

ADDENDUM DATED 15 APRIL 2020

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

This addendum is circulated to shareholders of Synagie Corporation Ltd. (the “Company”, and together with its subsidiaries, the “Group”) together with the Company’s annual report for the financial year ended 31 December 2019 (“FY2019”) (the “Addendum”).

The purpose of this Addendum is to provide shareholders of the Company with relevant information pertaining to and to seek approval from shareholders of the Company to renew the Share Buyback Mandate (as defined herein) to be tabled at the forthcoming annual general meeting of the Company to be convened by the Company, details of which will be communicated to the Shareholders (as defined herein) in due course.

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

The Notice of AGM (as defined herein) and Proxy Form (as defined herein) are enclosed with the Annual Report (as defined herein), all of which will be made available to Shareholders in due course.

If you have sold or transferred all your ordinary shares in the issued and paid-up share capital of the Company, you should immediately forward this Addendum together with the Annual Report, the Notice of AGM, and the accompanying Proxy Form to the purchaser or transferee, or to the bank, stockbroker, or agent through whom you effected the sale for onward transmission to the purchaser or the transferee. If you have sold or transferred all your Shares which are held through The Central Depository (Pte) Limited (“CDP”), you need not forward this Addendum, the Annual Report, the Notice of AGM and the accompanying Proxy Form to the purchaser or transferee, as arrangements will be made by CDP for a separate Addendum with the Annual Report and the accompanying documents to be sent to the purchaser or transferee.

This Addendum has been prepared by the Company and its contents have been reviewed by the Company’s Sponsor, RHT Capital Pte. Ltd. (the “Sponsor”) for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited’s (the “SGX-ST”) Listing Manual Section B: Rules of Catalist. The Sponsor has not independently verified the contents of this Addendum. This Addendum has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this Addendum, including the correctness of any of the statements or opinions made or reports contained in this Addendum.

The contact person for the Sponsor is Mr Khong Choun Mun, Registered Professional, RHT Capital Pte. Ltd., 9 Raffles Place, #29-01 Republic Plaza Tower 1, Singapore 048619, Telephone (65) 6381 6966.



SYNAGIE CORPORATION LTD.

(Incorporated in the Republic of Singapore)
(Company Registration Number 201717972D)

**ADDENDUM TO THE ANNUAL REPORT IN RELATION TO THE PROPOSED RENEWAL OF
THE SHARE BUYBACK MANDATE**

TABLE OF CONTENTS

CONTENTS	PAGE
DEFINITIONS	2
CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS	6
LETTER TO SHAREHOLDERS	7
1. INTRODUCTION	7
2. THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE	7
3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS	24
4. ANNUAL GENERAL MEETING	25
5. DIRECTORS' RECOMMENDATIONS	25
6. DIRECTORS' RESPONSIBILITY STATEMENT	25
7. ADVICE TO SHAREHOLDERS	26
8. ACTIONS TO BE TAKEN BY SHAREHOLDERS	26
9. DOCUMENTS AVAILABLE FOR INSPECTION	26

DEFINITIONS

In this Addendum, the following definitions shall apply throughout unless the context otherwise requires:

- “ACRA”** : Accounting and Corporate Regulatory Authority of Singapore
- “AGM”** : The annual general meeting of the Company to be convened by the Company, details of which will be communicated to the Shareholders in due course
- “Annual Report”** : The annual report of the Company for the financial year ended 31 December 2019
- “Approval Date”** : Shall have the meaning ascribed to it in paragraph 2.3.1.
- “Associate”** : (i) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:
- (A) his immediate family;
 - (B) 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
 - (C) any company in which he and his immediate family together (directly or indirectly) have an interest of 30.0% or more; and
- (ii) 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 30.0% or more
- “Average Closing Market Price”** : The average of the closing market prices of the shares over the last five (5) Market Days, on which transactions in the share were recorded, before the day on which the purchases are made, and deemed to be adjusted for any corporate action that occurs during the relevant five (5) day period and the day on which the purchases are made
- “Board” or “Board of Directors”** : The board of directors of the Company
- “Catalist”** : The sponsor-supervised listing platform of the SGX-ST

DEFINITIONS

“Catalist Rules”	:	The Listing Manual of the SGX-ST Section B: Rules of Catalist, as may be amended, modified, or supplemented from time to time
“CDP”	:	The Central Depository (Pte) Limited
“Code” or “Take-over Code”	:	The Singapore Code on Take-overs and Mergers, as amended or modified from time to time
“Company”	:	Synagie Corporation Ltd.
“Companies Act”	:	Companies Act (Cap. 50) of Singapore, as may be amended, modified, or supplemented from time to time
“concert parties”	:	Shall have the meaning ascribed to it in paragraph 2.11.2
“Constitution”	:	The Constitution of the Company
“Controlling Shareholder”	:	A person who: (i) holds directly or indirectly 15.0% or more of the nominal amount of all voting shares in the Company. The SGX-ST may determine that a person who satisfies the above is not a Controlling Shareholder; or (ii) in fact exercises control over the Company,
“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
“Director(s)”	:	The director(s) of the Company as at the Latest Practicable Date
“EPS”	:	Earnings per Share
“FY”	:	The financial year ended 31 December
“Group”	:	The Company and its subsidiaries, collectively
“Latest Practicable Date”	:	9 April 2020, being the latest practicable date prior to finalisation of this Addendum
“Market Day(s)”	:	A day or days on which the SGX-ST is open for trading in securities

