

APPENDIX

DATED 11 APRIL 2024

THIS APPENDIX IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. IF YOU ARE IN ANY DOUBT AS TO THE COURSE OF ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR BANK MANAGER, STOCKBROKER, SOLICITOR, ACCOUNTANT, TAX ADVISER OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

This Appendix is issued by Pavillon Holdings Ltd. (the “**Company**”, and together with its subsidiaries, the “**Group**”) together with the annual report of the Company for the financial year ended 31 December 2023 (the “**Annual Report**”). Its purpose is to provide Shareholders with the relevant information pertaining to the proposed adoption of the Share Buyback Mandate (as defined in this Appendix) to be tabled at the annual general meeting of the Company (the “**AGM**”) to be held on 26 April 2024 at 3.00 p.m. at Thai Village Restaurant, 2 Stadium Walk, #01-02/03 Singapore Indoor Stadium, Singapore 397691.

An ordinary resolution in respect of the proposed adoption of the Share Buyback Mandate is included in the Notice of Annual General Meeting (as defined in this Appendix) and the accompanying Proxy Form (as defined in this Appendix) which are enclosed with the Annual Report.

If you have sold or transferred all your shares in the capital of the Company, you should immediately forward the Annual Report, the Notice of Annual General Meeting, the Proxy Form and this Appendix to the purchaser or transferee or to the bank, stockbroker or other agent through whom you effected the sale or transfer, for onward transmission to the purchaser or transferee. If you have sold or transferred all your shares in the capital of the Company represented by physical share certificate(s), you should immediately forward the Annual Report, the Notice of Annual General Meeting, the Proxy Form and this Appendix to the purchaser or transferee, or to the bank, stockbroker or agent through whom the sale or the transfer was effected for onward transmission to the purchaser or transferee.

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

PAVILLON HOLDINGS LTD.
(Company Registration No. 199905141N)
(Incorporated in the Republic of Singapore)

APPENDIX TO THE NOTICE OF ANNUAL GENERAL MEETING DATED 11 APRIL 2024

in relation to:

THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE

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DEFINITION

In this Appendix, the following definitions apply unless otherwise stated:

“AGM” or “Annual General Meeting”	: Annual general meeting of the Company. Unless the context otherwise requires, “Annual General Meeting” shall refer to the annual general meeting to be held on 26 April 2024
“Annual Report”	: The Company’s annual report for the financial year ended 31 December 2023
“Appendix”	: This Appendix to the Notice of Annual General Meeting dated 11 April 2024
“Approval Date”	: The date of the Annual General Meeting at which the Share Buyback Mandate is approved
“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 immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more, (b) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
“associated company”	: A company in which at least 20% but not more than 50% of its shares are held by the Company or the Group
“Average Closing Price”	: The average of the closing market prices of the Shares over the last five (5) Market Days on the SGX-ST, on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase 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 Day period
“Board”	: The Board of Directors of the Company
“Business Day”	: A day on which the SGX-ST is open for trading
“CDP”	: The Central Depository (Pte) Limited
“Companies Act”	: The Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time
“Company”	: Pavillon Holdings Ltd.
“Constitution”	: The constitution of the Company, as amended or modified from time to time
“day of making the offer”	: The day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase

DEFINITION

“Director(s)”	: The director(s) of the Company as at the date of this Appendix
“EPS”	: Earnings per Share
“FY”	: Financial year ended 31 December
“Group”	: The Company and its subsidiaries
“Latest Practicable Date”	: 25 March 2024
“Listing Manual”	: The rules of the listing manual of the SGX-ST applicable to an entity listed on the Mainboard, as amended, modified or supplemented from time to time
“Mainboard”	: The Mainboard of the SGX-ST
“Market Day”	: A day on which the SGX-ST is open for trading in securities
“Market Purchase”	: Purchases transacted on the SGX-ST through the SGX-ST’s trading system or, as the case may be, any other securities exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose
“Maximum Percentage”	: The total number of Shares that may be purchased or acquired which shall not exceed 10% of the total number of issued Shares excluding treasury shares and subsidiary holdings as at the date of the AGM at which the Share Buyback Mandate is approved, unless: (a) the Company has, at any time during the Relevant Period, reduced its share capital by a special resolution under Section 78C of the Companies Act; or (b) the court has, at any time during the Relevant Period, made an order under Section 78I of the Companies Act confirming the reduction of share capital of the Company, in which event, the total number of issued Shares excluding treasury shares and subsidiary holdings shall be taken to be the total number of issued Shares excluding treasury shares and subsidiary holdings as altered by the special resolution of the Company or the order of the Court, as the case may be.
“Maximum Price”	: Purchase price to be paid for a Share as determined by the Directors which must not exceed in the case of a Market Purchase, 105% of the Average Closing Price, and in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price, in either case, excluding related expenses of the purchase
“Notice of Annual General Meeting”	: The Notice of Annual General Meeting dated 11 April 2024
“NTA”	: Net tangible assets
“Off-Market Purchase”	: Purchase (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as defined in Section 76C of the Companies Act, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the Listing Manual
“Proxy Form”	: The proxy form in respect of the Annual General Meeting

