

**APPENDIX DATED 15 APRIL 2019**

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

**If you are in any doubt in relation to the contents of this Appendix or as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.**

This Appendix is circulated to shareholders of Kori Holdings Limited (the “**Company**”) together with the Company’s annual report for the financial year ended 31 December 2018. Its purpose is to provide Shareholders with the relevant information relating to the Proposed Renewal of the Share Purchase Mandate to be table at the forthcoming Annual General Meeting of the Company to be held at Shaw Foundation Alumni House, 11 Kent Ridge Drive, Thyme Room, Singapore 119244 on 30 April 2019 at 10.00 a.m.

*Capitalised terms appearing on this cover of the Appendix have the same meanings defined herein.*

If you have sold or transferred all your ordinary shares in the capital of the Company held through The Central Depository (Pte) Limited (“**CDP**”), you need not forward this Appendix to the purchaser or transferee as arrangements will be made by CDP for a separate Appendix to be sent to the purchaser or transferee. If you have sold or transferred all your ordinary shares represented by physical share certificate(s), you should immediately forward this Appendix, the Annual Report and the accompanying Proxy Form to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Appendix has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, PrimePartners Corporate Finance Pte. Ltd. (the “**Sponsor**”), for compliance with the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this Appendix.

This Appendix has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this Appendix, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Appendix.

The contact person for the Sponsor is Ms Keng Yeng Pheng, Director, Continuing Sponsorship (Mailing Address: 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318 and E-mail: sponsorship@ppcf.com.sg).



**KORI HOLDINGS LIMITED**

(Company Registration Number: 201212407R)  
(Incorporated in the Republic of Singapore on 18 May 2012)

**APPENDIX TO SHAREHOLDERS**

IN RELATION TO

**THE PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE**

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## DEFINITIONS

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In this Appendix, the following definitions shall apply throughout unless the context otherwise requires or otherwise stated:

- “ACRA”** : The Accounting and Corporate Regulatory Authority of Singapore
- “Act”** : Companies Act (Chapter 50) of Singapore, as amended, modified or supplemented from time to time
- “AGM”** : The annual general meeting of the Company to be held at 10.00 a.m. on 30 April 2019 at Shaw Foundation Alumni House, 11 Kent Ridge Drive, Thyme Room, Singapore 119244
- “Annual Report”** : The Company’s annual report for the financial year ended 31 December 2018
- “Appendix”** : This appendix to Shareholders dated 15 April 2019
- “Audit Committee”** : The audit committee of the Company as at the date of this Appendix, comprising Mr. Kuan Cheng Tuck, Mr. Lim Yeok Hua and Mr. Nicholas Phillip Lazarus
- “Associate”** : (a) in relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:
- (i) his immediate family;
  - (ii) the trustees of any trust of which he or his immediately 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
- “Awards”** : Awards to subscribe for ordinary shares of the Company issued pursuant to the Kori Performance Share Plan

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## DEFINITIONS

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<b>“Board”</b>	:	The board of Directors of the Company as at the date of this Appendix
<b>“Catalist”</b>	:	Catalist of the SGX-ST, being the sponsor-supervised listing platform of the SGX-ST
<b>“Catalist Rules”</b>	:	The SGX-ST Listing Manual Section B: Rules of Catalist, as may be amended, modified or supplemented from time to time
<b>“CDP”</b>	:	The Central Depository (Pte) Limited
<b>“Companies Act”</b>	:	The Companies Act, Chapter 50 of Singapore, as amended, modified or re-enacted from time to time
<b>“Company”</b>	:	Kori Holdings Limited
<b>“Constitution”</b>	:	The Constitution of the Company, as amended from time to time
<b>“Controlling Shareholder”</b>	:	A person who:  (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company; or  (b) in fact exercises control over the Company
<b>“Directors”</b>	:	The directors of the Company as at the date of this Appendix
<b>“EPS”</b>	:	Earnings per Share
<b>“FY”</b>	:	The financial year ended or ending 31 December, as the case may be
<b>“Group”</b>	:	The Company and its subsidiaries, collectively
<b>“Latest Practicable Date”</b>	:	1 April 2019, being the latest practicable date prior to the printing of this Appendix
<b>“Notice of AGM”</b>	:	The notice of AGM set out in the Annual Report
<b>“NTA”</b>	:	Net tangible assets
<b>“Options”</b>	:	Options to subscribe for ordinary shares of the Company issued pursuant to the Kori Employee Share Option Scheme

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## DEFINITIONS

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<b>“Proposed Renewal of Share Purchase Mandate”</b>	:	The proposed renewal of the Share Purchase Mandate
<b>“Relevant Period”</b>	:	The period commencing from the date on which the ordinary resolution relating to the renewal of the Share Purchase Mandate is passed at the AGM and expiring on the earliest of the date on which the next annual general meeting of the Company is held or is required by law to be held, the date on which the Share buy-backs are carried out to the full extent of the renewed Share Purchase Mandate, or the date the said mandate is revoked or varied by the Company in a general meeting
<b>“Securities Account”</b>	:	A securities account maintained by a Depositor with CDP (but does not include a securities sub-account maintained with a Depository Agent)
<b>“SFA”</b>	:	The Securities and Futures Act, Chapter 289 of Singapore, as amended, modified or re-enacted from time to time
<b>“SGX-ST”</b>	:	The Singapore Exchange Securities Trading Limited
<b>“Shares”</b>	:	Ordinary shares in the share capital of the Company
<b>“Share Purchase Mandate”</b>	:	The proposed general and unconditional mandate given by Shareholders at the AGM to authorise the Directors to exercise all powers of the Company to purchase or otherwise acquire the issued Shares within the Relevant Period, in accordance with the terms set out in this Appendix as well as the rules and regulations set forth in the Act and the Catalist Rules
<b>“Shareholders”</b>	:	The registered holders of Shares in the register of members of the Company, except where the registered holder is CDP, the term <b>“Shareholders”</b> shall, in relation to such Shares and where the context so admits, mean the persons named as Depositors in the Depository Register maintained by CDP whose Securities Accounts are credited with those Shares
<b>“SIC”</b>	:	The Securities Industry Council of Singapore
<b>“Shares”</b>	:	Ordinary shares in the capital of the Company
<b>“Sponsor”</b>	:	PrimePartners Corporate Finance Pte. Ltd.
<b>“Substantial Shareholder”</b>	:	A person who has an interest, directly or indirectly, in five per cent. (5%) or more of the total number of Shares