DEFINITIONS

“Market Purchase(s)”	:	On-market purchases of Shares transacted on the SGX-ST through the SGX-ST 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 (1) or more duly licensed stock brokers appointed by the Company for such purpose
“Maximum Price”	:	Shall have the meaning ascribed to it in paragraph 2.3.4
“Notice of AGM”	:	The notice of the AGM containing the details of the AGM which will be made available to Shareholders in due course
“NTA”	:	Net tangible assets
“Off-Market Purchase(s)”	:	Off-market purchases of Shares (if effected otherwise than on the SGX-ST) in accordance with an 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 Catalist Rules
“Proxy Form”	:	The proxy form in respect of the AGM which will be made available to Shareholders in due course
“Public Shareholders”	:	The Shareholders who are persons other than: (i) the Directors, Chief Executive Officer, Substantial Shareholders or Controlling Shareholders of the Company or its Subsidiaries, and (ii) the Associates of such persons named in (i)
“Register of Members”	:	The register of members of the Company
“Relevant Period”	:	Shall have the meaning ascribed to it in paragraph 2.1
“Securities and Futures Act”	:	Securities and Futures Act (Cap. 289) of Singapore, as may be amended, modified, or supplemented from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shares”	:	Ordinary shares in the capital of the Company, and each a “Share”
“Shareholders”	:	Registered holders of Shares in the Register of Members, 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 Shares, and each a “Shareholder”
“Share Buyback(s)”	:	The purchases or acquisitions of Shares by the Company pursuant to the terms of the Share Buyback Mandate

DEFINITIONS

“Share Buyback Mandate”	:	The proposed general and unconditional mandate given by Shareholders to authorise the Directors to exercise all powers of the Company to purchase or otherwise acquire its issued Shares within the Relevant Period, in accordance with the terms set out in this Addendum, as well as the rules and regulations set forth in the Companies Act and the Catalist Rules
“Share Registrar”	:	RHT Corporate Advisory Pte. Ltd.
“SIC”	:	Securities Industries Council of Singapore
“Singapore”	:	The Republic of Singapore
“Substantial Shareholder”	:	A person (including a corporation) who holds (directly or indirectly) not less than five per cent (5.0%) of the total votes attached to all the voting Shares in the Company
“S\$” and “cents”	:	Singapore dollars and cents respectively, the lawful currency of Singapore
“%” or “per cent”	:	Per centum or percentage

The terms **“Depositor”**, **“Depository Agent”** and **“Depository Register”** have the same meanings ascribed to them respectively in Section 81SF of the Securities and Futures Act or any statutory modification thereof, as the case may be.

The expressions **“treasury share”**, **“subsidiary”** or **“related corporations”** shall have the meanings ascribed to them respectively in Sections 4, 5 and 6 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 where applicable.

Any reference in this Addendum to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Companies Act, the Securities and Futures Act, the Catalist Rules, or any statutory or regulatory modification thereof and used in this Addendum shall, where applicable, have the meaning assigned to it under the Companies Act, the Securities and Futures Act, the Catalist Rules, or such statutory or regulatory modification thereof, as the case may be, unless otherwise provided.

Any reference to a date and/or time of day in this Addendum shall be a reference to Singapore time unless otherwise stated.

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

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

Any reference to “we”, “us” and “our” in this Addendum is a reference to the Group or any member of the Group as the context requires.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

Cautionary Note on Forward-looking Statements

All statements other than statements of historical facts included in this Addendum are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “**seek**”, “**expect**”, “**anticipate**”, “**estimate**”, “**believe**”, “**intend**”, “**project**”, “**plan**”, “**strategy**”, “**forecast**” and similar expressions or future or conditional verbs such as “**will**”, “**if**”, “**would**”, “**should**”, “**could**”, “**may**” and “**might**”. These statements reflect the Company’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders should not place undue reliance on such forward-looking statements, and the Company assumes no obligation to update publicly or revise any forward-looking statement.

LETTER TO SHAREHOLDERS

SYNAGIE CORPORATION LTD.

(Incorporated in the Republic of Singapore)
(Company Registration Number 201717972D)

BOARD OF DIRECTORS

Mr Lim Chuan Poh	<i>(Non-Executive Chairman and Independent Director)</i>
Mr Lee Shieh-Peen Clement	<i>(Executive Director and Chief Executive Officer)</i>
Ms Tai Ho Yan	<i>(Executive Director)</i>
Ms Zanetta Lee Yue (Zanetta Li Yu)	<i>(Executive Director)</i>
Mr Koh Chia Ling	<i>(Independent Director)</i>
Mr Chue En Yaw	<i>(Independent Director)</i>

REGISTERED OFFICE:

38 Jalan Pemimpin
#05-09 M38
Singapore 577178

15 April 2020

To: The Shareholders of Synagie Corporation Ltd.

Dear Sir/Madam

THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

1. INTRODUCTION

The Directors are proposing to seek Shareholders' approval at the forthcoming AGM for the renewal of the Share Buyback Mandate which was first approved at the extraordinary general meeting of the Company on 23 April 2019.

The purpose of this Addendum is to provide Shareholders with information relating to, and to seek Shareholders' approval for, the proposed renewal of the Share Buyback Mandate.

