

CIRCULAR DATED 14 JANUARY 2021

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

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

If you have sold or transferred all your shares in the capital of Jumbo Group Limited (the “**Company**”), you should immediately forward this Circular (as defined herein), the notice of extraordinary general meeting and the attached proxy form to the purchaser or transferee or to the bank, stockbroker or 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 its contents have been reviewed by the Company’s sponsor, United Overseas Bank Limited (the “**Sponsor**”), for compliance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist.

This Circular has not been examined or approved by the SGX-ST and 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 persons for the Sponsor are Mr. David Tham, Senior Director, Equity Capital Markets and Ms. Priscilla Ong, Vice President, Equity Capital Markets, who can be contacted at 80 Raffles Place, #03-03 UOB Plaza 1, Singapore 048624, telephone: +65 6533 9898.



JUMBO GROUP LIMITED

(Company Registration Number 201503401Z)
(Incorporated in the Republic of Singapore on 4 February 2015)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

IMPORTANT DATES AND TIMES:

- | | | |
|---|---|--|
| Last date and time for lodgement of proxy form | : | 26 January 2021 at 11.00 a.m. |
| Date and time of extraordinary general meeting (“ EGM ”) | : | 29 January 2021 at 11.00 a.m. (or as soon thereafter following the conclusion or adjournment of the annual general meeting of the Company to be convened on the same day and at the same place). |
| Place of EGM | : | The EGM will be held via a live webcast at an online link that will be provided to Shareholders (as defined herein) upon pre-registration. |

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DEFINITIONS

For the purpose of this Circular, the following definitions apply throughout unless the context otherwise requires:

- “2020 Mandate”** : Has the meaning ascribed to it in Section 2.1 of this Circular
- “2021 AGM”** : The annual general meeting of the Company to be held on 29 January 2021 at 10.00 a.m. via a live webcast at an online link that will be provided to Shareholders upon pre-registration, notice of which is enclosed with the Annual Report 2020
- “AGM”** : The annual general meeting of the Company
- “Annual Report 2020”** : The annual report of the Company for FY2020
- “Approval Date”** : Has the meaning ascribed to it in Section 2.3.1 of this Circular
- “Associate”** : (a) in relation to any director, chief executive officer, substantial shareholder or controlling shareholder (being an individual) means:
- (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30.0% or more; and
- (b) in relation to a substantial shareholder or a controlling shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30.0% or more
- “Average Closing Price”** : Has the meaning ascribed to it in Section 2.3.4 of this Circular
- “Award”** : The contingent award of Shares which may be granted pursuant to the Jumbo Performance Share Plan
- “Board”** : The board of Directors of the Company as at the date of this Circular
- “Catalist”** : The Catalist Board of the SGX-ST
- “Catalist Rules”** : The Listing Manual Section B: Rules of Catalist of the SGX-ST as amended, modified or supplemented from time to time
- “CDP”** : The Central Depository (Pte) Limited
- “Circular”** : This circular to Shareholders dated 14 January 2021 issued by the Company in relation to the proposed renewal of the Share Buyback Mandate

“Companies Act”	:	The Companies Act (Chapter 50) of Singapore as amended, supplemented or modified from time to time
“Company”	:	Jumbo Group Limited
“Constitution”	:	The constitution of the Company, as amended, modified or supplemented from time to time
“Controlling Shareholder”	:	A person who: <ul style="list-style-type: none"> (a) holds directly or indirectly 15.0% or more of the nominal amount of all voting shares in a company. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or (b) in fact exercises control over a company
“Directors”	:	The directors of the Company as at the date of this Circular
“EGM”	:	The extraordinary general meeting of the Company to be held on 29 January 2021, notice of which is set out on page 27 of this Circular
“EPS”	:	Earnings per Share
“FRS”	:	Singapore Financial Reporting Standards
“Full Share Buyback”	:	Has the meaning ascribed to it in Section 2.10.4.2 of this Circular
“FY”	:	The financial year ended or ending (as the case may be) 30 September
“Group”	:	The Company and its subsidiaries and subsidiary entities
“JBO”	:	JBO Holdings Pte. Ltd.
“Jumbo Performance Share Plan”	:	The share incentive plan of the Company known as “Jumbo Performance Share Plan” which was approved by Shareholders on 19 October 2015
“Jumbo Employee Share Option Scheme”	:	The share option scheme of the Company known as “Jumbo Employee Share Option Scheme” which was approved by Shareholders on 19 October 2015
“Latest Practicable Date”	:	8 January 2021, being the latest practicable date prior to the date of this Circular
“LPS”	:	Loss per Share
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Market Purchase”	:	Has the meaning ascribed to it in Section 2.3.3 of this Circular
“Maximum Price”	:	Has the meaning ascribed to it in Section 2.3.4 of this Circular
“Notice of EGM”	:	The notice of EGM set out on page 27 of this Circular
“NTA”	:	Net tangible assets

“Off-Market Purchase”	:	Has the meaning ascribed to it in Section 2.3.3 of this Circular
“Polling Agent”	:	The polling agent of the Company as at the date of this Circular, being Boardroom Corporate & Advisory Services Pte Ltd
“Relevant Period”	:	Has the meaning ascribed to it in Section 2.3.2 of this Circular
“Securities Account”	:	The securities account(s) maintained by a Depositor with CDP but not including a securities sub-account maintained with a Depository Agent
“Securities and Futures Act”	:	The Securities and Futures Act (Chapter 289) of Singapore, as amended, modified or supplemented from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited
“Share Buybacks”	:	The purchases or acquisitions of Shares by the Company pursuant to the terms of the Share Buyback Mandate
“Share Buyback Mandate”	:	The general mandate to enable the Company to purchase or otherwise acquire its Shares, the terms of which are set out in this Circular
“Shareholders”	:	Persons who are registered as holders of 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 admits, mean the Depositors whose Securities Accounts are credited with Shares
“Shares”	:	Ordinary shares in the capital of the Company
“SIC”	:	The Securities Industry Council
“subsidiary”	:	A subsidiary of a company (as defined in Section 5 of the Companies Act) and “ subsidiaries ” shall be construed accordingly
“Substantial Shareholder”	:	A person who holds directly or indirectly 5.0% or more of the issued voting shares in the capital of the Company
“Take-over Code”	:	The Singapore Code on Take-overs and Mergers issued by the Monetary Authority of Singapore, pursuant to Section 321 of the Securities and Futures Act (Cap. 289), as amended, modified or supplemented from time to time
<i>Currencies and others</i>		
“S\$” and “cents”	:	Singapore dollars and cents respectively
“%”	:	Percentage

The terms “**Depositor**”, “**Depository Register**” and “**Depository Agent**” shall bear the meanings assigned to them respectively by Section 81SF of the Securities and Futures Act. The term “**treasury share**” shall have the meaning ascribed to it in Section 4 of the Companies Act.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the Securities and Futures Act and the Catalist Rules or any modification thereof and used in this Circular shall have the meaning assigned to it under the Companies Act, the Securities and Futures Act, the Catalist Rules or any modification thereof, as the case may be.