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## DEFINITIONS

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**“Take-over Code”** : The Singapore Code on Take-overs and Mergers, as amended or modified from time to time

**“Treasury Shares”** : Shares purchased or otherwise acquired by the Company pursuant to the Share Purchase Mandate and held by the Company in accordance with Section 76H of the Act

### ***Currencies, Units and Others***

**“S\$”, or “cents”** : Singapore dollars and cents, respectively

**“%” or “per cent”** : Per centum or percentage

The term **“subsidiary”** shall have the meaning ascribed to it in the Companies Act.

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

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

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA, the Catalist Rules or any modification thereof and not otherwise defined in this Appendix shall, where applicable, have the meaning ascribed to it under the Companies Act, the SFA, the Catalist Rules or such modification thereof, as the case may be, unless otherwise provided.

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

Any discrepancies between the figures listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in this Appendix may not be an arithmetic aggregation of the figures that precede them. Where applicable, figures and percentages are rounded to the nearest two decimal places.

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

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## LETTER TO SHAREHOLDERS

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### KORI HOLDINGS LIMITED

(Company Registration Number: 201212407R)  
(Incorporated in the Republic of Singapore on 18 May 2012)

#### Board of Directors

Hooi Yu Koh	Executive Chairman and Chief Executive Officer
Ng Wai Kit	Executive Director
Kuan Cheng Tuck	Lead Independent Director
Nicholas Philip Lazarus	Independent Director
Lim Yeok Hua	Independent Director

#### Registered Office

11 Sims Drive  
#06-01 SCN Centre  
Singapore 387385

15 April 2019

To: The Shareholders of Kori Holdings Limited

Dear Sir/Madam

## 1 INTRODUCTION

### 1.1 Annual General Meeting

This Appendix is circulated together with the Annual Report to provide Shareholders with information relating to the Proposed Resolutions and to seek their approval for the same as set out in the Notice of AGM.

The Notice of AGM and Proxy Form and enclosed with the Annual Report.

The Sponsor and the SGX-ST take no responsibility for the contents of this Appendix, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Appendix.

## 2 THE RENEWAL OF SHARE PURCHASE MANDATE

### 2.1 Background of the Proposed Renewal of Share Purchase Mandate

The Company's existing Share Purchase Mandate was first approved by Shareholders at the annual general meeting of the Company held on 25 April 2014 and renewed at each subsequent annual general meeting of the Company. The Share Purchase Mandate will, unless renewed again, expire on the date of the forthcoming AGM. Accordingly, the Directors are proposing to seek Shareholders' approval at the forthcoming AGM for the proposed renewal of the Share Purchase Mandate.

The Act allows a company incorporated in Singapore to purchase or otherwise acquire its issued shares, stocks and preference shares if the purchase or acquisition is permitted under the Constitution. Any purchase of Shares by the Company will have to be made in accordance with, and in the manner prescribed by the Act, the Constitution and the Catalist Rules and such other laws and regulations as may for the time being, be applicable.

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## LETTER TO SHAREHOLDERS

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It is a requirement under the Act and the Catalist Rules that a company which wishes to purchase or otherwise acquire its own shares should obtain the approval of its shareholders to do so at a general meeting. In this regard, approval is being sought from Shareholders at the AGM for the proposed renewal of the Share Purchase Mandate. An ordinary resolution will be proposed, pursuant to which authority will be given to the Directors to exercise all powers of the Company to purchase or otherwise acquire its issued Shares on the terms of the Share Purchase Mandate.

### **2.2 Rationale for the Proposed Renewal of the Share Purchase Mandate**

The Share Purchase Mandate would give the Company the flexibility to undertake the purchase or acquisition of its Shares as and when appropriate to:

- (a) manage the share capital structure of the Company, with a view to enhancing the EPS, NTA per Share and/or return on equity;
- (b) manage surplus capital, such that surplus capital and funds which are in excess of the Company's requirements may be returned to Shareholders in an expedient and cost-efficient manner;
- (c) share buy-backs by the Company will help mitigate short term market volatility, offset the effects of short-term share price speculation and bolster shareholder confidence; and
- (d) manage and minimise the dilution impact (if any) associated with any share-based incentive scheme as may be implemented by the Company from time to time by delivering existing Shares instead of issuing new Shares.

The Share Purchase Mandate will be exercised by the Directors in circumstances where it is considered to be in the best interests of the Company, after taking into account factors such as the amount of surplus cash available and working capital requirements of the Company, the prevailing market conditions, liquidity and orderly trading of the Shares. The Directors are committed to ensuring that any Share buy-backs by the Company will not have any material adverse impact on the float, liquidity and/or orderly trading of the Shares and/or the financial position of the Group.

### **2.3 Authority and Limits**

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

### **2.4 Maximum Number of Shares**

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

The total number of Shares that may be purchased or acquired by the Company pursuant to the Share Purchase Mandate during the Relevant Period, is limited to that number of Shares representing not more than 10% of the total number of issued Shares of the Company as at the date of the AGM at which the Share Purchase Mandate is approved (unless the Company has, at any time during the Relevant Period, reduced its share



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## LETTER TO SHAREHOLDERS

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capital by a special resolution under Section 78C of the Act, or the court has, at any time during the Relevant Period, made an order under Section 78I of the Act approving the reduction of share capital of the Company, in which event the total number of Shares shall be taken to be the total number of Shares as altered by the special resolution of the Company or the order of the court, as the case may be).

