

CIRCULAR DATED 10 OCTOBER 2023

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

If you are in any doubt about the contents of this Circular (as defined herein) or the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of Lincotrade & Associates Holdings Limited (“**Company**”), you should immediately forward this Circular, the Notice of EGM (as defined herein) and the enclosed Proxy Form (as defined herein) to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee.

This Circular has been prepared by the Company and has been reviewed by the Company’s sponsor, RHB Bank Berhad, through its Singapore branch (“**Sponsor**”), in accordance with Rules 226(2)(b) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist.

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

The contact person for the Sponsor is Mr. Alvin Soh, Head, Corporate Finance at 90 Cecil Street, #03-00, Singapore 069531, Tel No. +65 6320 0627.



LINCOTRADE & ASSOCIATES HOLDINGS LIMITED

(Incorporated in the Republic of Singapore on 12 October 2004)

(Company Registration Number: 200413128G)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- (1) THE PROPOSED ADOPTION OF THE SHARE BUY-BACK MANDATE**
- (2) THE PROPOSED DIVERSIFICATION OF THE GROUP’S BUSINESS**

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	22 October 2023 at 3:00 p.m.
Date and time of Extraordinary General Meeting	:	25 October 2023 at 3:00 p.m. (or as soon as thereafter following the conclusion or adjournment of the annual general meeting of the Company to be held at 2:00 p.m. on the same day)
Place of Extraordinary General Meeting	:	39 Sungei Kadut Loop, Singapore 729494

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DEFINITIONS

The following definitions apply throughout the Circular unless otherwise stated or the context otherwise requires:

“Acquisition”	:	Has the meaning defined in Section 2.9(d) of this Circular.
“AGM”	:	Annual general meeting of the Company.
“Associate”	:	(a) In relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means: <ul style="list-style-type: none">(i.) his immediate family;(ii.) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and(iii.) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more. (b) In relation to a Substantial Shareholder or 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.
“Audit Committee”	:	The audit committee of the Company as constituted from time to time.
“Average Closing Price”	:	Has the meaning defined in Section 2.3(d) of this Circular.
“Board”	:	The board of Directors as at the date of this Circular.
“Catalist”	:	The Catalist Board of the SGX-ST.
“Catalist Rules”	:	The SGX-ST Listing Manual Section B: Rules of Catalist.
“CDP”	:	The Central Depository (Pte) Limited.
“Chairman of the EGM”	:	The person appointed as the chairperson of the EGM.
“Circular”	:	This circular to Shareholders dated 10 October 2023.
“Company”	:	Lincotrade & Associates Holdings Limited.
“Companies Act”	:	The Companies Act 1967 of Singapore.
“concert parties”	:	Has the meaning defined in Section 2.9(b) of this Circular.
“Constitution”	:	The constitution of the Company, as may be amended or modified from time to time.
“control”	:	The capacity to dominate decision-making, directly or indirectly, in relation to the financial and operating policies of a company.

DEFINITIONS

“Controlling Shareholder”	:	A person who: <ul style="list-style-type: none">(a) holds directly or indirectly 15% or more of the nominal amount of all voting Shares (excluding treasury shares) in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or(b) in fact exercises control over the Company.
“Cut-Off Time”	:	Has the meaning defined in Section 7.3 of this Circular.
“day of the making of the offer”	:	Has the meaning defined in Section 2.3(d) of this Circular.
“Directors”	:	The directors of the Company (whether executive or non-executive) for the time being, each a “ Director ”.
“EGM”	:	The extraordinary general meeting of the Company to be held at 39 Sungei Kadut Loop, Singapore 729494, on 25 October 2023 at 3:00 p.m. (or as soon thereafter following the conclusion or adjournment of the AGM of the Company to be held at 2:00 p.m. on the same day and at the same place), notice of which is set out on page N-1 to N-4 of this Circular.
“EPS”	:	Earnings per Share.
“Executive Director”	:	The executive Director, being Mr Tan Jit Meng.
“Executive Officers”	:	The executive officers of the Company, being Mr Soh Loong Chow Jackie, Mr Tan Chee Khoon, and Mr Kwek Wei Lee.
“Existing Business”	:	Has the meaning defined in Section 3.1 of this Circular.
“FY”	:	Financial year ended, or ending (as the case may be) on 30 June.
“Group”	:	The Company and its subsidiaries, collectively.
“immediate family”	:	In relation to a person, means the person’s spouse, child, adopted child, step-child, sibling and parent.
“Latest Practicable Date”	:	26 September 2023, being the latest practicable date prior to the date of this Circular.
“Market Day”	:	A day on which the SGX-ST is open for trading in securities.
“Market Purchases”	:	Has the meaning defined in Section 2.3(c) of this Circular.
“Maximum Price”	:	Has the meaning defined in Section 2.3(d) of this Circular.
“New Business”	:	Has the meaning defined in Section 3.2 of this Circular.
“Notice of EGM”	:	The notice of EGM as set out in the Section titled “ <i>Notice of Extraordinary General Meeting</i> ” of this Circular.
“NTA”	:	Net tangible assets.
“Off-Market Purchase”	:	Has the meaning defined in Section 2.3(c) of this Circular.

DEFINITIONS

“Proxy Form”	:	An instrument appointing a proxy in respect of the EGM as set out in this Circular.
“Property Related Assets”	:	Means the various types of real estate, including but not limited to, residential, hospitality, commercial (retail and office), educational, healthcare, industrial and any other types of properties such as undeveloped land plots, mixed development properties and boutique hotels.
“Proposed Diversification”	:	The proposed diversification of the Group’s business to include the New Business.
“Proposed Resolutions”	:	Has the meaning defined in Section 1.1 of this Circular.
“Registrar”	:	The Accounting and Corporate Regulatory Authority of Singapore.
“Register of Members”	:	The register of Shareholders.
“Relevant Period”	:	Has the meaning defined in Section 2.1 of this Circular.
“Securities Account”	:	The securities account(s) maintained by a Depositor with CDP, but does not include a securities sub-account maintained with a Depository Agent.
“SFA”	:	The Securities and Futures Act 2001 of Singapore.
“SGX-ST”	:	Singapore Exchange Securities Trading Limited.
“Share Buy-Back(s)”	:	The purchase(s) or acquisition(s) of Shares by the Company pursuant to the terms of the Share Buy-Back Mandate.
“Share Buy-Back Mandate”	:	The proposed general and unconditional mandate given by Shareholders to authorise the Directors to purchase Shares in accordance with the terms set out in the Notice of EGM, as more particularly described in this Circular and in accordance with the rules and regulations set forth in the Companies Act and the Catalyst Rules.
“Shareholders”	:	The registered holders of the Shares in the register of members of the Company, except where the registered holder is CDP, the term “ Shareholders ” shall, in relation to such Shares and where the context so admits, mean the Depositors whose Securities Accounts are credited with such Shares.
“Shares”	:	Ordinary share(s) in the issued and paid-up share capital of the Company.
“Substantial Shareholder”	:	A person (including a corporation) who holds directly or indirectly 5% or more of the issued and paid-up share capital in the Company.
“Take-over Code”	:	The Singapore Code on Take-overs and Mergers.
Currencies, Units and Others		
“S\$” and “cents”	:	Singapore dollars and cents, the lawful currency of Singapore.
“%” or “per cent”	:	Per centum or percentage.

DEFINITIONS

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the same meanings defined for them, respectively, in section 81SF of the SFA. The term “**Direct Account Holder**” shall have the same meaning defined for the term “account holder” in section 81SF of the SFA.

The term “**treasury shares**”, “**subsidiary**”, “**subsidiary holdings**” and “**related company**” shall have the meaning defined in the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing one gender shall, where applicable, include all other and neuter genders. References to natural persons shall, where applicable, include corporations.

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

Any reference in this Circular to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted. Any term defined under the Companies Act, the SFA, the Catalist Rules, the Take-over Code or any modification thereof and used in this Circular shall, where applicable, have the meaning defined under the Companies Act, the SFA, the Catalist Rules, the Take-over Code or such modification thereof, as the case may be, unless otherwise provided.

Any reference to a time of day in this Circular is made by reference to Singapore time unless otherwise stated.

Any discrepancies in this Circular between the sum of the figures stated and the total thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures which precede them.

Altum Law Corporation has been appointed as the legal adviser to the Company as to Singapore law in relation to the preparation of this Circular in relation to the proposed adoption of the Share Buy-Back Mandate and the Proposed Diversification.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “expect”, “anticipate”, “believe”, “estimate”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “if”, “will”, “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. Further, the Company disclaim any responsibility to update or revise any forward-looking statements for any reason, even if new information becomes available or other events occur in the future, subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

LETTER TO SHAREHOLDERS

LINCOTRADE & ASSOCIATES HOLDINGS LIMITED

(Company Registration No.: 200413128G)
(Incorporated in the Republic of Singapore)

Directors

Dr Tan Kok Heng *(Independent and Non-Executive Chairman)*
Mr Tan Jit Meng *(Managing Director)*
Mr Lu King Seng *(Independent and Non-Executive Director)*
Mr Wee Shuo Siong Milton *(Non-Executive and Non-Independent Director)*

Registered Office

39 Sungei Kadut Loop
Singapore 729494

10 October 2023

To: The Shareholders of Lincotrade & Associates Holdings Limited

Dear Shareholder

1. INTRODUCTION

1.1. EGM

The Directors are convening an EGM to be held at 39 Sungei Kadut Loop, Singapore 729494 on 25 October 2023 at 3:00 p.m. (or as soon as thereafter following the conclusion or adjournment of the AGM to be held at 2:00 p.m. on the same day) to seek Shareholders' approval for:

- (a) the proposed adoption of the Share Buy-Back Mandate; and
- (b) the proposed diversification of the Group's business to include the New Business ("**Proposed Diversification**"),

(collectively, the "**Proposed Resolutions**").

1.2. Circular to Shareholders

The purpose of this Circular is to provide Shareholders with information relating to, and to seek Shareholders' approval for the Proposed Resolutions to be tabled at the EGM. The Notice of EGM is set out on pages N-1 to N-4 of this Circular.

Shareholders are advised to read the "Risk Factors" set out in Section 3.8 of this Circular in relation to the risks involved pursuant to the Proposed Diversification carefully and in its entirety.

Shareholders are advised that the SGX-ST assumes no responsibility for the contents of this Circular, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Circular. Shareholders who are in any doubt as to the course of action they should take should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers immediately.

2. THE PROPOSED ADOPTION OF THE SHARE BUY-BACK MANDATE

2.1. Background

Any purchase or acquisition of Shares by the Company will have to be made in accordance with, and in the manner prescribed by, the Companies Act, the Constitution, the Catalist Rules, and such other laws and regulations as may, for the time being, be applicable.

LETTER TO SHAREHOLDERS

It is a requirement under Part XI of Chapter 8 of the Catalist Rules that a company may purchase its own shares if it has obtained the prior specific approval of shareholders in a general meeting and a requirement under the Companies Act that before a company purchases or acquires its own shares, its constitution must expressly permit the company to purchase or otherwise acquire the shares issued by it. Regulation 6 of the Constitution expressly permits the Company to purchase or otherwise acquire its issued Shares. Accordingly, approval is being sought from Shareholders at the EGM for the adoption of the Share Buy-Back Mandate. An ordinary resolution will be proposed, pursuant to which the Share Buy-Back 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 Buy-Back Mandate.

If approved by Shareholders at the EGM, the authority conferred by the Share Buy-Back Mandate will take effect from the date of the EGM and continue in force until:

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

whichever is the earliest (the “**Relevant Period**”).

It is currently intended that the Share Buy-Back Mandate shall be put to Shareholders for renewal at each subsequent AGM.