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

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

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

JUMBO GROUP LIMITED
(Company Registration Number 201503401Z)
(Incorporated in the Republic of Singapore on 4 February 2015)

Directors:

Mr. Tan Cher Liang (*Independent Chairman*)
Mr. Ang Kiam Meng (*Group CEO and Executive Director*)
Mdm. Tan Yong Chuan, Jacqueline (*Executive Director*)
Mrs. Christina Kong Chwee Huan (*Executive Director*)
Mr. Richard Tan Kheng Swee (*Independent Director*)
Dr. Lim Boh Soon (*Independent Director*)
Ms. Sim Yu Juan, Rachel (*Non-Executive Director*)

Registered Office:

4 Kaki Bukit Ave 1
#03-08
Singapore 417939

14 January 2021

To: The Shareholders of Jumbo Group Limited

Dear Sir/Madam,

1. INTRODUCTION

The purpose of this Circular is to provide Shareholders with the relevant information pertaining to, and to seek Shareholders' approval at, the EGM to be convened on 29 January 2021 for the proposed renewal of the Share Buyback Mandate.

2. THE PROPOSED RENEWAL OF THE SHARE BUYBACK MANDATE

2.1 Background

The Companies Act allows a Singapore-incorporated company to purchase or otherwise acquire its issued ordinary shares, stocks and preference shares if the purchase or acquisition is permitted under the company's constitution. Any purchase or acquisition of Shares by the Company must be made in accordance with, and in the manner prescribed by the Companies Act, the Constitution and such other laws and regulations as may, for the time being, be applicable. As the Company is listed on Catalist, it is also required to comply with Part XI of Chapter 8 of the Catalist Rules, which relates to the purchase or acquisition by an issuer of its own shares. Regulation 11(B) of the Constitution expressly permits the Company to purchase or otherwise acquire its issued Shares.

It is a requirement under the Companies Act and the Catalist Rules for a company that wishes to purchase or otherwise acquire its own shares to obtain the approval of its shareholders. At the extraordinary general meeting of the Company held on 26 January 2017, the Shareholders had approved the Share Buyback Mandate to enable the Company to purchase or otherwise acquire the Shares. The Share Buyback Mandate was last renewed at the extraordinary general meeting of the Company held on 17 January 2020 (the "**2020 Mandate**"). The validity period of the 2020 Mandate will expire at the 2021 AGM. Accordingly, the purpose of this Circular is to provide Shareholders with the relevant information pertaining to, and to seek Shareholders' approval at the EGM for, the proposed renewal of the Share Buyback Mandate.

If approved by Shareholders at the EGM, the Share Buyback Mandate will take effect from the date of the EGM and continue in force until the date of the next AGM or such date as the next AGM is required by law to be held, whichever is earlier, unless prior thereto, Share Buybacks have been carried out to the full extent mandated or the Share Buyback Mandate is revoked or varied by Shareholders in a general meeting.

2.2 Rationale

The Share Buyback Mandate would give the Company the flexibility to undertake Share Buybacks at any time, subject to market conditions, during the period when the Share Buyback Mandate is in force.

The Directors are of the view that Share Buybacks, conducted at appropriate price levels, may enhance the return on equity of the Company and increase Shareholders' value. Share Buybacks are a cost-efficient and effective method of returning to Shareholders surplus cash over and above the Group's ordinary capital requirements, and provide the Directors greater flexibility over the management of the Company's capital structure, dividend payout and cash reserves.

The Share Buybacks may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the EPS and/or the NTA per Share of the Company and the Group, and will only be made when the Directors believe that such Share Buybacks would benefit the Company and its Shareholders. The Share Buybacks may also help the Company to reduce the dilution impact arising from any grant of options pursuant to the Jumbo Employee Share Option Scheme or grant of Awards pursuant to the Jumbo Performance Share Plan.

Pursuant to the Companies Act, Shares purchased or otherwise acquired pursuant to the Share Buyback Mandate may be held or dealt with as treasury shares.

The Directors do not propose to carry out Share Buybacks to an extent that would, or in circumstances that may, result in a material adverse effect on the liquidity and/ or the orderly trading of the Shares and/or the financial position of the Group, taking into account the capital expenditure and the working capital requirements of the Group or the gearing levels, which in the opinion of the Directors, are from time to time appropriate for the Group.

2.3 Terms of the Share Buyback Mandate

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

2.3.1 Maximum number of Shares

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

The total number of Shares that may be purchased or acquired by the Company is limited to that number of Shares representing not more than 10.0% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the EGM at which the Share Buyback Mandate is approved (the "**Approval Date**") (unless the Company has effected a reduction of its share capital in accordance with the applicable provisions of the Companies Act, at any time, during the Relevant Period, in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered, excluding any treasury shares and subsidiary holdings, that may be held by the Company from time to time). Shares which are held as treasury shares will be disregarded for purposes of computing the 10.0% limit.

For illustrative purposes only, based on the Company's 642,715,352 Shares in issue as at the Latest Practicable Date (out of which 1,446,600 Shares were held in treasury) and assuming that there will be no changes in the number of Shares on or prior to the Approval Date, not more than 64,126,875 Shares (representing 10.0% of the Shares in issue as at that date and excluding the 1,446,600 Shares held in treasury) may be purchased or acquired by the Company pursuant to the Share Buyback Mandate.

2.3.2 Duration of authority

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

- (a) the date on which the next AGM is held or required by law to be held;
- (b) the date on which Share Buybacks have been carried out to the full extent mandated under the Share Buyback Mandate; or
- (c) the date on which the authority contained in the Share Buyback Mandate is varied or revoked by Shareholders in a general meeting,

(the “**Relevant Period**”).

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

2.3.3 Manner of purchases or acquisitions of Shares

Purchases or acquisitions of Shares under the Share Buyback Mandate may be made by way of:

- (a) on-market purchases, transacted on the SGX-ST through the SGX-ST’s trading system or, as the case may be, any other securities exchange on which the Shares may, for the time being, be listed (“**Market Purchase**”); and/or
- (b) off-market purchases (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme(s) which shall satisfy all the conditions prescribed by the Companies Act and the Catalist Rules (“**Off-Market Purchase**”), as may be determined or formulated by the Directors as they may consider fit.

Under the Companies Act, an equal access scheme must satisfy all of the following conditions:

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

In addition, the Catalist Rules provide that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders which must contain at least the following information:

- (a) the terms and conditions of the offer;
- (b) the period and procedures for acceptances;

- (c) the reasons for the proposed Share Buyback;
- (d) the consequences, if any, of Share Buybacks that will arise under the Take-over Code or other applicable take-over rules;
- (e) whether the Share Buyback, if made, could affect the listing of the Shares on Catalist;
- (f) details of any Share Buyback made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases in accordance with an equal access scheme), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and
- (g) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

2.3.4 Maximum purchase price

The purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors, subject to compliance with the Catalist Rules. However, the purchase price to be paid for a Share as determined by the Directors must not exceed:

- (a) in the case of a Market Purchase, 105.0% of the Average Closing Price (as defined hereinafter); and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120.0% of the Average Closing Price,

(the “**Maximum Price**”) in either case, excluding related expenses of the purchase or acquisition.

For the above purposes of determining the Maximum Price:

“**Average Closing Price**” means the average of the closing market prices of the Shares over the last five (5) Market Days on which the Shares are transacted on Catalist or, as the case may be, such securities exchange on which the Shares are listed or quoted, immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the Catalist Rules, for any corporate action that occurs after the relevant 5-day period; and

“**date of the making of the offer**” means the date on which the Company makes an offer for the purchase or acquisition of Shares from Shareholders, stating therein the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.4 **Status of purchased Shares under the Share Buyback Mandate**

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 in accordance with the Companies Act. Accordingly, the total number of Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as treasury shares.