For purposes of calculating the percentage of Shares referred to above, any of the Shares which are held as Treasury Shares and subsidiary holdings will be disregarded. There are no Treasury Shares as at the Latest Practicable Date.

**For illustrative purposes only**, on the basis of 99,200,000 Shares in issue (excluding Treasury Shares and subsidiary holdings) as at the Latest Practicable Date and assuming that no further Shares are issued on or prior to the AGM and that no Shares are allotted or issued pursuant to the exercise of Options or vesting of Awards, not more than 9,920,000 Shares representing 10% of the issued Shares (excluding Treasury Shares and subsidiary holdings) as at the date of the AGM may be purchased or acquired by the Company pursuant to the Share Purchase Mandate.

### 2.4.1 Duration of Authority

Purchases or acquisitions of Shares may be made during the Relevant Period, at any time and from time to time, on and from the date of the AGM at which the Share Purchase Mandate is approved, up to:

- (a) the date on which the next annual general meeting of the Company is held or required by law to be held;
- (b) the date on which the purchases or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated; or
- (c) the date on which the authority conferred by the Share Purchase Mandate is varied or revoked by Shareholders in a general meeting,

whichever is the earliest.

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

### 2.4.2 Manner of Purchases or Acquisitions of Shares

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

- (a) on-market purchases (the “**Market Purchase**”), transacted on the SGX-ST through the SGX-ST’s trading system, and which may be transacted through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or

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## LETTER TO SHAREHOLDERS

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- (b) off-market purchases (the “**Off-Market Purchase**”) effected pursuant to an equal access scheme as defined in Section 76C of the Act.

The Directors may impose such terms and conditions which are not inconsistent with the Share Purchase Mandate, the Catalist Rules, the Act and the Constitution, as they consider fit in the interests of the Company and/or Shareholders in connection with or in relation to any equal access scheme.

An Off-Market Purchase must, however, satisfy all of the following conditions:

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

In addition, pursuant to Rule 870 of the Catalist Rules, if the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, the Company must issue an offer document to all Shareholders containing at least the following information:

- (a) the terms and conditions of the offer;
- (b) the period and procedures for acceptances;
- (c) the reasons for the proposed purchase or acquisition of Shares;
- (d) the consequences, if any, of the proposed purchase or acquisition of Shares by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (e) whether the purchase or acquisition of Shares, if made, would have any effect on the listing of the Shares on the SGX-ST;
- (f) details of any purchase or acquisition of Shares made by the Company in the previous twelve (12) months (whether by way of Market Purchase or Off-Market Purchase pursuant to an equal access scheme), giving the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for the purchases or acquisitions, where relevant, and the total consideration paid for the purchases or acquisitions; and
- (g) whether the Shares purchased will be cancelled or kept as Treasury Shares.

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## LETTER TO SHAREHOLDERS

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### 2.4.3 Maximum Purchase Price

The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax, clearance fees and other related expenses) (the “**related expenses**”) to be paid for a Share will be determined by the Directors.

However, the purchase price to be paid for the Shares pursuant to the purchases or acquisitions of the Shares must not exceed:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price (as defined hereinafter); and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 110% of the Average Closing Price,

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

For the above purposes:

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

“**date of the making of the offer**” means the date on which the Company makes an offer for an Off-Market Purchase, 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.

### 2.4.4 Status of Purchased Shares

Shares purchased or acquired by the Company are deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Shares will expire on such cancellation) unless such Shares are held by the Company as Treasury Shares to the extent permitted under the Act. At the time of each purchase or acquisition of the Shares by the Company, the Directors will decide whether the Shares purchased will be cancelled or kept as Treasury Shares, or partly cancelled and partly kept as Treasury Shares, depending on the needs of the Company at that time and as the Directors deem fit in the interests of the Company at that time. The total number of Shares will be diminished by the number of Shares purchased or otherwise acquired by the Company and which 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 Act) will be automatically de-listed by the SGX-ST, and certificates (if any) in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase or acquisition.

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## LETTER TO SHAREHOLDERS

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### 2.5 Treasury Shares

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

#### 2.5.1 Maximum Holdings

The number of Shares held as Treasury Shares cannot at any time exceed 10% of the total number of issued Shares. Any Shares in excess of this limit shall be disposed of or cancelled in accordance with Section 76K of the Act within six (6) months or such further periods as ACRA may allow.

#### 2.5.2 Voting and Other Rights

The Company cannot exercise any right in respect of Treasury Shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the 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. Also, a subdivision of any Treasury Shares into Treasury Shares of a larger amount, or a consolidation of any Treasury Shares into Treasury Shares of a smaller amount, is allowed so long as the total value of the Treasury Shares after the subdivision or consolidation is the same as before.

#### 2.5.3 Disposal and Cancellation

Where Shares are held as Treasury Shares, the Company may at any time:

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

The Company, upon undertaking any sale, transfer, cancellation and/or use of Treasury Shares, will comply with Rule 704(31) of the Catalist Rules, which provides that an issuer must make an immediate announcement thereof, stating the following:

- (a) date of the sale, transfer, cancellation and/or use;
- (b) purpose of such sale, transfer, cancellation and/or use;

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## LETTER TO SHAREHOLDERS

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- (c) number of treasury shares sold, transferred, cancelled and/or used;
- (d) number of treasury shares before and after such sale, transfer, cancellation and/or use;
- (e) percentage of the number of treasury shares against the total number of shares outstanding before and after such sale, transfer, cancellation and/or use; and
- (f) value of the treasury shares if they are used for a sale or transfer, or cancelled.

### **2.6 Reporting Requirements**

#### **2.6.1 ACRA**

Within thirty (30) days of the passing of a Shareholders' ordinary resolution to approve the purchases or acquisitions of Shares by the Company, the Company shall lodge a copy of such resolution with ACRA.

