

CIRCULAR DATED 15 APRIL 2020

THIS CIRCULAR 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 stockbroker, bank manager, solicitor, accountant or other professional adviser(s) immediately.

Unless otherwise defined, capitalised terms appearing on the cover of this Circular bear the same meanings ascribed to them in the section entitled “Definitions” of this Circular.

If you have sold or transferred all your shares in the capital of GS Holdings Limited (the “**Company**”) held through CDP, you need not forward this Circular or the Notice of EGM to be issued and the attached Shareholder Proxy Form to the purchaser or transferee as arrangements will be made by CDP for a separate Circular and the Notice of EGM and the Shareholder Proxy Form, which will be issued separately and at a later date upon the determination of the date, time and place of the EGM, to be sent to the purchaser or transferee. If you have sold or transferred all your Shares represented by physical certificate(s), you should immediately forward this Circular and the Notice of EGM and Shareholder Proxy Form, which will be issued separately and at a later date upon the determination of the date, time and place of the EGM, to the purchaser, 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.

The Circular has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, UOB Kay Hian Private Limited (the “**Sponsor**”) for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalyst.

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

The contact person for the Sponsor is Mr Lance Tan, Senior Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.



GS HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 201427862D)

CIRCULAR TO SHAREHOLDERS IN RELATION TO

THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE

IMPORTANT DATES AND TIMES

Shareholders will be notified of the last date and time for lodgement of the Proxy Form and the date, time and place of the Extraordinary General Meeting, upon determination of the date, time and place of Extraordinary General Meeting. The notice of Extraordinary General Meeting will be issued no later than 14 clear days before the Extraordinary General Meeting.

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DEFINITIONS

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

General

“AGM”	:	An annual general meeting of the Company
“Appendix 2”	:	Appendix 2 of the Take-over Code
“Approval Date”	:	Has the meaning ascribed to it in <u>Section 2.4.1</u> of this Circular
“Associate”	:	Has the meaning ascribed to it in the Catalist Rules
“Average Closing Price”	:	Has the meaning ascribed to it in <u>Section 2.4.4</u> of this Circular
“Board”	:	The board of Directors of the Company
“Catalist Board”	:	The Catalist Board of the SGX-ST, being the sponsor-supervised listing platform of the SGX-ST
“Catalist Rules”	:	The SGX-ST Listing Manual (Section B: Rules of Catalist), as amended or modified from time to time
“Circular”	:	This circular to Shareholders dated 15 April 2020
“Companies Act”	:	The Companies Act (Chapter 50) of Singapore, as may be amended, modified or supplemented from time to time
“Constitution”	:	The constitution of the Company in force for the time being
“Controlling Interest”	:	The interest of Controlling Shareholder(s)
“Controlling Shareholder”	:	A person who: (a) holds directly or indirectly 15% or more of the total voting rights in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or (b) in fact exercises control of a company
“Directors”	:	The directors of the Company for the time being

DEFINITIONS

“EGM”	:	The extraordinary general meeting of the Company on the same date as, and following the conclusion of, the AGM of the Company to be held, notice of which will be issued upon the determination of the date, time and place of the AGM and EGM, and in any event, no later than 14 clear days before the EGM
“EPS”	:	Earnings per Share
“FY2019”	:	Financial year ended 31 December 2019
“GS ESOS”	:	The Company’s Employee Share Option Scheme, details on the rules and administration of which are set out in the section entitled “ <i>Appendix G – Rules of the GS Holdings ESOS</i> ” of the Company’s offer document dated 7 January 2016
“Latest Practicable Date”	:	3 April 2020, being the latest practicable date prior to the issuance of this Circular
“LPS”	:	Loss per Share
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Market Purchase”	:	Has the meaning ascribed to it in Section 2.4.3 of this Circular
“Maximum Percentage”	:	Has the meaning ascribed to it in Section 2.4.1 of this Circular
“Maximum Price”	:	Has the meaning ascribed to it in Section 2.4.4 of this Circular
“Notice of EGM”	:	The notice of the upcoming EGM to be issued to the Shareholders, upon the determination of the date, time and place of the AGM and EGM, and in any event, no later than 14 clear days before the EGM
“NTA”	:	Net tangible assets
“Off-Market Purchase”	:	Has the meaning ascribed to it in Section 2.4.3 of this Circular
“Options”	:	The right to subscribe for Shares granted to a participant pursuant to the GS ESOS and for the time being subsisting
“Ordinary Resolution”	:	The ordinary resolution as set out in the Notice of EGM
“Register of Members”	:	The Register of Members of the Company