At the time of each Share Buyback, the Directors will decide whether the Shares purchased or acquired will be cancelled or kept as treasury shares, or partly cancelled and partly kept as treasury shares, taking into consideration the then prevailing circumstances and requirements of the Company at the relevant time.

2.5 Treasury shares

Under Section 76H of the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as treasury shares. Some of the provisions on treasury shares under the Companies Act are summarised below:

2.5.1 Maximum holdings

The aggregate number of Shares held as treasury shares cannot at any time exceed 10.0% of the total number of Shares.

In the event that the number of treasury shares held by the Company exceeds 10.0% of the total number of Shares, the Company shall dispose of or cancel such excess treasury shares within six (6) months of the day on which such contravention occurs, or such further period as the Registrar of Companies may allow.

2.5.2 Voting and other rights

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

In addition, no dividend may be paid, and no other distribution 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 allowed, if the total value of the treasury shares after the subdivision or consolidation is the same as the total value of the treasury share before the subdivision or consolidation, as the case may be.

2.5.3 Disposal and cancellation

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

- (a) sell the treasury shares for cash;
- (b) transfer the treasury shares for the purposes of or pursuant to any share scheme, whether for its employees, directors or other persons;
- (c) transfer the treasury shares as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the treasury shares; or
- (e) sell, transfer or otherwise use the treasury shares for such other purposes the Minister for Finance may by order prescribe.

In addition, pursuant to Rule 704(31) of the Catalist Rules, the Company must immediately announce any sale, transfer, cancellation and/or use of treasury shares, stating the following:

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

- (v) 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
- (vi) value of the treasury shares if they are used for a sale or transfer, or cancelled.

2.6 Sources of funds for Share Buyback

The Companies Act permits the Company to make payment, pursuant to the purchase or acquisition of its own Shares, out of the Company's capital or profits so long as the Company is solvent. The Companies Act provides that the Company is solvent if at the date of the relevant payment, the following conditions are satisfied:

- (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 the Company's assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the proposed purchase, acquisition, variation or release of Shares, become less than the value of its liabilities (including contingent liabilities).

The Company intends to use internal resources and/or external borrowings to finance the Share Buybacks.

The Directors do not propose to exercise the Share Buyback Mandate in a manner and to such extent that it would have a material adverse effect on the working capital requirements of the Group and/or the Group's ability to service its debts and other obligations.

2.7 Financial effects of the Share Buyback Mandate

The financial effects on the Company and the Group arising from purchases or acquisitions of Shares pursuant to the Share Buyback Mandate will depend on, *inter alia*, how the Shares are purchased or acquired, the price paid for such Shares and whether the Shares purchased or acquired are held as treasury shares or cancelled. The financial effects on the Company and the Group, based on the audited financial statements of the Company and the Group for FY2020, are based on the following principal assumptions:

- (a) the purchase or acquisition of Shares pursuant to the Share Buyback Mandate had taken place on 1 October 2019 for the purpose of computing the financial effects on the LPS of the Company and the Group;
- (b) the purchase or acquisition of Shares pursuant to the Share Buyback Mandate had taken place on 30 September 2020 for the purpose of computing the financial effects on Shareholders' equity, NTA per Share and gearing of the Group and the Company; and
- (c) transaction costs incurred for the purchase or acquisition of Shares pursuant to the Share Buyback Mandate have been assumed to be insignificant and have been ignored for the purpose of computing the financial effects.

2.7.1 Purchase or acquisition out of capital or profits

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 capital, the amount available for the distribution of cash dividends by the Company will not be reduced. 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.

2.7.2 Number of Shares acquired or purchased

For illustrative purposes only, on the basis of 642,715,352 Shares in issue as at the Latest Practicable Date (out of which 1,446,600 Shares were held in treasury) and assuming that there will be no changes in the number of Shares on or prior to the Approval Date, the purchase by the Company of 10.0% of its issued Shares (excluding treasury shares and subsidiary holdings) will result in the purchase or acquisition of 64,126,875 Shares.

2.7.3 Maximum price paid for Shares purchased or acquired

In the case of Market Purchases by the Company:

Assuming the Company purchases or acquires 64,126,875 Shares at the maximum price of S\$0.3980 for one (1) Share (being the price equivalent to 5.0% above the Average Closing Price), the maximum amount of funds required for the purchase or acquisition of 64,126,875 Shares would be approximately S\$25.5 million.

In the case of Off-Market Purchases by the Company:

Assuming the Company purchases or acquires 64,126,875 Shares at the maximum price of S\$0.4548 for one (1) Share (being the price equivalent to 20.0% above the Average Closing Price), the maximum amount of funds required for the purchase or acquisition of 64,126,875 Shares would be approximately S\$29.2 million.

2.7.4 Illustrative financial effects

For illustrative purposes only, and on the basis of the assumptions set out above, the financial effects of the:

- (i) acquisition of Shares by the Company pursuant to the Share Buyback Mandate by way of purchases made out of capital and held as treasury shares; and
- (ii) acquisition of Shares by the Company pursuant to the Share Buyback Mandate by way of purchases made out of capital and cancelled;

on the audited financial statements of the Company and the Group for FY2020 are set out in the following pages.

Save as set out in Section 2.7.1 above, the financial effects of the acquisition of Shares by the Company pursuant to the Share Buyback Mandate by way of purchases made out of profits are similar to that of purchases made out of capital. Therefore, only the financial effects of the acquisition of Shares pursuant to the Share Buyback Mandate by way of purchases made out of capital are set out in this Circular.

Scenario 1(A)

Market Purchases of 64,126,875 Shares out of capital and held as treasury shares

As at 30 September 2020	Group		Company	
	Before the Share Buyback	After the Share Buyback	Before the Share Buyback	After the Share Buyback
	S\$'000	S\$'000	S\$'000	S\$'000
Share capital	48,806	48,806	48,806	48,806
Treasury shares	(438)	(25,960)	(438)	(25,960)
Shareholders' equity	55,343	29,821	47,590	22,068
NTA ⁽¹⁾	53,505	27,983	47,590	22,068
Current assets	41,635	16,113	12,876	18
Current liabilities	24,886	24,886	301	12,965
Working capital	16,749	(8,773)	12,575	(12,947)
Total borrowings	2,133	2,133	–	–
Cash and cash equivalents	27,745	2,223	12,858	–
Net loss attributable to owners of the Company	(8,169)	(8,169)	(476)	(476)
Number of Shares excluding treasury shares ⁽²⁾	641,268,752	577,141,877	641,268,752	577,141,877
Number of treasury shares	1,446,600	65,573,475	1,446,600	65,573,475

Financial Ratios

NTA per Share ⁽¹⁾ (cents)	8.3	4.8	7.4	3.8
Basic LPS ⁽³⁾ (cents)	(1.3)	(1.4)	(0.1)	(0.1)
Gearing ⁽⁴⁾ (%)	3.9	7.2	–	–
Current ratio ⁽⁵⁾ (times)	1.7	0.6	42.8	0.0*

Notes:

- (1) NTA equals Shareholders' equity excluding goodwill and intangible assets. NTA per Share equals NTA divided by the number of Shares in issue excluding treasury shares.
- (2) Number of Shares excludes Shares that have been assumed to be held as treasury shares and assumes no change in the number of Shares on or prior to the Approval Date.
- (3) LPS has been computed based on FY2020 loss attributable to owners of the Company divided by the number of Shares in issue excluding treasury shares.
- (4) Gearing equals total borrowings divided by Shareholders' equity.
- (5) Current ratio equals current assets divided by current liabilities.