The Company shall notify ACRA within thirty (30) days of a purchase or acquisition of Shares on the SGX-ST or otherwise. Such notification shall include details of purchases or acquisitions including the date of the purchases or acquisitions, the total number of Shares purchased or acquired by the Company, the number of Shares cancelled and the number of Shares held as Treasury Shares, the Company's issued share capital before and after the purchases or acquisitions of Shares, the amount of consideration paid by the Company for the purchases or acquisitions, whether the shares were purchased or acquired out of profits or the capital of the Company and such other information as required by the Act.

Within thirty (30) days of the cancellation or disposal of Treasury Shares in accordance with the provisions of the Act, the Directors shall lodge with ACRA the notice of cancellation or disposal of Treasury Shares in the prescribed form as required by ACRA.

#### **2.6.2 Catalist Rules**

Rule 871 of the Catalist Rules specifies that a listed company shall notify the SGX-ST of all purchases or acquisitions of its Shares not later than 9.00 a.m.:

- (a) in the case of a Market Purchase, on the Market Day following the day on which the Market Purchase was made; and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, on the second Market Day after the close of acceptance of the offer for the Off-Market Purchase.

The notification of such purchases or acquisitions of Shares to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe. The Company shall make arrangements with its stockbrokers to ensure that they provide the Company in a timely fashion the necessary information which will enable the Company to make the notifications to the SGX-ST.

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## LETTER TO SHAREHOLDERS

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### 2.7 Source of Funds

The Company may only apply funds legally available for the purchase or acquisition of Shares in accordance with the Constitution and the applicable laws in Singapore. The Company may not purchase or acquire its Shares pursuant to the Share Purchase Mandate 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. As stated in the Act, the Share buy-back may be made out of the Company's profits or capital so long as the Company is solvent (as defined in Section 76F(4) of the Act).

In determining whether the Company is solvent, the Directors must have regard to the most recently audited financial statements, other relevant circumstances, and may rely on valuations or estimates of assets or liabilities. In determining the value of contingent liabilities, the Directors may take into account the likelihood of the contingency occurring, as well as any counter-claims by the Company.

The Company intends to use internal sources of funds or external borrowings or a combination of both to finance the Company's purchase or acquisition of Shares pursuant to the Share Purchase Mandate. The Directors do not propose to exercise the Share Purchase Mandate to such an extent that it would have a material adverse effect on the working capital requirements and/or the gearing of the Group.

### 2.8 Financial Effects

The financial effects on the Company and the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Purchase Mandate will depend on, *inter alia*, the aggregate number of Shares purchased or acquired, the consideration paid at the relevant time, the amount (if any) borrowed by the Group to fund the purchases or acquisitions, whether the Shares are purchased out of capital or profits of the Company and whether the Shares purchased or acquired are held in treasury or cancelled. It is therefore not possible to accurately calculate or quantify the impact at this point of time.

**For illustrative purposes only**, the financial effects of the Share buy-backs on the Company and the Group based on the audited consolidated financial statements of the Company and the Group for FY2018 are set out below.

#### 2.8.1 Purchase or Acquisition out of Capital or Profits

Under the Act, purchases or acquisitions of Shares by the Company may be made out of the Company's capital or profits so long as the Company is solvent.

Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of profits, such consideration (excluding brokerage, commission, applicable goods and services tax and other related expenses) will correspondingly reduce the profits of the Company and hence the amount available for the distribution of dividends by the Company.

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## LETTER TO SHAREHOLDERS

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Where the consideration paid by the Company for the purchase or acquisition of Shares is made out of capital, the amount available for the distribution of dividends by the Company will not be reduced. The NTA of the Company and of the Group will be reduced by the aggregate purchase price paid by the Company for the Shares.

### 2.8.2 Maximum Price Paid for Shares Acquired or Purchased

Assuming that the Company purchases or otherwise acquires the maximum number of 9,920,000 Shares at the Maximum Price, the maximum amount of funds required is approximately:

- (a) in the case of Market Purchase of Shares, S\$3.47 million based on the Maximum Price of S\$0.350 for one Share (being the price equivalent to 5% above the Average Closing Price of the Shares traded on the SGX-ST for the five (5) consecutive Market Days immediately preceding the Latest Practicable Date); and
- (b) in the case of Off-Market Purchase of Shares, S\$3.67 million based on the Maximum Price of S\$0.370 for one Share (being the price equivalent to 10% above the Average Closing Price of the Shares traded on the SGX-ST for the five (5) consecutive Market Days immediately preceding the Latest Practicable Date).

### 2.8.3 Whether the Shares are Cancelled or Held in Treasury

In the case where the Company chooses not to hold the purchased Shares in treasury, such Shares shall be cancelled. The Company shall:

- (a) reduce the amount of its share capital where the Shares were purchased or acquired out of the capital of the Company;
- (b) reduce the amount of its profits where the Shares were purchased or acquired out of the profits of the Company; or
- (c) reduce the amount of its share capital and profits proportionately where the Shares were purchased or acquired out of both the capital and profits of the Company,

by the total amount of the purchase price paid by the Company for the Shares cancelled. Where the purchased Shares are held in treasury, the total issued Shares of the Company will remain unchanged.

