

APPENDIX DATED 14 APRIL 2025

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

This Appendix is issued by TSH Corporation Limited (the "Company", and together with its subsidiaries, the "Group"). If you are in any doubt about the contents of this Appendix or the course of action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, tax adviser or professional adviser immediately.

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

This Appendix, together with the Company's annual report for the financial year ended 31 December 2024 (the "**Annual Report**"), Notice of AGM and Proxy Form are published on the Company's website at <https://tshcorp.com.sg/annual-reports/> and the SGXNet at <https://www.sgx.com/securities/company-announcements>. Printed copies of the Notice of AGM, and the accompanying Proxy Form and Request Form (to request for a physical copy of the Annual Report and Appendix) will also be sent by post to members.

If you have sold or transferred all your ordinary shares in the share capital of the Company, you should immediately forward this Appendix together with the Notice of AGM and the Proxy Form to the purchaser or the transferee or to the bank, the stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or the transferee.

This Appendix has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this Appendix, including the correctness of any of the statements or opinions made or reports contained in this Appendix. The contact person for the Sponsor is Ms Lim Qi Fang (Tel: (65) 6232 3210) at 1 Robinson Road, #21-01 AIA Tower, Singapore 048542.



TSH CORPORATION LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number 200003865N)

APPENDIX TO THE ANNUAL REPORT 2024

IN RELATION TO

- (1) THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE;
AND**
- (2) THE PROPOSED CHANGE OF AUDITOR FROM ERNST & YOUNG LLP
TO RSM SG ASSURANCE LLP**

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DEFINITIONS

Except where the context otherwise requires, the following definitions apply throughout this Appendix:

- “2024 AGM” : The annual general meeting of the Company for the financial year ended 31 December 2024 to be held on Tuesday, 29 April 2025 at 3.00 p.m. (Singapore Time)
- “Accountants Act” : The Accountants Act 2004 of Singapore, as amended, modified or supplemented from time to time
- “ACRA” : The Accounting and Corporate Regulatory Authority of Singapore
- “AGM” : The annual general meeting of the Company
- “Approval Date” : The date of the 2024 AGM, whereby approval for the renewal of the Share Buy-back Mandate is sought
- “Associate” : (a) in relation to any director, chief executive officer, substantial shareholder or Controlling Shareholder (being an individual) means:
- (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; or
- (b) in relation to a substantial shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- “Auditor” : The auditor of the Company as appointed from time to time
- “Average Closing Price” : Has the meaning ascribed to it in **Paragraph 2.3(d)** of this Appendix
- “Board” : The board of Directors of the Company as at the date of this Appendix or from time to time, as the case may be
- “Catalist” : The sponsor-supervised listing platform of the SGX-ST
- “Catalist Rules” : The SGX-ST Listing Manual Section B: Rules of Catalist, as may be amended, supplemented or modified from time to time
- “CDP” : The Central Depository (Pte) Limited
- “Companies Act” : The Companies Act 1967 of Singapore, as amended or modified from time to time
- “Company” : TSH Corporation Limited

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“control”	: The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company
“Constitution”	: The constitution of the Company, as amended or modified from time to time
“Controlling Shareholder”	: A person who: (a) holds directly or indirectly 15% or more of the total voting shares in a company. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or (b) in fact exercises control over a company
“CPF”	: Central Provident Fund
“Directors”	: The directors of the Company as at the Latest Practicable Date or from time to time, as the case may be
“EPS”	: Earnings per Share
“EY”	: Ernst & Young LLP
“FY”	: Financial year of the Company ended or ending 31 December, as the case may be
“FY2024”	: The financial year ended 31 December 2024
“Group”	: The Company and its subsidiaries collectively
“Latest Practicable Date”	: 18 March 2025, being the latest practicable date prior to the issue of this Appendix
“Appendix”	: This Appendix to Shareholders dated 14 April 2025
“Market Day”	: A day on which the SGX-ST is open for securities trading
“Maximum Price”	: Has the meaning ascribed to it in Paragraph 2.3(d) of this Appendix
“Notice of AGM”	: The notice of AGM of the Company dated 14 April 2025 convening the AGM to be held on Tuesday, 29 April 2025
“NTA”	: Net tangible assets
“Off-Market Purchase”	: Has the meaning ascribed to it in Paragraph 2.3(c)(ii) of this Appendix
“On-Market Purchase”	: Has the meaning ascribed to it in Paragraph 2.3(c)(i) of this Appendix
“Ordinary Resolution”	: The ordinary resolution as set out in the Notice of AGM
“Other Exchange”	: Has the meaning ascribed to it in Paragraph 2.3(c)(i) of this Appendix
“Proposed Change of Auditor”	: The proposed change of auditor of the Company to RSM in place of EY
“Proposed Renewal of the Share Buyback Mandate”	: The proposed renewal of the Share Buyback Mandate

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“Relevant Period”	:	Has the meaning ascribed to it in Paragraph 2.3(b) of this Appendix
“Register of Members”	:	The register of members of the Company
“Securities Accounts”	:	A securities account maintained by a Depositor with CDP but does not include a securities account maintained with a Depository Agent
“RSM”	:	RSM SG Assurance LLP
“SFA”	:	The Securities and Futures Act 2001 of Singapore, as amended, modified or supplemented from time to time.
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Shareholders”	:	The registered holders of Shares in the Register of Members, except that where the registered holder is CDP, the term “ <i>Shareholders</i> ” shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP and into whose Securities Accounts those Shares are credited
“Shares”	:	Ordinary shares in the capital of the Company
“Share Purchase” or “Share Buyback”	:	The purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate
“Share Buyback Mandate”	:	The general mandate given by Shareholders to authorise the Directors to purchase or otherwise acquire Shares in accordance with the rules and regulations set forth in the Companies Act and the Catalist Rules
“Share Buy-Back Guidance Note”	:	The share buy-back guidance note as set out in Appendix 2 to the Take-over Code
“SIC”	:	The Securities Industry Council of Singapore
“subsidiary holdings”	:	Shares referred to in Sections 21(4), 21(4B), 21(6A) and 21(6C) of the Companies Act
“Substantial Shareholder”	:	A person who has an interest or interests in voting Shares in the Company representing not less than 5% of all the voting Shares
“Take-over Code”	:	The Singapore Code on Take-overs and Mergers, and all practice notes, rules and guidelines thereunder, as may be issued, amended or modified from time to time.
“Trading Day”	:	A day on which Shares are traded on the Singapore Exchange
“Treasury Shares”	:	Has the meaning ascribed to it in Section 4 of the Companies Act
“%”	:	Per centum or percentage
“S\$” and “cents”	:	Singapore dollars and cents respectively, the lawful currency of Singapore

The terms “Depositor”, “Depository Agent” and “Depository Register” shall have the same meanings ascribed to them respectively in Section 81SF of the SFA. The terms “subsidiary”, “substantial shareholder” and “treasury shares” shall have the meanings ascribed to them in Section 5, Section 81 and Section 76H of the Companies Act respectively.