* Less than 0.1.

Scenario 1(B)

Off-Market Purchases of 64,126,875 Shares out of capital and held as treasury shares

As at 30 September 2020	Group		Company	
	Before the Share Buyback	After the Share Buyback	Before the Share Buyback	After the Share Buyback
	S\$'000	S\$'000	S\$'000	S\$'000
Share capital	48,806	48,806	48,806	48,806
Treasury shares	(438)	(29,603)	(438)	(29,603)
Shareholders' equity	55,343	26,178	47,590	18,425
NTA ⁽¹⁾	53,505	24,340	47,590	18,425
Current assets	41,635	13,890	12,876	18
Current liabilities	24,886	26,306	301	16,608
Working capital	16,749	(12,416)	12,575	(16,590)
Total borrowings	2,133	3,553	–	–
Cash and cash equivalents	27,745	–	12,858	–
Net loss attributable to owners of the Company	(8,169)	(8,169)	(476)	(476)
Number of Shares excluding treasury shares ⁽²⁾	641,268,752	577,141,877	641,268,752	577,141,877
Number of treasury shares	1,446,600	65,573,475	1,446,600	65,573,475

Financial Ratios

NTA per Share ⁽¹⁾ (cents)	8.3	4.2	7.4	3.2
Basic LPS ⁽³⁾ (cents)	(1.3)	(1.4)	(0.1)	(0.1)
Gearing ⁽⁴⁾ (%)	3.9	13.6	–	–
Current ratio ⁽⁵⁾ (times)	1.7	0.5	42.8	0.0*

Notes:

- (1) NTA equals Shareholders' equity excluding goodwill and intangible assets. NTA per Share equals NTA divided by the number of Shares in issue excluding treasury shares.
- (2) Number of Shares excludes Shares that have been assumed to be held as treasury shares and assumes no change in the number of Shares on or prior to the Approval Date.
- (3) LPS has been computed based on FY2020 loss attributable to owners of the Company divided by the number of Shares in issue excluding treasury shares.
- (4) Gearing equals total borrowings divided by Shareholders' equity.
- (5) Current ratio equals current assets divided by current liabilities.

* Less than 0.1.

Scenario 2(A)

Market Purchases of 64,126,875 Shares out of capital and cancelled

As at 30 September 2020	Group		Company	
	Before the Share Buyback	After the Share Buyback	Before the Share Buyback	After the Share Buyback
	S\$'000	S\$'000	S\$'000	S\$'000
Share capital	48,806	23,284	48,806	23,284
Treasury shares	(438)	(438)	(438)	(438)
Shareholders' equity	55,343	29,821	47,590	22,068
NTA ⁽¹⁾	53,505	27,983	47,590	22,068
Current assets	41,635	16,113	12,876	18
Current liabilities	24,886	24,886	301	12,965
Working capital	16,749	(8,773)	12,575	(12,947)
Total borrowings	2,133	2,133	–	–
Cash and cash equivalents	27,745	2,233	12,858	–
Net loss attributable to owners of the Company	(8,169)	(8,169)	(476)	(476)
Number of Shares excluding treasury shares ⁽²⁾	641,268,752	577,141,877	641,268,752	577,141,877
Number of treasury shares	1,446,600	1,446,600	1,446,600	1,446,600

Financial Ratios

NTA per Share ⁽¹⁾ (cents)	8.3	4.8	7.4	3.8
Basic LPS ⁽³⁾ (cents)	(1.3)	(1.4)	(0.1)	(0.1)
Gearing ⁽⁴⁾ (%)	3.9	7.2	–	–
Current ratio ⁽⁵⁾ (times)	1.7	0.6	42.8	0.0*

Notes:

- (1) NTA equals Shareholders' equity excluding goodwill and intangible assets. NTA per Share equals NTA divided by the number of Shares in issue excluding treasury shares.
- (2) Number of Shares excludes Shares that have been assumed to be cancelled and assumes no change in the number of Shares on or prior to the Approval Date.
- (3) LPS has been computed based on FY2020 loss attributable to owners of the Company divided by the number of Shares in issue excluding treasury shares.
- (4) Gearing equals total borrowings divided by Shareholders' equity.
- (5) Current ratio equals current assets divided by current liabilities.

* Less than 0.1.

Scenario 2(B)

Off-Market Purchases of 64,126,875 Shares out of capital and cancelled

As at 30 September 2020	Group		Company	
	Before the Share Buyback	After the Share Buyback	Before the Share Buyback	After the Share Buyback
	S\$'000	S\$'000	S\$'000	S\$'000
Share capital	48,806	19,641	48,806	19,641
Treasury shares	(438)	(438)	(438)	(438)
Shareholders' equity	55,343	26,178	47,590	18,425
NTA ⁽¹⁾	53,505	24,340	47,590	18,425
Current assets	41,635	13,890	12,876	18
Current liabilities	24,886	26,306	301	16,608
Working capital	16,749	(12,416)	12,575	(16,590)
Total borrowings	2,133	3,553	–	–
Cash and cash equivalents	27,745	–	12,858	–
Net loss attributable to owners of the Company	(8,169)	(8,169)	(476)	(476)
Number of Shares excluding treasury shares ⁽²⁾	641,268,752	577,141,877	641,268,752	577,141,877
Number of treasury shares	1,446,600	1,446,600	1,446,600	1,446,600

Financial Ratios

NTA per Share ⁽¹⁾ (cents)	8.3	4.2	7.4	3.2
Basic LPS ⁽³⁾ (cents)	(1.3)	(1.4)	(0.1)	(0.1)
Gearing ⁽⁴⁾ (%)	3.9	13.6	–	–
Current ratio ⁽⁵⁾ (times)	1.7	0.5	42.8	0.0*

Notes:

- (1) NTA equals Shareholders' equity excluding goodwill and intangible assets. NTA per Share equals NTA divided by the number of Shares in issue excluding treasury shares.
- (2) Number of Shares excludes Shares that have been assumed to be cancelled and assumes no change in the number of Shares on or prior to the Approval Date.
- (3) LPS has been computed based on FY2020 loss attributable to owners of the Company divided by the number of Shares in issue excluding treasury shares.
- (4) Gearing equals total borrowings divided by Shareholders' equity.
- (5) Current ratio equals current assets divided by current liabilities.

* Less than 0.1.

Shareholders should note that the financial effects set out above are based on the above-mentioned assumptions and are purely for illustrative purposes only. In particular, it is important to note that the above illustration is based on historical audited financial statements for FY2020 and is not necessarily representative of future financial performance.

Although the Share Buyback Mandate would authorise the Company to purchase or acquire up to 10.0% of the issued Shares (excluding treasury shares and subsidiary holdings), the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10.0% of the issued Shares (excluding treasury shares and subsidiary holdings). In addition, the Company may cancel all or part of the Shares purchased or acquired, or hold all or part of the Shares purchased or acquired as treasury shares.