DEFINITION

"Public Shareholders"	: Shareholders who are persons other than: (a) the Directors, Chief Executive Officer, Substantial Shareholders or Controlling Shareholders of the Company or its subsidiaries, and (b) the associates of such persons named in (a)
"Purchase Price"	: Purchase price paid by the Company for the Shares (excluding brokerage, stamp duties, applicable goods and services tax, clearance fees and other related expenses)
"Registrar"	: The Registrar of Companies
"Relevant Period"	: The period commencing from the date on which the Annual General Meeting is held and expiring on the date the next Annual General Meeting is held or is required by law to be held, whichever is the earlier, after the date the resolution relating to the proposed adoption of the Share Buyback Mandate is passed
"Securities Account"	: A securities account maintained by a Depositor with CDP, but does not include a securities sub-account maintained with a Depository Agent
"SGX-ST"	: Singapore Exchange Securities Trading Limited
"Share Buyback Mandate"	: A general mandate given by Shareholders to authorise the Directors to purchase, on behalf of the Company, Shares in accordance with the terms set out in this Appendix as well as the rules and regulations set out in the Companies Act and the Listing Manual
"Share Buyback"	: Buyback of Shares by the Company pursuant to the Share Buyback Mandate
"Shareholders"	: Registered holders of Shares, except that where the registered holder is CDP, the term "Shareholders" shall, where the context admits, mean the Depositors whose Securities Accounts maintained are credited with Shares
"Shares"	: Ordinary shares in the capital of the Company
"Substantial Shareholder"	: A Shareholder who has an interest in not less than 5% of the issued shares excluding treasury shares and subsidiary holdings in the Company
"Take-over code"	: The Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time

Currencies, Units and Others

"%" or "per cent."	: Per centum or percentage
"SGD" or "\$", and "cents"	: Singapore dollars and cents respectively, the lawful currency of Singapore

The terms "Depositors", "Depository Agent" and "Depository Register" shall have the meanings ascribed to them, respectively, in Section 81SF of the Securities and Futures Act 2001 of Singapore. The term "subsidiary" shall have the meaning ascribed to it in Section 5 of the Companies Act.

DEFINITION

Words importing the singular shall, where applicable, include the plural and vice versa and words importing the masculine shall, where applicable, include the feminine and neuter gender and vice versa. References to persons shall, where applicable, 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 reference to a time of day in this Appendix shall be a reference to Singapore time unless otherwise stated.

Any discrepancies in the tables included herein between the listed amounts and 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.

The legal adviser appointed by the Company for the purpose of the corporate action set out in this Appendix is Morgan Lewis Stamford LLC.

LETTER TO SHAREHOLDERS

PAVILLON HOLDINGS LTD.

(Company Registration No. 199905141N)
(Incorporated in the Republic of Singapore)

Directors

Dr. John Chen Seow Phun (*Executive Chairman*)
Mr. Francis Lee Fook Wah (*Lead Independent Director*)
Mr. Kong WeiLi (*Independent Director*)
Mr. Ding Furu (*Non-Executive Non-Independent Director*)
Mr. Fan Bin (*Executive Director*)
Ms. Bai Yun (*Executive Director*)

Registered Office:

Block 1002
Tai Seng Avenue
#01-2536
Singapore 534409

11 April 2024

To: **The Shareholders of Pavillon Holdings Ltd.**

Dear Sir / Madam,

1. INTRODUCTION

1.1. Annual General Meeting

Reference is made to the Notice of Annual General Meeting of Pavillon Holdings Ltd. (the "Company") dated 11 April 2024, accompanying the Annual Report, convening the Annual General Meeting which is scheduled to be held on 26 April 2024 and the ordinary resolution 7 in relation to the proposed adoption of the Share Buyback Mandate respectively, under the heading "Special Business" set out in the Notice of Annual General Meeting.

1.2. Purpose of this Appendix

The purpose of this Appendix is to provide the Shareholders with details in respect of the proposed adoption of the Share Buyback Mandate.

2. THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE

2.1. Background

The Companies Act allows a Singapore-incorporated company to purchase or otherwise acquire its own ordinary shares, stocks and preference shares if the purchase or acquisition is permitted under the company's constitution. Any purchase or acquisition of Shares by the Company must be made in accordance with, and in the manner prescribed by the Companies Act, the Constitution and such other laws and regulations as may, for the time being, be applicable. As the Company is listed on the Mainboard, it is also required to comply with Part XIII of Chapter 8 of the Listing Manual, which relates to the purchase or acquisition by an issuer of its own shares. Regulation 52 of the Constitution expressly permits the Company to purchase or otherwise acquire its issued Shares.

It is a requirement under the Companies Act and the Listing Manual that a company which wishes to purchase or otherwise acquire its own shares must obtain the approval of its shareholders to do so at a general meeting. Accordingly, approval is being sought from Shareholders at the AGM for the proposed adoption of the Share Buyback Mandate. An ordinary resolution will be proposed, pursuant to which the Share Buyback Mandate will be given to the Directors to exercise all powers of the Company to purchase or otherwise acquire Shares according to the terms of the Share Buyback Mandate, as well as the rules and regulations set forth in the Companies Act and the Listing Manual.

If the Share Buyback Mandate is approved by Shareholders at the AGM, the authority conferred by the Share Buyback Mandate will take effect from the date of the AGM at which the proposed adoption of the Share Buyback Mandate is approved and continues to be in force until the earliest of the date on which the next AGM is held or as required by law to be held, or when Share Buybacks pursuant to a Share Buyback Mandate are carried out to the full extent mandated, or the date the said mandate is varied or revoked by the Company in general meeting (whereupon it will lapse, unless renewed at such meeting) (the "**Relevant Period**").