DEFINITIONS

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, where applicable, include corporations.

Any reference in this Appendix to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word or term defined under the Companies Act, the SFA, the Catalist Rules or any statutory modification thereof and used in this Appendix shall, where applicable, have the same meaning ascribed to it under the Companies Act, Take-over Code, the SFA, the Catalist Rules or any statutory modification thereof, as the case may be, unless the context requires otherwise.

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

Any reference to any agreement or document shall include such agreement or document as amended, modified, varied, novated, supplemented or replaced from time to time.

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

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

LETTER TO SHAREHOLDERS

TSH Corporation Limited

(Incorporated in the Republic of Singapore)
(Company Registration Number 200003865N)

Board of Directors:

Dr Yu Lai Boon (Non-Executive Chairman and Independent Director)
Mr Chua Khing Seng (Non-Executive Independent Director)
Mr Teo Kok Woon (Non-Executive Non-Independent Director)
Mr Chua Khoon Hui (Chief Executive Officer and Executive Director)

Registered Office:

315 Outram Road
#14-02
Tan Boon Liat Building
Singapore 169074

14 April 2025

To: The Shareholders of TSH Corporation Limited

Dear Madam / Sir,

- (1) **THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE**
- (2) **THE PROPOSED CHANGE OF AUDITOR**

1. INTRODUCTION

1.1 AGM

The Board wishes to refer Shareholders to the Notice of AGM:

- (a) Ordinary Resolution 7 of the Notice of AGM to be proposed at the AGM to seek Shareholders' approval for the Proposed Renewal of the Share Buyback Mandate as set out in **Paragraph 2** below; and
- (b) Ordinary Resolution 5 of the Notice of AGM to be proposed at the AGM to seek Shareholders' approval for the Proposed Change of Auditor as set out in **Paragraph 3** below.

1.2 Appendix

The purpose of this Appendix is to provide Shareholders with the relevant information in relation to the above, and to seek the approval of Shareholders at the AGM to be held on Tuesday, 29 April 2025 at 3.00 p.m. for the matters set out in this Appendix.

2. THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

2.1 Introduction

The Companies Act allows a Singapore-incorporated company to purchase or otherwise acquire its issued ordinary shares, stocks and preference shares if such purchase or acquisition is permitted under its Constitution. Any purchase or acquisition of shares by the company would also have to be made in accordance with, and in the manner prescribed by, the Companies Act, its Constitution and the Catalist Rules (in particular Part XI of Chapter 8 of the Catalist Rules which relates to share buybacks) and such other laws and regulations as may for the time being applicable. Regulation 18 of the Company's Constitution expressly permits the Company to purchase or otherwise acquire its issued Shares.

It is a requirement under the Companies Act and the Catalist Rules that the Company obtains approval of Shareholders at a general meeting to purchase or otherwise acquire its own shares.

LETTER TO SHAREHOLDERS

Upon Shareholders' approval at the 2024 AGM, the authority conferred pursuant to the Share Buyback Mandate is exercisable by the Directors at any time during the period commencing from the Approval Date up to the conclusion of the next AGM or the date by which such an AGM is required by law to be held, or the date on which the Share Buybacks have been carried out to the full extent mandated, or the date the Share Buyback Mandate is varied or revoked by the Shareholders at a general meeting (if so varied or revoked prior to the next AGM), whichever is the earliest.

At the Company's AGM held on 29 April 2024, Shareholders approved the adoption of the Share Buyback Mandate. Such mandate being expressed to take effect until the conclusion of the next AGM or the date by which such AGM is required by law or the Constitution to be held; unless prior thereto, Share Buybacks are carried out to the full extent mandated or the Share Buyback Mandate is varied or revoked by the Shareholders in a general meeting. The Share Buyback Mandate will be expiring on 29 April 2025, being the date of the 2024 AGM. Accordingly, the Directors propose that the Share Buyback Mandate be renewed at the 2024 AGM.

2.2 Rationale for the Proposed Renewal of the Share Buyback Mandate

The rationale for undertaking the Proposed Renewal of the Share Buyback Mandate are as follows:-

- (a) the Share Buyback Mandate will help to mitigate short-term price volatility (by way of stabilising the supply and demand of Shares) and offset the effects of short-term speculation, supporting the fundamental value of the Shares, thereby bolstering Shareholders' confidence;
- (b) Directors are constantly seeking to increase Shareholders' value and to improve, *inter alia*, the return on equity of the Group. Among other alternative corporate actions, Share Buybacks at the appropriate price level are one of the ways through which the return on equity of the Company may be enhanced;
- (c) the Share Buyback Mandate would provide the Company with the flexibility to conduct Share Purchases during the period when the Share Buyback Mandate is in force. This would allow the Board to better manage the capital structure, dividend payout and cash reserves of the Group;
- (d) the Share Buyback Mandate will provide the Company with greater flexibility in managing its capital and maximising 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, the Share Buyback Mandate will facilitate the return of excess cash and surplus funds to Shareholders in an expedient, effective and cost-efficient manner; and
- (e) purchased Shares which are held in treasury may be transferred for the purposes of or pursuant to share schemes implemented by the Company in the future or such other manner allowed under the Companies Act.

As and when circumstances permit, the Directors will decide whether to carry out the Share Buyback via On-Market Purchases or Off-Market Purchases, after taking into consideration relevant factors such as the amount of surplus cash available, working capital requirements, prevailing market conditions and the most cost effective and efficient approach.

The Share Buyback will only be undertaken as and when the Directors consider it to be in the best interests of the Company and its Shareholders. The Directors do not propose to carry out Share Purchases to such an extent that would, or in circumstances that might, result in a material adverse effect on the financial condition, working capital requirements and gearing levels of the Group, cause illiquidity or affect orderly trading of the Shares, or result in the Company being delisted from the SGX-ST.

Shareholders should note that the Share Buyback pursuant to the Share Buyback Mandate may not be carried out to the full extent mandated.

LETTER TO SHAREHOLDERS

2.3 Authority and Limits of the Share Buyback Mandate

The authority and limitations placed on purchases or acquisitions of Shares by the Company under the Share Buyback Mandate are set out below:

(a) Maximum number of Shares

Only Shares that are issued and fully paid-up may be purchased or otherwise acquired by the Company pursuant to the Share Buyback Mandate.