2.2. **Rationale for the Proposed Adoption of the Share Buy-Back Mandate**

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

- (a) the Share Buy-Back Mandate will provide the Company with greater flexibility in managing its capital and maximising return 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 Buy-Back Mandate will facilitate the return of excess cash and surplus funds to Shareholders in an expedient, effective and cost-efficient manner;
- (b) Share Buy-Back(s) may help mitigate short-term market volatility in the Company’s share price, offset the effects of short-term speculation and bolster Shareholders’ confidence;
- (c) all things being equal, purchases or acquisitions of Shares pursuant to the Share Buy-Back Mandate will result in a lower number of issued Shares being used for the purpose of computing EPS, if the purchased Shares are subsequently cancelled or during the period such Shares are held as treasury shares. Therefore, Share Buy-Back(s) under the Share Buy-Back Mandate will improve the Company’s EPS, which in turn is expected to have a positive impact on the fundamental value of the Shares;
- (d) Shares purchased or acquired under the Share Buy-Back Mandate and not cancelled will be held as treasury shares that have the added benefit of being utilised by the Directors to be sold for cash or transferred as consideration for the acquisition of shares or assets of another company or assets of a person, which is less dilutive to existing Shareholders than if new Shares were allotted and issued for such purposes; and
- (e) the Share Buy-Back Mandate will provide the Company the flexibility to undertake share repurchases at any time, subject to market conditions, during the period when the Share Buy-Back Mandate is in force.

LETTER TO SHAREHOLDERS

2.3. Authority and Limits on the Share Buy-Back Mandate

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

(a) Maximum Number of Shares

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

Pursuant to Catalist Rule 867, the total number of Shares which may be purchased or acquired pursuant to the Share Buy-Back Mandate is limited to that number of Shares representing not more than 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the resolution passed by Shareholders for the Share Buy-Back Mandate, 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 reduction. Any Shares which are held as treasury shares or subsidiary holdings will be disregarded for the purposes of computing the 10% limit.

While the Share Buy-Back Mandate would authorise a purchase or acquisition of Shares up to the said 10% limit during the period referred to in Section 2.1 of this Circular, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Buy-Back Mandate may not be carried out to the full 10% limit as authorised, and any purchases or acquisitions of Shares pursuant to the Share Buy-Back 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 under circumstances which the Directors believe will not result in any material adverse effect on the financial condition of the Company or the Group, or result in the Company being delisted from the SGX-ST.

Pursuant to Catalist Rule 723, the Company 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 “public” is defined in the Catalist Rules as persons other than directors, chief executive officer, substantial shareholders or controlling shareholders of the issuer or its subsidiary companies, and associates of such persons. Accordingly, the Directors will ensure that any purchase or acquisition of Shares pursuant to the Share Buy-Back Mandate will be in compliance with Catalist Rule 723 and not cause the number of Shares remaining in the hands of the public to fall to such a level as to cause market illiquidity or adversely affect the orderly trading and listing status of the Shares on the SGX-ST.

For illustrative purposes only, based on requirements described in the foregoing paragraphs, on the basis of 172,027,726 Shares in issue (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date, assuming no further Shares are issued on or prior to the EGM and that the Company does not reduce its share capital, and subject always to the Company complying with the minimum free float requirements of Catalist Rule 723, not more than 17,202,772 Shares (representing not more than 10% 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 Buy-Back Mandate during the Relevant Period.

(b) Duration of Authority

Purchases or acquisitions of Shares may be made by the Company pursuant to the Share Buy-Back Mandate, at any time and from time to time, on and from the date of the resolution passed in relation to the Share Buy-Back Mandate, up to:

- (i.) the date on which the next AGM is held or required by law to be held;

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- (ii.) the date on which the authority conferred by the Share Buy-Back Mandate is revoked or varied by Shareholders in a general meeting; or
- (iii.) the date on which the purchases or acquisitions of Shares pursuant to the Share Buy-Back Mandate are carried out to the full extent mandated,

whichever is the earliest.

The authority conferred on the Directors by the Share Buy-Back Mandate to purchase or acquire Shares may be renewed by Shareholders in any general meeting of the Company, such as at the next AGM or at an extraordinary general meeting to be convened immediately after the conclusion or adjournment of the next AGM. When seeking the approval of Shareholders for the adoption of the Share Buy-Back Mandate, the Company is required to disclose details pertaining to purchases or acquisitions of Shares pursuant to the Share Buy-Back Mandate made during the previous 12 months, including the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for such purchases or acquisitions of Shares, where relevant, and the total consideration paid for such purchases or acquisitions.

(c) Manner of Purchase or Acquisition

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

- (i.) on-market share purchases ("**Market Purchases**"), transacted on the SGX-ST through the SGX-ST trading system, through one or more duly licensed stockbrokers appointed by the Company for the purpose, in accordance with Section 76E of the Companies Act; and/or
- (ii.) off-market share purchases ("**Off-Market Purchases**") effected in accordance with an equal access scheme in accordance with Section 76C of the Companies Act.

The Directors may impose such terms and conditions which are not inconsistent with the Share Buy-Back 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 any equal access scheme or schemes. An Off-Market Purchase must, however, satisfy all of 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 the abovementioned persons shall be given a reasonable opportunity to accept the offers made to them; and
- (iii.) the terms of all the offers shall be the same, except that there shall be disregarded differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements, differences in consideration attributable to the fact that offers may relate to Shares with different amounts remaining unpaid, and differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

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

- (i.) the terms and conditions of the offer;
- (ii.) the period and procedures for acceptances;
- (iii.) the reasons for the Share Buy-Back;

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- (iv.) the consequences, if any, of the Share Buy-Back by the Company that will arise under the Take-over Code or other applicable take-over rules;
 - (v.) whether the Share Buy-Back, if made, could affect the listing of the Shares on the SGX-ST;
 - (vi.) details of any Share Buy-Back made by the Company in the previous 12 months (whether by way of Market Purchases or Off-Market Purchases), giving the total number of Shares purchased or acquired, the purchase price per Share or the highest and lowest prices paid for the purchases or acquisitions of Shares, where relevant, and the total consideration paid for the purchases or acquisitions;
 - (vii.) whether the Shares purchased or acquired by the Company will be cancelled or kept as treasury shares; and
 - (viii.) any other information required under the Companies Act.
- (d) Maximum Price

The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors. However, the purchase price to be paid for the Shares pursuant to the Share Buy-Back must not exceed:

- (i.) in the case of a Market Purchase, 105% of the Average Closing Price (as defined below) in compliance with Catalist Rule 869; and
- (ii.) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price,

("**Maximum Price**") in either case, excluding related expenses of the Share Buy-Back.

For the above purposes of determining the Maximum Price:

"**Average Closing Price**" means the average of the closing market prices of the Shares traded on the SGX-ST over the last five (5) Market Days, on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase by the Company or, as the case may be, the day of the making of the offer 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 the making of the offer**" means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.4. Status of Purchased or Acquired Shares

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

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

At the time of each Share Buy-Back, 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:

(a) Maximum Holdings

The number of Shares held as treasury shares cannot at any time exceed 10% of the total number of issued Shares. In the event that the Company holds more than 10% of the total number of its Shares as treasury shares, the Company shall cancel or dispose of the excess treasury shares in the manner set out under Section 2.5(c) below within six (6) months beginning with the day on which that contravention occurs, or such further period as the Registrar may allow.

(b) 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 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 also allowed so long as the total value of the treasury shares after the subdivision or consolidation is the same as before.

(c) Disposal and Cancellation

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

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

LETTER TO SHAREHOLDERS

2.6. Reporting Requirements

Within 30 days after the passing of a Shareholders' resolution to approve the purchase or acquisition of Shares by the Company, the Directors shall lodge a copy of such resolution with the Registrar.

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

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

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

Such announcement (which must be in the form of Appendix 8D to the Catalist Rules) must include, *inter alia*, the 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 purchase price per share or the highest and lowest prices paid for such shares, as applicable, and 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 subsidiary holdings), the number of treasury shares held after the purchase, and the number of subsidiary holdings after the purchase.

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

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

2.7. Source of Funds

The Company may only apply funds for Share Buy-Back(s) as provided in the Constitution and in accordance with the applicable laws in Singapore. The Company may not purchase or acquire its Shares for a consideration other than in cash or, in the case of a Market Purchase, for settlement otherwise than in accordance with the trading rules of the SGX-ST.

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The Company may use internal sources of funds or external borrowings or a combination of both to finance the Company's purchase or acquisition of Shares pursuant to the Share Buy-Back Mandate. The Directors do not propose to exercise the Share Buy-Back Mandate to such an extent that it would have a material adverse effect on the working capital requirements of the Group, the Group's ability to service its debts and other obligations and/or the financial condition of the Group.

Any purchase or acquisition of Shares may be made only if the Company is solvent and out of the Company's capital and/or profits. It is an offence for a director or chief executive officer of a company to approve or authorise the purchase or acquisition of shares, knowing that the company is not solvent.

For this purpose, pursuant to 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 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
 - (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 12 months immediately after the date of the payment; and
- (c) the value of its assets is not less than the value of its liabilities (including contingent liabilities) and will not, after any purchase or acquisition of shares, become less than the value of its liabilities (including contingent liabilities).

2.8. Illustrative Financial Effects

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 Buy-Back Mandate on the NTA per Share and EPS as the resultant effect would depend on, *inter alia*, the aggregate number of Shares purchased or acquired, whether the purchase or acquisition 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 purchase or acquisition and whether the Shares purchased or acquired are cancelled or held as treasury shares.

The Company's total number of issued Shares will be diminished by the total number of Shares purchased by the Company and which are cancelled and not held as treasury shares. The NTA of the Group will be reduced by the aggregate purchase price (including any expenses such as brokerage and commission) paid by the Company for the 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 will correspondingly reduce the amount available for the distribution of cash dividends by the Company.

The purchase or acquisition of Shares will only be effected by the Company after the Directors have considered relevant factors such as the working capital requirements, the availability of financial resources, the expansion and investment plans of the Group, and the prevailing market conditions.

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For illustrative purposes only, assuming that the Company had purchased the maximum number of Shares pursuant to the Share Buy-Back Mandate in a Market Purchase or Off-Market Purchase subject always to the Company complying with the minimum free float requirements of Catalist Rule 723, the financial effects of,

- (a) the purchase or acquisition of 17,202,772 Shares by the Company in a Market Purchase or Off-Market Purchase, where such Shares are held as treasury shares; and
- (b) the purchase or acquisition of 17,202,772 Shares by the Company in a Market Purchase or Off-Market Purchase, where such Shares are cancelled,

on the audited financial statements of the Group and the Company for FY2023 pursuant to the Share Buy-Back Mandate, are summarised in the following pages.

The financial effects are prepared based on the assumptions set out below:

- (a) based on 172,027,726 Shares in issue (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date and assuming no further Shares are issued and no reduction of share capital of the Company takes place, not more than 17,202,772 Shares (representing 10% of the total number of issued Shares as at the date of the EGM (excluding treasury shares and subsidiary holdings)) may be purchased by the Company pursuant to the Share Buy-Back Mandate (if adopted);
- (b) in the case of Market Purchases by the Company and assuming that the Company purchases or acquires 17,202,772 Shares at the Maximum Price of S\$0.223 for one (1) Share (being 105% of the Average Closing Price of the Shares for the five (5) Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 17,202,772 Shares (excluding related expenses) will be approximately S\$3.84 million;
- (c) in the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 17,202,772 Shares at the Maximum Price of S\$0.254 for one (1) Share (being the price equivalent to 120% of the Average Closing Price of the Shares for the five (5) Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of the 17,202,772 Shares (excluding related expenses) will be approximately S\$4.37 million;
- (d) such purchase or acquisition of Shares is made entirely out of capital and financed solely by internal sources of funds;
- (e) the Share Buy-Back Mandate had been effective on 1 July 2022;
- (f) the Company had purchased or acquired 17,202,772 Shares on 1 July 2022;
- (g) such purchase or acquisition of Shares does not cause the Company to be in breach of the minimum free float requirements of Catalist Rule 723; and
- (h) the transaction costs incurred for the purchase or acquisition of Shares pursuant to the Share Buy-Back Mandate were insignificant and have been ignored for the purpose of computing the financial effects.

