computed based on data extracted from Bloomberg L.P..

⁴ The average daily trading volumes are calculated as the total volume of Shares traded divided by the number of market days during the 1-month, 3-month, 6-month and 12-month periods up to and including the Last Trading Day.

6.3 Statutory control of the Company

The Offer will allow the Offeror to obtain statutory control of the Company, which will enable the Offeror and its concert parties to control the business and the future plans of the Company more effectively. Support to the Company's management can be provided in the form of:

- (a) managing the Company's operations in the short and medium term with a view to stabilising the volatile reinsurance business for the long term;
- (b) advising on business prospects together with a more disciplined approach to risk and underwriting for the long term;
- (c) supporting the Company's expansion into new markets and businesses;
- (d) competing effectively to overcome the challenging macroeconomic environment in Singapore and across Asia;
- (e) facilitating the implementation of strategic and operational changes;
- (f) optimising the use of its management and capital resources; and
- (g) cooperation and exploration of business synergies with the Offeror's related companies across Asia.

7. LISTING STATUS AND COMPULSORY ACQUISITION

7.1 Listing Status. Pursuant to Rule 1105 of the Listing Manual of the SGX-ST ("**Listing Manual**"), upon an announcement by the Offeror that acceptances have been received pursuant to the Offer that bring the holdings owned by the Offeror and its concert parties to above 90% of the total number of issued Shares (excluding treasury shares), the SGX-ST may suspend the trading of the Shares on the SGX-ST until such time it is satisfied that at least 10% of the total number of issued Shares (excluding treasury shares) are held by at least 500 Shareholders who are members of the public ("**Free Float Requirement**"). Rule 1303(1) of the Listing Manual provides that if the Offeror succeeds in garnering acceptances exceeding 90% of the total number of issued Shares (excluding treasury shares), thus causing the percentage of the total number of issued Shares (excluding treasury shares) held in public hands to fall below 10%, the SGX-ST will suspend trading of the Shares only at the close of the Offer.

In addition, under Rule 724(1) of the Listing Manual, if the percentage of the total number of issued Shares (excluding treasury shares) held in public hands falls below 10%, the Company must, as soon as practicable, announce that fact and the SGX-ST may suspend the trading of all the Shares. Rule 724(2) of the Listing Manual states that the SGX-ST may allow the Company a period of 3 months, or such longer period as the SGX-ST may agree, to raise the percentage of Shares (excluding treasury shares) in public hands to at least 10%, failing which the Company may be delisted from the SGX-ST.

The Offeror's intention is to gain majority control of the Company. In the event that the Free Float Requirement is not met and/or trading of Shares on the SGX-ST is suspended pursuant to Rule 724, Rule 1105 or Rule 1303(1) of the Listing Manual, the Offeror does not intend to preserve the listing status of the Company nor does it intend to undertake or support any action to satisfy the Free Float Requirement or for any such trading suspension by the SGX-ST to be lifted.

If eligible, the Offeror intends to exercise its right of compulsory acquisition under Section 215(1) of the Companies Act, Chapter 50 of Singapore ("Companies Act"), as further described in paragraph 7.2 below. Shareholders should note that even if the Free Float Requirement is not met, the Offeror may not be able to exercise its right of compulsory acquisition if it does not achieve the threshold for compulsory acquisition.

If the Offeror decides not to maintain the listing status of the Company on the SGX-ST should it no longer meet the Free Float Requirement, the SGX-ST will generally consider waiving compliance imposed on a voluntary delisting⁵ if (a) the Offer is fair and reasonable (and the independent financial adviser to the Company has opined that the Offer is fair and reasonable), and (b) the Offeror has received acceptances from independent Shareholders⁶ at the close of the Offer that represent a majority of least 75% of the total number of issued Shares held by independent Shareholders. The Offeror will make an announcement if it receives acceptances of the Offer in respect of 75% of the total number of issued Shares held by independent Shareholders. If the waiver conditions are not met and the Company wishes to undertake a voluntary delisting, it will need to do so in accordance with Rule 1307 of the Listing Manual. In the event the Company is unable to meet the conditions for a voluntary delisting, the Company will be obliged to comply with the Listing Manual, including the requirement to restore its public float (through private placement or otherwise). Shareholders and investors should note there is the risk that the Company may be subject to prolonged suspension should it no longer meet the Free Float Requirement but the requisite conditions for a delisting are not met.