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

2. THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

2.1. Background

The Companies Act allows a Singapore-incorporated company to purchase or otherwise acquire its issued 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 Catalist, 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. Regulation 9 of the Constitution expressly permits the Company to purchase or otherwise acquire its issued Shares.

LETTER TO SHAREHOLDERS

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 to do so at a general meeting. Accordingly, approval is being sought from Shareholders at the AGM for the proposed renewal 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 Catalist Rules.

At the extraordinary general meeting of the Company on 23 April 2019, Shareholders had approved the Share Buyback Mandate to enable the Company to purchase or otherwise acquire its issued Shares in the capital of the Company. The rationale for, the authority and limitations on, and the financial effects of, the Share Buyback Mandate were set out in the Company's circular to Shareholders dated 5 April 2019.

As the said mandate will expire on the forthcoming AGM, the Directors have proposed that the Share Buyback Mandate be renewed at the forthcoming AGM.

If approved by Shareholders at the AGM, the authority conferred by the Share Buyback Mandate will take effect from the date of the AGM and continue in force until the date on which the next annual general meeting of the Company is held or as required by law to be held, whichever is earlier, unless prior thereto, Share Buybacks have been carried out to the full extent mandated, or the authority conferred by the Share Buyback Mandate is revoked or varied by Shareholders in a general meeting (the "**Relevant Period**").

2.2. Rationale for the Share Buyback Mandate

The adoption of the Share Buyback Mandate authorising the Company to purchase or acquire its issued Shares would give the Company the flexibility to undertake purchases or acquisitions of Shares up to the 10.0% limit described in paragraph 2.3.1 below at any time as and when appropriate, subject to market conditions, during the period when the Share Buyback Mandate is in force.

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

- (i) in managing the business of the Group, the management team strives to improve Shareholders' value, *inter alia*, the return on equity of the Group. In addition to the growth and expansion of the Group's business, Share Buybacks is one of the ways through which the return on equity of the Group may be enhanced;
- (ii) 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;

LETTER TO SHAREHOLDERS

- (iii) Share Buybacks allow the Company greater flexibility to manage its capital and maximise returns to its Shareholders. 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;
- (iv) Shares purchased or acquired 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;
- (v) it allows the Directors to exercise greater control over the Company's share capital structure, dividend pay-out and cash reserves, thereby optimising the use of any surplus cash, especially when the Company is not required to borrow money in the repurchase of shares; and
- (vi) Shares which are purchased or acquired may be held as treasury shares which have the added benefit of being used for prescribed purposes, such as selling treasury shares for cash. The use of treasury shares in lieu of issuing new Shares would also mitigate the dilution impact on existing Shareholders.

While the Share Buyback Mandate would authorise a purchase or acquisition of Shares up to the said 10.0% limit during the period referred to in paragraph 2.3.2 below, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buyback Mandate may not be carried out to the full 10.0% limit as authorised and the purchases or acquisitions of Shares pursuant to the Share Buyback Mandate will be made only as and when the Directors consider it to be in the best interests of the Company and/or Shareholders and in circumstances which they believe will not result in any material adverse effect on the financial position of the Company or the Group, or affect the listing status of the Company on Catalist.

2.3. Terms of Share Buyback Mandate

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

2.3.1. 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 by the Company pursuant to the Share Buyback Mandate is limited to the number of Shares representing not more than 10.0% of the issued ordinary share capital of the Company as at the date of the approval of the Share Buyback Mandate (the "**Approval Date**"), unless the Company has, at any time during the Relevant Period, reduced its share capital in accordance with the applicable provisions of the Companies Act, in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered after such capital

LETTER TO SHAREHOLDERS

reduction. 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 10.0% limit.

For illustrative purposes only, on the basis of 304,481,692 Shares in issue (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date and assuming no further Shares are issued on or prior to the Approval Date, the purchase by the Company of up to the maximum limit of 10.0% of its issued Shares (excluding treasury shares and subsidiary holdings) will result in the purchase of 30,448,169 Shares (rounded down to the nearest whole number).

For the avoidance of doubt, while the Share Buyback Mandate would authorise a purchase or acquisition of Shares up to the 10.0% limit, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buyback Mandate may not be carried out up to the full 10.0% limit as authorised. In particular, the Directors will not effect the purchase or acquisition of the Shares to be made in circumstances which would have an adverse effect on the free float, liquidity, orderly trading of the Shares and/or financial position of the Group.

2.3.2. Duration of authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the date of the resolution passed in relation to the Share Buyback Mandate, up to:

- (i) the date on which the next annual general meeting of the Company is held or 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 Share Buybacks are carried out to the full extent mandated,
- whichever is the earliest.

Further to this, the Share Buyback Mandate may be renewed at each AGM or other general meeting of the Company.

2.3.3. Manner of purchase

Purchases or acquisitions of Shares may be made by way of, amongst others:

- (i) the Market Purchase; and/or
- (ii) the Off-Market Purchase.