### 2.8.4 Illustrative Financial Effects

**For illustrative purposes only**, Table A below lists four (4) possible scenarios of purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate, based on the following assumptions:—

- (a) the Company has 99,200,000 issued and paid-up Shares (excluding Treasury Shares and subsidiary holdings) as at the Latest Practicable Date, and no additional Shares were issued after the Latest Practicable Date and that no Shares are allotted or issued pursuant to the exercise of Options, or vesting of Awards;



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## LETTER TO SHAREHOLDERS

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- (b) the Company has as at 31 December 2018:
- (i) issued share capital of approximately S\$32,290,650;
  - (ii) cash and cash equivalents of approximately S\$13,000;
- (c) cash of up to S\$1.4 million had been disbursed from the Company's wholly-owned subsidiaries to the Company prior to the purchase or acquisition of Shares by the Company;
- (d) the consideration for the purchase or acquisition of the Shares (excluding brokerage, stamp duties, commission, applicable goods and services tax, clearance fees and other related expenses) is financed by internal sources of funds as follows,
- (i) in the case of Market Purchase of Shares, S\$3.47 million via internal funds and external borrowings to the Company; and
  - (ii) in the case of Off-Market Purchase of Shares, S\$3.67 million via internal funds and external borrowings to the Company, and
- (e) transaction costs are disregarded.

and based on the audited financial statements of the Group for the FY2018, the effects of the purchase or acquisition of such Shares by the Company on the financial position of the Company and the Group are as follows:

### Table A

#### *Scenario of purchase or acquisition of Shares*

The following four possible scenarios in Table A are purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate, with the pro-forma financial effects shown in detail either (i) out of capital in Table B; or (ii) out of profits in Table C:

Share Purchase				Maximum Number of Shares to be Purchased	
Scenario	Type	Whether held as Treasury Shares or Cancelled	Maximum Price per Share (S\$)	Number of Shares	Equivalent Percentage of Issued Shares
1(A)	Market	Held as Treasury Shares	0.350	9,920,000	10%
1(B)	Market	Cancelled	0.350	9,920,000	10%
1(C)	Off-Market	Held as Treasury Shares	0.370	9,920,000	10%
1(D)	Off-Market	Cancelled	0.370	9,920,000	10%



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**Table B**

*Pro-forma financial effects on the Group for scenarios of Share purchases or acquisitions by the Company out of capital*

Paid by Capital	Group As at 31-Dec-18 (Audited)	Pro-forma Financial Effects as at 31 December 2018 for Scenarios in Table A			
		1(A)	1(B)	1(C)	1(D)
Share Capital	32,291	32,291	28,819	32,291	28,621
Retained earnings	44,463	44,463	44,463	44,463	44,463
Merger reserve	(25,628)	(25,628)	(25,628)	(25,628)	(25,628)
Foreign currency translation reserve	–	–	–	–	–
Treasury Shares	–	(3,472)	–	(3,670)	–
Total Equity	51,126	47,654	47,654	47,456	47,456
Net Tangible Assets (NTA)	51,126	47,654	47,654	47,456	47,456
Current Assets	31,939	30,574	30,574	30,574	30,574
Current Liabilities	13,208	15,314	15,314	15,513	15,513
Borrowings	4,367	6,474	6,474	6,672	6,672
Number of Shares <sup>(1)</sup>	99,200	89,280	89,280	89,280	89,280
Weighted average number of Shares <sup>(2)</sup>	99,200	89,280	89,280	89,280	89,280
Net profit for the financial year	251	251	251	251	251
<b>Financial Ratios</b>					
NTA per Share <sup>(3)</sup> (S\$)	0.52	0.53	0.53	0.53	0.53
Current Ratio (times)	0.09	0.14	0.14	0.14	0.14
Gearing (times)	2.42	2.00	2.00	1.97	1.97
EPS <sup>(4)</sup> (S\$)	0.003	0.003	0.003	0.003	0.003

**Notes:–**

- Shares that are held in treasury or cancelled as stipulated.
- Assumes Share buy-back was done on 1 January 2018.
- NTA per Share equals to NTA divided by the number of Shares outstanding as at 31 December 2018.
- Earnings per Share (“EPS”) is calculated based on net profit for the financial year divided by weighted average number of Shares.

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**Table C**

*Pro-forma financial effects on the Group for scenarios of Share purchases or acquisitions by the Company out of profits*

Paid by Profit	Group As at 31-Dec-18 (Audited)	Pro-forma Financial Effects as at 31 December 2018 for Scenarios in Table A			
		1(A)	1(B)	1(C)	1(D)
Share Capital	32,291	32,291	28,819	32,291	28,621
Retained earnings	44,463	40,991	40,991	40,793	40,793
Merger reserve	(25,628)	(25,628)	(25,628)	(25,628)	(25,628)
Capital reserve <sup>(5)</sup>	–	3,472	3,472	3,670	3,670
Foreign currency translation reserve	–	–	–	–	–
Treasury Shares	–	(3,472)	–	(3,670)	–
<b>Total Equity</b>	<b>51,126</b>	<b>47,654</b>	<b>47,654</b>	<b>47,456</b>	<b>47,456</b>
<b>Net Tangible Assets (NTA)</b>	<b>51,126</b>	<b>47,654</b>	<b>47,654</b>	<b>47,456</b>	<b>47,456</b>
Current Assets	31,939	30,574	30,574	30,574	30,574
Current Liabilities	13,208	15,314	15,314	15,513	15,513
Borrowings	4,367	6,474	6,474	6,672	6,672
Number of Shares <sup>(1)</sup>	99,200	89,280	89,280	89,280	89,280
Weighted average number of Shares <sup>(2)</sup>	99,200	89,280	89,280	89,280	89,280
Net profit for the financial year	251	251	251	251	251
<b>Financial Ratios</b>					
NTA per Share <sup>(3)</sup> (S\$)	0.52	0.53	0.53	0.53	0.53
Current Ratio (times)	0.09	0.14	0.14	0.14	0.14
Gearing (times)	2.42	2.00	2.00	1.97	1.97
EPS <sup>(4)</sup> (S\$)	0.003	0.003	0.003	0.003	0.003

**Notes:–**

- Shares that are held in treasury or cancelled as stipulated.
- Assumes Share buy-back was done on 1 January 2018.
- NTA per Share equals to NTA divided by the number of Shares outstanding as at 31 December 2018.
- Earnings per Share (“EPS”) is calculated based on net profit for the financial year divided by weighted average number of Shares.
- Capital reserve represents the amount transferred or appropriated from retained earnings to reflect that the Share purchases or acquisitions are out of profit.