7.2 Compulsory Acquisition. Pursuant to Section 215(1) of the Companies Act, if the Offeror receives valid acceptances pursuant to the Offer (or otherwise acquires Shares during the period when the Offer is open for acceptance) in respect of not less than 90% of the total number of issued Shares (other than those already held by the Offeror, its related corporations or their respective nominees as at the date of the Offer), the Offeror would be entitled to exercise the right to compulsorily acquire all the Shares of Shareholders who have not accepted the Offer ("**Dissenting Shareholders**"), at a price equal to the Offer Price. For the avoidance of doubt, Shares which are held by the Offeror and Newline Corporate Name Limited (being a related corporation of the Offeror) will not count towards the compulsory acquisition threshold.

In such event, the Offeror intends to exercise its right to compulsorily acquire all the Offer Shares not acquired under the Offer. The Offeror will then proceed to delist the Company from the SGX-ST.

Dissenting Shareholders have the right under and subject to Section 215(3) of the Companies Act, to require the Offeror to acquire their Shares at the Offer Price in the event that the Offeror, its related corporations or their respective nominees acquire, pursuant to the Offer, such number of Shares which, together with the Shares held by the Offeror, its related corporations or their respective nominees, comprise 90% or more of the total number of issued Shares.

⁵ Under Rule 1307 of the Listing Manual, the SGX-ST may agree to an application to delist from the SGX-ST if:

- (1) the issuer convenes a general meeting to obtain shareholder approval for the delisting; and
- (2) the resolution to delist the issuer has been approved by a majority of at least 75% of the total number of issued shares excluding treasury shares and subsidiary holdings held by the shareholders present and voting, on a poll, either in person or by proxy at the meeting. The Offeror and parties acting in concert with it must abstain from voting on the resolution.

⁶ Independent Shareholders are Shareholders other than the Offeror and parties acting in concert with it.

Dissenting Shareholders who wish to exercise such rights are advised to seek their own independent legal advice.

7.3 Offeror's Intentions for the Company. The Company's annual returns on Shareholders' equity averaged approximately 4.7%, 3.5% and 1.9% for the past 10, 5 and 1 financial year(s) respectively. The Offeror believes that this decline reflects steep competition, lack of scale of the Company, increasing volatility of underwriting performance and increasing exposure to natural catastrophes, all of which reflect difficult operating conditions in the market. Furthermore, in November 2020, the rating agency, AM Best, had revised its outlook for the Company to "Negative", which may adversely affect the business prospects of the Offeree Group.

By obtaining statutory control, the Offeror may be able to enhance its already strong presence in the Asian regional insurance and reinsurance market by creating complementary business operations with the Offeree Group through sharing customer and cedant relationships, best practices and industry know-how.

It is the intention of the Offeror to continue to develop and grow the businesses of the Offeree Group and pursue opportunities on a long-term sustainable basis, particularly in the areas of underwriting, risk management, claims management and services.

The Offeror also intends to explore opportunities for cost synergies such as shared services, where appropriate. Save for the foregoing, the Offeror currently has no intention to (i) introduce any major changes to the existing business of the Company, (ii) re-deploy the fixed assets of the Company, or (iii) discontinue the employment of the existing employees of the Offeree Group, other than in the ordinary course of business. The Offeror however retains the flexibility at any time to consider options or opportunities which may present themselves.

8. FINANCIAL ASPECTS OF THE OFFER

The Offer Price represents the following premia over certain historical market prices of the Shares⁷ as set out below:

Description	Share Price (S\$)	Premium of Offer Price over Share Price (%)
(a) Last traded price of the Shares on the SGX-ST on 17 March 2021 (being the last full market day on which there were trades in the Shares immediately preceding the Last Trading Day as no Shares were traded on the Last Trading Day)	0.295	19.8
(b) Volume weighted average price of the Shares on the SGX-ST (" VWAP ") for the 1-month period up to and including the Last Trading Day	0.293	20.6
(c) VWAP for the 3-month period up to and including the Last Trading Day	0.293	20.6
(d) VWAP for the 6-month period up to and including the Last Trading Day	0.290	21.9
(e) VWAP for the 12-month period up to and including the Last Trading Day	0.277	27.6

9. DISCLOSURE OF SHAREHOLDINGS AND DEALINGS

9.1 Shareholdings and Dealings in Company Securities. The Appendix to this Announcement sets out, based on the latest information available to the Offeror, (i) the number of Company Securities (as defined in paragraph 9.2 of this Announcement) owned, controlled or agreed to be acquired by it as at the Announcement Date, and (ii) the dealings in the Company Securities during the 3-month period immediately preceding the Announcement Date ("**Reference Period**") by:

- (a) the Offeror and its Directors;
- (b) the Concert Group; and
- (c) the Financial Adviser,

(collectively, "**Relevant Persons**") as at the Announcement Date.