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

	Group			Company		
	Before Share Buy-Back	After Share Buy-Back assuming Market Purchase	After Share Buy-Back assuming Off-Market Purchase	Before Share Buy-Back	After Share Buy-Back assuming Market Purchase	After Share Buy-Back assuming Off-Market Purchase
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Profit/(Loss) attributable to owners of the Company	(8,744)	(8,744)	(8,744)	(1,803)	(1,803)	(1,803)
Share Capital	13,050	13,050	13,050	33,614	33,614	33,614
Retained Earnings / (Accumulated Losses)	(4,283)	(4,283)	(4,283)	(8,443)	(8,443)	(8,443)
Treasury Shares	–	(3,836)	(4,370)	–	(3,836)	(4,370)
Shareholders' Funds/ Total Equity	8,767	4,931	4,397	25,171	21,335	20,801
NTA	8,767	4,931	4,397	25,171	21,335	20,801
Current Assets	30,636	26,800	26,266	1,225	(2,611)	(3,145)
Total Assets	35,079	31,243	30,709	26,228	22,392	21,858
Current Liabilities	24,581	24,581	24,581	1,057	1,057	1,057
Total Liabilities	26,312	26,312	26,312	1,057	1,057	1,057
Working Capital	6,055	2,219	1,685	168	(3,668)	(4,202)
Total Borrowings	13,131	13,131	13,131	800	800	800
Cash and Cash Equivalents	12,706	8,870	8,336	1,204	(2,632)	(3,166)
Number of Shares (excluding treasury shares)	172,027,726	154,824,954	154,824,954	172,027,726	154,824,954	154,824,954
Financial Ratios						
NTA per Share (cents)	5.10	3.18	2.84	14.63	13.78	13.44
Gearing (%)	0.37	0.42	0.43	0.03	0.04	0.04
Current ratio (times)	1.25	1.09	1.07	1.16	(2.47)	(2.98)
EPS (cents)	(5.24) ^(a)	(5.85) ^(b)	(5.85) ^(b)	(1.08) ^(a)	(1.21) ^(b)	(1.21) ^(b)

Notes:

- (a) Computed based on 166,748,507 Shares representing the number of Shares issued to acquire the entire share capital of Lincotrade & Associates Pte. Ltd. in connection with the Acquisition.
- (b) Computed based on 149,545,735 Shares after excluding treasury shares of 17,202,772 on 1 July 2022.

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(2) Purchases made entirely out of capital and cancelled

	Group			Company		
	Before Share Buy-Back	After Share Buy-Back assuming Market Purchase	After Share Buy-ack assuming Off-Market Purchase	Before Share Buy-Back	After Share Buy-Back assuming Market Purchase	After Share Buy-Back assuming Off-Market Purchase
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Profit/(Loss) attributable to owners of the Company	(8,744)	(8,744)	(8,744)	(1,803)	(1,803)	(1,803)
Share Capital	13,050	9,214	8,680	33,614	29,778	29,244
Retained Earnings / (Accumulated Losses)	(4,283)	(4,283)	(4,283)	(8,443)	(8,443)	(8,443)
Treasury Shares	–	–	–	–	–	–
Shareholders' Funds/ Total Equity	8,767	4,931	4,397	25,171	21,335	20,801
NTA	8,767	4,931	4,397	25,171	21,335	20,801
Current Assets	30,636	26,800	26,266	1,225	(2,611)	(3,145)
Total Assets	35,079	31,243	30,709	26,228	22,392	21,858
Current Liabilities	24,581	24,581	24,581	1,057	1,057	1,057
Total Liabilities	26,312	26,312	26,312	1,057	1,057	1,057
Working Capital	6,055	2,219	1,685	168	(3,668)	(4,202)
Total Borrowings	13,131	13,131	13,131	800	800	800
Cash and Cash Equivalents	12,706	8,870	8,336	1,204	(2,632)	(3,166)
Number of Shares (excluding treasury shares)	172,027,726	154,824,954	154,824,954	172,027,726	154,824,954	154,824,954
Financial Ratios						
NTA per Share (cents)	5.10	3.18	2.84	14.63	13.78	13.44
Gearing (%)	0.37	0.42	0.43	0.03	0.04	0.04
Current ratio (times)	1.25	1.09	1.07	1.16	(2.47)	(2.98)
EPS (cents)	(5.24) ^(a)	(5.85) ^(b)	(5.85) ^(b)	(1.08) ^(a)	(1.21) ^(b)	(1.21) ^(b)

Notes:

- (a) Computed based on 166,748,507 Shares representing the number of Shares issued to acquire the entire share capital of Lincotrade & Associates Pte. Ltd. in connection with the Acquisition.
- (b) Computed based on 149,545,735 Shares after excluding treasury shares of 17,202,772 on 1 July 2022.

Shareholders should note that the financial effects set out above are purely for illustrative purposes only and based on the abovementioned assumptions. In particular, it is important to note that the above financial analysis is based on historical numbers for FY2023, and is not necessarily representative of future financial performance.

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Although the Share Buy-Back Mandate (if adopted) would authorise the Company to purchase up to 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as determined in accordance with the applicable provisions of the Companies Act, the Company may not necessarily purchase or be able to purchase the entire 10% of the total number of its issued Shares (excluding treasury shares and subsidiary holdings), particularly if such purchase or acquisition of Shares could cause the Company to be in breach of the minimum free float requirements of Catalist Rule 723. In addition, the Company may cancel all or part of the purchased Shares or hold all or part of the purchased Shares in treasury.

Shareholders who are in doubt as to their tax positions or any tax implications in their respective jurisdictions should consult their own professional tax advisers.

2.9. Take-over Implications

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

(a) Obligation to make a take-over offer

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

- (i.) he acquires 30% or more of the voting rights of the company; or
- (ii.) he holds between 30% and 50% of the voting rights of the company and he increases his voting rights in the company by more than 1% in any six (6)-month period.

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.

(b) 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), co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of that company.

Unless the contrary is established, the Take-over Code presumes, *inter alia*, the following persons to be acting in concert, namely:

- (i.) a company with its parent company, its subsidiaries, its fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing for the purchase of voting rights;
- (ii.) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trusts;
- (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;

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- (v.) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and the persons controlling, controlled by or under the same control as the adviser;
- (vi.) directors of a company, together with their close relatives, related trusts and companies controlled by any of them, which is subject to an offer or 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 the instructions of the individual, companies controlled by any of the foregoing persons, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons and/or entities for the purchase of voting rights.

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

The circumstances under which Shareholders, including Directors and their concert parties 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 to the Take-over Code.

(c) Effect of Rule 14 and Appendix 2 of the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 to the Take-over Code is that, unless exempted, Directors and their concert parties will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or if such Directors and their concert parties hold between 30% and 50% of the Company's voting rights, if the voting rights of such Directors and their concert parties would increase by more than 1% in any period of six (6) months.

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

(d) Application of the Take-over Code

As previously disclosed in section 3.4(c) the Company's circular to Shareholders dated 30 June 2022 in connection with the proposed acquisition of Lincotrade & Associates Pte. Ltd. by the Company ("**Acquisition**"), Mr Tan Jit Meng who is an Executive Director along with Mr Soh Loong Chow Jackie and Mr Tan Chee Khoon both of whom are Executive Officers and all of whom are Substantial Shareholders, and their concert parties, would be free to acquire further Shares following completion of the Acquisition, without incurring any obligation under Rule 14 of the Take-over Code to make a general offer for the Company. Accordingly, any purchase or acquisition of Shares by the Company pursuant to the Share Buy-Back Mandate that may increase their voting rights will not result in Mr Tan Jit Meng, Mr Soh Loong Chow Jackie or Mr Tan Chee Khoon incurring an obligation to make a take-over offer.

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An extract of section 3.4(c) is reproduced below:

*“3.4 Implications of the Proposed Whitewash Resolution
Independent Shareholders should note that:*

- (c) *acquisition of the Consideration Shares by the Vendors will result in the Vendors and their concert parties holding Shares carrying over 49% of the voting rights of the Company, and the Vendors and their concert parties would be free to acquire further Shares without incurring any obligation under Rule 14 of the Code to make a general offer for the Company”.*

To the best of the Directors' knowledge, there are no persons who may incur an obligation to make a take-over offer as a result of any purchase or acquisition of Shares by the Company pursuant to the proposed adoption of the Share Buy-Back Mandate. Further details of the interests of the Directors and Substantial Shareholders in Shares as at the Latest Practicable Date are set out in Section 4 of this Circular.

The statements in this Circular do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Take-over Code. Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Take-over Code as a result of any purchase or acquisition of Shares by the Company should consult the Securities Industry Council and/or their professional advisers at the earliest opportunity.

2.10. Listing Rules

(a) Timing of Share Buy-Backs

The Catalist Rules does not expressly prohibit any purchase or acquisition of its own shares by a listed company during any particular time or times. However, as the 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 Buy-Back Mandate at any time after a price-sensitive development has occurred or has been the subject of a decision of the Directors until such time as the price-sensitive information has been publicly announced or disseminated in accordance with the requirements of the Catalist Rules.

In particular, the Company, in line with Rule 1204(19)(c) of the Catalist Rules, will not purchase or acquire any Shares through Market Purchases during the period of (i) one (1) month before the announcement of the Company's half year and full year financial statements; or (ii) two (2) weeks before the announcement of the financial statements for the first three (3) quarters of its financial year (if the Company announces its quarterly financial statements, whether required by the SGX-ST or otherwise).

The Company's decision to purchase or acquire Shares would only be made with an arrangement that could reasonably be expected to ensure that information that is not generally available would not be communicated or informed to the person within the Company who makes the decision to transact.

(b) Free Float

Pursuant to Catalist Rule 723, the Company 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 “public” is defined in the Catalist Rules as persons other than directors, chief executive officer, substantial shareholders or controlling shareholders of the issuer or its subsidiary companies, and associates of such persons.

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As at the Latest Practicable Date, 18,131,119 Shares, representing approximately 10.54% of the total number of issued Shares (excluding treasury shares and subsidiary holdings), are in the hands of the public. Assuming that the Company purchases 17,202,772 Shares through Market Purchases (i.e. 10.0% of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) as at the Latest Practicable Date) from the public, the number of Shares held in the hands of the public would be reduced to 928,347 Shares, representing approximately 0.54% of the total number of issued Shares (excluding treasury shares and subsidiary holdings).

As there would be an insufficient number of Shares held by public Shareholders, the Company is unable to undertake Share Buy-Backs up to the full 10% limit pursuant to the proposed Share Buy-Back Mandate without affecting the listing status of the Shares on the SGX-ST. Accordingly, in purchasing or acquiring any Shares, the Directors will use their best efforts to ensure that the Company does not effect a purchase or acquisition which would result in the number of Shares remaining in the hands of the public falling to such a level as to (i) cause market illiquidity; (ii) adversely affect the orderly trading of the Shares; or (iii) adversely affect the listing status of the Shares on the SGX-ST.

2.11. Taxation

Shareholders who are in doubt as to their respective tax positions or any such tax implications or who may be subject to tax in a jurisdiction other than Singapore should consult their own professional advisers.

2.12. Previous Share Buy-Backs

The Company currently does not have in force a share buy-back mandate and accordingly has not made any Share Buy-Back(s) in the 12 months preceding the Latest Practicable Date.

2.13. Limits on Shareholdings

The Company does not have any limits on shareholdings.