2.2. Rationale for the Share Buyback Mandate

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

- (a) the Share Buyback Mandate provides the Company with greater flexibility in managing its capital, share capital structure and maximising returns to the Shareholders. Undertaking the Share Buyback at the appropriate price level is one of the ways through which the return on equity (and, depending on market conditions, the EPS and the NTA per Share) of the Company may be enhanced;
- (b) the Share Buyback is an expedient, effective and cost efficient way to facilitate the return of surplus funds which are in excess of the Company's financial needs, to the Shareholders;
- (c) Share Buybacks may help mitigate short-term volatility in the Company's share price, offset the effects of short-term speculation and bolster Shareholders' confidence which are not otherwise caused by general market factors and/or fundamentals of the Company;
- (d) Shares purchased or acquired under the Share Buyback Mandate may be held as treasury shares and used for prescribed purposes, such as selling the treasury shares for cash. The transfer of treasury shares in lieu of issuing new Shares pursuant to any share scheme or as consideration for acquisitions would also mitigate the dilution impact for existing Shareholders; and
- (e) the adoption of the Share Buyback Mandate provides the Directors with the flexibility to undertake the Share Buyback at any time, subject to market conditions, during the period when the Share Buyback Mandate is in force.

The Share Buyback will only be undertaken if it can benefit the Company and the Shareholders. Although the Share Buyback Mandate would authorise the Company to purchase or acquire up to the Maximum Percentage (namely, 10% of the total number of issued Shares excluding treasury shares and subsidiary holdings as at the date of the AGM at which the Share Buyback Mandate is approved but subject to the exceptions listed and more particularly described in Section 2.3(a) of this Appendix), the Company may not necessarily purchase or acquire, or be able to purchase or acquire, the Maximum Percentage. No purchase or acquisition of Shares will be made in circumstances which would have or may have a material adverse effect on the listing status of the Shares on the SGX-ST, the liquidity, capital adequacy, orderly trading and financial condition of the Company or the Group as a whole.

As at the Latest Practicable Date, approximately 188,183,975 Shares, representing 13.11%, of a total of 1,434,967,260 Shares issued by the Company (excluding treasury shares and subsidiary holdings) are held by Public Shareholders. The Company will ensure that any purchases or acquisitions of the Shares pursuant to Share Buyback Mandate will not cause market illiquidity or affect orderly trade and will ensure that Rule 723 of the Listing Manual is complied with.

It should be noted that there is no assurance that the proposed adoption of the Share Buyback Mandate or the purchase or acquisition of Shares under the Share Buyback Mandate will achieve the desired effect, nor is there assurance that such effect (if achieved) can be sustained over the long term.

2.3. Authority and Limits of the Share Buyback Mandate

The authority and limitations placed on the purchases of Shares by the Company under the proposed Share Buyback Mandate are summarised below:

(a) Maximum Number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. Pursuant to Rule 882 of the Listing Manual and Section 76B of the Companies Act, the total number of Shares that may be purchased or acquired by the Company pursuant to the Share Buyback Mandate is limited to the number of Shares representing not more than 10% of the issued ordinary share capital of the Company as at the date of the AGM at which the proposed adoption of the Share Buyback Mandate is approved (the "Approval Date"), unless: (i) the Company has, at any time during the Relevant Period, reduced its share capital by a special resolution under Section 78C of the Companies Act; or (ii) the court has, at any time during the Relevant Period, made an order under Section 78I of the Companies Act confirming the reduction of share capital of the Company, in which event, the total number of issued Shares excluding treasury shares and subsidiary holdings shall be taken to be the total number of issued Shares excluding treasury shares and subsidiary holdings as altered by the special resolution of the Company or the order of the Court, as the case may be (the "Maximum Percentage").

Any Shares which are held as treasury shares or subsidiary holdings as at the Approval Date will be excluded for the purposes of computing the aforementioned 10% limit. As at the Latest Practicable Date, the Company has no treasury shares and no subsidiary holdings.

For illustrative purposes only, based on the existing issued and paid-up share capital of the Company as at the Latest Practicable Date comprising 1,434,967,260 Shares, and assuming that prior to the AGM:

- (i) no further Shares are issued on or prior to the AGM; and
- (ii) the Company does not reduce its share capital,

not more than 143,496,726 Shares (representing the Maximum Percentage as at that date) may be purchased or acquired by the Company pursuant to the Share Buyback Mandate.

Further, purely for illustrative purposes only, having regard to the public float of approximately 13.11% as at the Latest Practicable Date and based on the above, in order to ensure that at least 10% of the number of Shares are in the hands of Public Shareholders after the purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate, the Company will only be able to purchase or acquire up to the maximum limit of 49,652,498 Shares (representing approximately 3.46% of the total Shares in issue (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date).

Accordingly, purchases or acquisitions pursuant to the Share Buyback Mandate need not be carried out to the full extent mandated, and in any case, will not be carried out to such an extent that would result in the Company losing the minimum public float required to maintain the listing status of the Company's Shares on the SGX-ST.

(b) Duration of Authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the Approval Date, up to the earliest of:

- (i) the date on which the next AGM of the Company is held or is required by law to be held, whichever is the earlier;
- (ii) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied by Shareholders in a general meeting; or
- (iii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate are carried out to the full extent mandated.

The Share Buyback Mandate may be renewed at each AGM or other general meetings of the Company. When seeking the approval of Shareholders for the renewal of the Share Buyback Mandate, the Company is required to disclose details pertaining to purchase or acquisitions of Shares pursuant to the proposed Share Buyback Mandate made during the previous 12 months, including the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for such purchases or acquisitions of Shares, where relevant, and the total consideration paid for such purchases or acquisitions. When seeking the approval of Shareholders for the renewal of the Share Buyback Mandate, the Company is required to disclose details pertaining to purchase or acquisitions of Shares pursuant to the proposed Share Buyback Mandate made during the previous 12 months, including the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for such purchases or acquisitions of Shares, where relevant, and the total consideration paid for such purchases or acquisitions.