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The actual impact will depend on number of and price of the Shares brought back. As stated, the Directors do not propose to exercise the Share Purchase Mandate to such an extent that it would have a material adverse effect on the working capital requirements and/or gearing of the Group. The purchase of Shares will only be effected after assessing the relative impact of a share buy-back taking into consideration both financial factors (such as cash surplus, debt position and working capital requirements) and non-financial factors (such as share market conditions and performance of Shares).

**Shareholders should note that the financial effects set out above, based on the respective aforementioned assumptions, are for illustration purposes only. In particular, it is important to note that the above analysis is based on historical audited numbers as at 31 December 2018, save for the number of Shares, which is based on the number of Shares as at the Latest Practicable Date, and is not necessarily representative of future financial performance and positions of the Group.**

The financial effects set out above are for illustrative purposes only. Although the Share Purchase Mandate would authorise the Company to purchase or otherwise acquire up to 10% of the issued Shares, the Company may not necessarily purchase or otherwise acquire or be able to purchase or otherwise acquire any or all of the 10% of the issued Shares. In addition, the Company may cancel all or part of the Shares repurchased and/or hold all or part of the Shares repurchased as Treasury Shares at its discretion.

### 2.9 Appendix 2 of the Take-over Code

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 in Sections 2.10 to 2.14 of this Appendix.

### 2.10 Obligation to make a Take-over Offer

Rule 14 of the Take-over Code requires, *inter alia*, that except with the consent of the SIC, where:

- (a) any person acquires, whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30% or more of the voting rights of a company; or
- (b) any person who, together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights and such person, or any person acting in concert with him, acquires in any period of six (6) months additional shares carrying more than 1% of the voting rights,

such person shall extend immediately an offer on the basis set out below to the holders of any class of shares in the capital of the company which carries votes and in which such person, or persons acting in concert with him, holds shares. In addition to such person, each of the principal members of the group of persons acting in concert with him may, according to the circumstances of the case, have the obligation to extend an offer.

In calculating the percentages of voting rights of such person and their concert parties, Treasury Shares shall be excluded.

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### 2.11 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, *inter alia*, will be presumed to be acting in concert under the Take-over Code, namely:

- (a) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies, 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;
- (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;
- (c) a company with any of its pension funds and employees' share schemes;
- (d) a person with any investment company, unit trust or other fund in respect of the investment account which such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (e) a financial or other professional adviser, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10% or more of the client's equity share capital;
- (f) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or where they have reason to believe a *bona fide* offer for their company may be imminent;
- (g) partners; and
- (h) 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.

For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status.

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

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### 2.12 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, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring Shares:

- (a) the voting rights of such Directors and persons acting in concert with them would increase to 30% or more; or
- (b) in the event that such Directors and persons acting in concert with them hold between 30% and 50% of the Company's voting rights, if the voting rights of such Directors and persons acting in concert with them would increase by more than 1% in any period of six (6) months.

Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its Shares:

- (a) the voting rights of such Shareholder would increase to 30% or more; or
- (b) 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 (6) months.

Such Shareholder need not abstain from voting in respect of the ordinary resolution authorising the Share Purchase Mandate.

**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 purchase or acquisition of Shares by the Company should consult their professional advisers and/or SIC and/or other relevant authorities at the earliest opportunity.**

### 2.13 Application of the Take-over Code

As at the Latest Practicable Date, the details of the shareholdings of the Substantial Shareholders and Directors of the Company are set out in Section 5 of the Appendix.

#### 2.13.1 Mr Hooi Yu Koh and parties acting in concert with him

As at the Latest Practicable Date, Mr Hooi Yu Koh, the Executive Chairman and Chief Executive Officer of the Company, holds 33,816,200 Shares in the Company representing 34.09% of the total number of issued Shares (excluding Treasury Shares) of the Company.

In the event that the Share Purchase Mandate is exercised to its maximum 10%, the interest of Mr Hooi Yu Koh in the Company could increase by more than 1% in any period of six (6) months. Accordingly, Mr Hooi Yu Koh and parties acting in concert with him will be required to make a general offer under Rule 14 of the Take-over Code.

As at the Latest Practicable Date, there are no parties acting in concert with Mr Hooi Yu Koh.

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### Conditions for exemption from having to make a general offer under Rule 14 of the Take-over Code

Pursuant to Section 3(a) of Appendix 2 of the Take-over Code, Mr Hooi Yu Koh and parties acting in concert with him (if any) (the “**Relevant Parties**”) will be exempted from the requirement to make a general offer under Rule 14 of the Take-over Code if their respective shareholding in the Company increases by more than one per cent (1%) in any six (6) months as a result of any Share buy-back carried out by the Company pursuant to the Share Purchase Mandate, subject to the following conditions:

- (a) the circular to Shareholders seeking their approval for the Share Purchase Mandate will contain:
  - (i) advice to the effect that by voting in favour of the resolution to approve the Share Purchase Mandate, Shareholders are waiving their rights to a general offer at the required price from the Relevant Parties; and
  - (ii) the names and voting rights of the Relevant Parties as at the date of the resolution and after the Company exercises the power under the Share Purchase Mandate in full and purchases 10% of the issued Shares;
- (b) the resolution to authorise the Share Purchase Mandate is approved by a majority of Shareholders who are present and voting at the AGM on a poll who could not become obliged to make an offer as a result of the Share buy-back by the Company pursuant to the Share Purchase Mandate;
- (c) the Relevant Parties will abstain from voting for and/or recommending Shareholders to vote in favour of the resolution to approve the Share Purchase Mandate;
- (d) within seven (7) days after the passing of the resolution to approve the Share Purchase Mandate, Mr Hooi Yu Koh submits to the SIC a duly signed form as prescribed by the SIC;
- (e) the Relevant Parties have not acquired and will not acquire any Shares between the date on which they know that the announcement of the proposal for the renewal of the Share Purchase Mandate is imminent and the earlier of:
  - (i) the date on which the authority of the Share Purchase Mandate expires; and
  - (ii) the date on which the Company announces that it has brought back such number of Shares as authorised by the Share Purchase Mandate or it has decided to cease buying back its Shares, as the case may be,

if any such acquisitions, taken together with the Share buy-back, would cause their aggregate voting rights to increase by more than one per cent (1%) in the preceding six (6) months.