3. THE PROPOSED DIVERSIFICATION OF THE GROUP'S BUSINESS

3.1. Introduction

The Group is primarily engaged in the provision of interior designing fitting out services, additions and alteration works and other building construction services primarily for the following segments:

- (a) commercial premises, such as offices, hotels, shopping malls and food and beverage establishments;
- (b) residential premises such as condominium developments; and
- (c) showflats and sales galleries,

(collectively, the “**Existing Business**”).

It is envisaged that the Proposed Diversification will change the existing risk profile of the Company as it is different from the Group's Existing Business. Accordingly, the EGM is also being convened by the Company to seek Shareholders' approval for the Proposed Diversification.

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3.2. Proposed Diversification

The Group intends to diversify its Existing Business to include the following activities under the business of property development, property investment and property management, as and when appropriate opportunities arise:

- (a) property development activities including acquisition, development and/or realisation of Property Related Assets, including but not limited to constructing on undeveloped land plots, redeveloping existing buildings and undertaking asset enhancement works to add value to the properties acquired for the purposes of increasing capital value and realising such increased capital value with the objective of achieving the sale of the properties;
 - (b) investing in or purchasing or otherwise acquiring or realisation of:
 - (i.) any Property Related Assets; and/or
 - (ii.) investments, shares and/or other interests in any entity that holds Property Related Assets and/or is in the business of property development, property investment and property management, including but not limited to holding of Property Related Assets as long term investment for the collection of rent, capital growth potential and/or provision of property related services and facilities; and
 - (c) management of Property Related Assets,
- (collectively, the “**New Business**”).

The Group does not plan to restrict the New Business to any specific geographical market and each investment will be evaluated and assessed by the Board on its merits. The Group may also explore joint ventures, partnerships, cooperation and/or strategic alliances with third parties who have the relevant expertise and resources to carry out the New Business as and when the opportunity arises.

The decision on whether an investment should be undertaken by the Group on its own or in collaboration with third parties will be made by the Board after taking into consideration various factors, such as the nature and scale of the respective business, amount of investment required and risks associated with such an investment, nature of expertise required and economic conditions, taking into account the opportunities available.

Subject to Shareholders’ approval for the Proposed Diversification at the EGM, should the Company pursue any of such business opportunities under the New Business, such business activities shall constitute part of the ordinary course of business of the Company (where it does not change the risk profile of the Company), and the Company will make the requisite announcements to update Shareholders in accordance with the requirements of the Catalist Rules.

3.3. Rationale for the Proposed Diversification

- (a) Additional and/or recurrent revenue streams, reducing reliance on Existing Business

The Group is of the view that the New Business is expected to provide additional and/or recurrent revenue streams for the Group which may include, capital gains from realisation of Property Related Assets, rental fees and management fees from the New Business, providing the Group with a more diversified income base for future growth and reducing the Group’s reliance on the Existing Business for its revenue streams. The Group will venture into the New Business prudently, with a view of achieving long-term growth and sustained performance.

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(b) Synergies between Existing Business and New Business

There are potential and beneficial synergies between the Existing Business and the New Business. There will be opportunities for the Group to take advantage of its existing expertise in *inter alia*, providing interior designing fitting out services, additions and alteration works and other building construction services by providing such services for Property Related Assets invested in, acquired, developed or managed by the Group under the New Business.

(c) Capitalising on the possible growth prospects in the New Business

The Directors believe that the Proposed Diversification into the New Businesses will enable the Group to be better positioned to capitalise on the possible growth prospects in the New Business. Capitalising on such opportunities may enhance the performance of the Group, and thereby strengthen the Group's turnover and profit and enhance shareholder value and return. Subject to the obtaining of Shareholders' approval for the Proposed Diversification, the Group may conduct appropriate studies to assess where there are growth opportunities to undertake projects or investments in the New Business.

(d) Enhance Shareholders' value

The Proposed Diversification is part of the corporate strategy of the Group to provide Shareholders with diversified returns and long-term growth. It may provide the Group with additional funds, which can be channelled towards the enhancement of Shareholders' value over the long-term. Additionally, the Board believes that the Proposed Diversification can offer new business opportunities, provide the Group with new revenue streams and improve its prospects, so as to enhance Shareholders' value for the Company.

(e) The Proposed Diversification will give the Group flexibility to enter into transactions relating to the New Business in the ordinary course of business

Subject to the Shareholders' approval of the Proposed Diversification, any acquisition or disposal which is in, or in connection with, the New Business, may be deemed to be in the Company's ordinary course of business and therefore not fall under the definition of a "transaction" under Chapter 10 of the Catalist Rules. Accordingly, the Company may, in its ordinary course of business, enter into transactions relating to the New Business and which will not change the risk profile of the Company, in an efficient and timely manner without the need to convene separate general meetings from time to time to seek Shareholders' approval as and when potential transactions relating to the New Business arise. This will reduce substantially the administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Group.

Notwithstanding the foregoing, the Company will seek Shareholders' approval in the scenarios described in Section 3.4 of this Circular.

3.4. Application of Chapter 10 of the Catalist Rules

Upon the approval by Shareholders of the Proposed Diversification, any acquisition which is in or in connection with, the New Business, may be deemed to be in the Group's ordinary course of business and therefore not fall under the definition of a "transaction" under Chapter 10 of the Catalist Rules. Accordingly, the Group may possibly, in its ordinary course of business, enter into transactions relating to the New Business which do not change the risk profile of the Group, in an efficient and timely manner without the need to convene separate general meetings from time to time to seek for Shareholders' approval as and when potential transactions relating to the New Business arise, even where they cross the threshold of a "major transaction". As set out in Practice Note 10A of the Catalist Rules, an acquisition that is regarded to be in, or in connection with, the ordinary course of an issuer's business, is not subject to the requirements under Chapter 10 of the Catalist Rules (except for Part VIII on very substantial acquisitions or reverse takeovers). An acquisition can be regarded to be in, or in connection with, the ordinary course of an issuer's business, if: (a) the asset to be acquired is part of the issuer's existing principal business; and (b) the acquisition does not change the issuer's risk profile. This will reduce substantially the administrative time and expenses in convening such meetings, without compromising the corporate objectives and adversely affecting the business opportunities available to the Company.

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Pursuant to Rule 1014 of the Catalist Rules, a major transaction is a transaction (as defined in Rule 1002(1) of the Catalist Rules) where any of the relative figures as computed on the bases set out in Rule 1006 of the Catalist Rules (a) exceeds 75% but is less than 100% (for an acquisition) or (b) exceeds 50% (for a disposal or the provision of financial assistance), and must be made conditional upon approval by shareholders in a general meeting.

In accordance with the SGX-ST's recommended practice in relation to diversification of business, if an issuer has not operated in the new business space and did not provide sufficient information about the new business at the time when it is seeking shareholders' approval for the diversification mandate, where the issuer enters into the first major transaction involving the new business ("**First Major Transaction**"), or where any of the figures computed based on Rule 1006 of the Catalist Rules in respect of several transactions involving the new business aggregated ("**Aggregated Transactions**") over the course of a financial year exceeds 75%, such First Major Transaction or the last of the Aggregated Transactions will be made conditional upon shareholders' approval.

For the avoidance of doubt, notwithstanding that Shareholders' approval of the Proposed Diversification has been obtained:-

- (a) where an acquisition of assets (whether or not the acquisition is deemed in the ordinary course of business of the Company) is one where any of the relative figures as computed on the bases set out in Rule 1006 of the Catalist Rules is 100% or more, or is one which will result in the change of control of the Company, the transaction is classified as a very substantial acquisition or reverse takeover and would be subject to Rule 1015 of the Catalist Rules and would be subject to approval of Shareholders;
- (b) Practice Note 10A of the Catalist Rules will apply and Shareholders' approval would be required for any transaction (which falls within the definition as set out in Rule 1002(1) of the Catalist Rules) which changes the risk profile of the Company;
- (c) where any transaction constitutes an "interested person transaction" as defined under Chapter 9 of the Catalist Rules, Chapter 9 of the Catalist Rules will apply to such a transaction and the Company will comply with the provisions of Chapter 9 of the Catalist Rules. In particular, pursuant to Rule 905 of the Catalist Rules, where any interested person transaction is of a value equal to or more than 3% of the Group's latest audited NTA, or when aggregated with other transactions entered into with the same interested person during the same financial year, is of a value equal to or more than 3% of the Group's latest audited NTA, the Group must make an immediate announcement of the latest transaction and all future transactions entered into with that same interested person during that financial year. Pursuant to Rule 906 of the Catalist Rules, where any interested person transaction is of a value equal to or more than 5% of the Group's latest audited NTA, or when aggregated with other transactions entered into with the same interested person during the same financial year, is of a value equal to or more than 5% of the Group's latest audited NTA, the Group must obtain shareholder approval for the interested person transaction; and
- (d) the First Major Transaction or the last of the Aggregated Transactions will be made conditional upon Shareholders' approval, if applicable.

Pursuant to Rule 1005 of the Catalist Rules, separate transactions completed within the last 12 months may also be aggregated and treated as if they were one transaction in determining whether a transaction falls into category (a), (b), (c) or (d) of Rule 1004 of the Catalist Rules.

The Company will be required to comply with any applicable and prevailing Catalist Rules as amended or modified from time to time.

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3.5. Management of the New Business

It is currently envisaged that the New Business and related management will be led by the Executive Director, Executive Officers and senior management of the Company and they will be responsible for overseeing the entire operations of the New Business. While the Group recognises that the New Business is different from its Existing Business and the Company does not have existing experience specifically in the New Business, it is of the view that the relevant experience and expertise required can be acquired and developed over time as the Group progresses in the New Business.

The Board will monitor developments and progress in the New Business and take the necessary steps to identify suitable executive, operations and management candidates both from within the Group as well as externally, to support and manage the New Business as and when required. When necessary, the Board will consider hiring additional staff or appoint in-house or external consultants and professional advisers as and when required in connection with the New Business.

The Company will also tap the expertise of the Directors' network of business partners, advisers, consultants engaged in property development, investment and management that the Group can connect with and seek advice from to ensure that the New Business' plans can be effectively implemented to generate growth and profitability to optimise Shareholders' return on investment.

As at the Latest Practicable Date, the Audit Committee and Board are satisfied that there are presently no connections, business relations, transactions or opportunities that the Executive Director, Executive Officers or any Controlling Shareholders are directly or indirectly interested in that would place them in a conflict of interests with the Group and the Audit Committee will review all future projects undertaken by the Group under the New Business to safeguard against potential conflicts of interests. The Executive Director, Executive Officers and Controlling Shareholders have also provided a contractual undertaking to the Company, *inter alia*, that they will not utilise any information received by the Company for their personal benefit or interests and not to compete, directly or indirectly, with the Group on, but offer to the Group the right of first refusal to projects, transactions and opportunities under the New Business that the Group may be interested in.

3.6. Funding for the New Business

The proposed diversification into the New Business will be funded primarily through internal funds and/or borrowings from financial institutions. As and when necessary and deemed appropriate, the Company may explore secondary fund-raising exercises by tapping the capital markets including but not limited to rights issues, share placements and/or issuance of debt instruments.

The Company will remain prudent and take into account the financial condition of the Company in deciding the types of projects and related investments it undertakes, and the amounts thereof.

3.7. Risk Management Procedures

The Board does not have a separate Board risk committee as the Board is currently assisted by the Audit Committee, internal auditors and external auditors in carrying out its responsibility of overseeing the Group's risk management framework and policies. To address the risks presented by the Proposed Diversification, the members of the Audit Committee will be tasked with the responsibility of overseeing the risk management activities of the Company in relation to the New Business following the Proposed Diversification. The Audit Committee will endeavour to review and approve appropriate risk management procedures and measurement methodologies prior to the commencement of the New Business, and be involved in identifying and managing the various business risks for the New Business.