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“Register of Substantial Shareholders”	:	The Register of Substantial Shareholders of the Company
“Relevant Period”	:	Has the meaning ascribed to it in <u>Section 2.4.2</u> of this Circular
“Rule 14”	:	Rule 14 of the Take-over Code
“Scenario A”	:	Has the meaning ascribed to it in <u>Section 2.8.1</u> of this Circular
“Scenario B”	:	Has the meaning ascribed to it in <u>Section 2.8.1</u> of this Circular
“Securities Account”	:	The securities account(s) maintained by a Depositor with CDP, but does not include a securities sub-account maintained with a Depository Agent
“SFA”	:	The Securities and Futures Act (Chapter 289) of Singapore, as amended, modified or supplemented from time to time
“Shares”	:	Ordinary shares in the share capital of the Company
“Share Buyback”	:	The purchase or acquisition by the Company of its Shares pursuant to the Share Buyback Mandate
“Share Buyback Mandate”	:	The general mandate given by Shareholders to authorise the Directors to purchase or otherwise acquire issued Shares within the Relevant Period, in accordance with the terms set out in this Circular, the Companies Act and the Catalist Rules
“Shareholder Proxy Form”	:	Has the meaning ascribed to it in <u>Section 8.1</u> of this Circular
“Shareholders”	:	Registered holders of Shares except that where the registered holder is CDP, the term “Shareholders” shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register and whose Securities Accounts maintained with CDP are credited with the Shares
“Substantial Shareholders”	:	A person who has an interest in not less than 5% of the total votes attached to all the voting shares (excluding treasury shares) in the Company
“Take-over Code”	:	The Singapore Code on Take-overs and Mergers, as amended, modified or supplemented from time to time

DEFINITIONS

Companies, Persons, Organisation and Agencies

“CDP”	:	The Central Depository (Pte) Limited
“Company”	:	GS Holdings Limited
“Group”	:	The Company together with its subsidiaries
“SIC”	:	The Securities Industry Council of Singapore
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Sponsor”	:	UOB Kay Hian Private Limited

Currencies, Units and Others

“S\$” and “cents”	:	Singapore Dollars and cents, respectively, being the lawful currency of the Republic of Singapore
“%”	:	Per centum or percentage

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

The terms “**subsidiary**” and “**related corporations**” shall have the meanings ascribed to them respectively in Section 5 of the Companies Act.

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

References to persons shall include corporations.

References to “**Section**” are to the sections of this Circular, unless otherwise stated.

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

Any reference in this Circular to “**Rule**” or “**Chapter**” is a reference to the relevant rule or Chapter in the Catalist Rules as for the time being, unless otherwise stated.

Any reference in this Circular 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 Catalist Rules, or any relevant laws of the Republic of Singapore or any statutory modification thereof and used in this Circular shall have the same meaning assigned to it under the Companies Act, the Catalist Rules, or any relevant laws of the Republic of Singapore or any statutory modification thereof, as the case may be.

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Any reference to a time of a day in this Circular shall be a reference to Singapore time unless otherwise stated.

Any discrepancies in the tables in this Circular between the listed amounts and the totals thereof are due to rounding; accordingly, the figures shown as totals in certain tables may not be an aggregation of the figures that precede them.

LETTER TO SHAREHOLDERS

GS HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 201427862D)

Directors:

Pang Pok (*Chief Executive Officer and Executive Director*)
Zhang Rongxuan (*Non-Independent and Non-Executive Chairman*)
Chong Eng Wee (*Lead Independent Director*)
Chan Chun Kit (*Independent Director*)
Lim Kee Way Irwin (*Independent Director*)
Liu Changsheng (*Non-Independent and Non-Executive Director*)

Registered Office:

8 Loyang Way 4
Singapore 507604

15 April 2020

To: The Shareholders of GS Holdings Limited

Dear Sir/Madam,

THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE

1. INTRODUCTION

1.1 Purpose of Circular

The Board is proposing to convene an EGM to seek Shareholders' approval for the proposed adoption of the Share Buyback Mandate. The purpose of this Circular is therefore to provide Shareholders with, amongst others, relevant information relating to, and to seek Shareholders' approval, for the proposed adoption of the Share Buyback Mandate at the upcoming EGM to be convened on the same date as, and following the conclusion of, the AGM of the Company. The Company will issue the Notice of EGM to the Shareholders, upon the determination of the date, time and place of the EGM and AGM, and in any event, no later than 14 clear days before the EGM.

2. THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE

2.1 Introduction

Under the Companies Act, companies are allowed to purchase or otherwise acquire their own shares if their constitution expressly permits them to do so, provided that any such purchase or acquisition is made in accordance with and in the manner prescribed by their constitution, the Companies Act, and such other laws and regulations as may for the time being be applicable. Regulation 70(2) of the Constitution expressly permits the Company to purchase or otherwise acquire its issued Shares. As the Company is listed on the Catalist Board, apart from the Companies Act, it is also required to comply with Part XI of Chapter 8 of the Catalist Rules, which relates to the purchase or acquisition by an issuer of its own shares.

LETTER TO SHAREHOLDERS

2.2 Shareholders' Approval

It is a requirement under the Companies Act and the Catalist Rules that a company which wishes to purchase or otherwise acquire its own shares must obtain the approval of its shareholders at a general meeting. Accordingly, approval is being sought from the Shareholders for the adoption of the Share Buyback Mandate at the upcoming EGM. If approved at the EGM, the Share Buyback Mandate will take effect from the date thereof and continue in force until the date of the next AGM of the Company or otherwise as set out in Section 2.4.2 below. The proposed renewal of the Share Buyback Mandate may be tabled at each subsequent AGM of the Company for Shareholders' approval, at the discretion of the Directors.