(c) Manner of Purchases of Shares

Pursuant to Rule 882 of the Listing Manual, purchases or acquisitions of Shares may be made by way of, amongst others:

- (i) on-market purchases ("**Market Purchases**"), transacted on the SGX-ST through the SGX-ST's trading system or, as the case may be, any other securities exchange on which the Shares may for the time being be listed and quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or

- (ii) off-market purchases (“**Off-Market Purchases**”), (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as defined in Section 76C of the Companies Act, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and the Listing Manual.

The Directors may impose such terms and conditions which are not inconsistent with the Share Buyback Mandate, the Listing Manual, the Companies Act and the Constitution, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme(s). Under Section 76C(6) of the Companies Act, an equal access scheme must satisfy all the following conditions:

- (i) offers under the scheme shall be made to every person who holds Shares to purchase or acquire the same percentage of their 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 shall be the same, except that there shall be disregarded:
 - (A) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;
 - (B) differences in consideration attributable to the fact that the offers may relate to Shares with different amounts remaining unpaid; and
 - (C) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

In addition, the Listing Manual provides that, in making an Off-Market Purchase in accordance with an equal access scheme, the Company must issue an offer document to all Shareholders which must contain at least the following information:

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

(d) Maximum Price

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

However, the purchase price to be paid for the Shares as determined by Directors must not exceed:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and
- (ii) in the case of an Off-Market Purchase in accordance with an equal access scheme, 120% of the Average Closing Price of the Shares,

in each case, excluding related expenses of the Share Buyback (the "**Maximum Price**").

For the above purposes of determining the Maximum Price:

"Average Closing Price" means the average of the closing market prices of the Shares over the last five (5) Market Days on the SGX-ST, on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase 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 Day period;

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

2.4. **Status of Purchased Shares**

Shares purchased or acquired by the Company shall be 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 in accordance with Section 76H of the Companies Act. At the time of each purchase or acquisition of Shares by the Company, the Directors will decide whether the Shares purchased or acquired will be cancelled or kept as treasury shares, or partly cancelled and partly kept as treasury shares, as the Directors deem fit in the interest of the Company at that time. The total number of issued Shares will be diminished by the number of Shares purchased or acquired out of the capital of the Company which are not held as treasury shares and the amount of the share capital of the Company shall be reduced accordingly.

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

2.5. **Treasury Shares**

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

(a) Maximum Holdings

The numbers of shares held as treasury shares cannot at any time exceed 10% of the total number of its issued Shares.

In the event that the number of treasury shares held by the Company exceeds 10% of the total number of its issued Shares, the Company shall dispose of or cancel the excess treasury shares within six (6) months from the day the aforesaid limit is first exceeded or such further period as may be permitted under the Companies Act.

(b) Voting and Other Rights

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

In addition, no dividend may be paid, and no other distribution (whether in cash or otherwise) of the Company's assets (including any distributions of assets to members on a winding up) 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. Furthermore, a subdivision or consolidation of any treasury share into treasury shares of a greater or smaller number (as the case may be) is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

(c) Disposal and Cancellation

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

- (i) sell the treasury shares (or any of them) for cash;
- (ii) transfer the treasury shares (or any of them) for the purposes of or pursuant to an employees' share scheme;
- (iii) transfer the treasury shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (iv) cancel the treasury shares (or any of them); or
- (v) sell, transfer or otherwise use the treasury shares for such other purposes as may be prescribed by the Minister for Finance.

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

2.6. **Source of Funds for the Share Buyback**

In purchasing or acquiring Shares under the Share Buyback Mandate, the Company may only apply funds legally available for such purchase in accordance with its Constitution and the applicable laws in Singapore. The Company may not purchase or acquire Shares for a consideration other than cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the trading rules of the SGX-ST.

Share Buybacks by the Company 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 Companies Act. For this purpose, pursuant to the Companies Act, a company is solvent if at the date of payment in consideration of a Share purchase or acquisition:

- (i) there is no ground on which the company could be found to be unable to pay its debts;

- (ii) if:
 - (A) it is intended to commence winding up of the company within the period of 12 months immediately after the date of the payment, the company will be able to pay its debts in full within the period of 12 months after the date of commencement of the winding up; or
 - (B) it is not intended so to commence winding up, the company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of the payment; and
- (iii) the value of the company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the proposed purchase, acquisition, variation or release (as the case may be), become less than the value of its liabilities (including contingent liabilities).

In determining that the Company is solvent, the Directors must have regard to the most recently audited financial statements or unaudited financial results, other relevant circumstances, and may rely on the 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 counterclaims by the Company.

The Company may use internal or external sources of funds, or a combination of both, to finance Share Buybacks pursuant to the Share Buyback Mandate.

Where the consideration paid by the Company for the Share Purchases is made out of profits, such consideration will correspondingly reduce the amount of profits available for the distribution of cash dividends by the Company. However, where the consideration paid by the Company for the Share Purchases is made out of capital, the amount of profits available for the distribution of cash dividends by the Company will not be reduced.

The Directors do not propose to exercise the Share Buyback Mandate in a manner and to such extent that the liquidity and capital adequacy position of the Group would be materially adversely affected. The purchase of the Shares will only be effected after considering relevant factors such as the working capital requirement, availability of financial resources, the expansion and investment plans of the Company, and the prevailing market conditions.