The Company will endeavour to ensure that the risk management systems implemented commensurate with the risk and business profile, nature, size and complexity of operations and business activities of the New Business, and will review such risk management systems periodically to assess adequacy.

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The Board and the Audit Committee will adopt internal policies and procedures for the management to consider before tabling proposals for any new projects or investments under the New Business.

Further, investments above an internally determined threshold (as approved by the Board from time to time) must be specifically approved by the Audit Committee. In addition, the Board and the Audit Committee, which review the risk exposure of the New Business of the Company at regular intervals, will review the risk exposure of the New Business at intervals of not less than annually.

The risk management and internal control systems, no matter how sophisticated in design, still contains inherent limitations caused by misjudgement or fault. Accordingly, there is no assurance that the risk management and internal control systems are adequate or effective notwithstanding the Group's efforts, and any failure to address any internal control matters and other deficiencies may result in investigations and/or disciplinary actions, or even prosecution being taken against the Company and/or its employees, disruption to the risk management system, and an adverse effect on the Group's financial condition and results of operations.

3.8. Risk Factors

To the best of the Directors' knowledge and belief, all risk factors which are material in making an informed decision in relation to the Proposed Diversification have been set out below. Shareholders should carefully consider and evaluate the risk factors set out herein and all other information contained in this Circular.

Any of the risks described below could have a material adverse effect on the Company's or the Group's results of operations, financial condition and prospects. In that event, the market price of the Shares may decline, and Shareholders may lose all or part of their investments in the Shares.

The risks declared below are not intended to be exhaustive. New risk factors may emerge from time to time and it is not possible for the management to predict all risk factors, nor can the Company assess the impact of all factors on the New Business or the extent to which any factor or combination of factors may affect the proposed New Business.

Shareholders should evaluate carefully the following considerations and the other information in this Circular before deciding on how to cast their votes at the EGM. The risks set out below are the material risks which the Group may face following the Proposed Diversification. If any of the following considerations, risks or uncertainties develops into actual events, the business, financial condition, results of operations, cash flow and prospects of the Group may be materially and adversely affected.

Shareholders should consider the risk factors in light of your own investment objectives and financial circumstances and should seek professional advice from your accountants, stockbrokers, bank managers, solicitors or other professional advisers if you have any doubt about the actions you should take.

There may be also other risks associated with the entry into the proposed property development, property investment and property management businesses which are not presently known to the Group, or that the Company may currently deem immaterial and as such, have not been included in the discussion below.

(a) The Group may not have the ability nor sufficient expertise to execute the New Business

There is no assurance that the existing management team of the Group has the relevant experience, expertise or manpower sufficient for the execution of the New Business, or that the Group will be able to engage the necessary professionals with the relevant experience and expertise if required.

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The existing management team may find themselves in an unfamiliar environment and business setting such that they are not able to operate efficiently and effectively. Unfavourable decisions may be made by the existing management team due to a lack of familiarity with the New Business.

Notwithstanding that the Group will have in place risk management procedures for the New Business, there are still inherent limitations caused by misjudgement or fault. Accordingly, there is no assurance that the risk management procedures will be or are adequate or effective.

(b) The Group may be unable to identify and secure new projects and leases of new sites to grow or develop the New Business

The performance and success of the New Business depends on the Group's ability to identify profitable projects and following such identification, to successfully implement and complete such projects. This ability may be negatively affected by various factors, including, amongst others, competition for new sites from other competitors, and changes to the general economic conditions in countries where the Group intends to operate its New Business. There is thus no guarantee that the Group will always be successful in identifying suitable projects or completing such projects profitably. The Group's inability to identify and secure leases of new sites at commercially acceptable prices could impair its ability to compete with other competitors and materially and adversely affect the Group's plans and growth prospects.

(c) The Group's performance may be adversely affected by poor consumer demand or a loss of tenants

The Group's performance may be largely dependent on its ability to secure tenants for its available properties for lease – especially key and regular tenants. There is no assurance that all or any of the Group's tenants, especially its key and regular tenants, will renew or continue to renew their lease agreements with the Group, or that the new or renewed lease terms will be as favourable to the Group as the existing lease.

Any bankruptcy, insolvency, or downturn in the business of the Group's tenants, including their decision not to renew any lease or to terminate any lease before it expires, will therefore adversely affect the New Business. The renewal of the Group's lease agreement with its tenants will also depend on its ability to negotiate lease terms acceptable to all parties involved.

The Group may grant to tenants and customers credit terms, which would then expose it to payment delays and/or defaults by its tenants and customers. Notwithstanding any such payment delays and/or defaults, the Group may continue to incur costs relating to the maintenance and upkeep of the properties leased by them.

In the event that any tenant does not renew its lease, the Group will need to find a replacement tenant or tenants, which could subject the Group to periods of vacancy and/or refitting for which the Group would not receive rental income, which in turn could adversely affect its rental income. In addition, there is no assurance that any substitute leases would be on terms that are as favourable as the existing leases.

The Group may also face competition for tenants for its properties. The competitors may be able to offer potential tenants other properties in similar or better locations and/or aggressively reduce their rental prices to compete for tenants. This may result in the Group having to reduce its rental prices, incur additional capital expenditure to increase attractiveness of its properties or engage in competitive strategies that may lower profit margins.

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(d) Risks in relation to shortage of labour and manpower and other costs

The Group's contractors, sub-contractors, suppliers and/or other service providers to be appointed in connection with the Group's property development activities may face foreign workers quota restrictions, labour shortages or otherwise experience difficulties in hiring or procuring the manpower needed to carry out and implement such property development activities which may affect their ability to carry out and implement such property development activities in a timely manner. Any interruption or termination in the services or deterioration in the performance of the Group's contractors, sub-contractors, suppliers and/or other service providers to be appointed in connection with such property development activities may cause delays or disruptions to the New Business. If the Group's arrangements with any of its contractors, sub-contractors, suppliers and/or other service providers to be appointed in connection with such property development activities are terminated, the Group may have to source for alternative contractors, sub-contractors, suppliers and/or other service providers and there is no assurance that these engagements will be on terms no less favourable to the Group as compared to the Group's then existing arrangements.

Further, there may be other unforeseen costs such as fluctuations in the costs of labour, building materials, equipment, rental and sub-contracting services or costs not previously factored into the contract value of contracts agreed to by the Company, which will lead to cost overruns that may have to be absorbed by the Group, and this will lead to an increase in the costs of such property development activities which may have an adverse impact on the Group's financial performance arising from the New Business.

Revenue for the New Business may also be derived from property management fees collected from the residents in any developments where the Group provides property management services. The Group's possible range of property management services could include the provision of security, building and equipment maintenance and repairs, cleaning services, facilities management, landscape maintenance and car park management. The Group may hire manpower and purchase the materials and/or equipment required to carry out such services. Should the prices of such manpower and the materials increase and if the Group is unable to pass on such increase in fees to the customers, the results of the Group's operations and financial condition could be materially and adversely affected. The Group cannot make any assurance that it will secure and retain enough customers such that the Group will enjoy significant economies of scale required for any property management business to be economically viable.

(e) The Group's performance may be affected by fluctuations in valuations of the investment properties and other assets

The New Business will require the Group to hold more physical assets, which exposes it to greater risks and valuation fluctuations in the open market that are beyond its control.

The fair values of the investment properties may be subject to reassessment for reporting purposes. Under the Singapore Financial Reporting Standards, gains or losses arising from changes in the fair value of the investment properties are included in the Group's income statement in the period in which they arise. However, fair value gains do not change the Group's overall cash position or liquidity as long as the Group continues to hold such investment properties.

The amount of fair value adjustments may also be subject to market fluctuations. The changes in market conditions may create fair value gains for losses on the Group's investment properties. In particular, the fair value of the investment properties could decline in the event that, among other things, the real estate industry experiences a downturn as a result of government policies aimed at "cooling-off" the real estate market, or any global market fluctuations and economic downturn.

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In addition, fair value gains of the Group's properties are based on valuations performed by an independent valuer and are calculated based on assumptions adopted by them. There is no assurance that the assumptions used by the independent valuer will be realised. Any decrease in the fair value of the Group's investment properties could lead to a decrease in fair value gains on investment properties in the Group's income statement which could adversely affect its financial performance.

(f) The Group may not be able to secure the capital investments needed to undertake the New Business

The New Business may require strong financial holding power to maintain investment properties until a suitable price can be attained, which will likely require substantial capital investments or cash outlay. There is no assurance that financing, either on a short term or a long term basis, will be made available or, if available, that such financing can be obtained on commercially reasonable terms, in which event the Group's future plans and growth prospects will be adversely affected.

Additional debt funding is also subject to interest payments and interest rate fluctuations, and may also be subject to conditions that restrict or require consent for corporate restructuring, additional financing or fund raising, requirements on the maintenance of certain financial ratios. These conditions may reduce the availability of the Group's cash flow for capital expenditures, working capital and other general corporate purposes. In addition, these conditions may limit the flexibility of the Group in planning for, or reacting to, changes in the business or industry and increase the Group's vulnerability to general adverse economic and industry conditions, and may limit the Company's ability to pay dividends.

Additional equity financing may result in a dilution to Shareholders' equity interests and may, in the case of a rights issue, require additional investments by Shareholders. If such additional equity fundraising activities do not generate a commensurate increase in earnings, the Company's EPS may be diluted, and may result in a decline in Share price. Further, an issue of Shares below the then prevailing market price will also affect the value of Shares then held by investors. Dilution in Shareholders' equity interests may occur even if the issue of Shares is at a premium to the market price.

Any inability to secure adequate equity or debt financing may adversely affect the Company's business, financial condition, results of operations and prospects.

(g) The Group may face difficulties in implementing and integrating the New Business and may be required to devote significant time and resources to the New Business

There can be no assurance that the Group will be successful in implementing and integrating the New Business. Delays in implementation and/or integration of the New Business into the Group may divert the attention and resources of the Group's management, delay the commencement of or prevent revenue growth in any of the businesses, which may materially and adversely affect the results of operations or financial position of the Group.

Further, the Group may be required to devote significant time and resources to the New Business, including but not limited to overseeing any property development, investment or management project or the operations, financial position, compliance with laws, management, and other issues of a subsidiary or associated company involved in the New Business, and/or providing financial support for any property development, investment or management projects, or for liquidity requirements or financial obligations of a subsidiary or associated company involved in the New Business. This may consequentially stretch or reduce the resources available for, and the Group's management's time and focus on, the Existing Business, which may have a negative impact on the Existing Business.

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(h) The Group's performance will be subject to macro-economic risks confronted by the New Business

The New Business may be affected by many factors beyond the Group's control. The fluctuating, volatile, and uncertain nature of any of the following factors (several of which are further elaborated below) that affect the economy or property market, whether globally or in any country in which the Group operates in, may adversely affect the business and test the Group's resilience to confront them:-

- (i.) economic, political, and social conditions;
- (ii.) natural disasters, terrorism, and war;
- (iii.) disease outbreaks and pandemics (e.g. COVID-19);
- (iv.) legal and regulatory changes;
- (v.) liquidity and risk aversion;
- (vi.) equity, debt, property, commodity, and other financial markets;
- (vii.) interest rates and foreign currency exchange rates;
- (viii.) inflation and consumer demand; and
- (ix.) investor confidence levels.

The New Business is susceptible to the vagaries of the global financial markets. In the event of a global financial slowdown, crisis or global pandemic, apart from potential lower sales, the customers of the New Business may also not be able to obtain adequate access to credit, which could affect their ability to make timely payments, which causes the Group's accounts receivable and bad debts to potentially increase. In addition, the business, results of operations and financial condition of the New Business may be materially and adversely affected if key suppliers which the New Business relies on are unable to provide the materials needed on a timely basis or on terms that the Group finds acceptable. A global economic downturn could adversely affect the Group's ability to obtain short-term and long-term financing. It could also result in an increase in the cost of the Group's bank borrowings and affect the Group's ability to borrow. The inability to access capital efficiently, on time, or at all, as a result of possible economic difficulties may materially and adversely affect the business, results of operations and financial condition of the New Business.