2.3 Rationale for the Share Buyback Mandate

The Company is proposing to undertake the purchase or acquisition of its Shares following the proposed adoption of the Share Buyback Mandate for the following reasons:

- (a) in managing the business of the Group, the management of the Company and the Group strive to increase Shareholders' value by improving, amongst others, the return on equity of the Group, which the Share Buybacks may enhance;
- (b) Share Buybacks allow the Company to mitigate short-term market volatility in the price of its Shares, offset the effects of short-term price speculation, and bolster Shareholders' confidence. For illustration purposes, the Company may undertake Share Buybacks, in the event the Directors are of the view that the price per Share at such time is undervalued taking into consideration, among others, the future earnings and net asset value per Share of the Company;
- (c) to the extent that the Company has capital and surplus funds which are in excess of its financial needs, taking into account its growth and expansion plans, Share Buybacks facilitate the efficient return of excess cash and surplus funds to Shareholders in an expedient, effective and cost-efficient manner and allow the Company greater flexibility to manage its capital and maximise returns to its Shareholders;
- (d) Shares purchased or acquired under the Share Buybacks may be held by the Company as treasury shares to satisfy the Company's obligations to furnish Shares to participants in any share-based incentive schemes it may implement from time to time, thus giving the Company greater flexibility to select the method of providing Shares to employees that is most beneficial to the Company and its Shareholders; and
- (e) Directors may utilise Shares purchased or acquired under the Share Buyback Mandate and held as treasury shares to be sold for cash or transferred as consideration for the acquisition of shares in or assets of another company or assets of a person, which may be less dilutive in respect of the Shareholder's interests in the share capital of the Company than if new Shares were issued for such purposes.

Shareholders should note that notwithstanding the above, Share Buybacks pursuant to the Share Buyback Mandate will only be undertaken when the Directors are of the view that such purchases or acquisition of Shares are of benefit to the Company and/or its Shareholders.

LETTER TO SHAREHOLDERS

2.4 Terms of the Share Buyback Mandate

The authority and limitations placed on Share Buybacks by the Company under the Share Buyback Mandate, if approved at the upcoming EGM, are summarised below:

2.4.1 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 is limited to the number of Shares representing not more than 10% of the issued share capital of the Company ascertained as at the date of the EGM at which the Share Buyback Mandate is approved (“**Approval Date**”), unless the Company has effected a reduction of its share capital in accordance with the Companies Act at any time during the Relevant Period, in which event the total number of Shares of the Company shall be taken to be the total number of Shares of the Company as altered (the “**Maximum Percentage**”). For purposes of calculating the Maximum Percentage, any of the Shares which are held as treasury shares or subsidiary holdings will be disregarded. As at the Latest Practicable Date, the Company has no treasury shares and subsidiary holdings.

For illustrative purposes only, based on the existing issued and paid-up share capital of the Company of 184,993,260 Shares as at the Latest Practicable Date, and assuming that the Company has no treasury shares and subsidiary holdings and no further Shares are issued on or prior to the EGM, the maximum number of Shares which may be purchased or acquired by the Company pursuant to the Maximum Percentage under the proposed Share Buyback Mandate is 18,499,326 Shares.

While the Share Buyback Mandate would authorise a purchase or acquisition of Shares up to the Maximum Percentage, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buyback Mandate may not be undertaken up to the Maximum Percentage as authorised. In particular, the Directors will not undertake any Share Buybacks under circumstances where doing so would have an adverse effect on the free float, liquidity, orderly trading of the Shares and/or financial position of the Company and/or the Group.

2.4.2 Duration of Authority

Share Buybacks under the Share Buyback Mandate may be made, at any time and from time to time, commencing on and from the date of the EGM and expiring on the earlier of:

- (a) the date on which the next AGM of the Company is held or required by law or the Constitution to be held (whichever is earlier); or
- (b) the date on which the authority contained in the Share Buyback Mandate is varied or revoked by the Shareholders at an AGM or other general meeting of the Company; or
- (c) the date on which Share Buybacks have been undertaken to the fullest extent as authorised under the Share Buyback Mandate,

(the “**Relevant Period**”).

The Share Buyback Mandate may be renewed at each AGM or other general meeting of the Company.

LETTER TO SHAREHOLDERS

2.4.3 Manner of Share Buybacks

If and when circumstances permit, the Directors may decide to effect Share Buybacks by way of either:

- (a) an on-market purchase, transacted on the SGX-ST through the ready market or any other stock exchange on which the Shares may for the time being be listed and quoted (as the case may be), through one or more duly licensed stockbrokers appointed by the Company for such purpose (“**Market Purchase**”); and/or
- (b) an off-market purchase (if effected otherwise than on the SGX-ST) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act and Catalist Rules (“**Off-Market Purchase**”).

In an Off-Market Purchase, the Directors may impose such terms and conditions, which are consistent with the Share Buyback Mandate, the Catalist Rules and the Companies Act, as they consider fit in the interests of the Company, in connection with or in relation to such equal access scheme(s). Under the Companies Act, an equal access scheme must satisfy all the following conditions:

- (a) offers for the Share Buybacks must be made to every person who holds issued Shares to purchase or acquire the same percentage of their Shares on a *pro-rata* basis;
- (b) each person as set out in sub-paragraph (a) must be given a reasonable opportunity to accept the offers made; and
- (c) the terms of the offers must be 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) (if applicable) differences in consideration attributable to the fact that 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, the Catalist Rules provide that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders which must contain at least the following information in respect of each Off-Market Purchase:

- (a) the terms and conditions of the offer;
- (b) the period and procedures for acceptance of the offer;
- (c) the reasons for the proposed Share Buyback;
- (d) the consequences, if any, of the Share Buyback by the Company arising under the Take-over Code or other applicable takeover rules;

LETTER TO SHAREHOLDERS

- (e) whether the Share Buyback, if effected, would have any effect on the listing of the Shares on the SGX-ST;
- (f) details of any Share Buybacks (whether Market Purchases or Off-Market Purchases) made by the Company in 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 the purchases, where relevant, and the total consideration paid for the purchases; and
- (g) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

2.4.4 Maximum Purchase Price

The purchase price of the Shares (excluding brokerage, commissions, stamp duties, applicable goods and services tax, clearance fees and other related expenses of the Share Buyback) under a Share Buyback will be determined by the Directors, but in any case cannot exceed, in respect of each Share:

- (a) in the case of a Market Purchase, 105% of the Average Closing Price (as defined below) of the Shares; and
- (b) in the case of an Off-Market Purchase, 120% of the Average Closing Price (as defined below) of the Shares,

(the “**Maximum Price**” in either case).