2.7. **Financial Effects of the Share Buyback Mandate**

It is not possible for the Company to realistically calculate or quantify the financial effects of purchases of Shares that may be made pursuant to the Share Buyback Mandate as the resultant effect would depend on, among others, the aggregate number of Shares purchased, whether the purchase is made out of capital or profits, the purchase prices paid for such Shares, the amount (if any) borrowed by the Company to fund the purchases or acquisitions and whether the Shares purchased or acquired are cancelled or held as treasury shares.

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

Purely for illustrative purposes only, and based on the assumptions set out below:

- (a) on the basis of 1,434,967,260 Shares in issue as at the Latest Practicable Date (the Company has no treasury shares and no subsidiary holdings) and assuming no further Shares are issued on or prior to the AGM and the Company does not reduce its share capital, having regard to the public float of approximately 13.11% as at the Latest Practicable Date, the financial effects on the purchase or acquisition of Shares by the Company are based on the Company purchasing a maximum 49,652,498 Shares (representing approximately 3.46% of the total Shares in issue (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date) to ensure that at least 10% of the number of Shares are in the hands of Public Shareholders after the purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate;
- (b) in the case of Market Purchases by the Company and assuming that the Company meets the minimum public float of 10% after purchasing or acquiring 49,652,498 Shares at the Maximum Price of S\$0.019 for one (1) Share (being the price equivalent to 105% of the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the Mainboard immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition 49,652,498 Shares (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) is approximately S\$943,398;
- (c) in the case of Off-Market Purchases by the Company and assuming that the Company meets the minimum public float of 10% after purchasing or acquiring 49,652,498 Shares at the Maximum Price of S\$0.022 for one (1) Share (being the price equivalent to 120% of the Average Closing Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the Mainboard immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 49,652,498 Shares (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) is approximately S\$1,092,355;
- (d) the consideration for the purchase or acquisition of Shares is financed entirely by internal resources of the Company;
- (e) the purchase or acquisition of Shares took place at the beginning of FY2023 on 1 January 2023; and
- (f) the transaction costs incurred for the purchase or acquisition of Shares pursuant to the Share Buyback Mandate were insignificant and have been ignored for the purpose of computing the financial effects, the financial effects of the:
 - (i) Market Purchases of 49,652,498 Shares by the Company pursuant to the Share Buyback Mandate which is made entirely out of capital and held as treasury shares;
 - (ii) Market Purchases of 49,652,498 Shares by the Company pursuant to the Share Buyback Mandate which is made entirely out of capital and cancelled;
 - (iii) Off-Market Purchases of 49,652,498 Shares by the Company pursuant to the Share Buyback Mandate which is made entirely out of capital and held as treasury shares; and
 - (iv) Off-Market Purchases of 49,652,498 Shares by the Company pursuant to the Share Buyback Mandate which is made entirely out of capital and cancelled,

on the audited financial statements of the Group and the Company for FY2023 are set out in the following pages.

The financial effects of the acquisition of Shares by the Company pursuant to the Share Buyback Mandate by way of purchases made out of profits are similar to that of purchases made out of capital. Therefore, only the financial effects of the acquisition of Shares pursuant to the Share Buyback Mandate by way of purchases made out of capital are set out in this Appendix.

(g) Market Purchases made entirely out of capital and held as treasury shares

	Group		Company	
	Before Share Buyback	After Share Buyback	Before Share Buyback	After Share Buyback
As at 31 December 2023				
Share capital (\$'000)	82,097	82,097	82,097	82,097
Shares held in treasury (\$'000)	-	(943)	-	(943)
Shareholders' equity (\$'000)	54,728	53,785	50,036	49,093
NTA (\$'000)	49,379	48,436	50,036	49,093
Current assets (\$'000)	8,450	7,507	3,210	3,210
Current liabilities (\$'000)	5,275	5,275	6,411	7,354
Working capital (\$'000)	3,175	2,232	(3,201)	(4,144)
Total borrowings (\$'000)	3,207	3,207	475	475
Cash and cash equivalents (\$'000)	5,748	4,805	96	96
Net profit / (loss) attributable to Shareholders	(4,661)	(4,661)	3,805	3,805
Number of Shares ⁽¹⁾ (excluding treasury shares) ('000)	1,434,967	1,385,315	1,434,967	1,385,315
Number of treasury shares ('000)	-	49,652	-	49,652
Weighted average number of shares ('000)	1,434,967	1,385,315	1,434,967	1,385,315
Financial Ratios				
NTA per Share (cents) ⁽²⁾	3.44	3.50	3.49	3.54
Basic EPS (cents) ⁽³⁾	(0.32)	(0.34)	0.27	0.27
Gearing (%) ⁽⁴⁾	2.00	3.00	12.00	13.00
Current Ratio (times) ⁽⁵⁾	1.60	1.42	0.50	0.44

Notes:

- (1) Number of Shares excludes Shares that have been assumed to be held as treasury shares.
- (2) NTA per Share has been computed based on NTA divided by the number of Shares in issue as at 31 December 2023.
- (3) EPS has been computed based on FY2023 net profit attributable to shareholders divided by the weighted average number of Shares in issue.
- (4) The gearing ratio is calculated as the net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents. Total capital is calculated as total equity plus net debt.
- (5) Current ratio represents the ratio of current assets to current liabilities.