The New Business will face risks in relation to interest rate movements in particular as a result of the debts intended to be undertaken to finance the New Business. Changes in interest rates will affect the Group's interest income and interest expense from short term deposits and other interest-bearing financial assets and liabilities. This could in turn have a material and adverse effect on the Group's net profits.

(i) The Group is subject to liquidity or late payment or non-payment risks

The Group may face uncertainties over the timeliness of customers' payments and their solvency or creditworthiness in respect of property management services provided by the Group in connection with the New Business, as the case may be. There is no assurance that the Group will be able to collect such payments on a timely basis or at all. In the event that there are defaulting customers or a significant delay in collecting payments from customers, the Group may face stress on its liquidity and cash flow. Furthermore, some of the Group's customers may default on their payments to the Group, owing to events or circumstances that are difficult to anticipate or detect that would have an impact on the Group's customers' ability to make timely payments.

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As a result of the Group's customers defaulting on their payments to it, the Group would have to make provisions for doubtful debts, or to incur write-offs, which may have an adverse effect on its operating results and profitability.

(j) The Group is subject to various government regulations in the New Business

The New Business is exposed to the risks posed by current and potential future regulations and legislation that apply to the country or industry in which the Group or its joint venture partners operate and the countries or industries its clients operate. The acquisition or ownership of real estate is often subject to laws restricting or taxing foreign ownership and this may affect the Group's ability to fully exploit ownership opportunities and investment returns in the acquisition and development of Property Related Assets overseas. Post-acquisition, the Group is also exposed to risks from changes to governing laws, taxation regime, and situational land acquisition affecting the Group's Property Related Assets overseas, eg. imposition of or changes to foreign ownership restrictions requiring higher interests from local joint venture partners, imposition of or increase in stamp duties or capital gains taxes upon realisation or disposition of Property Related Assets and compulsory land acquisition by the foreign governments or states for public development projects such as rapid transit systems, high speed railways, etc.

The New Business may require certain statutory and regulatory licences, permits, consents and approvals to operate. These licences, permits, consents and approvals may be granted for fixed periods of time and may need to be renewed after expiry from time to time. The Group may not be able to apply for and obtain the relevant licences, permits, consents and approvals required for its projects or otherwise within the statutory time limits, and there can be no assurance that the relevant authorities will issue any such licences, permits, consents or approvals in time or at all. Failure by the Group to renew, maintain or obtain the required licences, permits, consents or approvals, or cancellation, suspension or revocation of any of its licences, permits, consents or approvals may result in the Group being unable to undertake the relevant segment of the New Business and/or in the interruption of its operations and may have a material adverse effect on its business.

The Group must also comply with the applicable laws and regulations in the New Business, failing which the Group may be subject to penalties, have its licences or approvals revoked, or lose its right to own or manage its properties which may have a material and adverse impact on the Group's business, financial condition, results of operations and prospects. Further, any changes in applicable laws and regulations could result in higher compliance costs and adversely affect the operations of the Group and the financial performance of the Group.

(k) The Group is subject to risks associated with the operation of businesses outside of Singapore

The Group does not plan to restrict the Proposed Diversification to any specific geographical market. As such, there are risks inherent in operating businesses overseas, which include unexpected changes in regulatory requirements, difficulties in staffing and managing foreign operations, social and political instability, fluctuations in currency exchange rates, potentially adverse tax consequences, legal uncertainties regarding the Group's liability and enforcement, changes in local laws and controls on the repatriation of capital or profits. Any of these risks could adversely affect the Group's overseas operations and consequently, its business, financial performance, financial condition and operating cash flow.

Further, the revenue from the New Business may be generated from overseas markets and in foreign currencies. To the extent that the Group's revenue, purchases and operating costs are not matched in the same currency and to the extent there are timing differences between invoicing and collection of payment, as the case may be, the Group may be exposed to any unfavourable fluctuations of such currencies of the jurisdictions in which the Group will be engaging in to conduct the New Business, and the Group's operating results may be materially or adversely affected.

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- (l) The Group may face intense competition from existing competitors and new market entrants in the New Business

The New Business is highly competitive, with strong competition from established industry participants who may have larger financial resources, command greater market share and/or stronger track records. There is no assurance that the Group will be able to provide comparable services and/or lower prices to compete effectively or respond more quickly to market trends than potential or existing competitors. If so, the Group's business operations, financial performance and financial condition may be adversely affected.

- (m) The Group may not be able to generate adequate returns on its properties held for long-term investment purposes

Property investment is subject to varying degrees of risks. The investment returns available from real estate investments depend primarily on the amount of capital appreciation generated and income earned from the rental of the relevant properties and expenses incurred. The revenue derived from the disposal of such investment properties will depend on market conditions and levels of liquidity, which may be subject to significant fluctuations and therefore test the holding power of the Group.

The revenue derived from the rental of the relevant properties may be adversely affected by a number of factors, including but not limited to changes in market rates for comparable rentals, the inability to secure renewal of tenancies from tenants, the inability to collect rent due to bankruptcy or insolvency of tenants and the cost from ongoing maintenance, repair and re-letting. In the event that the Group acquires properties for investment and if the Group is unable to generate adequate returns for such investment properties that it acquires, its financial condition and results of operations may be adversely affected.

Further, invested properties are relatively illiquid, and the Group may be unable to convert real estate asset portfolio into cash on short notice. To facilitate a sale of illiquid property assets on short notice, the Group may have to lower the selling price substantially. Illiquidity of property assets also limits the Group's ability to vary its portfolio in response to changes in economic or other conditions in a timely manner. In the event of any adverse change in market conditions or in the event of a need to lower the prices of properties to effect the sale of properties, the Group may not be able to sell its property projects or property investments at above its costs, resulting in the Group suffering losses on the project or property and adversely affecting the Group's financial position.

- (n) The property investment and development operations of the New Business will be subject to risks in relation to pre-sold properties

The Group may pre-sell its properties prior to completion in line with industry practice.

In the event of a failure or delay in the delivery of pre-sold properties to purchasers, the Group may be liable for potential losses that purchasers may suffer as a result. Such failure or delay may be attributed to factors such as the duration and the costs involved in completing construction, which are in turn adversely affected by factors such as delays in obtaining requisite licences, permits or approvals from government agencies or authorities, shortages of labour or raw materials, adverse weather conditions, natural disasters, labour disputes, disputes with contractors, insolvency or cessation of business by sub-contractors, accidents, and changes in government priorities and policies. If the delay in delivery extends beyond the contractually specified period, the purchasers may also be entitled to terminate the pre-sale agreements and claim refunds of monies paid, damages and/or compensation for late delivery. There is no guarantee that its property investment and development operations will not experience significant delays in completion or delivery of pre-sold properties.

Such failure and delay may therefore lead to a material adverse effect on the Group's revenue, financial performance, prospects and profitability.

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- (o) The Group may be subject to the cyclical nature of the property market in the countries it plans to expand to

In general, the cyclical nature of the property market in most countries affects property values largely through supply and demand of comparable properties, the rate of economic growth in such countries and political and economic developments in such countries and neighbouring regions. Some property markets are also affected by property cooling measures imposed by the regulatory authorities. There can be no assurance that such further measures will not be introduced and that property values will not decline in the future.

Furthermore, in the event of economic decline (whether as a result of an outbreak of infectious diseases such as COVID-19 or otherwise), the Group may experience regulatory pressures, or market pressures from tenants or prospective tenants, to provide rent reductions or longer rent-free periods than usually given on investment properties or pressures from prospective purchasers to provide reduced market prices for the sale of properties. These events may adversely affect the property market and in turn the financial performance of the Group.

- (p) The New Business may be susceptible to fluctuations in foreign exchange rates that could result in the Group incurring foreign exchange losses

The revenue from the New Business may be generated from overseas markets. To the extent that the Group's revenue, purchases and operating costs are not matched in the same currency and to the extent there are timing differences between invoicing and collection of payment, as the case may be, the Group may be exposed to any unfavourable fluctuations of such currencies of the jurisdictions in which the Group will be engaging in to conduct the New Business, and the Group's operating results may be materially or adversely affected.

- (q) The Group is subject to risks inherent in investing in entities which it does not control and the manner in which it holds its investments and property interests

The Group may hold property investments through or make investments in entities that are not the Group's subsidiary, and over which the Group does not have majority control. The performance of these entities and the Group's share of their results are subject to the same or similar risks relating to the New Business described herein that affect the Group. There is no assurance that the Group will be able to influence management, operation, and performance of these entities through its voting rights in a manner which would be favourable to the Group, or at all. If all or any of these entities were to perform poorly, the Group's overall business, financial condition, results of operations and prospects may be adversely affected.

- (r) The Group may lose its deposits on transactions involving the acquisition of land and/or rights over land

The Group may be required to pay certain deposits in connection with its acquisition of land and/or rights over land in line with industry practice. Such deposits, if refundable, may be susceptible to counterparty risk whereby the recipients of the deposits do not refund the deposits to the Group. In the event of any significant delay or inability to recover such deposits, the Group's results of operation and financial condition may be adversely affected.

- (s) The Group may be exposed to risk of loss and potential liabilities that may not be covered by insurance

While the Group will, where appropriate, obtain insurance policies to cover losses with respect to its properties, the insurance obtained may not be sufficient to cover all potential losses. Examples of such potential losses include losses arising out of extraordinary events such as natural disasters like wildfires, tornadoes, tropical storms, landslides, earthquakes, tsunami, floods and hail. Revenue from hospitality operations may also be affected by closures and travel restrictions imposed by governments such as during pandemic control lockdowns or evacuation during wildfires. Losses arising out of damage to the Group's

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properties not covered by insurance policies in excess of the amount it is insured would affect the Group's profitability. The Group may also have to commit additional resources, other than to meet the uninsured losses, to complete a project, which would also adversely affect the financial performance of the Group.

- (t) The Group may face potential liability and claims from property development projects (if any) and may be involved in legal and other proceedings arising from its operations from time to time

The time required to complete a property development project depends on various factors, including the size of the project, prevailing market conditions and availability of resources. Delays may arise due to various factors, including adverse weather conditions, natural calamities, power failure, machinery and equipment breakdown, shortage of construction materials, shortage of labour, accidents, cessation of business of the Group's contractors, disputes with contractors, quality and execution issues, and unexpected delays, such as delays in obtaining required approvals. Such delays may result in cost overruns and increased financing costs and accordingly affect the Group's profitability or lead to claims for liquidated damages from purchasers of the properties.

Accidents during the course of construction may give rise to personal injuries and third party liability. If accidents occur but are not covered by the Group's insurance policies, or if claims arising from such accidents are in excess of its insurance coverage and/or any of its insurance claims are contested by its insurers, the Group will be required to pay compensation and its financial performance may be adversely affected. Such accidents could also have an adverse impact on the Group's operations if the Group is required by regulatory manpower authorities to suspend its operations for a period of time. This may result in fines or delays in project completion and possibly, cost overruns or liquidated damages, which will in turn affect the Group's profitability. Such accidents could damage the Group's reputation and may, as a result, lead to a loss of business.

In addition, the Group may be involved from time to time in disputes with various parties involved in the property development, investment or management projects that the Group undertakes. These parties include contractors, sub-contractors, suppliers, construction companies, purchasers, tenants and other partners.