2.8 Tax implications

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

2.9 Catalyst Rules

2.9.1 Free float

The Catalyst Rules requires a listed company to ensure that at least 10.0% of its 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”, as defined under the Catalyst Rules, are persons other than the directors, chief executive officer, substantial shareholders or controlling shareholders of the company or its subsidiaries, and the associates of such persons.

The Company does not have any individual shareholding limit or foreign shareholding limit. As at the Latest Practicable Date, 166,231,888 Shares representing approximately 25.9% of the total number of issued Shares (excluding treasury shares) are held by the public. For illustrative purposes only, assuming the Company undertakes purchases or acquisitions of its Shares through Market Purchases up to the full 10.0% limit pursuant to the Share Buyback Mandate, the number of issued Shares held by the public would be reduced to 102,105,013 Shares representing approximately 15.9% of the total number of issued Shares (excluding treasury shares and subsidiary holdings).

Accordingly, the Directors are of the view that there is, at the Latest Practicable Date, a sufficient number of Shares held by the public which would permit the Company to undertake Share Buybacks to the full 10.0% limit pursuant to the Share Buyback Mandate. Nonetheless, the Directors will use best efforts to ensure that the Company does not effect Share Buybacks, if such Share Buybacks 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 Company.

2.9.2 Announcement of Share Buybacks

The Catalyst Rules specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST no later than 9.00 a.m.:

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

Such announcement (which must be in the form of Appendix 8D of the Catalyst 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 and the number of treasury shares held and subsidiary holdings after the purchase.

2.9.3 Restrictions on Share Buybacks

While the Catalist Rules do not expressly prohibit any purchase or acquisition of shares by a listed company during any particular time, the listed company would be regarded as an “insider” in relation to any proposed purchase or acquisition of its issued shares. As such, the Company will not undertake any Share Buybacks pursuant to the Share Buyback Mandate at any time after any matter or development of a price-sensitive nature has occurred or has been the subject of consideration and/or a decision of the Board until such price-sensitive information has been publicly announced or disseminated in accordance with the requirements of the Catalist Rules.

Further, in conformity with the best practices on dealing with securities under the Catalist Rules, the Company will not purchase or acquire any Shares through Market Purchases during the period commencing one (1) month before the announcement of the Group’s half year and full year results.

2.10 Take-over Implications

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

2.10.1 Obligation to make a take-over offer

If, as a result of any purchase or acquisition by the Company of its Shares, a Shareholder’s proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. If such increase results in a change of effective control, or, as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a mandatory take-over offer for the Company under Rule 14 of the Take-over Code.

2.10.2 Persons acting in concert

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

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

- (a) a company with its parent company, 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 companies for the purchase of voting rights;
- (b) a company with any of its directors, together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts;
- (c) a company with any of its pension funds and employee share schemes;
- (d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;

- (e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of the adviser and persons controlling, controlled by or under the same control as the adviser, and all the funds which the adviser manages on a discretionary basis, where the shareholdings of the adviser and any of those funds in the client total 10.0% or more of the client's equity share capital;
- (f) directors of a company (together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a *bona fide* offer for their company may be imminent;
- (g) partners; and
- (h) an individual, his close relatives, his related trusts, any person who is accustomed to act according to the instructions of that individual, companies controlled by any of the above, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.

For this purpose, a company is an "associated company" of another company if the second company owns or controls at least 20.0% but not more than 50.0% of the voting rights of the first-mentioned company.

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

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, the Directors and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and their concert parties would increase to 30.0% or more, or if the voting rights of such Directors and their concert parties fall between 30.0% and 50.0% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1.0% in any period of six (6) months. The Directors and their concert parties will be exempted from the requirement to make a take-over offer subject to certain conditions as set out in the Take-over Code, including, *inter alia*:

- (a) the inclusion in the circular to Shareholders on the resolution to authorise the Share Buyback Mandate advice to the effect that by voting for the resolution to authorise the Share Buyback Mandate, Shareholders are waiving their right to a take-over offer at the required price from the Directors and parties acting in concert with them who, as a result of the Company purchasing or acquiring its Shares, would increase their voting rights to 30.0% or more, or, if they together hold between 30.0% and 50.0% of the Company's voting rights, would increase their voting rights by more than 1.0% in any period of six (6) months; and the names of such Directors and persons acting in concert with them, their voting rights at the time of the resolution and after Share Buybacks pursuant to the Share Buyback Mandate; and
- (b) the submission to SIC by each of the Directors of an executed form as prescribed by SIC within seven (7) days of the passing of the resolution to authorise the Share Buyback Mandate.

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

2.10.4 Application of the Take-over Code

Details of the shareholdings of the Directors and Substantial Shareholders as at the Latest Practicable Date are set out in Section 3 below.

2.10.4.1 *Mr. Ang Kiam Meng, Mdm. Tan Yong Chuan, Jacqueline, Mrs. Christina Kong Chwee Huan, Mr. Ang Hon Nam, and JBO*

As at the Latest Practicable Date:

- i. Our Group CEO and Executive Director, Mr. Ang Kiam Meng;
- ii. each of our Executive Directors, Mdm. Tan Yong Chuan, Jacqueline and Mrs. Christina Kong Chwee Huan;
- iii. our Controlling Shareholder, Mr. Ang Hon Nam; and
- iv. our Controlling Shareholder, JBO, a company in which Mr. Ang Kiam Meng, Mdm. Tan Yong Chuan, Jacqueline, Mrs. Christina Kong Chwee Huan, Mr. Ang Hon Nam and their close relatives collectively control,

(collectively, the “**Relevant Shareholders**”), regard themselves as parties acting in concert in relation to their interests in the Company.

As at the Latest Practicable Date, the Relevant Shareholders hold an aggregate of 319,291,314 Shares, representing approximately 49.8% of the voting rights in the Company.

Mr. Ang Kiam Meng, Mdm. Tan Yong Chuan Jacqueline, Mrs. Christina Kong Chwee Huan, Mr. Ang Hon Nam, and JBO have not purchased any Shares in the six (6) months preceding the Latest Practicable Date.

2.10.4.2 *Consequence of Share Buybacks*

Based on the 641,268,752 issued Shares of the Company (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date, the exercise in full of the Share Buyback Mandate, given the limits under Section 76I(1) of the Companies Act in respect of a Company’s Shares held in treasury, up to the Prescribed Limit would result in the purchase of 64,126,875 Shares.

If the exercise in full of the Share Buyback Mandate by the Company (“**Full Share Buyback**”) causes the aggregate voting rights of the Relevant Shareholders to increase by more than 1% (assuming such increases occur within six (6) months), the Relevant Shareholders would thereby incur an obligation to make a general offer under Rule 14 of the Take-over Code.

Based on the direct holdings of Shares of the Relevant Shareholders as at the Latest Practicable Date and assuming that:

- i. the Company undertakes Share Buybacks under the Share Buyback Mandate up to the Prescribed Limit as permitted by the Share Buyback Mandate;
- ii. there is no change in the Relevant Shareholders’ direct holdings of Shares between the Latest Practicable Date and the date of the EGM; and
- iii. there is no change in the Relevant Shareholders’ direct holdings of Shares between the date of the EGM and the date of the Full Share Buyback,

the aggregate voting rights of the Relevant Shareholders will increase from approximately 49.8% to approximately 55.3%.