For the purposes above,

“**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 (a) (in the case of a Market Purchase) immediately preceding the day of the Market Purchase or, (b) (in the case of an Off-Market Purchase) the day of the making of the offer pursuant to the Off-Market Purchase, being the day on which the Company announces its intention to make an Off-Market Purchase 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, and in either case, deemed to be adjusted for any corporate action that occurs during such five (5) Market Day period and the day on which such purchases are made.

2.5 **Status of Purchased Shares under the Share Buyback Mandate**

At the time of each Share Buyback, the Company may decide whether the Shares purchased will be (a) cancelled; (b) held as treasury shares in accordance with the Companies Act; or (c) partly cancelled and partly kept as treasury shares, depending on the needs of the Company and as the Directors deem fit in the interests of the Company at that time.

A Share purchased or acquired by the Company under the Share Buyback Mandate shall be deemed cancelled immediately on purchase or acquisition (and all rights and privileges attached to the Share will expire on such cancellation), unless such Share is held by the

LETTER TO SHAREHOLDERS

Company as a treasury share in accordance with the Companies Act. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company under the Share Buyback Mandate, which are not held as treasury shares, and deemed cancelled. All such cancelled Shares will also 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 Share Buyback.

2.6 Purchased Shares may be held as Treasury Shares

As mentioned in Section 2.5 above, 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:

2.6.1 Maximum Holdings

The aggregate number of Shares held by the Company as treasury shares following Share Buybacks cannot at any time exceed 10% of the total number of issued Shares at that time.

2.6.2 Voting and Other Rights

Pursuant to the Companies Act, the Company cannot exercise any right in respect of treasury shares and any purported exercise of such 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, in respect of treasury shares, and the Company shall be treated as having no right to vote in respect of the treasury shares 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 distribution 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. In addition, the subdivision or consolidation of any treasury share 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 the total value of the treasury shares before the subdivision or consolidation, as the case may be.

2.6.3 Disposal and Cancellation

Where Shares purchased or acquired under Share Buybacks are held by the Company 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 employees' share scheme;
- (c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;

LETTER TO SHAREHOLDERS

- (d) cancel the treasury shares; or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes as may be allowed under the Companies Act.

Under Rule 704(31) of the Catalist Rules, an immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares. Such announcement must include details including 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 before and after such sale, transfer, cancellation and/or use, and the value of the treasury shares if they are sold, transferred, cancelled and/or used. The Company will make the foregoing announcements required under the Catalist Rules in respect of any sale, transfer, cancellation and/or use of the treasury shares as and when appropriate.

2.7 Source of Funds for Share Buyback

For the purposes of purchasing 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 to be satisfied in any manner other than in cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the Catalist Rules. Payment of consideration in respect of Share Buybacks by the Company may be made out of the Company's profits or capital so long as the Company is solvent. The Company may use internal resources to fund Share Buybacks pursuant to the Share Buyback Mandate.

Shareholders should note that 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 Company and/or the Group would be materially and adversely affected.

2.8 Financial Effects of the Share Buyback Mandate

2.8.1 Bases and Assumptions

Shareholders should note that the financial effects illustrated below are for illustration purposes only. In particular, it is important to note that the financial analyses set out below are based on the audited consolidated financial statements for FY2019 and are not necessarily representative of future financial performance of the Company and/or Group. While the Share Buyback Mandate would authorise a purchase or acquisition of Shares up to the Maximum Percentage, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buyback Mandate may not be undertaken up to the full 10% limit of the Maximum Percentage as authorised.

It is not possible for the Company to realistically calculate or quantify the impact or financial effects of any potential Share Buyback(s) as such effects would depend on factors such as the aggregate number of Shares purchased or acquired under the Share Buyback Mandate, the purchase prices paid at the relevant time, and the amount (if any)

LETTER TO SHAREHOLDERS

borrowed by the Company to fund the Share Buybacks(s), whether the purchase or acquisition is made out of profits or capital, and whether the Shares so purchased or acquired are held in treasury or cancelled. It should be noted that where the purchase or acquisition is made out of profits, the purchase price paid by the Company for the Shares (excluding brokerage, commissions, stamp duties, applicable goods and services tax, clearance fees and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

As stated, 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 and adversely affected. Share Buybacks will only be effected after considering relevant factors such as the working capital requirement, availability of financial resources, the expansion and investment plans of the Group, and prevailing market conditions. The proposed Share Buyback Mandate will be exercised with a view to enhance the EPS and/or NTA per Share of the Group.