Claims may also be made against the Group by the owners or occupiers of neighbouring properties in respect of the use and enjoyment of such properties. These disputes may lead to legal and other proceedings. The Group may also have disagreements with regulatory bodies in the jurisdictions in which the Group operates and these may subject the Group to administrative proceedings. In the event that unfavourable decrees are determined by the courts or the regulatory bodies, the Group may suffer not only financial losses but also a delay in the construction or completion of its projects. In such an event, the Group may be liable for damages and incur legal costs, which will have an adverse effect on the Group's financial performance, business reputation and financial condition.

- (u) The Group may be exposed to reputational risks in connection with the New Business

Any shift in perception of the New Business caused by media influences, peer perceptions or otherwise, or any report which surfaces in the media relating to the New Business, including but not limited to any issues (actual or alleged) relating to property development, investment or management projects undertaken by the Group (whether due to any issues of quality, timing and/or services of the Group or otherwise), regardless of merits, could expose the Company to reputational harm. The Group's business, financial condition, results of operations and prospects may be materially and adversely affected as a result.

LETTER TO SHAREHOLDERS

As the New Business is a new area of business to the Company, the Company will face the usual risks, uncertainties and problems associated with the entry into any new business which it has no prior track record in. These risks, uncertainties and problems include financial costs of setting up new operations, capital investment and maintaining working capital requirements, the inability to manage the operations and costs, the failure to provide the results, level of revenue and margins that the Company expects, and the inability to find the suitable joint venture, strategic or other business partners. There is no assurance that the management of the Company will be able to ensure success in undertaking the New Business.

If any of the above risks materialise, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

3.9. Future Plans and Prospects

The Group will continue with its Existing Business. The entry into the New Business is intended to be a diversification of the Group's Existing Business as part of the corporate strategy of the Group to provide Shareholders with diversified returns and long-term growth. The Proposed Diversification will offer new business opportunities and provide the Group with new revenue streams so as to enhance Shareholders' value for the Company.

3.10. Changes to the Board of Directors Arising from the Proposed Diversification

There will be no new appointment to the Board of Directors arising from the Proposed Diversification.

3.11. Financial Effects of the Proposed Diversification

As at the Latest Practicable Date, the Company has no affirmative and binding plans in relation to the New Business that is expected to materially impact the net profit, EPS or NTA of the Group.

Should there be any material impact on the Group's NTA per Share and EPS for FY2023 as a result of any developments relating to the New Business, the Company will make the necessary announcements at the appropriate time.

4. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of Directors and Substantial Shareholders in the Shares of the Company, as at the Latest Practicable Date, are as follows:-

	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	% ⁽²⁾
Directors						
Dr Tan Kok Heng	–	–	–	–	–	–
Tan Jit Meng	45,454,545	26.42	–	–	45,454,545	26.42
Lu King Seng	–	–	–	–	–	–
Wee Shuo Siong Milton	–	–	–	–	–	–
Substantial Shareholders (other than Directors)						
Soh Loong Chow Jackie	45,454,545	26.42	–	–	45,454,545	26.42
Wee Henry ⁽¹⁾ ("Mr Wee")	24,411,499	14.19	15,394,200	8.95	39,805,699	23.14
Tan Chee Khoon	23,181,818	13.48	–	–	23,181,818	13.48

Notes:

- (1) Mr Wee is deemed to be interested in the shares held by Fortsmith Investments Limited by virtue of Section 7 of the Companies Act 1967. Mr Wee is also deemed to be interested in the shares held by a nominee, Nomura Singapore Limited.
- (2) As a percentage of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date comprising 172,027,726 Shares.

LETTER TO SHAREHOLDERS

None of the Directors or Substantial Shareholders has any interest, direct or indirect, in the proposed adoption of the Share Buy-Back Mandate and Proposed Diversification, other than through their respective shareholdings in the Company as disclosed above.

5. DIRECTORS' RECOMMENDATIONS

5.1. Proposed Adoption of Share Buy-Back Mandate

The Directors having considered, *inter alia*, the terms and rationale of the Proposed Adoption of the Share Buy-Back Mandate, are of the opinion that the proposed adoption of the Share Buy-Back Mandate is in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend that Shareholders vote in favour of ordinary resolution 1 relating to the proposed adoption of the Share Buy-Back Mandate to be tabled at the EGM.

5.2. Proposed Diversification

The Directors having considered, *inter alia*, the terms and rationale of the Proposed Diversification, are of the opinion that the Proposed Diversification is in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend that Shareholders vote in favour of ordinary resolution 2 relating to the Proposed Diversification to be tabled at the EGM.

6. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages N-1 to N-4 of this Circular, will be held at 39 Sungei Kadut Loop, Singapore 729494 on 25 October 2023 at 3:00 p.m. (or as soon as thereafter following the conclusion or adjournment of the annual general meeting of the Company to be held at 2:00 p.m. on the same day) for the purpose of considering and, if thought fit, passing with or without modifications the ordinary resolutions set out in the notice of EGM on pages N-1 to N-4 of this Circular.

7. ACTIONS TO BE TAKEN BY SHAREHOLDERS

7.1. Appointment of Proxies

Shareholders should note that the EGM will be convened in a physical format only. Shareholders will not be able to participate electronically in any manner whatsoever. Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend and vote at the EGM on their behalf are requested to complete, sign and return the Proxy Form attached to the Notice of EGM in accordance with the instructions printed thereon as soon as possible and by completing and submitting the duly completed Proxy Form to the Company in the following manner:

- (a) if sent personally or by post, be received by the Company's registered office at 39 Sungei Kadut Loop, Singapore 729494; or
- (b) if submitted by email, be received by the Company by email at wkwk@lincotrade.com.sg,

in either case, by 3:00 p.m. (Singapore Time) on 22 October 2023. A member who wishes to submit the Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or by scanning and submitting it by way of electronic means via email to the email address provided above. Members are strongly encouraged to submit the completed Proxy Forms by way of electronic means via email. The completion and return of the Proxy Form by such Shareholder will not prevent him from attending and voting at the EGM in person if he so wishes.

7.2. When Depositor regarded as Shareholder

A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register as certified by CDP at least seventy-two (72) hours before the time fixed for holding the EGM.

LETTER TO SHAREHOLDERS

7.3. Submission of Questions in advance of the EGM

Shareholders may submit questions which are substantial and relevant to the ordinary resolutions tabled for approval at the EGM by writing to the Company in advance of the EGM. Alternatively, Shareholders may also pose such questions during the EGM.

Substantial and relevant questions related to the agenda of the EGM must be submitted in the following manner:

- (a) via email at wlkwek@lincotrade.com.sg; or
- (b) via post to the registered office of the Company at 39 Sungei Kadut Loop, Singapore 729494

in either case, by 3:00 p.m. on 18 October 2023 on for the purposes of the EGM (“**Cut-Off Time**”).

When submitting questions by post or via email, Shareholders should also provide the following details: (i.) the Shareholder’s full name, (ii.) the Shareholder’s email address, and (iii.) the manner in which the Shareholder holds shares in the Company (e.g., via CDP, CPF/SRS and/or physical scrip), for verification purposes.

The Company will endeavor to address all substantial and relevant questions received from members by the Cut-Off Time and publish its response on the SGXNet at URL <https://www.sgx.com/securities/company-announcements> and at the Company’s website at URL <https://www.lincotrade.com.sg/> not later than 3.00 p.m. on 20 October 2023. Where substantial and relevant questions are unable to be answered prior to the EGM, the Company will address them at the EGM.

The Directors will endeavour to address as many substantial and relevant questions as possible during the EGM. However, Shareholders should note that there may not be sufficient time available at the EGM to address all questions raised. Please note that individual responses will not be sent to Shareholders.

The Company will also publish the minutes of the EGM on SGXNET and the Company’s website within one month after the date of the EGM.

A copy of this Circular, the Notice of EGM and the Proxy Form will be uploaded on SGXNET. A Shareholder will need an Internet browser and PDF reader to view these documents on SGXNET.

SHAREHOLDERS ARE ADVISED TO READ IN ITS ENTIRETY THIS CIRCULAR (TOGETHER WITH ALL DOCUMENTS ATTACHED THERETO) CAREFULLY AND THOROUGHLY BEFORE DECIDING WHETHER TO VOTE FOR OR AGAINST THE ORDINARY RESOLUTIONS SET OUT IN THE NOTICE OF EGM.

8. DIRECTORS’ RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the proposed adoption of the Share Buy-Back Mandate and Proposed Diversification, and the Company and its subsidiaries and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

LETTER TO SHAREHOLDERS

9. CONSENT

Altum Law Corporation, named as the legal adviser to the Company as to Singapore law in relation to the preparation of this Circular, has given and has not withdrawn its written consent to the issuance of this Circular with the inclusion of its name and all references thereto, in the form and context in which they appear in this Circular.

10. DOCUMENTS AVAILABLE FOR INSPECTION

10.1. Copies of the following documents may be inspected at the registered office of the Company at 39 Sungei Kadut Loop, Singapore 729494 during normal business hours from the date hereof up to and including the date of the EGM:

- (a) the annual report of the Company for FY2023;
- (b) the Constitution of the Company; and
- (c) Consent letter from the legal adviser to the Company.

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

By Order of the Board

Tan Jit Meng
Managing Director

NOTICE OF EXTRAORDINARY GENERAL MEETING

LINCOTRADE & ASSOCIATES HOLDINGS LIMITED

(Company Registration Number: 200413128G)
(Incorporated in the Republic of Singapore)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (“**EGM**”) of Lincotrade & Associates Holdings Limited (“**Company**”) and together with its subsidiaries, the “**Group**”) will be held at 39 Sungei Kadut Loop, Singapore 729494 on Wednesday, 25 October 2023 at 3.00 p.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 2.00 p.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without amendments, the ordinary resolutions as set out below (“**Notice**”).

All capitalised used in this Notice which are not defined herein shall have the meanings ascribed to them in the accompanying circular dated 10 October 2023 to shareholders of the Company.

ORDINARY RESOLUTION 1: PROPOSED ADOPTION OF THE SHARE BUY-BACK MANDATE

THAT:

- (a) for the purposes of the Companies Act 1967 of Singapore (“**Companies Act**”), the exercise by the directors of the Company (“**Directors**”) of all the powers to purchase or otherwise acquire ordinary shares in the capital of the Company (“**Shares**”) not exceeding in aggregate the Maximum Limit (defined below), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (defined below), whether by way of:
- (i) on-market purchases (“**Market Purchase(s)**”) effected on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) through the SGX-ST trading system, through one or more duly licensed stock brokers appointed by the Company for the purpose; and/or
 - (ii) off-market purchases (“**Off-Market Purchase(s)**”) effected pursuant to an equal access scheme(s) as may be determined or formulated by the Directors from time to time as they consider fit, which scheme(s) shall satisfy all conditions prescribed by the Companies Act;

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Companies Act and the SGX-ST Listing Manual Section B: Rules of Catalist as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (“**Share Buy-Back Mandate**”);

- (b) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors pursuant to the Share Buy-Back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this resolution relating to the Share Buy-Back Mandate and expiring on:
- (i) the date on which the next annual general meeting of the Company is held or required by law to be held;
 - (ii) the date on which the authority conferred by the Share Buy-Back Mandate is revoked or varied by shareholders of the Company (“**Shareholders**”) in a general meeting; or
 - (iii) the date on which the purchases or acquisitions of Shares pursuant to the Share Buy-Back Mandate are carried out to the full extent mandated,

whichever is the earliest (the “**Relevant Period**”);

NOTICE OF EXTRAORDINARY GENERAL MEETING

(c) in this resolution relating to the Share Buy-Back Mandate:

“Average Closing Price” means the average of the closing market prices of the Shares traded on the SGX-ST over the last five (5) Market Days, on which transactions in the Shares were recorded, immediately preceding the day of the Market Purchase by the Company or, as the case may be, the day of the making of the offer 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 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;

“Market Day” means a day on which the SGX-ST is open for trading in securities;

“Maximum Limit” means that number of Shares representing not more than 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the resolution passed by Shareholders for the Share Buy-Back Mandate, 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 reduction (excluding any treasury shares and subsidiary holdings as may be held by the Company from time to time);

“Maximum Price” in relation to a Share to be purchased, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) not exceeding:

- (i) in the case of a Market Purchase, 105% of the Average Closing Price; and
 - (ii) in the case of an Off-market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price;
- (d) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Buy-Back Mandate shall, at the discretion of the Directors, either be cancelled or held in treasury and dealt with in accordance with the Companies Act; and
- (e) the Directors and/or any of them be and are hereby authorised to complete and do all such acts and things (including, without limitation, executing such documents as may be required and to approve any amendments, alterations or modifications to any documents) as they and/or he may consider desirable, expedient or necessary to give effect to the transactions contemplated and/or authorised by this resolution relating to the Share Buy-Back Mandate.