9.2 No Other Holdings and Dealings in Company Securities. Save as disclosed in this Announcement, as at the Announcement Date and based on the latest information available to the Offeror, none of the Relevant Persons:

⁷ The historical market prices of the Shares (rounded to the nearest 3 decimal places) and the corresponding premia are computed based on data extracted from Bloomberg L.P..

- (a) owns, controls or has agreed to acquire any (i) Shares, (ii) securities which carry voting rights in the Company, or (iii) convertible securities, warrants, options or derivatives in respect of the Shares or securities which carry voting rights in the Company (collectively, "**Company Securities**"); and
- (b) has dealt for value in any Company Securities during the Reference Period.

9.3 Other Arrangements. Save as disclosed in this Announcement, as at the Announcement Date and based on the latest information available to the Offeror, none of the Relevant Persons has:

- (a) entered into any arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of the Offeror or the Company which might be material to the Offer;
- (b) granted any security interest relating to any Company Securities to another person, whether through a charge, pledge or otherwise;
- (c) borrowed any Company Securities from another person (excluding borrowed Company Securities which have been on-lent or sold); or
- (d) lent any Company Securities to another person.

9.4 Irrevocable Undertakings. As at the Announcement Date, none of the Relevant Persons has received any irrevocable undertaking from any party to accept or reject the Offer.

9.5 Further Enquiries. In the interests of confidentiality, the Offeror has not made enquiries in respect of certain other parties who are or may be deemed to be acting in concert with the Offeror in connection with the Offer. Similarly, the Financial Adviser has not made enquiries in respect of other parties who are or may be deemed to be acting in concert with the Financial Adviser in connection with the Offer. Further enquiries will be made of such persons and the relevant disclosures will be made in due course and in the Offer Document.

10. CONFIRMATION OF FINANCIAL RESOURCES

SAC Capital Private Limited, as the Financial Adviser to the Offeror, confirms that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offer by the holders of the Offer Shares on the basis of the Offer Price.

11. OFFER DOCUMENT

The Offer Document setting out the terms and conditions of the Offer and enclosing the appropriate form(s) of acceptance of the Offer will be despatched to Shareholders not earlier than 14 days and not later than 21 days from the Announcement Date. The Offer will remain open for acceptances by Shareholders for a period of at least 28 days from the date of posting of the Offer Document. **Shareholders are advised to exercise caution and seek appropriate independent professional advice when dealing in the Shares.**

12. OVERSEAS SHAREHOLDERS

- 12.1 Overseas Jurisdictions.** This Announcement does not constitute an offer to sell or the solicitation of an offer to subscribe for or buy any security, nor is it a solicitation of any vote or approval in any jurisdiction, nor shall there be any sale, issuance or transfer of the securities referred to in this Announcement in any jurisdiction in contravention of applicable law. The Offer will be made solely by the Offer Document and the relevant form(s) of acceptance accompanying the Offer Document, which will contain the full terms and conditions of the Offer, including details of how the Offer may be accepted. **For the avoidance of doubt, the Offer will be open to all Shareholders, including those to whom the Offer Document and the relevant form(s) of acceptance may not be sent.**

The release, publication or distribution of this Announcement in certain jurisdictions may be restricted by law and therefore persons in any such jurisdictions into which this Announcement is released, published or distributed should inform themselves about and observe such restrictions.

Copies of this Announcement and any formal documentation relating to the Offer are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any jurisdiction where the making of or the acceptance of the Offer would violate the laws of that jurisdiction ("**Restricted Jurisdiction**") and will not be capable of acceptance by any such use, instrumentality or facility within any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send them in or into or from any Restricted Jurisdiction.

The Offer (unless otherwise determined by the Offeror and permitted by applicable law and regulation) will not be made, directly or indirectly, in or into, or by the use of mails of, or by any means or instrumentality (including, without limitation, telephonically or electronically) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of, any Restricted Jurisdiction and the Offer will not be capable of acceptance by any such use, means, instrumentality or facilities.

The availability of the Offer to Shareholders whose addresses are outside Singapore as shown in the register of members of the Company or in the records of CDP (as the case may be) (each, an "**Overseas Shareholder**") may be affected by the laws of the relevant overseas jurisdictions in which they are located. Accordingly, Overseas Shareholders should inform themselves of, and observe, any applicable requirements in the relevant overseas jurisdictions.