The financial effects presented in this Section 2.8 are based on the assumptions set out below:

- (a) As at the Latest Practicable Date, the issued share capital of the Company comprises 184,993,260 Shares;
- (b) **For illustrative purposes only**, based on the existing issued and paid-up share capital of the Company of 184,993,260 Shares, and assuming that the Company has no treasury shares and subsidiary holdings and no further Shares are issued on or prior to the EGM, not more than 18,499,326 Shares (representing approximately 10% of the Shares) may be purchased or acquired by the Company pursuant to the proposed Share Buyback Mandate;
- (c) In the case of Market Purchases by the Company and assuming that the Company purchases or acquires 18,499,326 Shares at the Maximum Price of S\$0.432 for each 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 Catalist Board immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 18,499,326 Shares is approximately S\$7,991,709;
- (d) In the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 18,499,326 Shares at the Maximum Price of S\$0.493 for each 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 Catalist Board immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 18,499,326 Shares is approximately S\$9,120,168; and
- (e) **For illustrative purposes only** and on the basis of the assumptions set out above as well as the following:
 - (i) the Share Buyback Mandate had been effective on 31 December 2019;
 - (ii) the Share Buybacks are funded solely by internal cash/resources of the Group; and

LETTER TO SHAREHOLDERS

- (iii) transaction costs incurred during the Share Buybacks pursuant to the Share Buyback Mandate are assumed to be insignificant and have thus been ignored for the purpose of computing the financial effects.

Based on the above assumptions, the financial effects of:

- (a) the acquisition of the Maximum Percentage, being 10% of the issued Shares by the Company in a Market Purchase or Off-Market Purchase pursuant to the Share Buyback Mandate by way of purchases made entirely out of capital, such Shares being thereafter cancelled (“**Scenario A**”); and
- (b) the acquisition of the Maximum Percentage, being 10% of the issued Shares by the Company in a Market Purchase or Off-Market Purchase pursuant to the Share Buyback Mandate by way of purchases made entirely out of capital, such Shares being thereafter held by the Company as treasury shares (“**Scenario B**”),

on the audited consolidated financial results of the Group and the Company for FY2019, are set out below:

2.8.2 Scenario A

As at 31 December 2019	Group			Company		
	Before Share Buyback	After Market Purchase	After Off Market Purchase	Before Share Buyback	After Market Purchase	After Off Market Purchase
	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
Profit/(Loss) Attributable to Owners of the Company	13,051	13,051	13,051	(8,503)	(8,503)	(8,503)
Share Capital	20,469	12,477	11,349	20,469	12,477	11,349
Reserve	729	729	729	3,931	3,931	3,931
Treasury Shares	–	–	–	–	–	–
Retained Earnings/ (Accumulated Losses)	5,293	5,293	5,293	(14,443)	(14,443)	(14,443)
Shareholders' Funds/Total Equity	26,491	18,499	17,371	9,957	1,965	837
NTA ⁽¹⁾	21,556	13,564	12,436	9,957	1,965	837
Current Assets	42,393	34,401	33,273	2,085	(5,907)	(7,035)
Current Liabilities	19,447	19,447	19,447	1,140	1,140	1,140
Working Capital	22,946	14,954	13,826	945	(7,047)	(8,175)
Total Borrowings	4,760	4,760	4,760	–	–	–
Cash and Cash Equivalents	5,608	(2,384)	(3,512)	55	(7,937)	(9,065)
Number of Shares	184,993,260	166,493,934	166,493,934	184,993,260	166,493,934	166,493,934
Number of Treasury Shares	–	–	–	–	–	–

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As at 31 December 2019	Group			Company		
	Before Share Buyback	After Market Purchase	After Off Market Purchase	Before Share Buyback	After Market Purchase	After Off Market Purchase
	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
Number of Shares Excluding Treasury Shares	184,993,260	166,493,934	166,493,934	184,993,260	166,493,934	166,493,934
Weighted average number of Shares	170,655,974	152,156,648	152,156,648	170,655,974	152,156,648	152,156,648
Financial Ratios						
NTA per Share (cents) ⁽¹⁾	11.65	8.15	7.47	5.38	1.18	0.50
Gearing Ratio (times) ⁽²⁾	0.18	0.26	0.27	–	–	–
Current Ratio (times) ⁽³⁾	2.18	1.77	1.71	1.83	N.M. ⁽⁵⁾	N.M. ⁽⁵⁾
Basic EPS (cents) ⁽⁴⁾	7.65	8.58	8.58	(4.98)	(5.59)	(5.59)

Notes:

- (1) NTA equals total equity less intangible assets and non-controlling interests. NTA per Share equals NTA divided by the number of Shares (excluding treasury shares) as at 31 December 2019.
- (2) Gearing ratio equals total debt divided by total equity.
- (3) Current Ratio equals current assets divided by current liabilities.
- (4) Basic EPS equals profit attributable to owners of the Group and Company divided by the weighted average number of Shares (excluding treasury shares) as at 31 December 2019.
- (5) "N.M." means not meaningful.