(h) Market Purchases made entirely out of capital and cancelled

	Group		Company	
	Before Share Buyback	After Share Buyback	Before Share Buyback	After Share Buyback
As at 31 December 2023				
Share capital (\$\$'000)	82,097	81,154	82,097	81,154
Shares held in treasury (\$\$'000)	-	-	-	-
Shareholders' equity (\$\$'000)	54,728	53,785	50,036	49,093
NTA (\$\$'000)	49,379	48,436	50,036	49,093
Current assets (\$\$'000)	8,450	7,507	3,210	3,210
Current liabilities (\$\$'000)	5,275	5,275	6,411	7,354
Working capital (\$\$'000)	3,175	2,232	(3,201)	(4,144)
Total borrowings (\$\$'000)	3,207	3,207	475	475
Cash and cash equivalents (\$\$'000)	5,748	4,805	96	96
Net profit / (loss) attributable to Shareholders	(4,661)	(4,661)	3,805	3,805
Number of Shares ⁽¹⁾ (excluding treasury shares) ('000)	1,434,967	1,385,315	1,434,967	1,385,315
Number of treasury shares ('000)	-	-	-	-
Weighted average number of shares ('000)	1,434,967	1,385,315	1,434,967	1,385,315
Financial Ratios				
NTA per Share (cents) ⁽²⁾	3.44	3.50	3.49	3.54
Basic EPS (cents) ⁽³⁾	(0.32)	(0.34)	0.27	0.27
Gearing (%) ⁽⁴⁾	2.00	3.00	12.00	13.00
Current Ratio (times) ⁽⁵⁾	1.60	1.42	0.50	0.44

Notes:

(1) Number of Shares excludes Shares that have been assumed to be held as treasury shares.

(2) NTA per Share has been computed based on NTA divided by the number of Shares in issue as at 31 December 2023.

(3) EPS has been computed based on FY2023 net profit attributable to shareholders divided by the weighted average number of Shares in issue.

(4) The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents. Total capital is calculated as total equity plus net debt.

(5) Current ratio represents the ratio of current assets to current liabilities.

(i) Off-Market Purchases made entirely out of capital and held as treasury shares

	Group		Company	
	Before Share Buyback	After Share Buyback	Before Share Buyback	After Share Buyback
As at 31 December 2023				
Share capital (S\$'000)	82,097	82,097	82,097	82,097
Shares held in treasury (S\$'000)	-	(1,092)	-	(1,092)
Shareholders' equity (S\$'000)	54,728	53,636	50,036	48,944
NTA (S\$'000)	49,379	48,287	50,036	48,944
Current assets (S\$'000)	8,450	7,358	3,210	3,210
Current liabilities (S\$'000)	5,275	5,275	6,411	7,503
Working capital (S\$'000)	3,175	2,083	(3,201)	(4,293)
Total borrowings (S\$'000)	3,207	3,207	475	475
Cash and cash equivalents (S\$'000)	5,748	4,656	96	96
Net profit / (loss) attributable to Shareholders	(4,661)	(4,661)	3,805	3,805
Number of Shares ⁽¹⁾ (excluding treasury shares) ('000)	1,434,967	1,385,315	1,434,967	1,385,315
Number of treasury shares ('000)	-	49,652	-	49,652
Weighted average number of shares ('000)	1,434,967	1,385,315	1,434,967	1,385,315
Financial Ratios				
NTA per Share (cents) ⁽²⁾	3.44	3.49	3.49	3.53
Basic EPS (cents) ⁽³⁾	(0.32)	(0.34)	0.27	0.27
Gearing (%) ⁽⁴⁾	2.00	4.00v	12.00	13.00
Current Ratio (times) ⁽⁵⁾	1.60	1.39	0.50	0.43

Notes:

(1) Number of Shares excludes Shares that have been assumed to be held as treasury shares.

(2) NTA per Share has been computed based on NTA divided by the number of Shares in issue as at 31 December 2023.

(3) EPS has been computed based on FY2023 net profit attributable to shareholders divided by the weighted average number of Shares in issue.

(4) The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents. Total capital is calculated as total equity plus net debt.

(5) Current ratio represents the ratio of current assets to current liabilities.

(j) Off-Market Purchases made entirely out of capital and cancelled

	Group		Company	
	Before Share Buyback	After Share Buyback	Before Share Buyback	After Share Buyback
As at 31 December 2023				
Share capital (\$\$'000)	82,097	81,005	82,097	81,005
Shares held in treasury (\$\$'000)	-	-	-	-
Shareholders' equity (\$\$'000)	54,728	53,636	50,036	48,944
NTA (\$\$'000)	49,379	48,287	50,036	48,944
Current assets (\$\$'000)	8,450	7,358	3,210	3,210
Current liabilities (\$\$'000)	5,275	5,275	6,411	7,503
Working capital (\$\$'000)	3,175	2,083	(3,201)	(4,293)
Total borrowings (\$\$'000)	3,207	3,207	475	475
Cash and cash equivalents (\$\$'000)	5,748	4,656	96	96
Net profit / (loss) attributable to Shareholders	(4,661)	(4,661)	3,805	3,805
Number of Shares ⁽¹⁾ (excluding treasury shares) ('000)	1,434,967	1,385,315	1,434,967	1,385,315
Number of treasury shares ('000)	-	-	-	-
Weighted average number of shares ('000)	1,434,967	1,385,315	1,434,967	1,385,315
Financial Ratios				
NTA per Share (cents) ⁽²⁾	3.44	3.49	3.49	3.53
Basic EPS (cents) ⁽³⁾	(0.32)	(0.34)	0.27	0.27
Gearing (%) ⁽⁴⁾	2.00	4.00	12.00	13.00
Current Ratio (times) ⁽⁵⁾	1.60	1.39	0.50	0.43

Notes:

- (1) Number of Shares excludes Shares that have been assumed to be held as treasury shares.
- (2) NTA per Share has been computed based on NTA divided by the number of Shares in issue as at 31 December 2023.
- (3) EPS has been computed based on FY2023 net profit attributable to shareholders divided by the weighted average number of Shares in issue.
- (4) The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents. Total capital is calculated as total equity plus net debt.
- (5) Current ratio represents the ratio of current assets to current liabilities.