In such event, the Relevant Shareholders will, unless exempted, thereby incur an obligation to make a general offer under Rule 14 of the Take-over Code.

2.10.4.3 Exemption under Section 3(a) of Appendix 2 of the Take-over Code

Pursuant to Section 3(a) of Appendix 2 of the Take-over Code, the Relevant Shareholders would be eligible to be exempted from the obligation to make a general offer for the Company under Rule 14 of the Take-over Code as a result of the Company buying back its Shares pursuant to the renewed Share Buyback Mandate, subject to the following conditions:

- i. the inclusion in the circular to Shareholders on the resolution to authorise the Share Buyback Mandate advice to the effect that by voting for the resolution to authorise the Share Buyback Mandate, Shareholders are waiving their right to a general offer at the required price from the Directors and parties acting in concert with them who, as a result of the Company purchasing or acquiring its Shares, would increase their voting rights to 30.0% or more, or, if they together hold between 30.0% and 50.0% of the Company's voting rights, would increase their voting rights by more than 1.0% in any period of six (6) months; and the names of such Directors and persons acting in concert with them, their voting rights at the time of the resolution and after Share Buybacks pursuant to the Share Buyback Mandate;
- ii. the resolution to authorise the Share Buyback Mandate is approved by a majority of those Shareholders present and voting at the EGM on a poll who could not become obliged to make a general offer for the Company as a result of the Company purchasing Shares under the Share Buyback Mandate;
- iii. the Relevant Shareholder abstain from voting on the resolution to authorise the Share Buyback Mandate in respect of all their Shares as of the date of the EGM and/ or abstain from making a recommendation to Shareholders to vote in favour of the resolution to authorise the Share Buyback Mandate;
- iv. within seven (7) days after the passing of the resolution to authorise the Share Buyback Mandate, each of Mr. Ang Kiam Meng, Mdm. Tan Yong Chuan, Jacqueline and Mrs. Christina Kong Chwee Huan submits to the SIC a duly signed form as prescribed by the SIC; and
- v. the Relevant Shareholder, together holding between 30% and 50% of the Company's voting rights, have not acquired and will not acquire any Shares between the date on which they know that the announcement of the renewal of the Share Buyback Mandate is imminent and the earlier of:
 - (1) the date on which authority for the renewed Share Buyback Mandate expires; and
 - (2) the date on which the Company announces it has (a) bought back such number of Shares as authorised by Shareholders at the EGM, or (b) decided to cease buying back its Shares,

as the case may be, if such acquisitions, taken together with the Share Buybacks under the renewed Share Buyback Mandate, would cause the aggregate voting rights held by the Relevant Shareholders in the Company to increase by more than 1% in the preceding six (6) months.

If the aggregate voting rights held by the Relevant Shareholders increases by more than 1% solely as a result of the Company buying back Shares as authorised by the Share Buyback Mandate, and none of them has acquired any Shares during the period as defined in Section 2.10.4.3(v) above, then the Relevant Shareholders would be eligible for the SIC's exemption from the obligation to make a general offer under Rule 14 of the Take-over Code, or where such exemption had been granted, would continue to enjoy the exemption.

Shareholders should note that by voting in favour of the resolution to approve the Share Buyback Mandate at the forthcoming EGM, Shareholders are waiving their rights to a general offer at the required price from the Relevant Shareholders.

One of the conditions for exemption from the obligation to make a general offer under Rule 14 of the Take-over Code is the submission by each of Mr. Ang Kiam Meng, Mdm. Tan Yong Chuan, Jacqueline and Mrs. Christina Kong Chwee Huan to the SIC of a duly signed form as prescribed by the SIC ("**Form 2**"). As at the Latest Practicable Date, Mr. Ang Kiam Meng, Mdm. Tan Yong Chuan, Jacqueline and Mrs. Christina Kong Chwee Huan have informed the Company that they will be submitting a Form 2 to the SIC within seven (7) days after the passing of the resolution to approve the Share Buyback Mandate.

The Company understands that the Relevant Shareholders, have not acquired and will not acquire any Shares between the date on which they know that the announcement of the renewal of the Share Buyback Mandate is imminent and the earlier of:

- (i) the date on which authority for the renewed Share Buyback Mandate expires; and
- (ii) the date on which the Company announces it has (a) bought back such number of Shares as authorised by Shareholders at the EGM, or (b) decided to cease buying back its Shares,

as the case may be, if such acquisitions, taken together with the Share Buybacks under the renewed Share Buyback Mandate, would cause the aggregate voting rights held by the Relevant Shareholders in the Company to increase by more than 1% in the preceding six (6) months.

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

Appendix 2 of the Take-over Code requires that the resolution to authorise the renewal of the Share Buyback Mandate be approved by a majority of those Shareholders present and voting at the meeting on a poll who could not become obliged to make a general offer under the Take-over Code as a result of the Share Buyback. Accordingly, the resolution to approve the Share Buyback Mandate is proposed to be taken on a poll, and the Relevant Shareholders will abstain, and will procure their/ his concert parties (if any) to abstain, from voting on the resolution to approve the Share Buyback Mandate.

Shareholders who are in any doubt as to whether they would incur any obligations to make a take-over offer as a result of any Share Buyback pursuant to the Share Buyback Mandate are advised to consult their professional advisers and/or SIC and/ or the relevant authorities at the earliest opportunity before they acquire any Shares during the period when the Share Buyback Mandate is in force.

2.11 Shares purchased by the Company in the preceding 12 months

Information on the share purchases carried out by the Company during the 12 months preceding the Latest Practicable Date is set out below:

Date of Share purchase	Type of transaction	Total number of Shares purchased	Price paid per Share (S\$)	Total consideration (S\$)
26 March 2020	Market Purchase	25,000	0.196	4,929.22
24 March 2020	Market Purchase	2,100	0.19486	436.50
23 March 2020	Market Purchase	100,000	0.195	19,550.44
19 March 2020	Market Purchase	115,500	0.2012	23,298.65
18 March 2020	Market Purchase	120,000	0.215	25,866.63
17 March 2020	Market Purchase	30,000	0.205	6,179.75
16 March 2020	Market Purchase	108,800	0.2146	23,408.81
13 March 2020	Market Purchase	100,000	0.22	22,056.87
12 March 2020	Market Purchase	130,000	0.24577	32,032.52

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at the Latest Practicable Date, the interests of the Directors in the Shares (as extracted from the register of Directors' interests) and the interests of the Substantial Shareholders in the Shares (as extracted from the register of Substantial Shareholders' interests), are as follows:

Directors	Direct Interest		Deemed Interest	
	No. of Shares	%	No. of Shares	%
Ang Kiam Meng	10,223,863	1.6	–	–
Tan Yong Chuan, Jacqueline	3,006,352	0.5	–	–
Christina Kong Chwee Huan	2,512,942	0.4	–	–
Tan Cher Liang	–	–	–	–
Richard Tan Kheng Swee	–	–	–	–
Lim Boh Soon	–	–	–	–
Sim Yu Juan Rachel	200,000	0.1	–	–
Substantial Shareholders (other than Directors)				
JBO	292,044,265	45.5	–	–
Tan Gee Jian	42,254,900	6.6	–	–
Ang Hon Nam ⁽¹⁾	11,503,892	1.8	292,044,265	45.6
Kuang Ming Investments Pte. Limited	32,074,000	5.0	–	–
Ng Chee Tat Phillip ⁽²⁾	–	–	32,074,000	5.0
Tan Kim Choo ⁽³⁾	–	–	32,074,000	5.0
Ron Sim Chye Hock	64,166,600	10.0	–	–