LETTER TO SHAREHOLDERS

The Directors may impose such terms and conditions, which are not inconsistent with the Share Buyback Mandate, the Catalist Rules, the Companies Act and the Constitution, as they consider fit in the interests of the Company in connection with or in relation to an equal access scheme or schemes. Under the Companies Act, an Off-Market Purchase must satisfy all the following conditions:

- (i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (ii) all of those persons shall be given a reasonable opportunity to accept the offers made; and
- (iii) the terms of all the offers are 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 Catalist Rules provides 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:

- (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 takeover rules;
- (v) whether the Share Buyback, if made, would have any effect on the listing of the Shares on the Catalist;
- (vi) details of any Share Buybacks (whether Market Purchases or Off-Market Purchases in accordance with an equal access scheme) made by the Company in the previous twelve (12) months, giving 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
- (vii) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

LETTER TO SHAREHOLDERS

2.3.4. Maximum purchase price

The purchase price (excluding brokerage, commissions, stamp duties, 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 pursuant to the Share Buyback must not exceed:

- (i) in the case of a Market Purchase, 105.0% of the Average Closing Market Price of the Shares; and
- (ii) in the case of an Off-Market Purchase, 120.0% of the Average Closing Market Price of the Shares,

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

2.4. **Status of purchased Shares**

Under the Companies Act, Shares purchased or acquired by the Company shall be deemed cancelled immediately upon such 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. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company, which are cancelled and are not held as treasury shares.

Any Shares purchased or acquired by the Company (other than treasury shares held by the Company to the extent permitted by the Companies Act) and cancelled 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 the settlement of any such purchase.

At the time of each Share Buyback, 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, taking into consideration the then prevailing circumstances and requirements of the Company at the relevant time.

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:

2.5.1. Maximum Holdings

The numbers of shares of a company held as treasury shares cannot at any time exceed 10.0% of the total number of its issued shares.

LETTER TO SHAREHOLDERS

In the event that the Company holds more than 10.0% of the total number of its issued Shares as treasury shares, the Company shall dispose of or cancel the excess treasury shares in the manner set out under paragraph 2.5.3 below within six (6) months beginning with the day on which that contravention occurs, or such further period as the Registrar of Companies may allow.

2.5.2. Voting and Other Rights

The Company cannot exercise any right in respect of treasury shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the 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 is allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

2.5.3. Disposal and Cancellation

Where Shares are held as treasury shares, pursuant to section 76K(1C) of the Companies Act, 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 any share scheme, whether for employees, directors or other persons;
- (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.

In addition, 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 such as:

- (i) the date of the sale, transfer, cancellation and/or use of such treasury shares;
- (ii) the purpose of such sale, transfer, cancellation and/or use of such treasury shares;
- (iii) the number of treasury shares which have been sold, transferred, cancelled and/or used;
- (iv) the number of treasury shares before and after such sale, transfer, cancellation and/or use;

LETTER TO SHAREHOLDERS

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

2.6. 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 ACRA. The Company shall notify ACRA within 30 days of a purchase or acquisition of Shares on the Catalist or otherwise. Such notification shall include, *inter alia*, details of the purchase, including the date of the purchase or acquisition, the total number of Shares purchased or otherwise acquired by the Company, the number of Shares cancelled, the number of Shares held as treasury shares, the Company's issued ordinary share capital before the purchase or acquisition of Shares and after the purchase or acquisition of Shares, 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 particulars as may be required by ACRA.

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

Further to these reporting obligations, the Catalist Rules also specify that a listed company shall notify the SGX-ST of all purchases or acquisitions of its Shares not later than 9.00 a.m.:

- (i) in the case of a Market Purchase, on the Market Day following the day on which the Market Purchase was made; and
- (ii) 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 (which must be in the form of Appendix 8D to the Catalist Rules) must include, *inter alia*, details of the date of the purchase, the total number of shares purchased, the number of shares cancelled, the number of shares held as treasury shares, the price paid per share or the highest and lowest prices paid for such shares, as applicable, the total consideration (including stamp duties and clearing charges) paid or payable for the shares, the number of shares purchased as at the date of announcement (on a cumulative basis), the number of issued shares excluding treasury shares and the number of treasury shares held after the purchase.

2.7. Source of funds for the Share Buyback Mandate

In 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 other than cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the Catalist Rules.

LETTER TO SHAREHOLDERS

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 Section 76F(4) of the Companies Act, a company is solvent if:

- (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).

The Company may use internal resources and/or external borrowings to fund Share Buybacks pursuant to the Share Buyback Mandate.

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.

2.8. 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, *inter alia*, 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, such consideration will correspondingly reduce the share capital of the Company but the amount available for the distribution of cash dividends by the Company will not be reduced.