Pursuant to Rule 867 of the Catalist Rules, the maximum number of Shares which can be purchased or otherwise acquired by the Company pursuant to the Share Buyback Mandate during the Relevant Period is limited to that number of issued Shares representing not more than 10% of the total number of issued Shares (excluding Treasury Shares and subsidiary holdings) as at date of the AGM at which the Ordinary Resolution 7 is approved.

For illustration purposes only, based on the total number of issued Shares as at the Latest Practicable Date, comprising 44,355,491 Shares (excluding Treasury Shares and subsidiary holdings), and assuming no further Shares are issued, or purchased or otherwise acquired and held as Treasury Shares, and no Share is held as subsidiary holdings on or prior to the AGM, not more than 4,435,549 Shares (representing 10% of the total number of issued Shares excluding Treasury Shares and subsidiary holdings) as at the Latest Practice Date may be purchased or otherwise acquired by the Company pursuant to the Share Buyback Mandate if renewed during the period referred to in **Paragraph 2.3(b)** below.

(b) Duration of authority

If the Proposed Renewal of the Share Buyback Mandate is approved by Shareholders at the 2024 AGM, the authority conferred on the Directors pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the 2024 AGM, at which the Ordinary Resolution 7 is approved, up to the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the date by which the next annual general meeting of the Company is required by law to be held;
- (iii) the date on which the Share Purchases are carried out pursuant to the Share Buyback Mandate to the full extent mandated; or
- (iv) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied by the Shareholders in a general meeting.

(the "**Relevant Period**").

The authority conferred on the Directors by the Share Buyback Mandate to purchase or acquire Shares may be renewed by the Shareholders in a general meeting of the Company, such as at the next annual general meeting or at an extraordinary general meeting to be convened immediately after the conclusion or adjournment of the next annual general meeting.

LETTER TO SHAREHOLDERS

(c) Manner of Share Purchases

Share Purchase may be made by way of:

- (i) on-market purchases on the SGX-ST or, as the case may be, any other stock exchange on which the Shares may for the time being be listed and quoted ("**Other Exchange**"), through one or more duly licensed stockbrokers appointed by the Company for the purpose of the Share Buyback ("**On-Market Purchases**"); and/or
- (ii) off-market purchases (if effected otherwise than on the SGX-ST or, as the case may be, Other Exchange) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by Section 76C of the Companies Act ("**Off-Market Purchases**").

The Directors may impose such terms and conditions, which are not inconsistent with the Companies Act, the Catalist Rules, the Constitution, the Share Buyback Mandate and other applicable laws and regulations, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme(s).

Under Section 76C(6) of the Companies Act, an Off-Market Purchase must satisfy all the following conditions:

- (i) offers for Share Buyback shall be made to every person who holds Shares to purchase or otherwise acquire the same percentage of their Shares;
- (ii) all of the abovementioned persons shall be given a reasonable opportunity to accept the offer made to them; and
- (iii) the terms of all the offers shall be the same, except that there shall be disregarded, where applicable:
 - a. differences in consideration attributable to the fact that the offers relate to Shares with different accrued dividend entitlements;
 - b. differences in consideration attributable to the fact that the offers relate to Shares with different amounts remaining unpaid (if applicable); and
 - c. differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

LETTER TO SHAREHOLDERS

In addition, Rule 870 of 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 Buyback by the Company that will arise under the Take-over Code or other applicable take-over rules;
 - (v) whether the Share Buyback, if made, would have any effect on the listing of the Shares on the SGX-ST;
 - (vi) details of any Share Buyback made by the Company in the previous twelve (12) months (whether an On-Market Purchase or an Off-Market Purchase), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such Share Purchases, where relevant, and the total consideration paid for such Share Purchases;
 - (vii) whether the Shares purchased by the Company will be cancelled or kept as treasury shares; and
 - (viii) any other information required under the Companies Act.
- (d) Purchase Price

The purchase price per Share (excluding brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses ("**Related Expenses**") to be paid by the Company for Shares will be determined by the Directors and must not exceed:

- (i) in the case of an On-Market Purchase, 105% of the Average Closing Price (as defined herein); and
- (ii) in the case of an Off-Market Purchase, 120% of the Average Closing Price,

(the "**Maximum Price**") in either case, excluding Related Expenses.

For the above purposes of determining the Maximum Price:-

"**Average Closing Price**" means the average of the closing market prices of a Share over the last five (5) Market Days on which transactions in the Shares were recorded immediately preceding the date of the On-Market Purchase by the Company or, as the case may be, the day of making of the offer (as defined below) pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five (5) Market Day period and the day on which the purchases are made.

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

LETTER TO SHAREHOLDERS

2.4 Status of Purchased Shares

Any Share purchased or acquired by the Company is deemed cancelled immediately on purchase or acquisition unless such Share is held by the Company as Treasury Share to the extent permitted under Section 76K of the Companies Act.

(a) Cancellation

Any Share which is purchased or acquired by the Company shall, unless held as treasury shares to the extent permitted under the Companies Act, be deemed cancelled immediately on purchase or acquisition, and all rights and privileges attached to that Share will expire on cancellation. The total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company which are cancelled and not held as treasury shares.

All Shares purchased or acquired by the Company which are cancelled will be automatically de-listed by the SGX-ST, and certificates in respect thereof will be cancelled by the Company as soon as reasonably practicable following settlement of any such purchase or acquisition of Shares.

At the time of each purchase or acquisition of Shares by the Company, the Directors will decide whether the Shares purchased or acquired will be cancelled or kept as treasury shares, or partly cancelled and partly kept as treasury shares, depending on the needs of the Company and as the Directors deem fit in the interests of the Company at that time.

(b) Treasury Shares

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

(i) Maximum holdings

The aggregate number of Shares held as Treasury Shares cannot at any time exceed 10% of the total number of issued Shares at that time. In the event that the Company exceeds the 10% threshold, the Company must dispose of or cancel these excess Treasury Shares in the manner set out under **Paragraph 2.4(b)(iii)** below within six (6) months beginning with the day on which that contravention occurs, or such further period as the ACRA may allow.

(ii) Voting and other rights

The Company must not exercise any right in respect of Treasury Shares. In particular, the Company must not 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 distribution of assets to members of the Company on a winding up) may be made, to the Company in respect of Treasury Shares. However, the allotment and issue of Shares as fully paid bonus Shares in respect of Treasury Shares is allowed.

A subdivision or consolidation of any Treasury Share into Treasury Shares of a greater or smaller number is also 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.