Notes:

- (1) Mr. Ang Hon Nam has a more than 20.0% interest in JBO. Mr. Ang Hon Nam is deemed interested in the 292,044,265 Shares held by JBO by virtue of Section 7 of the Companies Act.
- (2) Kuang Ming Investments Pte. Limited has a direct interest in 32,074,000 Shares. Tan Kim Choo has more than 20.0% interest in Kuang Ming Investments Pte. Limited and is therefore deemed to be interested in the 32,074,000 Shares in which Kuang Ming Investments Pte. Limited has an interest.
- (3) Kuang Ming Investments Pte. Limited has a direct interest in 32,074,000 Shares. Ng Chee Tat Philip has more than 20.0% interest in Kuang Ming Investments Pte. Limited and is therefore deemed to be interested in the 32,074,000 Shares in which Kuang Ming Investments Pte. Limited has an interest.

Save as disclosed above, none of the Directors and Substantial Shareholders have any interest, direct or indirect, in the Share Buyback Mandate.

4. ACTION TO BE TAKEN BY SHAREHOLDERS

The EGM, notice of which is set out on page 27 of this Circular, will be held via a live webcast at an online link that will be provided to Shareholders upon pre-registration, notice of which is enclosed with the Annual Report 2020, on 29 January 2021 at 11.00 a.m. (or as soon thereafter following the conclusion or adjournment of the AGM to be convened on the same day and at the same place) for the purpose of considering and, if thought fit, passing, with or without modification the resolution as set out in the Notice of EGM.

Shareholders who wish to vote on the sole resolution at the EGM must appoint the Chairman of the EGM as their proxy to do so on their behalf.

The duly executed proxy form must be submitted in the following manner:

- (a) if submitted by post, be deposited at the office of the Company's Polling Agent, Boardroom Corporate & Advisory Services Pte Ltd, at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623; or
- (b) if submitted electronically, be submitted via email to the Company's Polling Agent at JGLAGM2021@boardroomlimited.com,

in either case, not less than **72 hours** before the time appointed for holding the EGM.

Shareholders who hold their shares through a Relevant Intermediary as defined in Section 181 of the Companies Act, Chapter 50 of Singapore (including SRS investors and holders under depository agents) and who wish to exercise their votes by appointing the Chairman of the EGM as proxy should approach their respective Relevant Intermediaries (including their respective SRS approved banks or depository agents) to submit their voting instructions by 5.00 p.m. on 20 January 2021, being 7 working days before the date of the EGM.

5. DIRECTORS' RECOMMENDATIONS

The Directors, having carefully considered, *inter alia*, the rationale and terms of the Share Buyback Mandate, are of the opinion that it is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of resolution 1 set out in the Notice of EGM at the EGM.

6. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the proposed renewal of the Share Buyback Mandate, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in

this 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.

7. DOCUMENTS FOR INSPECTION

A copy of the following documents are available for inspection at the registered office of the Company at 4 Kaki Bukit Ave 1, #03-08, Singapore 417939, during normal business hours from the date of this Circular up to and including the date of the EGM:

- (a) Annual Report 2020; and
- (b) the Constitution.

The Annual Report 2020 may also be accessed at the Company's website at (<http://investor.jumbogroup.sg/>) and SGXNET.

Yours faithfully
For and on behalf of the Board of Directors of
Jumbo Group Limited

Mr. Tan Cher Liang
Independent Chairman

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (“**EGM**”) of Jumbo Group Limited (the “**Company**”) will be convened and held by way of electronic means on Friday, 29 January 2021 at 11.00 a.m. (or as soon thereafter following the conclusion or adjournment of the annual general meeting of the Company to be convened on the same day and at the same place), for the purpose of considering and, if thought fit, passing with or without any modifications the following resolution:

*Unless otherwise defined, all capitalised terms used herein shall bear the same meaning as defined in the circular dated 14 January 2021 issued by the Company (the “**Circular**”).*

ORDINARY RESOLUTION:

Resolution 1: The Proposed Renewal of the Share Buyback Mandate

That:

- (a) for the purposes of the Companies Act (Chapter 50) of Singapore (the “**Act**”), the exercise by the directors of the Company (the “**Directors**”) of all the powers of the Company to purchase or otherwise acquire the issued ordinary shares in the capital of the Company (“**Shares**”) not exceeding in aggregate the Prescribed Limit (as defined herein), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as defined herein), whether by way of:
- (i) on-market purchases, transacted on the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) through the SGX-ST’s trading system or, as the case may be, any other securities exchange on which the Shares may, for the time being, be listed (“**Market Purchase**”); and/or
 - (ii) off-market purchases (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme(s) which shall satisfy all the conditions prescribed by the Act, as may be determined or formulated by the Directors as they may consider fit (“**Off-Market Purchase**”),

and otherwise in accordance with all other laws, regulations and the Catalist Rules as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Buyback Mandate**”);

- (b) the authority conferred on the Directors pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of passing of this resolution and expiring on the earliest of:
- (i) the date on which the next AGM is held or required by law to be held;
 - (ii) the date on which Share Buybacks have been carried out to the full extent mandated under the Share Buyback Mandate; or
 - (iii) the date on which the authority contained in the Share Buyback Mandate is varied or revoked by Shareholders in a general meeting;

(c) in this resolution:

“Prescribed Limit” means 10.0% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of passing of this resolution, unless the Company has effected a reduction of its share capital in accordance with the applicable provisions of the Act, at any time during the Relevant Period, in which event the total number of issued Shares shall be taken to be the total number of issued Shares as altered, excluding any treasury shares and subsidiary holdings, that may be held by the Company from time to time);

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

- (i) in the case of a Market Purchase, 105.0% of the Average Closing Price (as defined herein); and
- (ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120.0% of the Average Closing Price, where:

“Average Closing Price” means the average of the closing market prices of the Shares over the last five (5) Market Days on which the Shares are transacted on Catalist or, as the case may be, such securities exchange on which the Shares are listed or quoted, immediately preceding the date of the Market Purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted, in accordance with the Catalist Rules, for any corporate action that occurs after the relevant 5-day period; and

“date of the making of the offer” means the date on which the Company makes an offer for the purchase or acquisition of Shares from Shareholders, stating therein the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

(d) the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this resolution.

BY ORDER OF THE BOARD
Jumbo Group Limited

Mr. Tan Cher Liang
Independent Chairman

14 January 2021

Notes on the alternative arrangements for the EGM:

General

1. In view of the safe distancing regulations to hold physical meetings and to minimize physical interactions and COVID-19 transmission risks, the Company will conduct its EGM by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Printed copies of this notice of EGM (“**Notice**”), the proxy form and the Circular will not be sent to Shareholders. Instead, the documents will be made available to Shareholders via publication on SGXNET and the Company’s website.