LETTER TO SHAREHOLDERS

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

- (i) based on 304,481,692 Shares in issue as at the Latest Practicable Date (the Company does not hold any treasury shares and subsidiary holdings) and assuming no further Shares are issued and the Company does not hold any treasury shares and subsidiary holdings on or prior to the AGM, not more than 30,448,169 Shares (representing approximately 10.0% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at that date) may be purchased or acquired by the Company pursuant to the Share Buyback Mandate;
- (ii) in the case of Market Purchases by the Company and assuming that the Company purchases or acquires 30,448,169 Shares at the Maximum Price of S\$0.090 for one (1) Share (being the price equivalent to 105.0% of the Average Closing Market Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the Catalist immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 30,448,169 Shares (excluding ancillary expenses such as related brokerage, commissions, goods and services tax, stamp duties and clearance fees) is approximately S\$2,740,000;
- (iii) in the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 30,448,169 Shares at the Maximum Price of S\$0.102 for one (1) Share (being the price equivalent to 120.0% of the Average Closing Market Price of the Shares for the five (5) consecutive Market Days on which the Shares were traded on the Catalist immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 30,448,169 Shares (excluding ancillary expenses such as related brokerage, commissions, goods and services tax, stamp duties and clearance fees) is approximately S\$3,106,000;
- (iv) the consideration for the purchase or acquisition of Shares is financed entirely by internal resources of the Company;
- (v) the purchase or acquisition of Shares took place at the beginning of FY2019 on 1 January 2019; and
- (vi) 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 Purchase of 30,448,169 Shares by the Company pursuant to the Share Buyback Mandate which is made entirely out of capital and held as treasury shares;
- (ii) Market Purchase of 30,448,169 Shares by the Company pursuant to the Share Buyback Mandate which is made entirely out of capital and cancelled;
- (iii) Off-Market Purchase of 30,448,169 Shares by the Company pursuant to the Share Buyback Mandate which is made entirely out of capital and held as treasury shares; and

LETTER TO SHAREHOLDERS

- (iv) Off-Market Purchase of 30,448,169 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 FY2019 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 Addendum.

A. Market Purchases made entirely out of capital and held as treasury shares

31 December 2019	Group		Company	
	Before the Share Buyback	After the Share Buyback	Before the Share Buyback	After the Share Buyback
Share capital (S\$'000)	24,147	24,147	24,147	24,147
Shareholders' funds (S\$'000)	4,562	1,822	25,998	23,258
NTA (S\$'000)	1,408	(1,332)	25,886	23,146
Current assets (S\$'000)	11,437	8,697	21,566	18,826
Current liabilities (S\$'000)	9,945	9,945	5,091	5,091
Working capital (S\$'000)	1,492	(1,248)	16,475	13,735
Net loss (S\$'000)	(8,452)	(8,452)	(976)	(976)
Number of Shares (excluding treasury shares)	264,766,689 ⁽⁵⁾	234,318,520 ⁽¹⁾	264,766,689 ⁽⁵⁾	234,318,520 ⁽¹⁾
Number of treasury shares	–	30,448,169	–	30,448,169
Weighted average number of Shares	263,342,595	232,894,426 ⁽¹⁾	263,342,595	232,894,426 ⁽¹⁾
Financial Ratios				
NTA per Share ⁽²⁾ (cents)	0.53	(0.57)	9.78	9.88
Basic EPS ⁽³⁾ (cents)	(3.21)	(3.63)	(0.37)	(0.42)
Current Ratio ⁽⁴⁾ (times)	1.15	0.87	4.24	3.70

Notes:

- (1) Number of Shares excludes 30,448,169 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 2019.
- (3) EPS has been computed based on FY2019 net loss divided by the weighted average number of Shares in issue.
- (4) Current ratio represents the ratio of current assets to current liabilities.
- (5) As at the Latest Practicable Date, the Company has 304,481,692 Shares. The Company had issued and allotted 39,715,003 shares on 2 January 2020 pursuant to the Rights Issue which was completed on 6 January 2020.

LETTER TO SHAREHOLDERS

B. Market Purchases made entirely out of capital and cancelled

31 December 2019	Group		Company	
	Before the Share Buyback	After the Share Buyback	Before the Share Buyback	After the Share Buyback
Share capital (S\$'000)	24,147	21,407	24,147	21,407
Shareholders' funds (S\$'000)	4,562	1,822	25,998	23,258
NTA (S\$'000)	1,408	(1,332)	25,886	23,146
Current assets (S\$'000)	11,437	8,697	21,566	18,826
Current liabilities (S\$'000)	9,945	9,945	5,091	5,091
Working capital (S\$'000)	1,492	(1,248)	16,475	13,735
Net loss (S\$'000)	(8,452)	(8,452)	(976)	(976)
Number of Shares (excluding treasury shares)	264,766,689 ⁽⁵⁾	234,318,520 ⁽¹⁾	264,766,689 ⁽⁵⁾	234,318,520 ⁽¹⁾
Weighted average number of Shares	263,342,595	232,894,426 ⁽¹⁾	263,342,595	232,894,426 ⁽¹⁾
Financial Ratios				
NTA per Share ⁽²⁾ (cents)	0.53	(0.57)	9.78	9.88
Basic EPS ⁽³⁾ (cents)	(3.21)	(3.63)	(0.37)	(0.42)
Current Ratio ⁽⁴⁾ (times)	1.15	0.87	4.24	3.70

Notes:

- (1) Number of Shares excludes 30,448,169 Shares that have been assumed to be cancelled.
- (2) NTA per Share has been computed based on NTA divided by the number of Shares in issue as at 31 December 2019.
- (3) EPS has been computed based on FY2019 net loss divided by the weighted average number of Shares in issue.
- (4) Current ratio represents the ratio of current assets to current liabilities.
- (5) As at the Latest Practicable Date, the Company has 304,481,692 Shares. The Company had issued and allotted 39,715,003 shares on 2 January 2020 pursuant to the Rights Issue which was completed on 6 January 2020.