2.8.3 Scenario B

As at 31 December 2019	Group			Company		
	Before Share Buyback	After Market Purchase	After Off Market Purchase	Before Share Buyback	After Market Purchase	After Off Market Purchase
	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
Profit/(Loss) Attributable to Owners of the Company	13,051	13,051	13,051	(8,503)	(8,503)	(8,503)
Share Capital	20,469	20,469	20,469	20,469	20,469	20,469
Reserve	729	729	729	3,931	3,931	3,931
Treasury Shares	–	(7,992)	(9,120)	–	(7,992)	(9,120)
Retained Earnings (Accumulated Losses)	5,293	5,293	5,293	(14,443)	(14,443)	(14,443)
Shareholders' Funds/Total Equity	26,491	18,499	17,371	9,957	1,965	837
NTA ⁽¹⁾	21,556	13,564	12,436	9,957	1,965	837

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As at 31 December 2019	Group			Company		
	Before Share Buyback	After Market Purchase	After Off Market Purchase	Before Share Buyback	After Market Purchase	After Off Market Purchase
	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
Current Assets	42,393	34,401	33,273	2,085	(5,907)	(7,035)
Current Liabilities	19,447	19,447	19,447	1,140	1,140	1,140
Working Capital	22,946	14,954	13,826	945	(7,047)	(8,175)
Total Borrowings	4,760	4,760	4,760	–	–	–
Cash and Cash Equivalents	5,608	(2,384)	(3,512)	55	(7,937)	(9,065)
Number of Shares	184,993,260	184,993,260	184,993,260	184,993,260	184,993,260	184,993,260
Number of Treasury Shares	–	18,499,326	18,499,326	–	18,499,326	18,499,326
Number of Shares Excluding Treasury Shares	184,993,260	166,493,934	166,493,934	184,993,260	166,493,934	166,493,934
Weighted average number of Shares	170,655,974	152,156,648	152,156,648	170,655,974	152,156,648	152,156,648
Financial Ratios						
NTA per Share (cents) ⁽¹⁾	11.65	8.15	7.47	5.38	1.18	0.50
Gearing Ratio (times) ⁽²⁾	0.18	0.26	0.27	–	–	–
Current Ratio (times) ⁽³⁾	2.18	1.77	1.71	1.83	N.M. ⁽⁵⁾	N.M. ⁽⁵⁾
Basic EPS (cents) ⁽⁴⁾	7.65	8.58	8.58	(4.98)	(5.59)	(5.59)

Notes:

- (1) NTA equals total equity less intangible assets and non-controlling interests. NTA per Share equals NTA divided by the number of Shares (excluding treasury shares) as at 31 December 2019.
- (2) Gearing ratio equals total debt divided by total equity.
- (3) Current Ratio equals current assets divided by current liabilities.
- (4) Basic EPS equals profit attributable to owners of the Group and Company divided by the weighted average number of Shares (excluding treasury shares) as at 31 December 2019.
- (5) "N.M." means not meaningful.

Shareholders should note that the financial effects set out above, based on the respective aforesaid assumptions, are for illustrative purposes only. In particular, it is important to note that the above analysis is based on the Group and the Company's audited consolidated financial statements for FY2019, and is not representative of the future financial performance of the Group and/or the Company.

2.9 Tax Implications

Shareholders who are in doubt as to their respective tax positions in respect of, 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.

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2.10 Other Applicable Catalist Rules and Legislation

2.10.1 Reporting Requirements under Catalist Rules

The Catalist Rules specify that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m.:

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

Such announcement must be in the form of Appendix 8D (Daily Share Buy-back Notice) of the Catalist Rules. The Company will make the above announcements pursuant to the Catalist Rules as and when appropriate.

In addition, within thirty (30) days of the passing of a Shareholders' ordinary resolution to approve any Share Buyback, the Company shall lodge a copy of such resolution with ACRA.

The Company shall notify ACRA, using the prescribed form, within thirty (30) days of a Market Purchase or otherwise. Such notification shall include details of the Share Buyback, such as the date of the Share Buyback, the total number of Shares purchased or acquired, the number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued share capital before and after the Share Buyback, the amount of consideration paid by the Company for the Share Buyback, whether the Shares were purchased or acquired out of the profits or the capital of the Company, and such other particulars as may be required by ACRA in the prescribed form.

2.10.2 Restrictions on Share Buybacks

While the Catalist Rules do not expressly prohibit any purchase or acquisition of shares by a listed company during any particular time on the basis that 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 nature has occurred or has been the subject of consideration and/or a decision of the Board until such price-sensitive information has been publicly announced.

Further, in conformity with the best practices on dealing with securities under the Catalist Rules, the Company will not purchase or acquire any Shares through Market Purchases during the period commencing two weeks before the announcement of the Company's financial statements for each of the first three quarters of its financial year and one month before the announcement of the Company's full year financial statements (if the Company is required to announce its quarterly financial statements in accordance with the Catalist Rules), or one month before the announcement of the Company's half year and full year financial statements.

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2.10.3 Free Float

The Company will ensure that any Shares purchased or acquired by the Company under the Share Buyback Mandate will not result in a fall in the percentage of Shares held by the public (as defined in the Catalist Rules) to below 10% of the total number of issued Shares (excluding treasury shares, preference shares and convertible equity securities). For the purposes above, the Catalist Rule defines the public as persons other than the Directors, Chief Executive Officer of the Company, Substantial Shareholders or Controlling Shareholders of the Company and its subsidiaries, as well as the Associates of such persons.

The Company does not have any individual shareholding limit or foreign shareholding limit. As at the Latest Practicable Date, 56,542,400 Shares, representing approximately 30.56% of the total number of issued Shares are held by the public. In the event that the Company should, pursuant to the Share Buyback Mandate, purchase or acquire its Shares up to the Maximum Percentage, about 38,043,074 Shares representing 22.8% of the Shares (excluding treasury shares) would continue to be in the hands of the public.