The financial effects set out above are for illustrative purposes only. Although the Share Buyback Mandate would authorise the Company to purchase up to the Maximum Percentage, the Company may not necessarily purchase or acquire, or be able to purchase or acquire, the Maximum Percentage. In addition, the Company may cancel all or part of the Shares repurchased or holds all or part of the Shares repurchased in treasury.

2.8. Tax Implications

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

2.9. Other Applicable Listing Rules

(a) Free Float

The Listing Manual requires a listed company to ensure that at least 10% of any class of its listed securities must be held by public shareholders. As at the Latest Practicable Date, 188,183,975 Shares, representing approximately 13.11% of the total Shares in issue (excluding treasury shares and subsidiary holdings), are held in the hands of Public Shareholders.

Assuming that the Company repurchased the Maximum Percentage as at the Latest Practicable Date from Public Shareholders by way of a Market Purchase, the resultant percentage of the issued Shares held by Public Shareholders would be reduced to 44,687,249 Shares (representing approximately 3.46% of the total Shares in issue (excluding treasury shares and subsidiary holdings) after such repurchase. Accordingly, as at the Latest Practicable Date, to ensure that Public Shareholders will hold not less than 10% of the issued share capital of the Company, the Company will not be able to undertake purchases or acquisitions of its Shares up to the full 10% limit under the Share Buyback Mandate.

For illustrative purposes only, in order to maintain the public float of not less than 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings), the Company would not purchase or acquire more than 49,652,498 Shares (representing approximately 3.46% of the total Shares in issue (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date). The Directors will use their best efforts to ensure that the Company does not effect a purchase or acquisition of Shares if the purchase or acquisition of Shares would result in the number of Shares remaining in the hands of the public falling to such a level as to cause market illiquidity or adversely affect the orderly trading or listing status of the Shares on the SGX-ST. Before deciding to effect a purchase or acquisition of Shares, the Directors will ensure that, notwithstanding such purchase or acquisition, a sufficient float in the hands of the public will be maintained to provide for an orderly market for trading in the Shares.

(b) Reporting Requirements

Within 30 days of the passing of a Shareholders' resolution to approve any purchase or acquisition of Shares by the Company, the Company shall lodge a copy of such resolution with the Registrar. The Directors shall notify the Registrar within 30 days of a purchase or acquisition of Shares on the SGX-ST or otherwise. Such notification shall include details of the purchase or acquisition, including the date of the purchase or acquisition, the number of Shares purchased or acquired by the Company, the number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued share capital before and after the purchase or acquisition, the amount of consideration paid by the Company for the purchase or acquisition, whether the Shares were purchased or acquired out of the profits or the capital of the Company and such other information as required by the Companies Act.

Additionally, the Listing Manual also specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST:

- (i) in the case of a Market Purchases, by 9.00 a.m. on the Market Day following the day on which it purchased shares; and
- (ii) in the case of an Off-Market Purchases under an equal access scheme, by 9.00 a.m. on the second Market Day after the close of acceptances of the offer.

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.

The Company, upon undertaking any sale, transfer, cancellation and/or use of treasury shares, will comply with Rule 704(28) of the Listing Manual, which provides that an issuer must make an immediate announcement thereof, stating the following:

- (iii) the date of the sale, transfer, cancellation and/or use;
- (iv) the purpose of such sale, transfer, cancellation and/or use;
- (v) the number of treasury shares sold, transferred, cancelled and/or used;
- (vi) the number of treasury shares before and after such sale, transfer, cancellation and/or use;
- (vii) the percentage of the treasury shares against the total number of Shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use; and
- (viii) the value of the treasury shares if they are used for a sale or transfer, or cancelled.

2.10. **Dealing in Shares**

While the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time, because the listed company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its issued shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Buyback Mandate at any time after any matter or development of a price-sensitive or trade-sensitive nature has occurred or has been the subject of consideration and/or a decision of the Board until such price-sensitive or trade-sensitive information has been publicly announced. Further, in conformity with the best practices on dealing with securities and under Rule 1207(19)(c) of the Listing Manual, the Company will not purchase or acquire any Shares during the period commencing one (1) month before the announcement of the Company's half year and full year financial statements.

2.11. **Take-over Implications under 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 below:

(a) Obligation to make a Take-over Offer

When the Company buys back its shares, any resulting increase in the percentage of voting rights held by a Shareholder and persons acting in concert with him will be treated as an acquisition for the purpose of Rule 14 of the Take-over Code. Consequently, a Shareholder or group or Shareholders acting in concert could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14.

(b) 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 will, among others, be presumed to be acting in concert:

- (i) the following companies:
 - (A) a company;
 - (B) the parent company of (i);
 - (C) the subsidiaries of (i);
 - (D) the fellow subsidiaries of (i);
 - (E) the associated companies of any of (i), (ii), (iii), (iv) or (v); and
 - (F) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.

For this purpose, a company is an associated company of another company if the second company owns or controls at least 20% but not more than 50% of the voting rights of the first-mentioned company;

- (ii) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
- (iii) a company with any of its pension funds and employee share schemes;
- (iv) 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;
- (v) a financial or other professional adviser, including a stockbroker, 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;
- (vi) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer where they have reason to believe a bona fide offer for their company may be imminent;
- (vii) partners; and
- (viii) the following persons and entities:
 - (A) an individual;
 - (B) the close relatives of (i);
 - (C) the related trusts of (i);
 - (D) any person who is accustomed to act in accordance with the instructions of (i);
 - (E) companies controlled by any of (i), (ii), (iii) or (iv); and

- (F) Any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.