- 12.2 Copies of the Offer Document.** Where there are potential restrictions on sending the Offer Document and the relevant form(s) of acceptance accompanying the Offer Document to any overseas jurisdictions, the Offeror and the Financial Adviser each reserves the right not to send these documents to Overseas Shareholders in such overseas jurisdictions. Subject to compliance with applicable laws, any affected Overseas Shareholder may, nonetheless, attend in person and obtain a copy of the Offer Document and the relevant form(s) of acceptance from the office of the Company's share registrar, M & C Services Private Limited at 112 Robinson Road #05-01 Singapore 068902. Alternatively, an Overseas Shareholder may, subject to compliance with applicable laws, write to the Company's share registrar at the above-stated address to request for the Offer Document and the relevant form(s) of acceptance to be sent to an address in Singapore by ordinary post at his own risk, up to the 5 market days prior to the close of the Offer.

13. RESPONSIBILITY STATEMENT

The Directors of the Offeror (including those who may have delegated detailed supervision of this Announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Announcement are fair and accurate and that no material facts have been omitted from this Announcement, and they jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources (including without limitation, in relation to the Offeree Group), the sole responsibility of the Directors of the Offeror has been to ensure, through reasonable enquiries, that such information is accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Announcement.

Issued by
SAC Capital Private Limited

For and on behalf of
Fairfax Asia Limited
19 March 2021

Any inquiries relating to this Announcement or the Offer should be directed during office hours to the following:

SAC Capital Private Limited
Tel: (65) 6232 3200

Mr Foo Siang Sheng / Ms Carin Tan
Partner / Manager

IMPORTANT NOTICE

All statements other than statements of historical facts included in this Announcement are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "expect", "anticipate", "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 current expectations, beliefs, hopes, intentions or strategies of the party making the statements 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 or outcomes may differ materially from those described in such forward-looking statements. Shareholders and investors should not place undue reliance on such forward-looking statements, and neither the Offeror nor the Financial Adviser undertakes any obligation to update publicly or revise any forward-looking statements, subject to compliance with all applicable laws and regulations and/or rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

APPENDIX

DISCLOSURE OF SHAREHOLDINGS AND DEALINGS

1. Interests in Shares of the Relevant Persons

The interests of the Relevant Persons in the Shares as at the Announcement Date are set out below:

Name	Direct Interests		Deemed Interests		Total Interests	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
Offeror	115,370,835	19.35	-	-	115,370,835	19.35
Concert Group						
Fairfax Financial Holdings Limited ⁽¹⁾	-	-	168,035,957	28.18	168,035,957	28.18
FFHL Group Limited ⁽²⁾	-	-	115,370,835	19.35	115,370,835	19.35
Fairfax (Barbados) International Corp. ⁽²⁾	-	-	115,370,835	19.35	115,370,835	19.35
Fairfax (US) Inc. ⁽³⁾	-	-	52,665,122	8.83	52,665,122	8.83
Odyssey US Holdings Inc. ⁽³⁾	-	-	52,665,122	8.83	52,665,122	8.83
Odyssey Group Holdings, Inc. ⁽³⁾	-	-	52,665,122	8.83	52,665,122	8.83
Odyssey Reinsurance Company ⁽³⁾	-	-	52,665,122	8.83	52,665,122	8.83
Newline Holdings UK Limited ⁽³⁾	-	-	52,665,122	8.83	52,665,122	8.83
Newline Corporate Name Limited ⁽³⁾	52,665,122	8.83	-	-	52,665,122	8.83
Offeror Directors	-	-	-	-	-	-
Financial Adviser	-	-	-	-	-	-

Notes:

- (1) Fairfax Financial Holdings Limited is deemed to have an interest in the Shares held by the Offeror and Newline Corporate Name Limited.
- (2) Each of FFHL Group Limited and Fairfax (Barbados) International Corp. is deemed to have an interest in the Shares held by the Offeror.
- (3) Each of Fairfax (US) Inc., Odyssey US Holdings Inc., Odyssey Group Holdings, Inc., Odyssey Reinsurance Company and Newline Holdings UK Limited is deemed to have an interest in the Shares held by Newline Corporate Name Limited.

2. Dealings in Shares by the Relevant Persons

The Relevant Persons have not dealt for value in the Shares during the Reference Period.