Accordingly, the Directors are of the view that there is, at present, a sufficient number of Shares in issue held by the public which would permit the Company to undertake purchases of its Shares up to the Maximum Percentage pursuant to the Share Buyback Mandate. Nonetheless, the Directors will at all times ensure that when purchasing any Shares pursuant to the Share Buyback Mandate, at least 10% of the Shares will remain in the hands of the public in accordance with the Catalist Rules and that such purchases will not (a) affect the listing status of the Company; (b) cause market illiquidity of the Shares; or (c) affect adversely the orderly trading of the Shares.

2.11 **Take-over Obligations**

2.11.1 Obligation to make a Take-over Offer

Pursuant to the Take-over Code, an increase of a Shareholder's proportionate interest in the voting rights of the Company resulting from a Share Buyback by the Company will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code.

Rule 14.1 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 of a company and such person, or any person(s) 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 to the holders of any class of shares in the capital which carries votes and in which such person, or persons acting in concert with him, hold 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, also incur the obligation to extend such offer under the Take-over Code.

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2.11.2 Persons Acting in Concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), cooperate, 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, amongst others, be presumed to be acting in concert:

- (a) 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);
- (b) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated companies of the foregoing companies, and 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 persons 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;
- (c) a company with any of its pension funds and employee 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;
- (e) a financial or other professional adviser, with its clients in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser;
- (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 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, and any person who is accustomed to act according to the instructions and companies controlled by any of the foregoing and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons 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 after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

LETTER TO SHAREHOLDERS

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

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, 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 if, as a result of the Company purchasing or acquiring its Shares, (a) the voting rights of such Directors and their concert parties would increase to 30% or more, or (b) (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, but excluding treasury shares in the calculation of such percentages of voting rights. Consequently, Shareholders who are deemed to be acting in concert with the Directors under the Take-over Code could be obliged to make such an offer under Rule 14.

Under Appendix 2 of the Take-over Code, 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 if, as a result of the Company purchasing or acquiring its Shares, (a) the voting rights of such Shareholder in the Company 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 resolution authorising the Share Buyback Mandate.

However, Shareholders will be subject to the provisions of Rule 14 of the Take-over Code if they acquire Shares after the Company's Share Buybacks. For the purpose of the Take-over Code, an increase in the percentage of voting rights as a result of the Share Buyback will be taken into account in determining whether a Shareholder and persons acting in concert with him have increased their voting rights by more than 1% in any period of six (6) months.

Shareholders (including Directors) and their concert parties who hold more than 50% of the Company's voting rights are under no obligation to make a take-over offer if the voting rights of such Shareholders and their concert parties were to increase as a result of the Company purchasing or acquiring Shares.

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

If the Company decides to cease the Share Buybacks before it has purchased in full such number of Shares authorised by its Shareholders at the EGM, the Company will promptly inform its Shareholders of such cessation. This will assist Shareholders to determine if they can buy any more Shares without incurring an obligation under Rule 14 of the Take-over Code.

LETTER TO SHAREHOLDERS

2.11.4 Application of the Take-over Code

Mr. Pang Pok, being the Chief Executive Officer and Executive Director of the Company, and (a) his wife, Ms. Ang Siew Kiock, who is a Substantial Shareholder of the Company, (b) his daughter, Ms. Eliss Pang, (c) his son, Mr Pang Jie Long, and (d) his brother, Mr. Pang Lim, are deemed parties acting in concert with each other, and hold in aggregate 109,795,305 Shares, representing 59.35% of the Company's voting rights. As set out above, under the Take-over Code, Shareholders (including Directors) and their concert parties who hold more than 50% of the Company's voting rights are under no obligation to make a take-over offer if the voting rights of such Shareholders and their concert parties were to increase as a result of the Company purchasing or acquiring Shares. Accordingly, based on the shareholdings of the foregoing parties acting in concert as at the Latest Practicable Date, Rule 14 of the Take-over Code will not be triggered and no take-over offer is required to be made pursuant to any acquisition or purchases of Shares under the Share Buyback Mandate.

Save as disclosed above and to the best of their knowledge, the Directors are not aware of any fact(s) or factor(s) 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 Rule 14 of the Take-over Code would ensue as a result of a purchase of Shares by the Company pursuant to the Share Buyback Mandate.

Based on the Register of Members and the Register of Substantial Shareholders of the Company as at the Latest Practicable Date, the Directors are not aware of any Director or Substantial Shareholder (together with persons acting in concert with them) who may become obliged to make a mandatory offer under Rule 14 of the Takeover Code in the event that the Company purchases the maximum number of 18,499,326 Shares under the proposed Share Buyback Mandate.

Shareholders should note that the statements in this Circular do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Take-over Code. Shareholders who are in any doubt as to whether they would incur any obligations to make a take-over offer as a result of any purchase of Shares by the Company pursuant to the proposed Share Buyback Mandate are advised to consult their professional advisers and/or the SIC at the earliest opportunity before they acquire any Shares in the Company during the period when the proposed Share Buyback Mandate is in force.

2.12 **Details of Shares Bought by the Company in the Previous Twelve (12) Months**

No Share Buybacks have been made by the Company in the twelve (12) months preceding the Latest Practicable Date.