Participation in the EGM via live webcast or live audio feed

2. As the EGM will be held by way of electronic means, Shareholders will **NOT** be able to attend the EGM in person. All Shareholders or their corporate representatives (in the case of Shareholders which are legal entities) will be able to participate in the EGM proceedings by accessing a live webcast or live audio feed. To do so, Shareholders are required to pre-register their participation in the EGM ("**Pre-registration**") at the link: <http://septusasia.com/jumbo-agm-registration/> ("**EGM Registration and Q&A Link**") by **11.00 a.m. on 26 January 2021** ("**Registration Deadline**") for verification of their status as Shareholders (or the corporate representatives of such Shareholders).
3. Upon successful verification, each such Shareholder or its corporate representative will receive an email by **10.00 a.m. on 28 January 2021**. The email will contain instructions to access the live webcast or live audio feed of the EGM proceedings. Shareholders or their corporate representatives must not forward the email to other persons who are not Shareholders and who are not entitled to participate in the EGM proceedings. Shareholders or their corporate representatives who have pre-registered by the Registration Deadline in accordance with paragraph 2 above but did not receive an email by **10.00 a.m. on 28 January 2021** may contact the Company for assistance via email at JGLAGM2021@boardroomlimited.com or alternatively call +65 6536 5355 during office hours on 28 January 2021.

Voting by proxy

4. Shareholders may only exercise their voting rights at the EGM via proxy voting (see paragraphs 5 and 6 below).
5. Shareholders who wish to vote on the sole resolution at the EGM must appoint the Chairman of the EGM as their proxy to do so on their behalf.
6. The duly executed proxy form must be submitted in the following manner:
 - (i) if submitted by post, be deposited at the office of the Company's Polling Agent, Boardroom Corporate & Advisory Services Pte Ltd, at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623; or
 - (ii) if submitted electronically, be submitted via email to the Company's Polling Agent at JGLAGM2021@boardroomlimited.com,in either case, not less than **72 hours** before the time appointed for holding the EGM.
7. Shareholders who hold their shares through a Relevant Intermediary as defined in Section 181 of the Companies Act, Chapter 50 of Singapore (including SRS investors and holders under depository agents) and who wish to exercise their votes by appointing the Chairman of the EGM as proxy should approach their respective Relevant Intermediaries (including their respective SRS approved banks or depository agents) to submit their voting instructions by 5.00 p.m. on 20 January 2021, being 7 working days before the date of the EGM.

Submission of questions prior to the EGM

8. Shareholders may submit questions related to the resolutions to be tabled at the EGM during Pre-registration via the EGM Registration and Q&A Link at <http://septusasia.com/jumbo-agm-registration/>, or by email (together with their full name (as per CDP records), identification number, and contact number (to enable the Company and/or its agents and service providers to authenticate their status as Shareholders) to the Company by 10.00 a.m. on 26 January 2021 to JGLAGM2021@boardroomlimited.com, so that they may be addressed during the EGM proceedings. Shareholders will not be allowed to ask questions during the live webcast of the EGM.
9. The Company shall address relevant and substantial questions (as may be determined by the Company in its sole discretion) received. The Company will publish the minutes of the EGM on SGXNET and the Company's website within one month after the date of EGM.

Personal Data Privacy:

By attending the EGM and/or any adjournment thereof or submitting an instrument 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/or representatives appointed for the EGM and/or any adjournment thereof and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM and/or 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 a 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.

JUMBO GROUP LIMITED

Company Registration Number 201503401Z
(Incorporated in Singapore)

IMPORTANT

1. Members who wish to vote on any or all of the resolutions at the EGM must appoint the Chairman of the EGM as their proxy to do so on their behalf.
2. This proxy form is not valid for use by SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them. Such investors should approach their Relevant Intermediary as soon as possible to specify voting instructions. SRS investors should approach their respective SRS Operators at least seven working days before the EGM to ensure their votes are submitted.
3. PLEASE READ THE NOTES TO THE PROXY FORM.

PROXY FORM

(Please see notes overleaf before completing this form)

I/We, _____ (name) of

_____ (address)

being a member/members of **JUMBO GROUP LIMITED** (the “Company”), hereby appoint:

Name	Proportion of Shareholding to be represented	
	No. of Shares	%
Chairman of the EGM		

as my/our proxy, to attend and vote for or against or abstain from voting on the Resolution to be proposed at the EGM as indicated hereunder, for me/us and on my/our behalf at the EGM to be held by way of electronic means on Friday, 29 January 2021 at 11.00 a.m. (or as soon thereafter following the conclusion or adjournment of the annual general meeting of the Company to be convened on the same day and at the same place) and at any adjournment thereof.

If you wish to exercise all your votes “For” or “Against” a Resolution, please tick [✓] within the “For” or “Against” box provided. Alternatively, please indicate the number of votes “For” or “Against” the relevant Resolution.

If you wish to abstain from voting on a Resolution, please tick [✓] within the “Abstain” box provided. Alternatively, please indicate the number of votes in the “Abstain” box for the relevant Resolution.”

No.	Resolution relating to:	For	Against	Abstain
1.	The proposed renewal of the Share Buyback Mandate			

Dated this _____ day of _____ 2021

Total number of Shares in:	No. of Shares Held
(a) CDP Register	
(b) Register of Members	

Signature(s) of Shareholder(s)
or, Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES OVERLEAF



Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Cap. 289 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members of the Company, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members of the Company. If no number is inserted, this proxy form will be deemed to relate to all the shares held by you.
2. **In light of the current COVID-19 measures in Singapore, members will not be able to attend the EGM in person. A member (whether individual or corporate) must appoint the Chairman of the EGM as his/her/its proxy to attend and vote on his/her/its behalf at the EGM if such member wishes to exercise his/her/its voting rights at the EGM.** This proxy form may be accessed and downloaded from SGXNET and the Company's website. A printed copy of this proxy form will not be despatched to members. In appointing the Chairman of the EGM as proxy, members must give specific instructions as to voting, or abstention from voting, in respect of a resolution in the proxy form, failing which the appointment of the Chairman of the EGM as proxy for that resolution will be treated as invalid.
3. This proxy form must be submitted to the Company in the following manner:
 - (i) if submitted by post, be deposited at the office of the Company's Polling Agent, Boardroom Corporate & Advisory Services Pte Ltd, at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623; or
 - (ii) if submitted electronically, be submitted via email to the Company's Polling Agent at JGLAGM2021@boardroomlimited.com,in either case, not less than **72 hours** before the time appointed for holding the EGM.
4. This proxy form must be under the hand of the appointor or of his/her attorney duly authorised in writing. Where this proxy form is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer.
5. Where this proxy form is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with this proxy form, failing which this proxy form shall be treated as invalid.
6. Members who hold their shares through a Relevant Intermediary as defined in Section 181 of the Companies Act, Chapter 50 of Singapore (including SRS investors and holders under depository agents) and who wish to exercise their votes by appointing the Chairman of the EGM as proxy should approach their respective Relevant Intermediaries (including their respective SRS approved banks or depository agents) to submit their voting instructions by 5.00 p.m. on 20 January 2021, being 7 working days before the date of the EGM.

General:

The Company shall be entitled to reject a proxy form which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the proxy form. In addition, in the case of shares entered in the Depository Register, the Company may reject a proxy form if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the notice of EGM.