LETTER TO SHAREHOLDERS

(iii) Disposal and cancellation

Pursuant to Section 76K of the Companies Act, where Shares are held as Treasury Shares, the Company may at any time but subject always to the Take-over Code:

- a. sell the Treasury Shares (or any of them) for cash;
- b. transfer the Treasury Shares (or any of them) for the purposes of or pursuant to any share scheme, performance share plan or share incentive scheme of the Company then in force, whether for its employees, directors or other persons;
- c. 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;
- d. cancel the Treasury Shares (or any of them); or
- e. sell, transfer or otherwise use the Treasury Shares for such other purposes as may be prescribed by the Minister of Finance under the Companies Act.

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 (in each case, the “**Usage**”). Such announcement must include details such as the date of the Usage, the purpose of the Usage, the number of Treasury Shares comprised in the Usage, the number of Treasury Shares before and after the usage, the percentage of the number of Treasury Shares comprised in the Usage against the total number of shares outstanding in a class that is listed before and after the usage and the value of the Treasury Shares comprised in the Usage.

2.5 Source of funds

In undertaking Share Purchases, the Company may only apply funds legally available for such Share Purchases in accordance with the Constitution and the applicable laws and regulations enacted or prescribed by the relevant competent authorities in Singapore. The Company may not purchase its Shares for a consideration other than cash or, in the case of an On-Market Purchase, for settlement other than in accordance with the trading rules of the SGX-ST.

Under the Companies Act, the Company may purchase or otherwise acquire its own Shares out of profits and/or capital so long as the Company is solvent. It is an offence for a Director or an officer of the Company to approve or authorise the purchase or acquisition of Shares, knowing that the Company is not solvent. For this purpose, pursuant to Section 76F(4) of the Companies Act, a Company is solvent if:

- (a) there is no ground on which the Company could be found to be unable to pay its debts;
- (b) if:
 - (i) it is intended to commence winding up of the Company within the period of twelve (12) months immediately after the date of the payment, the Company will be able to pay its debts in full within the period of twelve (12) months after the date of commencement of the winding up; or
 - (ii) 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 twelve (12) months immediately after the date of the payment; and

LETTER TO SHAREHOLDERS

- (c) 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 or acquisition of Shares become less than the value of its liabilities (including contingent liabilities).

The Company intends to use internal sources of funds or external borrowings or a combination of both to finance purchases or acquisitions of its Shares pursuant to the Share Buyback Mandate. The amount of funding required for the Company to purchase or acquire its Shares and the financial impact on the Company and the Group arising from such purchases or acquisitions of Shares pursuant to the Share Buyback Mandate will depend on, *inter alia*, the aggregate number of Shares purchased or acquired, the consideration paid at the relevant time, and the amount (if any) borrowed by the Company to fund the purchases or acquisitions. However, in considering the option of external financing, the Board will consider particularly the prevailing gearing level of the Group.

The purchase or acquisition of Shares under the Share Buyback Mandate will only be undertaken if it can benefit the Company and Shareholders. No purchase or acquisition of Shares will be made in circumstances which would have or may have a material adverse effect on the financial position and liquidity (for example, share trading volume) of the Company or the Group.

2.6 Financial effects of the Share Buyback Mandate

It is not possible for the Company to realistically calculate or quantify the impact of purchases or acquisitions of Shares that may be made pursuant to the Share Buyback Mandate on the Company and Group's NTA and EPS as the resultant effect would depend on, *inter alia*, the aggregate number of Shares purchased or otherwise acquired, whether the purchase or acquisition is made out of capital or profits, the purchase prices paid for such Shares and the amount (if any) borrowed by the Company to fund the purchase or acquisition and whether the Shares purchased or otherwise acquired are cancelled or held as Treasury Shares.

2.6.1 Key Assumptions

For illustrative purposes only, the financial effects on the Company and the Group arising from its purchase or acquisition of issued Shares pursuant to the Share Buyback Mandate have been prepared based on the audited consolidated financial statements of the Company and the Group for FY2024, and on, *inter alia*, the following assumptions:

- (a) Purchase or Acquisition out of Capital and/or Profits

Pursuant to the Companies Act, any payment made by the Company in consideration of the purchase or acquisition 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 (including brokerage, stamp duties, applicable goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

Where the consideration (including brokerage, stamp duties, applicable goods and services tax and other related expenses) paid by the Company for the purchase or acquisition of Shares is made out of capital, this will not reduce the amount available for the distribution of cash dividends by the Company.

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

LETTER TO SHAREHOLDERS

(b) Number of Shares Purchased or Acquired

The Share Purchases comprised 4,435,549 Shares (representing 10% of the total number of issued Shares excluding Treasury shares and subsidiary holdings, and assuming no further Shares are issued, or purchased or otherwise acquired and held as Treasury shares, and no Shares are held as subsidiary holdings on or prior to the 2024 AGM) ("**Maximum Buyback Shares**").

(c) Aggregate Consideration Paid for Maximum Buyback Shares

Assuming that the Company purchases or acquires or made an offer to purchase the Maximum Buyback Shares, the maximum amount of funds (excluding related expenses of the purchase or acquisition) required for the purchase or acquisition of the 4,435,549 Shares:

- (i) in the case of On-Market Purchases, the Maximum Price was S\$0.1116 per Share (being 105% of the Average Closing Price of the Shares over the last five (5) Market Days on which the Shares are transacted on the SGX-ST immediately preceding the Latest Practicable Date) and accordingly the maximum amount of funds required for effecting such On-Market Purchases (excluding brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses), would amount to approximately S\$519,846;
- (ii) in the case of Off-Market Purchases, the Maximum Price was S\$0.1339 per Share (being 120% of the Average Closing Price of the Shares over the last five (5) Market Days on which Shares are transacted on the SGX-ST immediately preceding the Latest Practicable Date) and accordingly the maximum amount of funds required for effecting such Off-Market Purchases (excluding brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses), would amount to approximately S\$593,920.

2.6.2 Illustrative Financial Effects

The financial effects of the purchases and acquisitions of Shares as set out below are purely for illustrative purposes only and do not reflect the actual financial performance or position of the Group. In particular, it is important to note that the financial analysis set out below is based on the audited consolidated financial statements for FY2024 and are not necessarily representative of future financial performance of the Group.