C. Off-Market Purchases made entirely out of capital and held as treasury shares

31 December 2019	Group		Company	
	Before the Share Buyback	After the Share Buyback	Before the Share Buyback	After the Share Buyback
Share capital (S\$'000)	24,147	24,147	24,147	24,147
Shareholders' funds (S\$'000)	4,562	1,456	25,998	22,892
NTA (S\$'000)	1,408	(1,698)	25,886	22,780
Current assets (S\$'000)	11,437	8,331	21,566	18,460
Current liabilities (S\$'000)	9,945	9,945	5,091	5,091
Working capital (S\$'000)	1,492	(1,614)	16,475	13,369
Net loss (S\$'000)	(8,452)	(8,452)	(976)	(976)
Number of Shares (excluding treasury shares)	264,766,689 ⁽⁵⁾	234,318,520 ⁽¹⁾	264,766,689 ⁽⁵⁾	234,318,520 ⁽¹⁾
Number of treasury shares	–	30,448,169	–	30,448,169
Weighted average number of Shares	263,342,595	232,894,426 ⁽¹⁾	263,342,595	232,894,426 ⁽¹⁾
Financial Ratios				
NTA per Share ⁽²⁾ (cents)	0.53	(0.72)	9.78	9.72
Basic EPS ⁽³⁾ (cents)	(3.21)	(3.63)	(0.37)	(0.42)
Current Ratio ⁽⁴⁾ (times)	1.15	0.84	4.24	3.63

LETTER TO SHAREHOLDERS

Notes:

- (1) Number of Shares excludes 30,448,169 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 2019.
- (3) EPS has been computed based on FY2019 net loss divided by the weighted average number of Shares in issue.
- (4) Current ratio represents the ratio of current assets to current liabilities.
- (5) As at the Latest Practicable Date, the Company has 304,481,692 Shares. The Company had issued and allotted 39,715,003 shares on 2 January 2020 pursuant to the Rights Issue which was completed on 6 January 2020.

D. Off-Market Purchases made entirely out of capital and cancelled

31 December 2019	Group		Company	
	Before the Share Buyback	After the Share Buyback	Before the Share Buyback	After the Share Buyback
Share capital (S\$'000)	24,147	21,041	24,147	21,041
Shareholders' funds (S\$'000)	4,562	1,456	25,998	22,892
NTA (S\$'000)	1,408	(1,698)	25,886	22,780
Current assets (S\$'000)	11,437	8,331	21,566	18,460
Current liabilities (S\$'000)	9,945	9,945	5,091	5,091
Working capital (S\$'000)	1,492	(1,614)	16,475	13,369
Net loss (S\$'000)	(8,452)	(8,452)	(976)	(976)
Number of Shares (excluding treasury shares)	264,766,689 ⁽⁵⁾	234,318,520 ⁽¹⁾	264,766,689 ⁽⁵⁾	234,318,520 ⁽¹⁾
Weighted average number of Shares	263,342,595	232,894,426 ⁽¹⁾	263,342,595	232,894,426 ⁽¹⁾
Financial Ratios				
NTA per Share ⁽²⁾ (cents)	0.53	(0.72)	9.78	9.72
Basic EPS ⁽³⁾ (cents)	(3.21)	(3.63)	(0.37)	(0.42)
Current Ratio ⁽⁴⁾ (times)	1.15	0.84	4.24	3.63

Notes:

- (1) Number of Shares excludes 30,448,169 Shares that have been assumed to be cancelled.
- (2) NTA per Share has been computed based on NTA divided by the number of Shares in issue as at 31 December 2019.
- (3) EPS has been computed based on FY2019 net loss divided by the weighted average number of Shares in issue.
- (4) Current ratio represents the ratio of current assets to current liabilities.
- (5) As at the Latest Practicable Date, the Company has 304,481,692 Shares. The Company had issued and allotted 39,715,003 shares on 2 January 2020 pursuant to the Rights Issue which was completed on 6 January 2020.

Shareholders should note that the financial effects set out above are purely for illustrative purposes only and are based on the assumptions set out above. Although the proposed Share Buyback Mandate would authorise the Company to purchase or acquire up to 10.0% of the total number of issued Shares (excluding treasury shares and subsidiary holdings), the Company may not necessarily purchase or acquire, or be able to purchase or acquire, the entire 10.0% of the total

LETTER TO SHAREHOLDERS

number of its issued Shares (excluding treasury shares and subsidiary holdings). In addition, the Company may cancel all or part of the Shares purchased or acquired, or hold all or part of the Shares purchased or acquired in treasury.

2.9. 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.

2.10. Other Applicable Catalist Rules

2.10.1. Restrictions on Share Buybacks

While the Catalist Rules do not expressly prohibit any purchase of shares by a listed company during any particular time or times, 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 in any of the following circumstances:

- (i) at any time after any matter or development of a price-sensitive nature has occurred or has been the subject of a decision of the Board of Directors until the price sensitive information has been publicly announced; and
- (ii) during the period commencing one month immediately preceding the announcement of the Company’s half year and full year financial statements.

2.10.2. Free float

The Company is required under Rule 723 of the Catalist Rules to ensure that at least 10.0% of the total number of issued Shares excluding treasury shares (excluding preference shares and convertible equity securities) are in the hands of the Public Shareholders.

As at the Latest Practicable Date, approximately 155,175,716 Shares, representing approximately 50.96% of the total number of issued Shares (excluding treasury shares), are in the hands of the public.