[See Explanatory Note]

ORDINARY RESOLUTION 2: PROPOSED DIVERSIFICATION

THAT:

- (a) approval be and is hereby given for the diversification by the Group of its Existing Business to include the business of property development, property investment and property management as described in the Circular and any other activities related to the New Business;
- (b) the Company be and is hereby authorised to invest in, purchase or otherwise acquire or dispose of, from time to time any such assets, investments and shares or interests in any entity that is in the New Business on such terms and conditions as the Directors deem fit, and such Directors be and are hereby authorised to take such steps and exercise such discretion and do all such acts or things as they deem desirable, necessary or expedient or give effect to such investment, purchase, acquisition or disposal; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (c) the Directors or any of them be and are hereby authorised to exercise such discretion to complete and do all such acts and things, including without limitation, to sign, seal, execute and deliver all such documents and deeds, and to approve any amendment, alteration or modification to any document, as they or he may consider necessary, desirable or expedient or in the interest of the Company to give effect to this ordinary resolution as they or he may think fit.

By Order of the Board

Nor Hafiza Alwi
Company Secretary
10 October 2023
Singapore

Explanatory Note:

Ordinary resolution 1, if passed, will empower the Directors during the Relevant Period, to purchase or otherwise acquire, by way of Market Purchases or Off-Market Purchases, up to 10% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the resolution passed by Shareholders for the Share Buy-Back Mandate on the terms of the Share Buy-Back Mandate as set out in the Company's circular dated 10 October 2023 in relation to the proposed adoption of the Share Buy-Back Mandate ("**Circular**").

The Company may use internal sources of funds or external borrowings or a combination of both to finance the Company's purchase or acquisition of the Shares pursuant to the Share Buy-Back Mandate. The amount of financing required for the Company to purchase or acquire its Shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this notice of EGM as these will depend on, *inter alia*, the aggregate number of Shares purchased or acquired, whether the purchase or acquisition 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.

Illustrative financial effects of the Share Buy-Back Mandate based on the audited financial statements of the Company and its subsidiaries for the financial year ended 30 June 2023 and certain assumptions, are set out in Section 2.8 of the Circular.

Notes:

1. A printed copy of this notice of EGM (the "**Notice**") will be sent to the members. Printed copy of the Circular will not be sent to members, instead, it will be made available to members by electronic means via publication on the Company's website at the URL <https://www.lincotrade.com.sg/> and on the SGXNet at the URL <https://www.sgx.com/securities/company-announcements>. Members have the right to elect whether to receive the Circular in physical copy by completing the Request Form sent together with the Notice. Please refer to and read the instructions set out in the Request Form carefully.
2. A proxy need not be a member of the Company.
3. The instrument appointing a proxy or proxies, together with the power of attorney or other authority under which it is signed (if applicable) or a notarial certified copy thereof, must:
 - (a) if sent personally or by post, to the registered office of the Company at 39 Sungei Kadut Loop, Singapore 729494; or
 - (b) if submitted by email, be received by the Company at wlkwek@lincotrade.com.sgin either case, by 3.00 p.m. on 22 October 2023, being not less than seventy-two (72) hours before the time appointed for holding the EGM (or at any adjournment thereof) and in default the instrument of proxy shall not be treated as valid.
4. For investors who hold shares through relevant intermediaries, including CPF and SRS investors, who wish to appoint the Chairman of the EGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes, at least seven (7) working days before the time appointed for the holding of the EGM (ie. by 3.00 p.m. on 16 October 2023). CPF investors and/or SRS investors are requested to contact their respective CPF and/or SRS Operators for any queries they may have with regard to the appointment of the Chairman of the EGM as proxy for the EGM.
5. Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Act, a member entitled to attend and vote at this EGM is entitled to appoint not more than two proxies to attend and vote in his stead.
6. Where a member appoints more than one proxy, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy. If no percentage is specified, the first named proxy shall be treated as representing 100 per cent of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.

NOTICE OF EXTRAORDINARY GENERAL MEETING

7. A member who is a Relevant Intermediary is entitled to appoint more than two proxies to attend and vote at this EGM, but each proxy must be appointed to exercise the rights attached to a different share held by such member. Where such member appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.
8. If the appointor is a corporation, the proxy must be executed under seal or the hand of its duly authorised officer or attorney.
9. A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at seventy-two (72) hours before the time appointed for holding the EGM in order for the Depositor to be entitled to attend and vote at the EGM.
10. The appointment of a proxy(ies) shall not preclude a member from attending, speaking and voting in person at the EGM. If a member attends the EGM in person, the appointment of a proxy(ies) shall be deemed to be revoked, and the Company reserves the right to refuse to admit such proxy(ies) to the EGM.

IMPORTANT INFORMATION

1. Attendance

The EGM is being convened and will be held physically (“**Physical Meeting**”).

2. Voting

Voting on the resolutions tabled at the EGM will be by poll in accordance with the Constitution of the Company.

3. Submission of Questions in Advance

Members may submit their questions in relation to the resolutions of the EGM by email to:

- (a) email to: wlkwek@lincotrade.com.sg; or
- (b) post to the registered office at 39 Sungei Kadut Loop, Singapore 729494

When submitting questions by post or via email, members should also provide the following details: (i) the member's full name; (ii) the member's email address; and (iii) the manner in which the member holds shares in the Company (e.g., via CDP, CPF/SRS and/or physical scrip), for verification purposes.

All questions must be submitted by **3.00 p.m. on 18 October 2023** (“**Cut-Off Time**”).

The Company will endeavor to address all substantial and relevant questions received from members by the Cut-Off Time and publish its response on the SGXNet at URL <https://www.sgx.com/securities/company-announcements> and at the Company's website at URL <https://www.lincotrade.com.sg/> not later than 3.00 p.m. on 20 October 2023. Where substantial and relevant questions are unable to be answered prior to the EGM, the Company will address them at the EGM.

Verified members and proxy(ies) attending the Physical Meeting will be able to ask questions in person at the EGM venue.

The Company will, within one month after the date of the EGM, publish the minutes of the EGM on SGXNET and the Company's website and the minutes will include the responses to the questions referred to above.

PERSONAL DATA PRIVACY:

By submitting a Proxy Form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

*This Notice has been reviewed by the Company's sponsor, RHB Bank Berhad, through its Singapore branch (the “**Sponsor**”) in accordance with Rule 226(2)(b) of the Catalist Rules. This Notice has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this presentation, including the correctness of any of the statements or opinions made or reports contained in this presentation. The contact person for the Sponsor is Mr Alvin Soh, Head, Corporate Finance, RHB Bank Berhad, Singapore branch, at 90 Cecil Street, #03-00 Singapore 069531, Telephone: +65 6320 0627.*

PROXY FORM

LINCOTRADE & ASSOCIATES HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 200413128G)

PROXY FORM

IMPORTANT:

1. Relevant intermediaries (as defined in Section 181 of the Companies Act 1967) may appoint more than two proxies to attend, speak and vote at the Extraordinary General Meeting.
2. For CPF/SRS investors who have used their CPF/SRS monies to buy the Company's shares, this Proxy Form is not valid for use by CPF/SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF/SRS investors should contact their respective Agent Banks/SRS Operators if they have any queries regarding their appointment as proxies.

*I/We _____

(NRIC/Passport No./Company Registration Number)* of _____

being a member / members of the above-mentioned Company, hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No.of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No.of Shares	%
Address			

or failing him/her, the Chairman of the Meeting as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the Extraordinary General Meeting ("EGM") of the Company to be held at 39 Sungei Kadut Loop, Singapore 729494 on Wednesday, 25 October 2023 at 3.00 p.m. (or as soon thereafter following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 2.00 p.m. on the same day and at the same place) and at any adjournment thereof.

I/We direct my/our proxy/proxies to vote for, against or abstain the Resolutions to be proposed at the EGM as hereunder indicated. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

The ordinary resolutions put to the vote at the EGM shall be decided by way of poll.

No.	Ordinary Resolution	For	Against	Abstain
1.	To approve the Proposed Adoption of the Share Buy-Back Mandate			
2.	To approve the Proposed Diversification			

Dated this _____ day of _____ 2023.

Total no. of Shares in	No. of Shares
(a) Depository Register	
(b) Register of Members	

Signature(s) of member(s)/Common Seal of Corporate member(s)

* Delete where inapplicable

IMPORTANT: PLEASE READ NOTES FOR PROXY FORM OVERLEAF



PROXY FORM

Notes to the Proxy Form:

1. Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act 1967 (the “**Companies Act**”) a member entitled to attend and vote at the EGM is entitled to appoint not more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company.
2. Where a member appoints more than one proxy, he/she should specify the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy and if no percentage is specified, the first named proxy shall be treated as representing 100 per cent of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.
3. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert the number of shares. If the member has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members of the Company, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member of the Company.
4. Pursuant to Section 181(1C) of the Companies Act, a member who is a Relevant Intermediaries is entitled to appoint more than two proxies to attend, speak and vote at the EGM provided that each proxy is appointed to exercise the rights attached to different shares held by the member. In such event, the relevant intermediary shall submit a list of its proxies together with the information required in this proxy form to the Company.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorized in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
6. A corporation which is a member may authorise by resolution of its directors or other governing body such a person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act 1967.
7. The instrument appointing a proxy or proxies, together with the power of attorney or other authority under which it is signed (if applicable) or a notarial certified copy thereof, must:
 - (a) if sent personally or by post, to the registered office of the Company at 39 Sungei Kadut Loop, Singapore 729494; or
 - (b) if submitted by email, be received by the Company at wlkwek@lincotrade.com.sgin either case, by 3.00 p.m. on 22 October 2023) being not less than seventy-two (72) hours before the time appointed for holding the EGM (or at any adjournment thereof) and in default the instrument of proxy shall not be treated as valid.
8. Please indicate with an “X” in the spaces provided whether you wish your vote(s) to be for, against or abstain the Resolutions as set out in the Notice of EGM. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit on any other matter arising at the EGM.
9. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies.
10. In the case of members of the Company whose shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register seventy-two (72) hours before the time appointed for holding the EGM as certified by The Central Depository (Pte) Limited to the Company.
11. An investor who buys shares using CPF monies (“**CPF Investor**”) and/or SRS monies (“**SRS Investor**”) (as may be applicable) may attend and cast his vote(s) at the EGM in person. CPF and SRS Investors who are unable to attend the EGM but would like to vote, may inform their CPF and/or SRS Approved Nominees (CPF Agent Banks or SRS Operators) to appoint the Chairman of the EGM to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the EGM.
12. The appointment of a proxy(ies) shall not preclude a member from attending, speaking and voting in person at the EGM. If a member attends the EGM in person, the appointment of a proxy(ies) shall be deemed to be revoked, and the Company reserves the right to refuse to admit such proxy(ies) to the EGM.

Personal data privacy

By submitting this proxy form, the member of the Company accepts and agrees to the personal data privacy terms set out in the Notice of EGM dated 10 October 2023.