As such, if the aggregate voting rights held by the Relevant Parties increase by more than one per cent (1%) solely as a result of the Company’s buy-back of Shares under the Share Purchase Mandate, and none of them has acquired any Shares during the relevant six (6) month period, then the Relevant Parties would be eligible for SIC’s exemption from the

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## LETTER TO SHAREHOLDERS

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requirement to make a general offer under Rule 14 of the Take-over Code, or where such exemption had been granted, would continue to enjoy the exemption.

If the Company ceases to buy-back Shares pursuant to the Share Purchase Mandate and the increase in the aggregate voting rights held by the Relevant Parties as a result of the relevant buy-back of Shares at such time is less than one per cent (1%) in any six (6) month period, the Relevant Parties may acquire further voting rights in the Company. However, any increase in their percentage voting rights as a result of the buy-back of Shares pursuant to the Share Purchase Mandate will be taken into account together with any voting rights acquired by the Relevant Parties (by whatever means) in determining whether they have increased their aggregate voting rights by more than one per cent (1%) in any six (6) month period.

### 2.13.2 Form 2 submission to the SIC

Form 2 (Submission by directors and their concert parties pursuant to Appendix 2) is the prescribed form to be submitted to the SIC by a director and persons acting in concert with him pursuant to the conditions for exemption (please refer to paragraph (d) in Section 2.13.1 in this Appendix) from the requirement to make a take-over offer under Rule 14 of the Take-over Code as a result of the buy-back of shares by a listed company under its share purchase mandate.

As at the Latest Practicable Date, Mr Hooi Yu Koh has informed the Company that he will be submitting the Form 2 to the SIC within seven (7) days after the passing of the resolution relating to the renewal of the Share Purchase Mandate.

### 2.14 **Advice to Shareholders**

**Shareholders should note that by voting for the renewal of the Share Purchase Mandate, they are waiving their rights to a take-over offer at the required price from Mr Hooi Yu Koh and parties acting in concert with him (if any) in the circumstances set out above. Such a take-over offer, if required to be made and had not been exempted by the SIC, would have to be made in cash or be accompanied by a cash alternative at the required price.**

Save as disclosed, the Directors are not aware of any facts or factors which suggest or imply that any particular person(s) and/or Shareholder(s) are, or may be regarded as, parties acting in concert such that their respective interests in voting shares in the capital of the Company should or ought to be consolidated, and consequences under the Take-over Code would ensue as a result of a purchase of Shares by the Company pursuant to the Share Purchase Mandate.

Appendix 2 of the Take-over Code requires that the resolution to authorise the Share Purchase Mandate to be approved by a majority of those Shareholders present and voting at the meeting on a poll who could not become obliged to make an offer under the Take-over Code as a result of the Share buy-back. Accordingly, the said resolution is proposed to be taken on a poll and Mr Hooi Yu Koh shall abstain from voting on such resolution.



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### 2.15 Catalyst Rules

#### 2.15.1 Dealing in Securities

While the Catalyst Rules does not expressly prohibit purchase or acquisition 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 purchase or acquire any Shares pursuant to the Share Purchase Mandate after a development which could have a material effect on the price of the Shares has occurred or has been the subject of a consideration and/or a decision of the Board until such time as such information has been publicly announced. Rule 1204(19) of the Catalyst Rules provides, *inter alia*, that a listed issuer and its officers should not deal in the listed issuer’s securities during the period commencing two (2) weeks before the announcement of the company’s financial statements for each of the first three (3) quarters of its financial year, and one (1) month before the announcement of the company’s full year financial statements (if required to announce quarterly financial statements), or one (1) month before the announcement of the company’s half year and full year financial statements (if not required to announce quarterly financial statements), as the case may be, and ending on the date of the announcement of the relevant financial statements.

The Company has adopted and implemented the best practices on dealings in securities in accordance with Rule 1204(19) of the Catalyst Rules and the Directors and employees of the Group are not allowed to deal in the Company’s shares during the period commencing one (1) month before the announcement of the Company’s half year and full year results and ending on the date of the announcement of the relevant results. Pursuant to such best practices, the Company will also not purchase any Shares during such periods.

#### 2.15.2 Public Float

The Company is required under Rule 723 of the Catalyst Rules to ensure that at least 10% of its Shares are in the hands of the public. The “**public**”, as defined under the Catalyst Rules, are persons other than (i) the directors, chief executive officer, Substantial Shareholders or Controlling Shareholders of the Company and its subsidiaries, and (ii) the Associates of such persons in (i).

As at the Latest Practicable Date, approximately 35,038,700 Shares, representing approximately 35.32% of the issued Shares, are in the hands of the public. Assuming that the Company purchases or acquires its Shares through Market Purchase 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 25,118,700 Shares, representing 28.13% of the reduced issued share capital of the Company. 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 issued Shares up to the full 10% limit pursuant to the Share Purchase Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or to adversely affect the orderly trading of Shares.



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In undertaking any purchases or acquisitions of Shares through Market Purchase, the Directors will use their best efforts to ensure that, notwithstanding such purchases, a sufficient float in the hands of the public will be maintained so that the purchases or acquisitions of Shares will not adversely affect the listing status of the Shares on the SGX-ST, cause market illiquidity or adversely affect the orderly trading of the Shares.

### 2.15.3 Maximum Price

Under the Catalist Rules, a listed company may only purchase shares by way of a market acquisition at a price which is not more than 5% above the average of the closing market prices of the Shares over the last 5 market days, on which transactions in the Share were recorded, before the day on which the purchases are made. The Maximum Price for a Share in relation to Market Purchases by the Company, referred to in Section 2.4.3 of this Appendix, conforms to this restriction.