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3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors and substantial Shareholders in the Shares of the Company, as recorded in the Register of Directors' Shareholdings and the Register of Substantial Shareholders kept by the Company, respectively, as at the Latest Practicable Date, are as follows:

	Direct Interest		Deemed Interest	
	No. of Shares	% ⁽¹⁾	No. of Shares	% ⁽¹⁾
Directors				
Pang Pok⁽²⁾	2,079,705	1.12	95,000,000 ⁽²⁾	51.35
Chong Eng Wee⁽³⁾	–	–	–	–
Chan Chun Kit⁽⁴⁾	–	–	–	–
Lim Kee Way Irwin⁽⁵⁾	–	–	–	–
Liu Changsheng⁽⁶⁾	–	–	–	–
Zhang Rongxuan⁽⁷⁾	–	–	–	–
Substantial/Other Shareholders				
Ang Siew Kiock⁽⁸⁾	5,000,000	2.70	92,079,705	49.77
Marvel Earn Limited	18,655,555	10.08	–	–
Zhang Liying⁽⁹⁾	–	–	18,655,555	10.08

Notes:

- (1) Based on 184,993,260 issued Shares (excluding treasury shares) as at the Latest Practicable Date
- (2) Mr Pang is deemed to be interested in the 50,000,000 Shares held through UOB Nominees Private Limited, 40,000,000 Shares held through BMO Private Bank as well as 5,000,000 Shares held by his spouse, Ms Ang Siew Kiock.
- (3) Mr Chong Eng Wee holds 500,000 Options granted to him on 25 September 2019, pursuant to the GS ESOS.
- (4) Mr Chan Chun Kit holds 500,000 Options granted to him on 25 September 2019, pursuant to the GS ESOS.
- (5) Mr Lim Kee Way Irwin holds 500,000 Options granted to him on 25 September 2019, pursuant to the GS ESOS.
- (6) Mr Liu Changsheng holds 600,000 Options granted to him on 25 September 2019, pursuant to the GS ESOS.
- (7) Mr Zhang Rongxuan holds 600,000 Options granted to him on 25 September 2019, pursuant to the GS ESOS.
- (8) Ms Ang Siew Kiock is deemed to be interested in the 92,079,705 Shares held directly and indirectly by her spouse, Mr Pang.
- (9) Ms. Zhang Liying is the sole shareholder of Marvel Earn Limited, and is deemed interested in the 18,655,555 Shares held by Marvel Earn Limited, by virtue of Section 7 of the Companies Act.

Save for the Directors' and substantial Shareholders' shareholding interests and/or directorships in the Company (if any and as the case may be) set out above, none of the Directors or their Associates or, as far as the Company is aware, substantial Shareholders or their Associates, has any interest, direct or indirect, in the proposed adoption of the Share Buyback Mandate.

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4. DIRECTORS' RECOMMENDATION

The Board, having considered, amongst others, the terms, the rationale and the benefits of the Share Buyback Mandate, are of the opinion that the Share Buyback Mandate is in the best interests of the Company. Accordingly, the Board unanimously recommend that Shareholders vote in favour of the Ordinary Resolution in respect of the Share Buyback Mandate, which will be set out in the Notice of EGM to be issued no later than 14 clear days before the EGM.

5. NOTE TO SHAREHOLDERS

Shareholders, in deciding whether to vote in favour of the Ordinary Resolution, should read carefully the terms and conditions, rationale and financial effects (where applicable) of the Share Buyback Mandate. In giving the above recommendations, the Board has had no regard to the specific investment objectives, financial situation, tax position or unique needs or constraints of any individual Shareholder. As different Shareholders would have different investment objectives and profiles, the Directors recommend that any individual Shareholder who may require specific advice in relation to his specific investment portfolio should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional advisers.

6. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular 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 Circular misleading. Where information in the Circular 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 the Circular in its proper form and context.

7. EXTRAORDINARY GENERAL MEETING

The EGM will be convened on the same date as, and following the conclusion of, the AGM of the Company. The Company will issue the Notice of EGM to the Shareholders, upon the determination of the date, time and place of the EGM and AGM, and in any event, no later than 14 clear days before the date of the EGM.

8. ACTION TO BE TAKEN BY SHAREHOLDERS

8.1 Appointment of Proxies

Shareholders who are unable to attend the EGM and wish to appoint a proxy/proxies to attend and vote on their behalf will find enclosed with Notice of EGM to be issued, a proxy form (the "**Shareholder Proxy Form**") which they should complete, sign and return in accordance with the instructions printed thereon as soon as possible and, in any event, so as to reach at the registered office of the Company not less than 48 hours before the time appointed for the holding of the EGM. The completion and return of a Shareholder Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM in place of his proxy/proxies if he finds that he is able to do so or if he so wishes. In such an event, the Shareholder Proxy Form will be deemed to be revoked.

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8.2 Depositors

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

9. DOCUMENTS FOR INSPECTION

In view of the advisories in respect of the COVID-19 outbreak issued by the Ministry of Health and Ministry of Manpower resulting in the temporary closure of the Company's registered office, Shareholders may request for electronic copies of the following documents for inspection, from the date hereof up to and including the date of the EGM, by way of email to the Company at info@gsholdings.com.sg:

- (a) the Constitution of the Company; and
- (b) the Annual Report in respect of FY2019.

Yours faithfully

For and on behalf of the Board of Directors of

GS HOLDINGS LIMITED

Pang Pok

Chief Executive Officer and Executive Director