On the basis of the key assumptions set out in **Paragraph 2.6.1** above and assuming the following:-

- (a) the purchase or acquisition of Shares is financed by internal sources of funds;
- (b) transaction and finance costs are disregarded; and
- (c) the Company had purchased or acquired Maximum Buyback Shares (representing 10% of its issued Shares (excluding Treasury Shares and subsidiary holdings) as at the Latest Practicable Date,

the financial effects of the purchase or acquisition of 4,435,549 Shares by the Company pursuant to the Share Buyback Mandate on the audited financial statements of the Company and the Group for FY2024 are set out below:-

LETTER TO SHAREHOLDERS

(a) On-Market Purchases of 10% of issued Shares made entirely out of capital

	GROUP			COMPANY		
	After Share Buyback			After Share Buyback		
	Before Share Buyback S\$'000	Purchased Shares Cancelled S\$'000	Purchased Shares held as Treasury Shares S\$'000	Before Share Buyback S\$'000	Purchased Shares Cancelled S\$'000	Purchased Shares held as Treasury Shares S\$'000
As at 31 December 2024						
Share capital	4,569	4,049	4,569	12,546	12,026	12,546
Treasury shares	-	-	(520)	-	-	(520)
Total equity	8,591	8,071	8,071	18,436	17,916	17,916
NTA attributable to Shareholders ⁽¹⁾	8,578	8,058	8,058	18,436	17,916	17,916
Current assets	12,344	11,824	11,824	7,942	7,422	7,422
Current liabilities	4,509	4,509	4,509	1,739	1,739	1,739
Working capital	7,835	7,315	7,315	6,203	5,683	5,683
Total borrowings ⁽²⁾	5,500	5,500	5,500	1,793	1,793	1,793
Cash and cash equivalents	2,499	1,979	1,979	914	394	394
Net borrowings ⁽³⁾	3,001	3,521	3,521	879	1,399	1,399
Net profit attributable to Shareholders	854	854	854	896	896	896
<u>Number of Shares ('000)</u>						
Treasury shares	-	-	4,436	-	-	4,436
Total outstanding number of Shares (excluding Treasury Shares)	44,355	39,919	39,919	44,355	39,919	39,919
Weighted average number of Shares (excluding Treasury Shares)	44,355	39,919	39,919	44,355	39,919	39,919
<u>Financial Ratios</u>						
NTA per Share ⁽⁴⁾ (cents)	19.34	20.19	20.19	41.56	44.88	44.88
Gearing ratio ⁽⁵⁾ (times)	0.26	0.30	0.30	0.05	0.07	0.07
Current ratio (times)	2.74	2.62	2.62	4.57	4.27	4.27
EPS ⁽⁶⁾ (cents)	1.92	2.14	2.14	2.02	2.24	2.24

Notes:-

- (1) NTA attributable to Shareholders is calculated based on total equity less intangible assets and deferred tax assets.
- (2) Total borrowings consist of total liabilities (excluding income tax payable).
- (3) Net borrowings represent total borrowings less cash and cash equivalents.
- (4) NTA per Share is calculated based on NTA attributable to Shareholders divided by the number of Shares outstanding (excluding Treasury Shares) as at 31 December 2024.
- (5) Gearing ratio represents net borrowings divided by total equity (excluding Treasury Shares) plus net borrowings.
- (6) EPS is calculated based on net profit attributable to Shareholders and weighted average number of outstanding Shares (excluding Treasury Shares).

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(b) Off-Market Purchases of 10% of issued Shares made entirely out of capital

	GROUP			COMPANY		
	After Share Buyback			After Share Buyback		
	Before Share Buyback S\$'000	Purchased Shares Cancelled S\$'000	Purchased Shares held as Treasury Shares S\$'000	Before Share Buyback S\$'000	Purchased Shares Cancelled S\$'000	Purchased Shares held as Treasury Shares S\$'000
As at 31 December 2024						
Share capital	4,569	3,975	4,569	12,546	11,952	12,546
Treasury shares	-	-	(594)	-	-	(594)
Total equity	8,591	7,997	7,997	18,436	17,842	17,842
NTA attributable to Shareholders ⁽¹⁾	8,578	7,984	7,984	18,436	17,842	17,842
Current assets	12,344	11,750	11,750	7,942	7,348	7,348
Current liabilities	4,509	4,509	4,509	1,739	1,739	1,739
Working capital	7,835	7,241	7,241	6,203	5,609	5,609
Total borrowings ⁽²⁾	5,500	5,500	5,500	1,793	1,793	1,793
Cash and cash equivalents	2,499	1,905	1,905	914	320	320
Net borrowings ⁽³⁾	3,001	3,595	3,595	879	1,473	1,473
Net profit attributable to Shareholders	854	854	854	896	896	896
<u>Number of Shares ('000)</u>						
Treasury shares	-	-	4,436	-	-	4,436
Total outstanding number of Shares (excluding Treasury Shares)	44,355	39,919	39,919	44,355	39,919	39,919
Weighted average number of Shares (excluding Treasury Shares)	44,355	39,919	39,919	44,355	39,919	39,919
<u>Financial Ratios</u>						
NTA per Share ⁽⁴⁾ (cents)	19.34	20.00	20.00	41.56	44.70	44.70
Gearing ratio ⁽⁵⁾ (times)	0.26	0.31	0.31	0.05	0.08	0.08
Current ratio (times)	2.74	2.61	2.61	4.57	4.23	4.23
EPS ⁽⁶⁾ (cents)	1.92	2.14	2.14	2.02	2.24	2.24

Notes:-

- (1) NTA attributable to Shareholders is calculated based on total equity less intangible assets and deferred tax assets.
- (2) Total borrowings consist of total liabilities (excluding income tax payable).
- (3) Net borrowings represent total borrowings less cash and cash equivalents.
- (4) NTA per Share is calculated based on NTA attributable to Shareholders divided by the number of Shares outstanding (excluding Treasury Shares) as at 31 December 2024.
- (5) Gearing ratio represents net borrowings divided by total equity (excluding Treasury Shares) plus net borrowings.
- (6) EPS is calculated based on net profit attributable to Shareholders and weighted average number of outstanding Shares (excluding Treasury Shares).

The actual impact will depend on the number and price of the Shares bought back. The Share Purchases will only be undertaken as and when the Directors consider it to be in the best interests of the Company and its Shareholders. The Directors do not propose to carry out Share Purchases to such an extent that would, or in circumstances that might, result in a material adverse effect on the financial condition and/or gearing of the Group.

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The Company will take into account both financial factors (for example, cash surplus, debt position and working capital requirements) and non-financial factors (for example, share market conditions and the performance of the Shares) in assessing the relative impact of a Share Buyback before execution.

Shareholders should note that the financial effects set out above are based on the respective aforementioned assumptions and are for illustration purposes only. In particular, Shareholders should note that the financial effects set out above are based on the historical audited consolidated financial statements of the Company and the Group for FY2024, and are not necessarily representative of the future financial performance of the Company and the Group.