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

(c) 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 of the Company and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or if the voting rights of such Directors and their concert parties fall between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six (6) months.

Under Appendix 2, a Shareholder not acting in concert with the Directors of the Company will not be required to make a take-over offer under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder in the Company would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buyback Mandate unless so required by the Companies Act.

2.12. Application of the Take-over Code

Based on substantial shareholding notifications received by the Company under Part 7 of the Securities and Futures Act as at the Latest Practicable Date, there are no persons who may incur an obligation to make a take-over offer as a result of any purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate.

The statements in this Appendix do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Take-over Code. Shareholders are advised to consult their professional advisers and/or the Securities Industry Council and/or other relevant authorities at the earliest opportunity as to whether an obligation to make a take-over offer would arise by reason of any share purchases or acquisitions by the Company.

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE COMPANY

Save as disclosed in this Appendix, none of the Directors, the Substantial Shareholders or their respective associates has any interest, direct or indirect, in the proposed adoption of the Share Buyback Mandate, other than through their respective directorships and/or shareholdings in the Company.

As at the Latest Practicable Date, the interests of the Directors and Substantial Shareholders in the Shares, as recorded in the Register of Directors' shareholdings and Register of Substantial Shareholders' shareholdings respectively, were as set out in the table below:

	Direct Interest		Deemed Interest	
	Number of Shares ⁽¹⁾	%	Number of Shares ⁽¹⁾	%
<u>Directors</u>				
Dr. John Chen Seow Phun	-	-	23,163,525 ⁽²⁾	1.61
Mr. Ding Furu	-	-	1,047,408,760 ⁽³⁾	72.99
Mr. Francis Lee Fook Wah	-	-	-	-
Mr. Kong WeiLi	-	-	-	-
Mr. Fan Bin	-	-	-	-
Ms. Bai Yun	-	-	-	-
<u>Substantial Shareholders (excluding Directors)</u>				
New Development Hotel Management Pte. Ltd.	1,047,218,560	72.98	-	-
UOB Kay Hian Private Limited	100,000,000	6.97	-	-
Hong Kong Bright Food Investment Co., Limited	-	-	100,000,000 ⁽⁴⁾	6.97
Yang Shang Ran ⁽⁴⁾	-	-	100,000,000	6.97
Teo Kiang Ang	35,211,000	2.45	41,000,000 ⁽⁵⁾	2.86

Notes:

- (1) Based on the total share capital of the Company of 1,434,967,260 Shares, as at the Latest Practicable Date.
- (2) Dr. John Chen Seow Phun is deemed interested in the (a) 62,500 Shares held in the name of Lim Kok Huang, who is his spouse; (b) 848,300 Shares held by DBS Nominees Private Ltd for and on behalf of him as the beneficial owner; and (c) 22,252,725 Shares held in the name of Unigold Asia Limited, which is wholly owned by Dr. John Chen Seow Phun.
- (3) Mr. Ding Furu is deemed interested in the (a) 1,047,218,560 Shares held in the name of New Development Hotel Management Pte. Ltd., which Mr. Ding Furu is the sole director and shareholder; and (b) 190,200 Shares held by UOB Kay Hian Pte Ltd for and on behalf of him as the beneficial owner.
- (4) Hong Kong Bright Food Investment Co., Limited ("HK Bright Food") is deemed interested in the 100,000,000 Shares held by UOB Kay Hian Private Limited for and on behalf of it as the beneficial owner. Mr. Yang Shang Ran is deemed interested in the 100,000,000 Shares held by UOB Kay Hian Private Limited for and on behalf of HK Bright Food, which he is the sole shareholder.
- (5) Mr. Teo Kiang Ang is deemed interested in the 41,000,000 Shares held by Union Energy Corporation Pte Ltd, which he is the ultimate beneficial owner.

4. SHARES PURCHASED OR ACQUIRED BY THE COMPANY IN THE PAST 12 MONTHS

There has not been and there is no Share Buyback Mandate in place as at the Latest Practicable Date. Thus, the Company has not purchased or acquired any Shares within the 12 months preceding the Latest Practicable Date.

5. LIMITS ON SHAREHOLDINGS

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

6. ABSTENTION FROM VOTING

No party is required to abstain from voting on the resolution in relation to the proposed adoption of the Share Buyback Mandate.

7. DIRECTORS' RECOMMENDATIONS

After having considered, among others, the terms, rationale for and benefits of the proposed adoption of the Share Buyback Mandate, the Directors are of the opinion that the proposed adoption of the Share Buyback Mandate is in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the ordinary resolution 7, being the ordinary resolution relating to the proposed adoption of the Share Buyback Mandate, at the Annual General Meeting.

8. 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 adoption of the Share Buyback 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.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents may be inspected at the registered office of the Company at Block 1002 Tai Seng Avenue #01-2536 Singapore 534409 during normal business hours from 9.00 a.m. to 5.00 p.m. up to the date of the forthcoming Annual General Meeting scheduled to be held on 26 April 2024:

- (a) the Constitution; and
- (b) the Annual Report;

Shareholders who wish to inspect these documents at the registered office of the Company are required to send an email request to agm2024@pavillon.com.sg to make an appointment in advance. The Company will arrange a date when each shareholder can come to the registered office to inspect accordingly.

Yours faithfully

By Order of the Board
PAVILLON HOLDINGS LTD.

Dr. John Chen Seow Phun
Executive Chairman

11 April 2024

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