Assuming that (i) the Company purchases its Shares up to the full 10.0% limit pursuant to the Share Buyback Mandate from the public (as defined in the Catalist Rules); and (ii) all Shares purchased by the Company are held as treasury shares, the number of Shares in the hands of the public would be reduced to 124,727,547 Shares, representing approximately 45.52% of the total number of remaining issued Shares (excluding treasury shares).

LETTER TO SHAREHOLDERS

Accordingly, the Company is of the view that there is a sufficient number of issued Shares held in the hands of the public which would permit the Company to undertake purchases or acquisitions of its issued Shares up to the full 10.0% limit pursuant to the Share Buyback Mandate without affecting the listing status of the Shares on the Catalist, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity.

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

2.11. Take-Over Obligations

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

2.11.1. Obligation to make a Take-over Offer

Under Rule 14 of the Take-over Code, a person, except with the consent of the SIC, will be required to make a general offer for a public company if:

- (i) he 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
- (ii) he who, together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights and such person, or any person acting in concert with him, acquires in any period of six (6) months additional shares carrying more than 1% of the voting rights.

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

2.11.2. Persons Acting in Concert

Under the Take-over Code, persons acting in concert ("**concert parties**") 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.

LETTER TO SHAREHOLDERS

Unless the contrary is established, the following persons, *inter alia*, will be presumed to be acting in concert:

- (i) a company with its parent company, subsidiaries, its fellow subsidiaries, any associated company of the foregoing, any company whose associated companies include 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 above companies for the purchase of voting rights. For this purpose, a company is an associated company of another company if the second company owns or controls at least 20.0% but not more than 50.0% of the voting rights of the first-mentioned company;
- (ii) a company with any of its directors (together with their close relatives, related trusts and any company 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 whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;
- (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 such directors, their close relatives and related trusts) 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) an individual, his close relatives, his related trusts, any person who is accustomed to act according to his instructions, companies controlled by any of the foregoing, and 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 (including Directors who hold Shares) 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.

LETTER TO SHAREHOLDERS

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

In general terms, the effect of Rule 14 and Appendix 2 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, the voting rights of such Directors and their concert parties would increase to 30.0% or more, or if the voting rights of such Directors and their concert parties fall between 30.0% and 50.0% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1.0% in any period of six (6) months.

Under Appendix 2 to 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, the voting rights of such Shareholder in the Company would increase to 30.0% or more, or, if such Shareholder holds between 30.0% and 50.0% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1.0% in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Buyback Mandate.

As at the Latest Practicable Date, the details of the shareholdings of the Directors and Substantial Shareholders of the Company are set out in paragraph 3 below. Assuming that there is no change in the shareholding interests of the Directors and the Substantial Shareholders in Shares recorded in the Register of Members maintained by the Company as at the Latest Practicable Date, none of the Directors or Substantial Shareholders would become obliged to make a take-over offer for the Company under Rule 14 of the Take-over Code as a result of any purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate of the maximum limit of ten per cent (10%) of its total number of issued Shares (excluding Treasury Shares and subsidiary holdings) as at the Latest Practicable Date.

2.11.4. Advice to Shareholders

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

The statements in this Addendum 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 doubt as to their obligations, if any, to make a mandatory takeover offer under the Take-over Code as a result of any Share Buyback should consult the SIC and/or their professional advisers at the earliest opportunity.

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.

LETTER TO SHAREHOLDERS

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

3.1. Interests in the Company

As at the Latest Practicable Date, the interests of the Directors in the Shares (as extracted from the Register of Directors' and Chief Executive Officer's Shareholdings) and the interests of the Substantial Shareholder in the Shares (as extracted from the Register of Substantial Shareholders) are as follows:

	Direct Interest		Deemed Interest	
	Number of Shares	Shareholding (%) ^{(1) (2)}	Number of Shares	Shareholding (%) ^{(1) (2)}
Directors				
Lee Shieh-Peen Clement ⁽³⁾⁽⁴⁾	–	–	71,373,669	23.44
Tai Ho Yan	9,056,250	2.97	–	–
Zanetta Lee Yue (Zanetta Li Yu) ⁽³⁾	10,592,190	3.48	–	–
Chue En Yaw	1,481,481	0.48	–	–
Controlling Shareholder (other than Directors)				
Metadrome ⁽⁴⁾	71,373,669	23.44	–	–
Substantial Shareholders (other than Directors)				
Agate Investments Limited ⁽⁵⁾	34,921,693	11.47	–	–
Centurion Global Limited ⁽⁵⁾	–	–	34,921,693	11.47
Centurion Private Equity Ltd ⁽⁵⁾	–	–	34,921,693	11.47
David Loh Kim Kang ⁽⁵⁾	–	–	34,921,693	11.47
Han Seng Juan ⁽⁶⁾	–	–	37,548,593	12.33
Harmony Treasure Holdings Ltd ⁽⁷⁾	–	–	21,880,693	7.19
Chow Helen @ Mrs Cheng Helen ⁽⁸⁾	–	–	21,880,693	7.19

Notes:

- (1) Calculated based on 304,481,692 Shares.
- (2) Rounded to the nearest two decimal place.
- (3) Mr Lee Shieh-Peen Clement and Ms Zanetta Lee Yue (Zanetta Li Yu) are siblings.
- (4) Mr Lee Shieh-Peen Clement is the sole beneficial owner of Metadrome. Accordingly, Mr Lee Shieh-Peen Clement is deemed interested in the Shares held by Metadrome by virtue of Section 7 of the Companies Act.
- (5) Pursuant to Section 7 of the Companies Act, Mr Loh Kim Kang David ("Mr Loh") and Mr Han Seng Juan ("Mr Han") are deemed to be interested in the Company's shares held by Agate Investments Limited as it is an entity that is wholly owned by Centurion Private Equity Ltd ("Centurion PE"). Centurion PE is in

LETTER TO SHAREHOLDERS

turn wholly owned by Centurion Global Ltd ("**Centurion Global**") which is in turn owned by Mr Loh and Mr Han in equal proportions. Centurion PE, Centurion Global, Mr Loh and Mr Han are independent third parties from the Group.