Although the Share Buyback Mandate authorises the Company to purchase or acquire up to 10% of the total number of issued Shares (excluding Treasury Shares and subsidiary holdings), the Company may not necessarily purchase or acquire issued Shares, or be able to carry out purchases or acquisitions of issued Shares to the full extent mandated. In addition, the Company may cancel, or hold as Treasury Shares, all or part of the Shares purchased or otherwise acquired.

2.7 Tax implications

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

2.8 Application of the Take-over Code

Appendix 2 to 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 of issued Shares by the Company are set out below.

(a) Obligation to make a take-over offer

Paragraph 1 of the Share Buyback Guidance Note states that when a company buys back its shares, any resulting increase in the percentage of voting rights held by a shareholder and persons acting in concert with him will be treated as an acquisition for the purpose of Rule 14 of the Take-over Code. Consequently, a shareholder or group 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.

(b) Persons acting in concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

Without prejudice to the general application of the definition above, the following individuals and companies will be presumed to be persons acting in concert with each other unless the contrary is established:

- (i) the following companies:
 - (A) a company;
 - (B) the parent company of (A);

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- (C) the subsidiaries of (A);
 - (D) the fellow subsidiaries of (A);
 - (E) the associated companies of any of (A), (B), (C) or (D);
 - (F) companies whose associated companies include any of (A), (B), (C), (D) or (E);
and
 - (G) 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.
- (ii) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);
 - (iii) a company with any of its pension funds and employee share schemes;
 - (iv) a person with any investment company, unit trust or other fund 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 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 or where the directors have reason to believe a bona fide offer for their company may be imminent;
 - (vii) partners; and
 - (viii) the following persons and entities:
 - (A) an individual;
 - (B) the close relatives of (A);
 - (C) the related trusts of (A);
 - (D) any person who is accustomed to act in accordance with the instructions of (A);
 - (E) companies controlled by any of (A), (B), (C) or (D); and
 - (F) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.

In this **Paragraph 2.8(b)** of this Appendix:

- (I) “associated company”: 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; and
- (II) “close relatives” include immediate family (i.e. parents, siblings, spouse and children), siblings of parents (i.e. uncles and aunts) as well as their children (i.e. cousins), and children of siblings (i.e. nephews and nieces).

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(c) Effect of Rule 14 of the Take-over Code and the Share Buy-Back Guidance Note

Rule 14.1 of the Take-over Code states that except with the SIC's consent, where:

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

such person must extend offers immediately, on the basis set out in Rule 14 of the Take-over Code, to the holders of any class of share capital of the company 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, have the obligation to extend an offer.

In addition, paragraph 2 of the Share Buy-Back Guidance Note states that a shareholder, who is not acting in concert with the directors, will not be required to make an offer under Rule 14 of the Take-over Code if, as a result of a company buying back its own shares, the voting rights of the shareholder in the company would increase to 30% or more, or, if the shareholder holds between 30% and 50% of the company's voting rights, would increase by more than 1% in any period of six (6) months, as a result of the company buying back its shares. Such a shareholder need not abstain from voting on the resolution to authorise the share buy-back, unless so required under the Companies Act.

As at the Latest Practicable Date, Cockpit International Pte Ltd holds 6.83% of the issued share capital of the Company for which Mr Teo Kok Woon is also deemed interested. In addition, Teo Kok Woon is deemed to be interested in 57.22% of the issued share capital of the Company held by UOB Kay Hian Private Limited as nominee of Mr Teo Kok Woon. As such, Cockpit International Pte Ltd. and Mr Teo Kok Woon are deemed parties acting in concert with each other under the Take-over Code.

As Cockpit International Pte Ltd. and Mr Teo Kok Woon, who are presumed to be acting in concert under the Take-over Code, have an aggregate shareholding interest of more than 50% in the Company, the increase in the shareholding, in the event that the Company purchases the maximum number of Shares permissible under the Share Buyback Mandate, will not require a general offer to be made under Rule 14 of the Take-over Code.

The statements in this Paragraph 2.8 of this Appendix do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Take-over Code. Shareholders are advised to consult their own professional advisers and/or the SIC at the earliest opportunity as to whether an obligation to make an offer would arise as a result of the Company purchasing or acquiring issued Shares pursuant to the Share Buyback Mandate.

Save as disclosed above, to the best of the Directors' knowledge, there are no other persons who may incur an obligation to make a take-over offer as a result of any purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate. **Members are advised to consult their professional advisers and/or the SIC and/or the relevant authorities at the earliest opportunity as to whether they would incur any obligation to make a take-over offer as a result of any purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate as the case may be.**

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2.9 Details of Share Buyback in the previous 12 months

The Company did not purchase or acquire any Shares in the twelve (12) months preceding the Latest Practicable Date.

2.10 Reporting Requirements

Within thirty (30) days after the passing of the Shareholders' resolution in relation to the Proposed Renewal of the Share Buyback Mandate, the Directors shall lodge a copy of the Shareholders' resolution with ACRA.

The Directors shall lodge with ACRA a notice of share purchase within thirty (30) days after a Share Purchase. Such notification shall include the date of the purchase, the number of Shares purchased by the Company, the number of Shares cancelled, the number of Treasury Shares held, the Company's issued share capital before and after the Share Purchase, the amount of consideration paid by the Company for the purchase of the Shares, whether the Shares were purchased out of the profits or the capital of the Company and such other particulars as may be required in the prescribed form.

Within thirty (30) days after 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.

Catalist Rules

Rule 871 of the Catalist Rules states that an issuer must notify the SGX-ST of any Share Purchase as follows:

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

Such notification must be made in the form of Appendix 8D to the Catalist Rules and must include, *inter alia*, 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 price per Share and lowest price per Share, and the total consideration (including stamp duties, clearing charges, etc.) paid or payable for the Shares.

Timing of Purchases

While the Catalist Rules does not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the Company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its Shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the proposed 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. In particular, in compliance with Rule 1204(19)(c) of the Catalist Rules, the Company will not deal in Shares during the period commencing two (2) weeks before the announcement of the Company's financial statements for each of the first three (3) quarters of its financial year and one (1) month before the announcement of the Company's full year financial statements (if the Company announces its quarterly financial statements, whether required by the SGX-ST or otherwise), or one (1) month before the announcement of the Company's half-year and full year financial statements (if the Company does not announce its quarterly financial statements).

2.11 Listing status on the Catalist Board of the SGX-ST

The Company does not have any individual shareholding limit or foreign shareholding limit. Rule 723 of the Catalist Rules states that an issuer must ensure that at least 10% of the total number of issued shares (excluding preference shares, convertible equity securities and Treasury Shares) in a class that is listed is at all times held by the public.