### 2.16 **Previous Share Buybacks**

The Company has not purchased or acquired any Shares during the twelve (12) months immediately preceding the Latest Practicable Date.

### 2.17 **Tax Implications**

**Shareholders who are in doubt as to their respective tax positions or the tax implications arising from the purchase or acquisition of Shares by the Company, or who may be subject to tax in a jurisdiction, should consult their own professional advisers.**

### 2.18 **Interested Persons**

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

## 3 **INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

The interests of the Directors and Substantial Shareholders in the issued share capital of the Company as at the Latest Practicable Date are set out below:

On the assumption that their voting rights will not change between the Latest Practicable Date and the date of the AGM, the interests of the Directors in Shares and interests of the Substantial Shareholders in Shares before and after the purchase of Shares pursuant to the Share Purchase Mandate, assuming (a) the Company purchases the maximum amount of 10% of the total number of issued Shares (excluding Treasury Shares and subsidiary holdings) and (b) there is no change in the number of Shares held by the Directors and the Substantial Shareholders or which they are deemed interested in.

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Name	Before Share Purchase (as at the Latest Practicable Date)			After Share Purchase	
	(Number of Shares)			(%) <sup>(1)</sup>	(%) <sup>(1)</sup>
	Direct Interest	Deemed Interest	Total Interest		
<b>Directors</b>					
Hooi Yu Koh	18,892,200	14,924,000 <sup>(2)</sup>	33,816,200	34.09%	37.88%
Ng Wai Kit	10,000	–	10,000	0.01%	0.01%
Kuan Cheng Tuck	–	–	–	–	–
Lim Yeok Hua	–	–	–	–	–
Nicholas Philip Lazarus	–	–	–	–	–
<b>Substantial Shareholders (other than Directors)</b>					
Keong Hong Holdings Limited	15,000,000	–	15,000,000	15.12%	16.80%
Foo Tiang Ann	18,000	8,735,100 <sup>(3)(4)</sup> (5)(6)(7)	8,753,100	8.82%	9.80%
Kori Nobuaki	6,592,000	–	6,592,000	6.65%	7.38%

**Notes:**

- (1) Based on 99,200,000 Shares (excluding Treasury Shares and subsidiary holdings) as at the Latest Practicable Date.
- (2) The deemed interest in 14,924,000 Shares are held through BNP Paribas Nominees Singapore Pte. Ltd.
- (3) The deemed interest in 3,205,800 Shares are held through Hong Leong Finance Nominees Pte Ltd.
- (4) The deemed interest in 2,139,600 Shares are held through RHB Securities Singapore Pte Ltd.
- (5) The deemed interest in 1,503,700 Shares are held through CGS-CIMB Securities (Singapore) Pte Ltd.
- (6) The deemed interest in 959,500 Shares are held through KGI Securities (Singapore) Pte. Ltd.
- (7) The deemed interest in 926,500 Shares are held through Maybank Kim Eng Securities Pte. Ltd.

None of the Directors or Substantial Shareholders (other than in his/her capacity as a Director or Shareholder), as well as their respective associates, has any interest, direct or indirect, in the Proposed Renewal of Share Purchase Mandate.

#### 4 DIRECTORS' RECOMMENDATION

The Directors, save for Mr Hooi Yu Koh who has abstained from making any recommendation to Shareholders pursuant to the conditions for exemption under Appendix 2 of the Take-over Code (as set out in paragraph (c) in Section 2.13.1 of the Appendix), having carefully considered the terms and rationale of the Proposed Renewal of the Share Purchase Mandate, are of the opinion that the Share Purchase Mandate is in the best interests of the Company, and accordingly, recommend that Shareholders vote in favour of ordinary resolution in respect of the Proposed Renewal of the Share Purchase Mandate to be proposed at the AGM.

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### **5 ANNUAL GENERAL MEETING**

The AGM, notice of which is set out on pages 134 to 139 of the Annual Report, will be held at 10.00 a.m. on 30 April 2019 at Shaw Foundation Alumni House, 11 Kent Ridge Drive, Thyme Room, Singapore 119244, for the purpose of considering, and if thought fit, passing with or without any modifications, the ordinary resolution in respect of the Proposed Renewal of Share Purchase Mandate as set out in the Notice of AGM.

### **6 ACTIONS TO BE TAKEN BY SHAREHOLDERS**

Shareholders who are unable to attend the AGM and who wish to appoint a proxy to attend and vote at the AGM on their behalf should complete, sign and return the proxy form attached to this Appendix in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the registered office of the Company at 11 Sims Drive, #06-01 SCN Centre, Singapore 387385 not later than 48 hours before the time fixed for the AGM. The completion and return of the proxy form by a Shareholder will not prevent him from attending and voting at the AGM in person if he so wishes.

A Depositor shall not be regarded as a Shareholder of the Company entitled to attend the AGM and to speak and vote thereat unless his name appears on the Depository Register at least 72 hours before the AGM.

### **7 DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the Proposed Renewal of the Share 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 Appendix misleading.

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

### **8 ABSENTION FROM VOTING**

The Relevant Parties will abstain from voting at the AGM in respect of the resolution relating to the Proposed Renewal of the Share Purchase Mandate pursuant to the conditions under Appendix 2 of the Take-over Code as set out in paragraph (c) of Section 2.13.1 of the Appendix. Furthermore, such persons shall not act as proxies in relation to such resolution unless specific voting instructions have been given.

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## LETTER TO SHAREHOLDERS

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### 9 DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at 11 Sims Drive, #06-01 SCN Centre, Singapore 387385 during normal business hours from the date of this Appendix up to and including the date of the AGM:

- (a) the Constitution of the Company; and
- (b) the annual report of the Company for the financial year ended 31 December 2018.

Yours faithfully

For and on behalf of the Board of Directors of  
**KORI HOLDINGS LIMITED**

Hooi Yu Koh  
Executive Chairman and Chief Executive Officer  
Singapore