- (6) Further to Mr Han's deemed interest in the 34,921,693 shares held by Agate Investments Limited as set out in paragraph 4 above, Mr Han is also deemed to be interested in 2,626,900 shares held by Maybank Kim Eng Securities Pte. Ltd.
- (7) Harmony Treasure Holdings Ltd deemed to be interested in 21,880,693 shares held by Raffles Nominees (Pte.) Limited.
- (8) Pursuant to Section 7 of the Companies Act. Cap. 50, Chow Helen @ Mrs Cheng Helen is deemed to be interested in all the shares held by Harmony Treasure Holdings Ltd as Chow Helen @ Mrs Cheng Helen is the sole beneficial owner of Harmony Treasure Holdings Ltd. Chow Helen @ Mrs Cheng Helen is an independent third party from the Group.

3.2. **Interests in the proposed renewal of the Share Buyback Mandate**

None of the Directors and, as far as the Directors are aware, the Substantial Shareholder has any interest, direct or indirect in the proposed renewal of the Share Buyback Mandate other than through their shareholdings in the Company.

4. **ANNUAL GENERAL MEETING**

The AGM, details of which will be communicated in due course, will be held for the purpose of, *inter alia*, considering and, if thought fit, passing, with or without any modification(s), the ordinary resolution relating to the proposed renewal of the Share Buyback Mandate which will be set out in the Notice of AGM. For the avoidance of doubt, the Notice of AGM will be made available to Shareholders once the arrangements of the AGM have been confirmed.

5. **DIRECTORS' RECOMMENDATIONS**

After having considered, *inter alia*, the terms, rationale for and benefits of the proposed renewal of the Share Buyback Mandate, the Directors are of the opinion that the proposed renewal 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 relating to the proposed renewal of the Share Buyback Mandate as set out in the Notice of AGM.

6. **DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Addendum and confirm after making all reasonable enquiries that, as at the Latest Practicable Date, to the best of their knowledge and belief, this Addendum constitutes full and true disclosure of all material facts about the proposed renewal of the Share 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 Addendum misleading.

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

LETTER TO SHAREHOLDERS

7. ADVICE TO SHAREHOLDERS

As different Shareholders would have different investment objectives and profiles with specific investment objectives, financial situation, tax position or unique needs or constraints, 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. Shareholders who are in any doubt as to the action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

8. ACTIONS TO BE TAKEN BY SHAREHOLDERS

As announced on 26 March 2020, the Company had applied to both ACRA and SGX-ST for an extension of time to hold the AGM after considering the advisories and guidelines from, *inter alia*, the Ministry of Health over the concerns regarding the organising of large-group meetings amid the COVID-19 situation. In this regard, the Company had announced on 31 March 2020 and 7 April 2020 that it had received the respective approvals from both ACRA and SGX-ST to defer the holding of the AGM to no later than 29 June 2020.

The Company is currently making arrangements to hold the AGM in a manner that will facilitate shareholders' participation. In doing so, the Company will take into account the elevated set of safe distancing measures that was introduced by the Multi-Ministry Taskforce on COVID-19. Further to this, the Company is also currently looking into the COVID-19 (Temporary Measures) Act 2020 that was passed by Parliament on 7 April 2020 to ascertain the most practical arrangement for the AGM.

The Company strongly encourages all Shareholders to complete, sign and return the Proxy Form enclosed with the Notice of AGM in accordance with the instructions printed therein as soon as possible and, in any event, not less than seventy-two (72) hours before the time fixed for the AGM. Shareholders must appoint the chairman of the AGM to act as proxy and direct the vote at the AGM.

The Company will make a separate announcement on the finalised arrangement for the AGM in due course.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Subject to the prevailing advisories and guidelines as well as the elevated set of safe distancing measures that was introduced by the Multi-Ministry Taskforce on COVID-19 on 3 April 2020, copies of the following documents will be available for inspection at the registered office of the Company at 38 Jalan Pemimpin, #05-09 M38, Singapore 577178, during normal business hours from the date of this Addendum up to and including the date of the AGM:

- (i) the annual report of the Company for FY2019; and
- (ii) the Constitution.

LETTER TO SHAREHOLDERS

Shareholders are, however, reminded to adhere to the prevailing advisories and guidelines as well as the elevated set of safe distancing measures that was introduced by the Multi-Ministry Taskforce on COVID-19.

Yours faithfully
for and on behalf of the Board of Directors of
SYNAGIE CORPORATION LTD.

Lee Shieh-Peen Clement
Executive Director and Chief Executive Officer