The expression “**public**” is defined under the Catalist Rules as persons other than (a) the directors, chief executive officer, substantial shareholders or controlling shareholders of a company and its subsidiaries and (b) the associates (as defined in the Catalist Rules) of the persons described in paragraph (a).

As at the Latest Practicable Date, approximately 21.18% of issued Shares (excluding Treasury Shares and subsidiary holdings) are held in the hands of the public. Assuming that the Company carries out purchases or acquisitions of issued Shares to the full extent mandated i.e. up to 10% of the total number of issued Shares (excluding Treasury Shares and subsidiary holdings) as at the Latest Practicable Date from members of the public, the percentage of issued Shares (excluding Treasury Shares and subsidiary holdings) held in the hands of the public would be approximately 12.42%.

As at the Latest Practicable Date, the Company has no securities apart from its Shares listed on the SGX-ST.

3. THE PROPOSED CHANGE OF AUDITOR

3.1 Background for Proposed Change of Auditor

The Company’s existing auditor, EY, was appointed since 2000 and was re-appointed as the Auditor at the last AGM held on 29 April 2024, to hold office until the conclusion of the forthcoming AGM of the Company.

The Company is proposing to appoint RSM to replace EY as the Auditor of the Company from FY25. Pursuant to Catalist Rule 712(3) and Section 205AF of the Companies Act, the Proposed Change of Auditor is subject to the approval by Shareholders in a general meeting.

On 4 April 2025, RSM given its written consent to act as the Auditor of the Company and the Group. The appointment of RSM would be effective upon obtaining the approval of Shareholders at the 2024 AGM for the Proposed Change of Auditor. If approved, RSM will hold office until the conclusion of the next AGM of the Company.

In view of the above, EY will retire and not seek re-appointment as auditor of the Company at the 2024 AGM, being the end of their current term. The Board would like to express their appreciation for the past services rendered by EY.

3.2 Rationale for the Proposed Change of Auditor

As part of good corporate governance initiatives to benefit from fresh perspectives of a new professional audit firm as well as the Group’s ongoing efforts to manage its overall business costs and expenses amidst the challenging business climate, the Company has called for quotations for audit services to be rendered for FY25.

Following an evaluation of the proposals obtained and due deliberation, the Board, at the recommendation of the Audit Committee (“**AC**”), proposes that RSM be appointed as the Auditor of the Company for FY25 in place of EY. The audit services to be provided by RSM would be comparable in terms of quality and scope currently provided by EY, whilst concurrently offering savings of approximately \$30,000 in audit fee for FY25.

In reviewing the suitability of RSM, the AC and the Board took into consideration, amongst others, the following:

- (a) the Audit Quality Indicators Disclosure Framework issued by ACRA presented to the AC which included information such as the years of audit experience and industry specialisation, average training hours across various staff levels, results of internal and external inspections, and attrition rate;
- (b) the adequacy of resources and experience of RSM to fulfil the audit requirements of the Company and the Group, including the number, composition, experience and track record of the audit team and the audit engagement partner (further details of which are provided in **Paragraph 3.3** of this Appendix), having due regard to the Group's audit requirements, the size, businesses and complexity of the Group; and
- (c) the fee structure, audit approach and methodology presented by RSM.

3.3 INFORMATION ON RSM AND THE AUDIT ENGAGEMENT PARTNER

3.3.1 The information on RSM and the audit engagement partner has been provided to the Company by RSM. The Directors have not conducted an independent review or verification of the accuracy of the statements and information set out below.

RSM is a global network with member firms worldwide, and is a leading provider of audit, tax and advisory services. Operating in 120 countries and territories around the world, they draw on the expertise of 64,000 professionals across 820 global offices globally, to assist clients of all sizes at every stage in their development. RSM Singapore applies strong technical guidance and breadth of experience to ensure that clients receive a truly unique experience. RSM brings finely tuned local industry knowledge together with global expertise across the RSM network to help the clients meet their various needs. RSM is a public accounting firm registered with ACRA. It has significant experience acting as auditor for companies listed on the SGX-ST.

For more information about RSM, please visit www.rsm.global/singapore.

- 3.3.2 For the audit of the Group, the audit engagement team that will be assigned by RSM shall consist of: one (1) audit engagement partner, one (1) engagement quality partner, one (1) manager and three (3) to five (5) audit staff.
- 3.3.3 Ms Pang Hui Ting ("**Ms Pang**") will be the audit engagement partner assigned to the audit of the Company and its subsidiaries. Ms Pang is a practicing member of the Institute of Singapore Chartered Accountants. She is also a public accountant registered with ACRA. Ms Pang has extensive professional experience over a span of more than 20 years working in audit and assurance related assignments across various industries such as F&B, retail, manufacturing, trading and services, from start-up and private companies to large multinational companies and listed companies on both the Mainboard and Catalist board of the SGX-ST. She is also involved in due diligence and reporting accountant assignments with respect to initial public offerings on the SGX-ST.
- 3.3.4 Ms Pang and the engagement quality partner had last been subject to the Practice Monitoring Programme review by ACRA in 2019 and 2024 respectively, and both attained satisfactory outcomes. Ms Pang has also undergone quality reviews conducted by RSM International with no adverse matters noted.
- 3.3.5 Neither RSM nor Ms Pang has been subject to any current or past restrictions, disciplinary actions and/or conditions imposed by any regulatory authority or professional body.

3.4 COMPLIANCE WITH RULES 712 and 715 OF THE CATALIST RULES

3.4.1 Requirement pursuant to Rule 712 of the Catalist Rules

RSM is registered with ACRA and approved under the Accountants Act. Ms Pang, who will be the audit engagement partner, is a public accountant registered under the Accountants Act.

The Audit Committee, after having reviewed and deliberated, and after taking into consideration the suitability and independence of RSM in meeting the audit requirements of the Group, the various factors as set out in **Paragraphs 3.2 and 3.3** of this Appendix, has recommended the Proposed Change of Auditor for approval by the Board.

In accordance with the requirements of Rule 712(3) of the Catalist Rules:

- (a) EY has confirmed to RSM, by way of their professional clearance letter dated 28 March 2025 that they are not aware of any professional reasons why RSM should not accept appointment as the statutory auditor of the Company;
- (b) the Company confirms that there was no disagreement with EY on the accounting treatments within the last twelve (12) months up to the date of this Appendix;
- (c) the Company confirms that it is not aware of any circumstances connected with the Proposed Change of Auditor that should be brought to the attention of Shareholders which has not been disclosed in this Appendix;
- (d) the Company confirms that the specific reasons for the Proposed Change of Auditor are disclosed in **Paragraph 3.2** above. The Proposed Change of Auditor is neither due to the dismissal of EY nor EY declining to stand for re-appointment;

The Company confirms that it complies with Rule 712 of the Catalist Rules in relation to the proposed appointment of RSM as new Auditor.

3.4.2 Requirement pursuant to Rule 715 of the Catalist Rules

Following Shareholders' approval of the Proposed Change of Auditor, RSM will be appointed as Auditor of the Company and all its Singapore-incorporated subsidiaries that are listed below. As at the date of this Appendix, the Company has no associate and foreign-incorporated subsidiaries.

- (a) Sloshed Pte. Ltd.
- (b) TWS Pte. Ltd.;
- (c) Planet Spirits Pte. Ltd
- (d) The Other Room Pte. Ltd.;
- (e) Quaich Pte. Ltd.; and
- (f) The Other Roof Pte. Ltd.;

In view of the above, the Company confirms that it complies with Rule 715 of the Catalist Rules in relation to the proposed appointment of RSM as Auditor.

3.5 **CONSENTS**

Each of EY and RSM has given and has not withdrawn its consent to the issue of this Appendix with the inclusion of its name and all references thereto, in the form and context in which they appear in this Appendix.

4. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

4.1 Interest in Shares

The interests of the Directors and substantial shareholders in the Shares as at (a) the Latest Practicable Date, and (b) for illustration purposes, after the Share Buyback pursuant to the Share Buyback Mandate, assuming (i) the Company purchases the Maximum Buyback Shares; and (ii) there is no change in the number of Shares (whether direct or deemed) held by the Directors and Substantial Shareholders, are set out in the table below.

	As at the Latest Practicable Date ⁽¹⁾						After the Share Buyback ⁽²⁾
	Direct Interest		Deemed Interest		Total Interest		Total Interest
	No. of Shares	%	No. of Shares	%	No. of Shares	%	%
Directors							
Teo Kok Woon	-	-	28,410,666 ⁽³⁾	64.05	28,410,666	64.05	71.17
Chua Khoon Hui	6,552,016	14.77	-	-	6,552,016	14.77	16.41
Substantial Shareholders (other than Directors)							
Cockpit International Pte Ltd	3,028,363	6.83	-	-	3,028,363	6.83	7.59
Yeo Gek Lang, Susie	-	-	3,028,363 ⁽⁴⁾	6.83	3,028,363	6.83	7.59
Goodearth Realty Private Limited	-	-	3,028,363 ⁽⁴⁾	6.83	3,028,363	6.83	7.59

Notes:

- (1) Based on 44,355,491 issued Shares (excluding Treasury Shares and subsidiary holdings) of the Company as at the Latest Practicable Date.
- (2) Assuming the Company purchases or acquires the Maximum Buyback Shares, being 4,435,549 Shares pursuant to the Share Buyback Mandate, the percentage after the Share buyback is calculated based on 39,919,942 Shares.
- (3) Teo Kok Woon is deemed to be interested in 3,028,363 shares held by Cockpit International Pte Ltd and 25,382,303 shares held by UOB Kay Hian Private Limited as nominee of Teo Kok Woon.
- (4) 3,028,363 shares were held in the name of Cockpit International Pte Ltd in which Yeo Gek Lang, Susie and Goodearth Realty Private Limited are deemed to be interested.

4.2 Interests in the Proposed Change of Auditor and Proposed Renewal of the Share Buyback Mandate

None of the Directors or the substantial shareholders has any interest, direct or indirect, in the Proposed Change of Auditor and Proposed Renewal of the Share Buyback Mandate save for their respective shareholdings, direct or deemed, in the Company as disclosed in **Paragraph 4.1** of this Appendix.

5. AUDIT COMMITTEE'S AND DIRECTORS' RECOMMENDATIONS

- 5.1 In respect of the Proposed Renewal of the Share Buyback Mandate, the Directors, having considered, *inter alia*, the rationale and information relating to the Proposed Renewal of the Share Buyback Mandate, 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 7 relating to the Proposed Renewal of the Share Buyback Mandate at the AGM.
- 5.2 In respect of the Proposed Change of Auditor, the Audit Committee, for reasons as stated in **Paragraph 3.2** of this Appendix, has recommended to the Board the proposed appointment of RSM as Auditor of the Company in place of the retiring Auditor of the Company, EY.

In view of the Audit Committee's recommendation and having considered, *inter alia*, the rationale and the information relating to the Proposed Change of Auditor, the Directors are of the view that RSM will be able to meet the audit requirements of the Group and that the Proposed Change of Auditor is in the best interests of the Company. Accordingly, Directors recommend that Shareholders vote in favour of the Ordinary Resolution 5 relating to the Proposed Change of Auditor at the AGM.

6. ANNUAL GENERAL MEETING

The 2024 AGM will be held by physical means on Tuesday, 29 April 2025, at 3:00 p.m. (Singapore Time) for the purpose of considering and, if thought fit, passing with or without modifications, the Ordinary Resolutions 5 and 7 as set out in the Notice of AGM in relation to the Proposed Change of Auditor and Proposed Renewal of the Share Buyback Mandate respectively. Shareholders should refer to the Notice of AGM for details of how to participate in the AGM.

7. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Appendix and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Appendix constitutes full and true disclosure of all material facts about the Proposed Renewal of the Share Buyback Mandate, the Proposed Change of Auditor, the Group, and the Directors are not aware of any facts the omission of which would make any statement in this Appendix misleading.

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

8. DOCUMENTS AVAILABLE FOR INSPECTION

The following documents are available for inspection at the registered office of the Company at 315 Outram Road #14-02 Tan Boon Liat Building Singapore 169074, during normal business hours from the date of this Appendix up to and including the date of the 2024 AGM:

- (a) the Annual Report for the financial year ended 31 December 2024;
- (b) the Constitution of the Company;
- (c) the professional clearance letter issued by EY to RSM dated 28 March 2025; and
- (d) the letter of consent to act as auditor of the Company from RSM dated 4 April 2025.

Shareholders who wish to inspect these documents at the registered office of the Company are required to send a written request via email to the Company at ir@tshcorp.com.sg to make an appointment in advance. The Company will allocate the date and the time when each Shareholder may come to the registered office of the Company to inspect the documents to limit the number of people who are present at the registered office of the Company at any one point in time.

Yours faithfully,

For and on behalf of the Board of Directors of
TSH Corporation Limited

Dr Yu Lai Boon
Non-Executive Chairman and Independent Director